



The President's Daily Brief

September 15, 1975

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FOR THE PRESIDENT ONLY

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USSR

The Soviet grain harvest is two thirds complete, and we still estimate that it will total 170 million metric tons, making the difference between supply and requirements 27 to 32 million tons.

The production of all grains this year will be far short of normal needs, which we estimate to be about 220 million tons. An additional 13 million tons of feedgrains may be required to offset unusually large losses of hay and other forage crops which normally supply about two thirds of the country's livestock feed. The lost forage, added to the normal grain requirements, bring the total need for fiscal 1976 to roughly 233 million tons.

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These figures reflect official Soviet measures of grain production and usage, which have ranged about 8 percent above the world standard basis measure. This would mean that the Soviets' requirements probably are roughly 58 million tons more than the expected harvest.

So far during fiscal 1976, the USSR has contracted for about 16 million tons of foreign grain. In addition, Moscow undoubtedly will draw on its stocks, which we believe do not exceed 10 to 15 million tons--perhaps considerably less. This will narrow the difference between expected supply and requirements to a minimal range of 27 to 32 million tons.

The Soviets will have to make up the difference by attempting to buy additional grain from Western producers, importing soybeans to stretch feed supplies, reducing feed rations per animal, and increasing slaughter of livestock.

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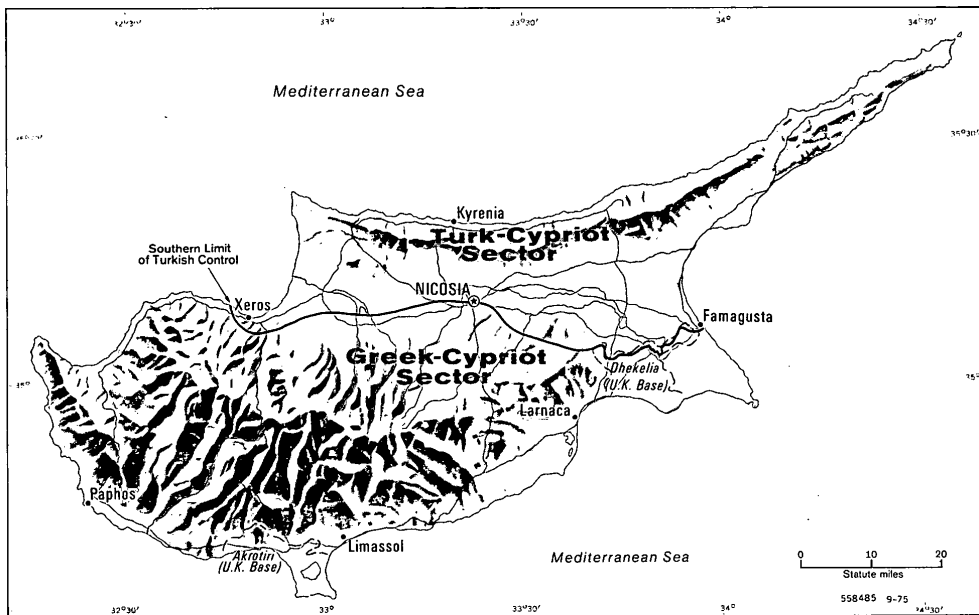
The Soviets [redacted]
[redacted] *have bought 1 million*
tons of soybeans. [redacted]
[redacted]

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Moscow will use the soybeans to augment this year's poor harvest of feedgrains and forage crops. The Soviets have made only one major purchase of soybeans before--1.2 million tons from the US in 1972. Soybeans can also be processed into vegetable oil, but the USSR will probably produce enough vegetable oil this year to meet domestic requirements.

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CYPRUS

Turkish Cypriot leader Denktash, reacting to President Makarios' decision last week to take the Cyprus issue to the UN General Assembly, has threatened to declare independence for the Turkish-controlled northern sector of the island.

After meeting with Turkish Prime Minister Demirel on Saturday, Denktash said he would ask the Turkish Cypriot constituent assembly for authority to declare independence. Such a declaration, he said, would be made if he did not have equal billing with Makarios at the UN and the Greek Cypriots did not agree to resume the stalled inter-communal talks. Ankara would likely oppose a declaration of independence at this time, but a senior Turkish official has been quoted as saying Turkey would respect a decision of the Turkish Cypriot constituent assembly.

