



The President's Daily Brief

July 14, 1975

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FOR THE PRESIDENT ONLY

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PORTUGAL

The Revolutionary Council has called on Prime Minister Goncalves to fill the cabinet vacancies left by the Socialists as soon as possible with individuals who will "place national interest above party interest." Replacements for the justice minister and the five Socialist secretaries of state are likely to be from the military. The post held by Socialist Party leader Soares--that of minister without portfolio--reportedly will be abolished.

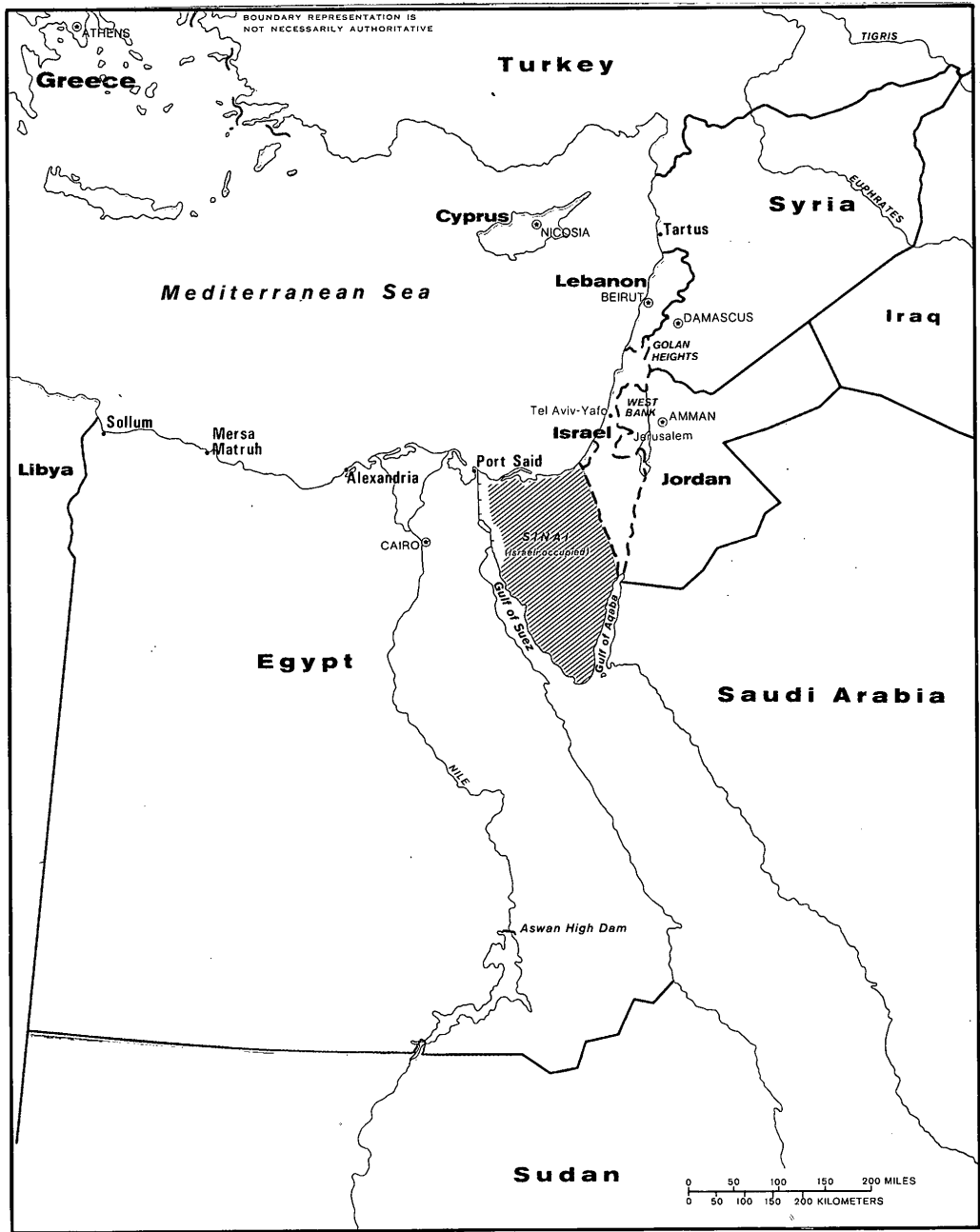
Prime Minister Goncalves appears to be holding onto his own position despite an effort to remove him at the meeting of the Revolutionary Council last Wednesday. President Costa Gomes, who reportedly refused to let the motion against the Prime Minister come to a vote, appears determined to keep Goncalves in office, at least for now, in order to maintain a facade of Council unity.

