



The President's Daily Brief

July 11, 1975

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~~*Top Secret*~~ 25X1



Exempt from general
declassification schedule of E.O. 11652
exemption category 5B(1),(2),(3)
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FOR THE PRESIDENT ONLY

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Table of Contents

Portugal: The Socialist Party last night withdrew from the four-party coalition government. (Page 1)

USSR: Emigration during the first six months of this year was over 40 percent below the comparable figure for 1974. (Page 3)

Malagasy Republic: President Ratsiraka told the US chargé yesterday that the NASA tracking station will have to close next week. (Page 4)

Italy: The Socialist Party's preference for local governmental alliances with the Communist Party is putting further strains on the Moro government. (Page 5)

Note: USSR-Somalia (Page 6)

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PORTUGAL

The Portuguese Socialist Party withdrew from the four-party coalition government last night to protest the Revolutionary Council's naming of a military commission to run the Socialist newspaper Republica.

The move came when Republica published an issue under the control of a workers' coordination committee with an army officer as editor.

The Socialists say their two ministers will not return to the government until the Revolutionary Council carries out its promise to return the paper to its legal owners. The Socialists put out a communiqué saying that the alliance of Portuguese political forces must be based on the observance of pacts signed by them and upon "respect for the pledged word."

The center-left Popular Democrats [redacted] are considering pulling their two ministers out of the coalition government as well.

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The Socialists have threatened to pull out of the government over various controversies since last January. They had been moving in the direction of open defiance of the Armed Forces Movement since its general assembly announced on Wednesday a decision to create a system of popular organizations. The proposals were seen by the Socialists and other moderates as a threat to bypass political parties altogether.

[redacted] the Socialists would never accept popular councils or assemblies created outside the present party system. The party blamed the general assembly's action on Communist influence and urged Socialists to prepare for nationwide demonstrations.

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The Socialists' anger was aroused further by a demonstration held last night in front of the presidential palace. It was sponsored by the Communist-dominated labor confederation and attracted an estimated 15,000 workers. Both Prime Minister Goncalves and President Costa Gomes praised the crowd for supporting discipline and order.

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The US embassy in Lisbon meanwhile has reported that Major Canto e Castro--regarded as a supporter of security forces commander Otelo de Carvalho and the leftist nationalist faction--led an attempt to remove Goncalves at a Revolutionary Council meeting last Wednesday. The attempt reportedly was halted by Costa Gomes in an effort to maintain cohesion within the military leadership.

If the Socialists stick with their decision to remain in open opposition to the military government and are supported by the Popular Democrats, the government will be left in the hands of the Movement, the Communists, and the Communist-dominated Portuguese Democratic Movement.

Military leaders will have to reorganize the cabinet, at least to replace the ministers who have resigned. If a new coalition cannot be put together, the Movement may be inclined to set up an all-military government to avoid international criticism of a government supported only by the Communists.

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USSR

During the first six months of this year, 6,253 people ostensibly bound for Israel received permission to emigrate from the USSR, according to the Dutch embassy in Moscow. This figure is more than 40 percent below the comparable figure for 1974 and nearly 60 percent below the record high reached in the first half of 1973. More than half of those declaring for Israel have gone elsewhere--mostly to the US.

The Dutch embassy, which handles Israeli interests in the USSR, attributes the decline in emigration this year to the increased success of Soviet authorities in dissuading potential emigrants from filing exit applications. The Soviets offer inducements not to file, such as promises of advancement in employment and educational opportunities, coupled with negative pressures, such as reproaches from colleagues and neighbors who have been made aware that a family is considering emigration. While the emigrants do not report notable increases in outright harassment by Soviet authorities, selective instances of imprisonment and loss of employment have effectively intimidated many would-be applicants.

Misinformation on living standards in the West, as well as grapevine accounts of genuine difficulties in adjusting to life in Israel and the US, have also affected the emigration rate. Even some of the better-educated applicants appear genuinely to believe that unemployment and other economic woes have driven Western living standards lower than those in the Soviet Union. The Dutch embassy reports that the only identifiable group still firmly committed to settling in Israel is that of "Oriental" Jews from the Caucasus and Central Asian regions.

Party chief Brezhnev strongly implied in a recent meeting with a group of US Senators that the tighter Soviet policy on Jewish emigration will continue. His remarks were obviously intended to make clear that no Soviet concessions could be expected before the US Congress removes the link between freer emigration and expanded trade.

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MALAGASY REPUBLIC

President Ratsiraka told the US chargé yesterday that the NASA tracking station in the Malagasy Republic will have to close next week because Washington has refused to make back rental payments. Ratsiraka indicated that the facility will have to shut down before the Apollo-Soyuz flight.

The agreement allowing NASA to operate the station, concluded under a previous Malagasy regime, formally expired at the end of 1973. Ratsiraka, who was then foreign minister, demanded the payment of \$10 million in back rent for the period prior to 1973 as the price for renewing the agreement. He pressed for this payment again after becoming president last month.

The US refused to pay back rent on the grounds that the original agreement did not provide for rent, but agreed to pay an annual sum of \$100,000 in the future.

The closing of the station on this island in the Indian Ocean should have no effect on the joint US-Soviet flight. Other systems are available for checking the spacecraft as they pass over the area.

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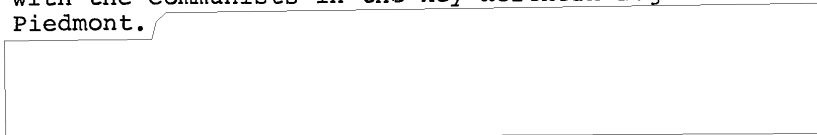
ITALY

The Italian Socialist Party's apparent preference for local governmental alliances with the Communist Party is putting additional strains on the Moro government, which the Socialists are committed to support in parliament.

Yesterday the Socialists chose to join a Communist-led government in Liguria rather than participate in a center-left coalition there. This will add a fourth region to the north-central "red belt," where the Communists predominate but share power with the Socialists.

The other center-left parties may not object too strongly to this outcome in Liguria because most politicians expected it. Liguria was the only additional region in which the two parties captured a clear majority in the elections, and they already controlled Genoa, the local capital.

A more likely source of trouble is the Socialists' apparent preference for a minority government with the Communists in the key northern region of Piedmont.



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NOTE

Soviet Ambassador Samsonov admitted to the US charge in Somalia on July 7 that there is a missile-handling facility in Berbera.

This is the first time a Soviet official has acknowledged that such a facility exists. He said it was for short-range missiles for the Somali navy, but did not use the NATO term Styx. The lifting and handling equipment in the high bay building at Berbera, however, is capable of handling missiles far larger than the Styx, or any other missile consistent with Somali needs or capabilities. Samsonov's admission may be the harbinger of a shift in Moscow's public line from denials of Soviet bases to assertions that all military facilities are there to serve the Somalis. It also seems to indicate that the Somalis will, indeed, get patrol boats to put under the Styx.