



The President's Daily Brief

July 21, 1975

5



~~*Top Secret 25X1*~~

Exempt from general
declassification schedule of E.O. 11652
exemption category 5B(1)(2)(3)
declassified only on approval of
the Director of Central Intelligence

FOR THE PRESIDENT ONLY

July 21, 1975

Table of Contents

Portugal: The Socialists put on an impressive show
of public support in rallies over the weekend.
(Page 1)

Notes: CSCE; Egypt-Israel (Page 2)

At Annex we present an Intelligence Alert Memorandum
on the Possible Implications of Egypt's Action
on the United Nations Emergency Force.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

PORTUGAL

Portuguese Socialists put on an impressive display of public support over the weekend, demonstrating that they are a force that cannot be ignored by the military government or the Communists.

The Socialists brought out more than 70,000 supporters for a rally in Oporto Friday, and even more for a demonstration in Lisbon Saturday. Communist efforts to block the demonstrations were unsuccessful. There were only a few clashes between Socialist demonstrators and Communists manning roadblocks.

At the Lisbon rally, Socialist leader Soares called for the resignation of Prime Minister Goncalves. Soares was probably trying to encourage moderates in the Revolutionary Council

The moderates hope to force Goncalves to offer his resignation by frustrating his attempts to form a new cabinet

25X1

25X1

The Portuguese Communist Party is using its influence over the news media to support Goncalves, claiming he is essential to the unity of the Armed Forces Movement.

25X1

If Goncalves loses Communist support, his days will be numbered.

The Communists are increasingly concerned about their waning popularity in conservative northern Portugal. Troops have been used several times to disperse mobs bent on storming and sacking Communist Party offices in the north.

FOR THE PRESIDENT ONLY

NOTES

Negotiations at the European Security Conference reached agreement on military-related confidence-building measures and several other issues early Saturday morning to make possible final acceptance of July 30 as the opening date for a summit conference in Helsinki.

[Redacted]

25X1

The order of speakers at the summit was determined by lot on Friday. Prime Minister Wilson will be first, General Secretary Brezhnev is thirteenth and you will be twenty-sixth.

* * *

Egyptian military forces apparently remained on alert during the weekend, and yesterday an Israeli broadcast reported that Israeli troops in Sinai were ordered to alert status.

General military activity appeared normal in Egypt. [Redacted]

25X1
25X1 25X1

FOR THE PRESIDENT ONLY

EGYPT

*We present an Intelligence Alert
Memorandum on the Possible Implications
of Egypt's Action on the United Nations
Emergency Force.*

The announcement last week of Egypt's refusal to extend the UN Emergency Force (UNEF) mandate in the Sinai Peninsula has thus far raised little stir. There have been no charges that Egypt is readying itself for war, despite the fact that its armed forces are on an increased state of alert. Israel has apparently not mobilized its forces, although it is closely watching Egyptian forces. Many Israelis, at least in public, are interpreting the Egyptian move as a pressure tactic that can be waited out and that will in the end prove to have been only another empty threat.

This memorandum examines the immediate implications of the Egyptian move--the possibility that the Egyptians are not bluffing, that they will order UNEF's removal if the UN Security Council does not within a week or so adopt a resolution of some substance, and that they recognize and perhaps intend that this removal will heighten the possibility of military clashes. The memorandum is meant not necessarily to predict, but to call attention to the dangers inherent in the Egyptian actions.

At the UN

Egyptian spokesmen have demanded, as the price for UNEF's continued presence, that the UN Security Council adopt a resolution on Israeli withdrawal that would "break the present stalemate" and constitute a "major step toward peace." What precisely this would entail has been left unclear. Egypt's UN ambassador has insisted on a "clear-cut, unambiguous" resolution imposing sanctions on Israel.

This memorandum was prepared July 19, 1975, by CIA and reviewed by appropriate analytical elements of the Bureau of Intelligence and Research (INR)/ Department of State, DIA, and NSA. INR believes the memorandum is excessively pessimistic regarding the imminence of a Sadat decision to abandon the negotiating track or to order the withdrawal of UNEF.