A reported alert of Turkish Cypriot forces last week also may be intended to put pressure on the Greek side,

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Meanwhile, Greek Foreign Minister Bitsios told Ambassador Kubisch that he had reports the Turks were prepared to begin settling Varosha--the Greek sector of Famagusta that has been controlled by Turks since the fighting in 1974. This has been one of the areas thought negotiable in any territorial settlement, and one the Greek side would probably insist on having returned. A UN observer in the area has reported that up to 3,000 Turkish Cypriots may have moved into the area so far.

Bitsios has told Ambassador Kubisch that he doubts the Turks will be any more forthcoming after the Turkish senatorial election October 12. He scoffed at the idea that lifting the arms embargo would facilitate any movement on the Cyprus question. The Greek foreign minister particularly objected to NATO Secretary General Luns' implication that the Greeks supported his recent mission to Washington to lobby for lifting the embargo.

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PORTUGAL

Prime Minister - designate Azevedo announced his new government's program on Saturday to clear one obstacle, but differences among the politicians over the composition of the cabinet still must be overcome.

Azevedo announced that Major Melo Antunes will be the new foreign minister. He will not name the rest of the cabinet until sometime later this week because the Communists still are trying to obtain greater representation than either the Socialists or Popular Democrats are willing to allow. Antunes' appointment indicates, however, that some of the Communists' objections have been surmounted.

The government program announced by Azevedo is in general accord with previous demands by the Socialist Party. He indicated that democratic pluralism will prevail in the state-controlled media and in the labor movement. He also said that local elections will be held "within a reasonable period of time," and guaranteed the functioning of the constituent assembly, which is drafting a constitution.

Azevedo left no doubt that the goals of his government would be to advance toward socialism and to defend those "revolutionary" gains already made. He assured his listeners, however, that the advance would be made with full respect for democratic freedoms. He called for a restoration of order and discipline in the armed forces and mentioned a crackdown on armed civilian groups.

The prime minister - designate gave lip service to the idea of freeing Portugal from foreign economic domination. He also mentioned, however, that he would seek closer economic relations with Western Europe. The naming of Antunes as foreign minister is a step toward improving relations with Western Europe and an indication that the new government will seek economic assistance from the EC. The EC Commission's working group on Portugal is scheduled to resume meetings today. The Commission is hopeful that the EC foreign ministers will agree to its recommendations for aid to Portugal at their October 6-7 meeting.

Former president Spínola, who reportedly was meeting with other exiles in Paris last week, has returned to Brazil.

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NOTES

The president of Ethiopia's military council, General Teferi Benti, said at a press conference yesterday that the US communications installation in Asmara, part of which was severely damaged by Eritrean insurgents over the weekend, would be closed down by the end of the year.

His statement left some confusion as to whether the facility would cease to operate or would operate on a more restricted basis. The remark was in line with a government statement to the UN last year, however, that the installation would be shut down-- a statement made to promote an Ethiopian image of nonalignment. The two Americans and six Ethiopians who were manning the part of the installation that was attacked are still missing. Repairs to the site cannot be completed for at least a month.

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There have been some signs that Soviet chief of staff Kulikov is interested in arranging a trip to the US. The idea might be raised when he sees [redacted] later this month.

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Many foreign observers believe that Kulikov is likely to replace 70-year-old Marshal Grechko, when the latter leaves his post as minister of defense.

[redacted] believes that Kulikov has made some effort to prepare himself for moving into Grechko's slot. Kulikov has placed loyal officers in key military positions and has been increasing his exposure by more travel and contacts with foreigners.

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The Soviets apparently are removing their MIG-25 reconnaissance aircraft from Egypt.

One AN-22 heavy transport, the type of aircraft used to deliver the MIG-25s to Egypt, arrived in Cairo on Saturday and remained overnight before returning to the USSR. Additional AN-22 flights were scheduled for yesterday and today. These flights most likely are associated with the withdrawal of the MIG-25s. [redacted]

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