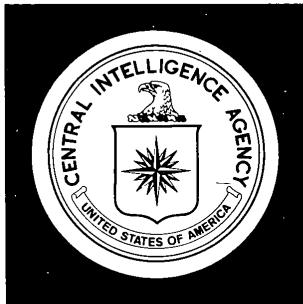


✓



# The President's Daily Brief

*September 1, 1976*



~~2~~  
~~Top Secret~~ 50X1

Exempt from general  
declassification requirements of E.O. 14176  
exemption category 5B(1),(2),(3)  
declassified only on approval of  
the Director of Central Intelligence

*FOR THE PRESIDENT ONLY*

September 1, 1976

Table of Contents

Lebanon-Syria: Lebanese president-elect Ilyas Sarkis met with Syrian President Asad yesterday to discuss current peace negotiations and Sarkis' assumption of the presidency later this month. (Page 1)

Egypt-Libya: Egyptian preparations continue for possible military action against Libya. (Page 2)

Mozambique-Rhodesia: Mozambican President Machel unexpectedly has called a meeting of the leaders of the feuding Rhodesian nationalist factions. (Page 3)

Korea: North Korea continues to warn that the threat of a US-provoked war on the peninsula is increasing. (Page 4)

USSR: The US embassy in Moscow believes that leadership changes are in the offing. (Page 5)

Notes: Turkey; Kenya-Uganda; USSR; Portugal; Mexico (Pages 7, 8, and 9)

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**LEBANON-SYRIA:** *Lebanese president-elect Ilyas Sarkis met with Syrian President Asad yesterday to discuss current peace negotiations and arrangements for Sarkis' takeover from President Franjiyah on September 23.*

Sarkis and Asad have had virtually no previous direct, personal contact, and both men probably approached the meeting with uncertainty. Sarkis is indebted to the Syrians for his election last May and must now rely on them to help engineer his assumption of power. He also is acutely aware that his effectiveness as president depends on his ability to retain the confidence of all parties to the conflict; his views on steps to end the war may therefore not be in complete harmony with Asad's.

*The leftist-controlled Beirut press charged yesterday that Syria moved an additional 20,000 troops into the Bekaa Valley in eastern Lebanon over the weekend, but*