(continued)

A1

FOR THE PRESIDENT ONLY

A
Z
Z
E
X

FOR THE PRESIDENT ONLY

In a more moderate vein, Egypt's second-ranking diplomat at the UN has said Cairo will seek a resolution that defines one of UNEF's duties as the supervision of Israeli withdrawals. Whether moderate or more hard lining, the resolution Egypt seeks would, at a minimum, be less ambiguous than past resolutions on the Arab-Israeli situation.

The Egyptians have been careful to avoid reference to the US in their focus on the UN; they have made it clear that they want the US to continue efforts to mediate an interim Sinai agreement. An Egyptian UN diplomat has specifically stated that Cairo wishes to avoid provoking a US veto. The Egyptians would almost certainly extend the UNEF mandate if an interim agreement could somehow be concluded or firm agreement reached on some major aspect of it before the mandate deadline on July 24. If no concrete progress is evident by that time, however, and the issue does in fact come before the Security Council as more than a pro forma mandate extension, the Egyptians may then use the debate as the acid test of the efficacy of US-managed negotiations. President Sadat will probably make some accommodation to avoid a US veto, but he may have reached the point of impatience at which he would be less willing to accommodate and would no longer shy away from putting the US on the spot.

Beyond the Security Council

It is quite possible that the UN debate could be drawn out beyond the mandate deadline in order to postpone any Egyptian decision finally to request the evacuation of the Sinai buffer zone. The decision--if in fact the situation comes to this point--could also be taken, however, by the July 24 deadline, and Egyptian and Israeli forces could be meeting head-on in at least small-scale clashes in the buffer zone by the end of the month. If the UNEF buffer is withdrawn, it is expected that the Israelis and Egyptians will patrol the vacated zone, raising the risk of clashes that could escalate into major hostilities. Both sides may well increase their force dispositions and mobilize reservists.

(continued)

A2

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

In the event an extension resolution satisfactory to the Egyptians is negotiated within the next week or so, the danger of accidental clashes would of course largely be obviated. But successful maneuvering on this resolution would, in the absence of a further disengagement, only postpone the danger of military action. Sadat seriously intends that his action on UNEF should signal his impatience with the pace of negotiations, and any extension now is likely to be brief--no more, perhaps, than a month. At that time, if he were still unsatisfied in negotiations, Sadat would be even more likely to follow through with an order to evacuate the UNEF zone; the danger of clashes, accidental or otherwise, would then be even greater.

A grave danger in the current situation lies in the possibility that Sadat will perceive that his action on UNEF is not being taken seriously by either the Israelis or the US and that he will run the risk of war, exploiting this lack of concern to mask his military preparations. Sadat is acutely conscious of the fact that because he did bluff, and fail to follow through, in the years before the 1973 war, he became a laughing stock of the Arab world and lost the attention of the superpowers. He is proud of the fact that with the war he surprised the world with his seriousness--proved, as he puts it, that the Arabs were not a "dead corpse"--and he is not likely again to risk a reputation for empty posturing. Sadat's action on UNEF is a gambit to gain attention and exert pressure for more rapid movement in negotiations, but he is not unaware that, if it is unsuccessful, he must either take further action or lose credibility and diplomatic leverage.

The Egyptians have lost no time in calling attention to the parallels between the situation now and that in the summer of 1973. At that time, Sadat took his final test of the US to the UN Security Council and, when the US vetoed a resolution condemning Israel, he set in motion his war machine while seeming to be concentrating only on diplomacy. Sadat is a two-track strategist; in 1973 he showed that he was working on a military track while simultaneously giving diplomacy a chance to work, and in the years of negotiations since the war, he has seriously prepared for the eventuality of hostilities.

(continued)

A3

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

He is most likely to focus on the military option again when he perceives that his diplomatic efforts are not having effect and, equally important, that his political pressure is not being taken seriously. He would not signal his choice of a military over a diplomatic option, and he would not necessarily implement it immediately. The October war came more than two months after Sadat's final serious try at diplomacy through the Security Council debate in July 1973.

Sadat has said frequently that he would again take his case to the UN, if negotiations do not succeed, before going to war. If his Security Council effort fails, either next week or next month, he could decide that nothing more remains to be tried on the diplomatic track.

A4

FOR THE PRESIDENT ONLY

Top Secret