



The President's Daily Brief

April 22, 1976

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~~*Top Secret*~~ 25X1

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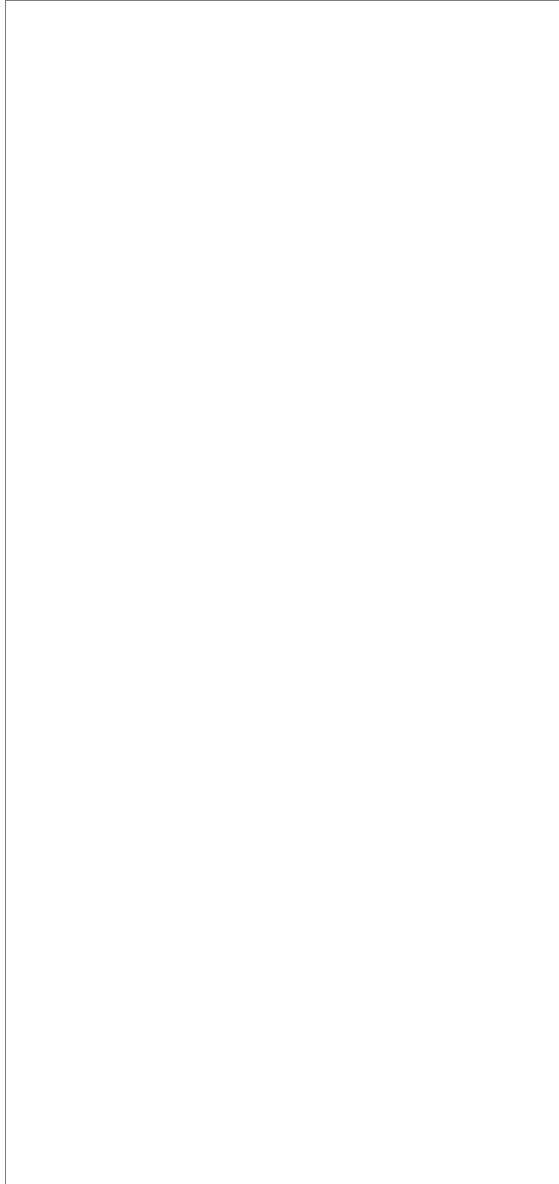
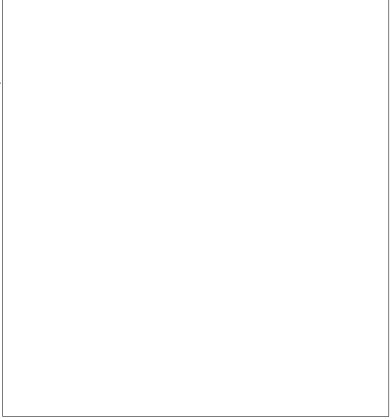
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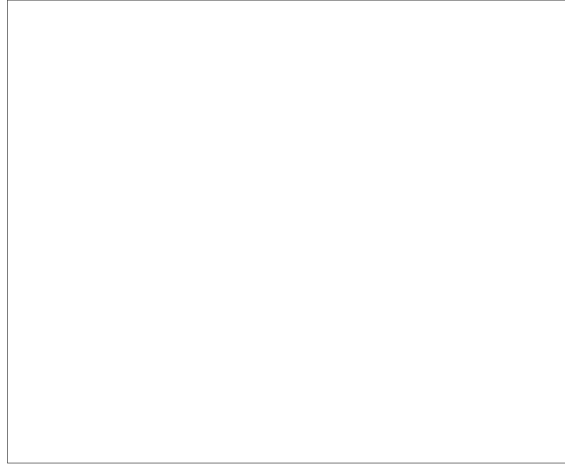
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LEBANON: 



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PORTUGAL: *Portuguese voters go to the polls on Sunday--the second anniversary of the overthrow of the Caetano regime--to select their first freely elected parliament in half a century.*

The pronounced shift away from the left since last summer augers well for the center and center-right parties. The fact that a democratic election is being held at all is due in large measure to the persistent opposition of Mario Soares and other Socialist leaders to former prime minister Vasco Goncalves and his Communist supporters. The irony is that the conservative backlash, which the Socialists by their criticism of the Communists helped to trigger, will cut into the Socialists' own vote totals.