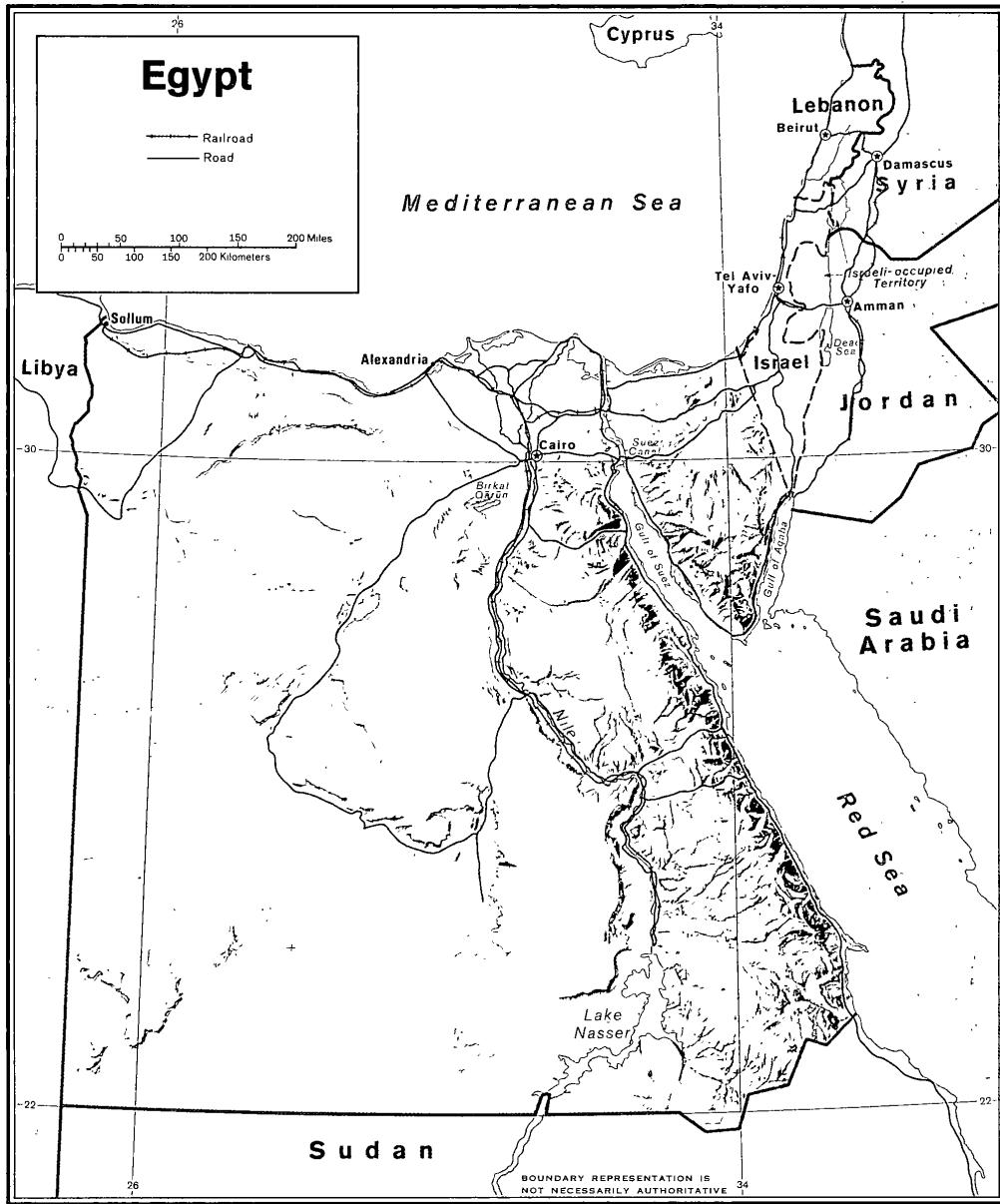
*[redacted] there has been no significant increase in Syrian troop levels.*

A Western diplomat who regularly travels through Syrian-held territory observed no change in Syrian deployments while driving along the Beirut-Damascus highway on Monday. Syria has approximately 5,000 troops stationed just beyond the Lebanese border, and repositioning of these forces would be difficult to detect. 50X1

The Christians reportedly have reinforced their positions in the southern outskirts of Beirut, presumably in conjunction with plans for a new offensive coordinated with the Syrians. They recently moved 30 "heavy weapons" to the area, [redacted] which are now aimed in the general direction of the Beirut airport. 50X1

50X1

--continued



620375 8-76

*FOR THE PRESIDENT ONLY*

*Arab League efforts to arrange a local cease-fire in the Mount Lebanon area received a major setback yesterday from Palestinian leader Salah Khalah, who announced that the Palestinians would not accept a truce agreement that is not part of an overall settlement.*

The Palestinians apparently have decided they cannot afford to jeopardize their positions in Christian territory and thereby drastically reduce their bargaining power in future negotiations. They also probably suspect--with some justification--that Camille Shamun's Christian forces would not adhere to the cease-fire agreement.

\* \* \*

**EGYPT-LIBYA:** *Egyptian preparations continue for possible military action against Libya.*

Egyptian TU-16 medium bombers are conducting tests using "runway bombs," [redacted] 50X1 apparently to check the feasibility of using these aircraft to neutralize enemy airfields. [redacted] 50X1  
[redacted] 50X1

Some 40 to 50 jeeps and trucks that were seen loaded on rail flatcars south of Alexandria yesterday morning had departed by midday, presumably for the Libyan border.