Foreign Minister Antunes says the Council actually is badly divided. The US embassy has learned from a reliable source that Antunes--moderate leader of the military group that is seeking to replace Goncalves--is in close contact with Soares and may be planning coordinated moves in the near future.

The Socialists do not appear to have decided how to follow up their withdrawal from the government. Soares has promised to hold a press conference this week to announce the party's decisions.

The Socialists' course of action will depend in part on whether the center-left Popular Democrats follow them out of the government. President Costa Gomes is due to respond on Wednesday to the conditions presented by the Popular Democrats for staying in the government.

The Communists are calling the Socialist pull-out a divisive act intended to "set up a new coalition of right-wing forces." One party allied with the Communists is calling for the dissolution of the constituent assembly.



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EGYPT-USSR

Egypt is denying the Soviet navy access to certain ports and anchorages-- probably to exert pressure on Moscow for a new arms agreement and a rescheduling of its debt. So far the Soviets have suffered no significant adverse effects from the Egyptian policy of denial. Some of the support services which the Soviet navy has received from Egypt can be obtained elsewhere in the Mediterranean area. The extensive repair facilities still available to the Soviets in Alexandria, however, could not be replaced.

The change in Egyptian policy was first signaled [redacted] when the Egyptians sent a minesweeper to the Gulf of Sollum [redacted]

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[redacted]

[redacted] Soviet ships at Sollum now anchor just outside the 12-nautical-mile territorial limit. [redacted]

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[redacted]

Restrictions have not yet been applied extensively, if at all, to Alexandria, the most important port in the Mediterranean for the support of Soviet naval units. [redacted]

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[redacted]

[redacted] The Egyptians may be curtailing access of Soviet warships to the port [redacted]

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[redacted]

[redacted]

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Soviet surface combatants visited Alexandria in the past less frequently than submarines or support ships. [redacted]

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the flagship of the Mediterranean Squadron recently was twice denied permission to enter the port, and [redacted] Egyptians are now requiring diplomatic clearance for Soviet warships desiring to enter Alexandria.

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Effect of Restrictions

The restrictions imposed by the Egyptians thus far have had no appreciable effect on Soviet naval operations or capabilities in the Mediterranean.

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[redacted]

Egyptian Objectives

The Egyptians must hope that their harassment of the Soviets will serve as a counterpressure on Moscow in retaliation for the Soviets' refusal to sign a new arms agreement or to reschedule the Egyptian debts. The imposition of naval restrictions followed almost immediately news of the Soviet-Libyan arms deal and reports that the Soviets might gain access to naval facilities in Libya.

Nevertheless, the Egyptian move may have been planned well in advance. [redacted]

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[redacted]

Soviet Reaction

The Soviets have not reacted publicly to the Egyptian restrictions. [redacted]

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[redacted]

(continued)

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The Soviets are still shying away from a response that might lead to a rupture of relations. For the present, they have no satisfactory alternative to the repair facilities in Alexandria, which they built for the Egyptians. Over the longer term they probably hope to regain a position of influence in Cairo.

The Soviets probably would prefer to continue to rely on Egypt for the primary support of their Mediterranean Squadron rather than gamble on Libya and the unpredictable President Qadhafi. Moscow would, nevertheless, like to continue the development of relations with Libya--as well as with Syria and Yugoslavia--in the event relations with Cairo continue to deteriorate.

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NOTES

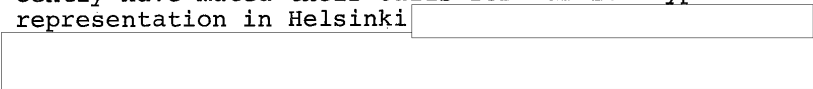


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The conferees at Geneva may agree today on July 30 as the opening date for a CSCE summit in Helsinki.

The NATO caucus decided over the weekend to accept Malta's demand for a special declaration on "lessening tensions and reducing the armed forces" in the Mediterranean region. The NATO states hope this will pave the way for the Warsaw Pact and the neutrals to accept the same language. The Turks, influenced by strong demarches from several NATO governments, are now unlikely to hold up the summit meeting. Turkish Foreign Ministry officials recently have muted their calls for Turkish Cypriot representation in Helsinki

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Israeli aircraft yesterday attacked a fedayeen base near the coastal city of Sidon in southern Lebanon.

The base, which has been the target of previous attacks, is in or near Ein el-Hilweh, the largest Palestinian refugee camp in Lebanon. Preliminary press reports indicate that four were killed and over 20 wounded. An Israeli jet was shot down; one of its two pilots was reportedly captured; the other killed. This is the second raid on guerrilla bases in Lebanon since a terrorist bombing in Jerusalem killed 14 people on July 4.

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