Opinion polls indicate that the Socialists will receive 30 to 35 percent of the vote, the Popular Democrats 28 to 35 percent, the Social Democratic Center 18 to 25 percent, and the Communists 8 to 12 percent.

Should the Socialists win anywhere near the 40 percent they are seeking, they probably will try to form a government with support from independents.

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The most likely outcome of the election is a coalition government comprising the Socialists and one or both parties to their right, although the Socialists have disavowed any interest in combining with either the right or the Communists.

Even though the Popular Democrats and the Social Democratic Center could win a majority of the assembly seats, a two-party center-right coalition with no labor credentials would lack stability.

If the effort to form a workable coalition is prolonged, calls for a national unity government that would include the Communists are likely to be heard. The vital importance of labor peace also may be advanced as an argument for Communist participation.

Whatever the outcome of the assembly election, the new president-- who will be elected in late June-- will play an important role in forming the government. The present head of state, Costa Gomes, Prime Minister Azevedo, and Army Chief of Staff General Eanes, appear to be fading from contention.

Northern military region commander Pires Veloso has emerged as the military front-runner. Recent statements by the general indicate that as president he would adopt a hard line against leftist manipulation of the labor sector.

The two-month interregnum between elections could see various attempts to disrupt the relative stability Portugal has enjoyed since November. A poor showing by the Communists, coupled with their probable exclusion from the government, could prompt them to take

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some rash action, including an attempt, in collusion with leftist military officers, to have the election results suspended.

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IRAQ-SYRIA: Iraq cut off oil to Syria on April 9, forcing Damascus to seek crude elsewhere.

The transit pipeline agreement under which Syria had been buying 50,000 barrels per day of Iraqi crude expired last December. Differences over the price of Iraqi oil and Syrian transit fees have prevented the two governments from concluding a new agreement.

Syria depends exclusively on Iraq for light crude and will also lose transit fee earnings which provided significant foreign exchange. Damascus could meet its refining requirements by purchasing light crude from other suppliers at world market prices--which are considerably higher than the price paid Iraq under the former agreement.

The Iraqi decision to cut off the oil flow may have followed Syrian efforts to take more oil from the pipeline than allowed under the old agreement. The move may also have been timed to obstruct Syria's most recent efforts to resolve the Lebanese crisis. The Iraqis have supplied [redacted] fedayeen radicals in an effort to undercut Syrian mediation efforts in Lebanon and have been vocal in their criticism of recent Damascus policies.

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The two rival Baathist governments have been bickering more or less openly since last spring when Damascus cut off water to Iraq from the Euphrates River for allegedly meddling in Syria's internal affairs. If Syria wanted to exert

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pressure on Iraq to resume oil shipments, withholding water would be the most obvious and effective way of doing so. There is no indication so far that Damascus has taken that action.

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NOTES

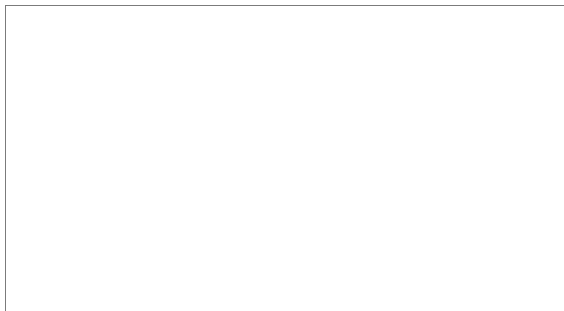
The Soviets apparently are preparing to orbit a military version of the Salyut space station, probably within the next two months.

A major goal of the Soviet manned space program is to develop and use long-term military space stations. They probably will man the space station for at least one 90-day period. This would break the manned space station record of 84 days established by the US with Skylab 3 in 1974. The Soviets conducted a successful 91-day unmanned qualification flight with Soyuz 20 and Salyut 4 between November 17, 1975, and February 16, 1976.

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The formation of the new Thai government is proceeding on schedule with yesterday's royal decree appointing the new cabinet under Prime Minister Seni.



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Small groups of armed National Front personnel are still active in northeastern Angola.



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Zairian President Mobutu allows the Front to maintain an underground headquarters in Zaire, but he does not appear to be providing assistance. Sporadic low-level skirmishing is likely to continue for some time.

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