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The President's Daily Brief

May 6, 1974

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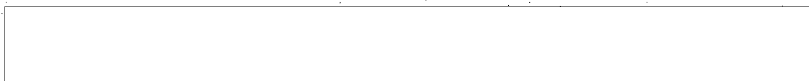
FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

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PRINCIPAL DEVELOPMENTS

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Portuguese Socialist leader Mario Soares has outlined his understanding of the junta's plans for an interim government. *(Page 2)*

The French presidential run-off election on May 19 could be a close race between Francois Mitterrand and Valery Giscard d'Estaing. *(Page 3)*

A Syrian official in Damascus reports that Soviet Foreign Minister Gromyko will leave Syria late tomorrow morning. *(Page 4)*

Canada's minority government is not likely to survive parliamentary debate this week on its budget message. *(Page 4)*

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SYRIA-ISRAEL



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Fighting did slacken over the weekend. UN observers, however, confirm Syrian and Israeli press reports that exchanges of artillery, rocket, tank, and mortar fire were taking place yesterday in the Mount Hermon area and elsewhere on the Golan front.

Israeli aircraft flew air strikes against targets in the Mount Hermon area on Saturday. The targets included fedayeen positions on the Lebanese side of the mountain. Air activity on Sunday was limited to reconnaissance and defensive missions. No air-to-air combat was reported over the weekend.

FOR THE PRESIDENT ONLY

PORTUGAL

Portuguese Socialist leader Mario Soares outlined to Ambassador Hillenbrand in Bonn on May 3 his understanding of the junta's plans for an interim government. He said the next government, which will be appointed within two weeks, will represent the Portuguese political spectrum and will include Communists as well as Socialists. He implied that he would become prime minister. The new government will remain in office until elections next year.

Soares advanced two reasons for including the Communists in the government: if not included, the Communists would press for early elections; and it would be better to let the Communists share the successes and failures of the government than to leave them on the outside to criticize.

When asked to what extent he and Spinola are in accord, Soares replied that their views are "basically identical." He said the only difference is Socialist insistence on a more rapid pace toward decolonization.

Soares' comments are identical to what he told Foreign Secretary Callaghan in London last Thursday.

A recent press interview with the young officers who claim to have planned and organized the coup suggests that preparations for the takeover had been in progress for about a year. The officers implied in the interview that they have the power to dominate the junta. General Spinola's record as a strong leader, however, makes it unlikely that he would accept the position of a figurehead.

FOR THE PRESIDENT ONLY

FRANCE

Francois Mitterrand and Valery Giscard d'Estaing yesterday easily won the right to face each other on May 19 in a run-off for the French presidency.

With about 90 percent of the votes counted, it appears that Mitterrand will take about 43 percent and Giscard around 33 percent of the vote. Despite a record turnout, Mitterrand seems to have failed to improve on the proportion of first-round votes usually won by the left and he received two percent fewer votes than predicted in the last opinion polls.

The outcome of the second round may be close. The latest polls indicated for the first time that Mitterrand might defeat Giscard in the second round, but the balance could easily shift back in Giscard's favor in the next two weeks. In the past, a significant percentage of the electorate has registered its dissatisfaction with government policies in its first-round votes. In the second round, however, it has voted for stability, which has been most beneficial to the voters' pocketbooks.

The French electorate clearly wants economic and social changes, and both candidates are promising reform. The middle-of-the-road voters will decide the race. They have not yet indicated clearly if they prefer Giscard's moderate proposals or if they will back Mitterrand despite his link with the Communists.

FOR THE PRESIDENT ONLY

NOTES

USSR-Syria: A Syrian official in Damascus informed the US interests section last night that Soviet Foreign Minister Gromyko will leave Syria late tomorrow morning. Yesterday, Gromyko began talks with President Asad and Foreign Minister Khaddam soon after his arrival. Secretary Kissinger is scheduled to arrive in Damascus tomorrow.

Canada: Prime Minister Trudeau's minority government is not likely to survive parliamentary debate this week on its budget message. Rising inflation and widespread labor troubles during April have led the opposition to intensify its attacks on the government's economic policies. The New Democratic Party, which holds the balance of power in parliament, is likely to support a Tory no-confidence vote, or even propose one of its own. Passage of the motion would lead to the government's resignation and new elections could then be scheduled for July 8.

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