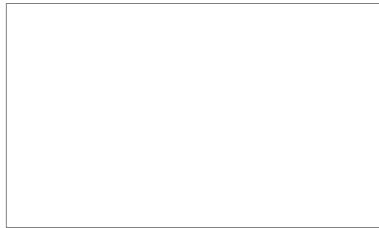
The Egyptian marine infantry brigade in the border area was placed on full alert yesterday and was to assume a defensive posture [redacted] 50X1 We 50X1 do not know if this action has been taken as a precaution during Libya's celebration of its revolution today or whether it is connected with Egypt's own military activity near the border.

--continued

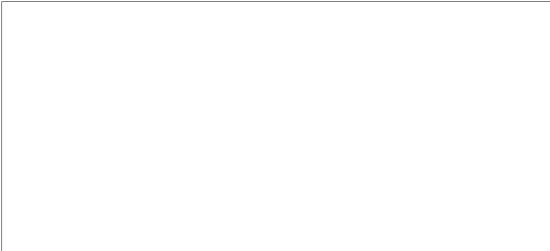
/

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*



50X1



50X1

\* \* \*

**MOZAMBIQUE-RHODESIA:**

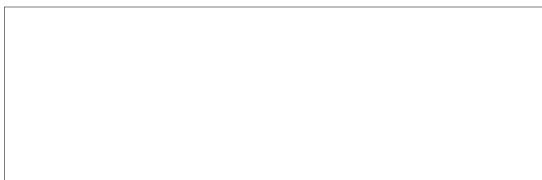
*Mozambican President Machel unexpectedly has called a meeting of the leaders of the feuding Rhodesian nationalist factions. The hurried nature of the gathering strongly suggests that the session is keyed to the meeting this weekend of Secretary Kissinger and South African Prime Minister Vorster.*



50X1

The "third force" is an organization that Tanzanian President Nyerere and Machel are promoting as an alternative to the present squabbling Rhodesian African nationalist groups. Machel also wanted Joshua Nkomo to attend, but the latter is in the Middle East and will be represented by a subordinate.

50X1



Both the "third force" leaders-- who will be attending such a high-level meeting for the first time-- and Muzorewa, who has been barred from the guerrilla camps, reportedly are eager to use the session with Machel to strengthen the positions of their own factions.

--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

Machel has leverage over the nationalist politicians because he controls their access to the guerrilla camps in Mozambique.

\* \* \*

*KOREA: North Korea continues to warn that the threat of a US-provoked war on the peninsula is increasing--a line that was prominent for months before the recent Panmunjom incidents.*

A North Korean broadcast on August 29, for example, pointed to reports that the nuclear-powered submarine Pollack is in the Sea of Japan as further evidence of US preparations to "light the blasting fuse of war."

North Korean authorities have also ordered a selected reduction in nonessential contacts with foreigners. This move is probably part of a general effort by Pyongyang to build an air of crisis around the Korean issue in preparation for this fall's UN General Assembly session. There is no evidence that this reflects serious war preparations.

At the meeting of the Military Armistice Commission yesterday, North Korea presented details of its plan for the separation of military personnel of both sides at Panmunjom, including the removal of North Korean guard posts from the UN side of the joint security area.

Given the considerable detail in Pyongyang's proposal and the businesslike approach of the North Korean representatives, it appears that North Korea now is interested in concluding an early agreement. Additional meetings to discuss specific arrangements were to begin early this morning.

\* \* \*

--continued

***FOR THE PRESIDENT ONLY***

*USSR: The US embassy in Moscow believes that the appearance of Soviet correspondent Viktor Louis' byline on the London Evening News story concerning Premier Kosygin's reported swimming accident indicates that leadership changes are in the offing.*

In the embassy's view, given Louis' history as a transmitter of authoritative leaks, the story should be read as a signal that Kosygin's status may change in the not-too-distant future, whether or not he is actually ill. Since the 1976-1980 five-year plan should be presented by the Premier to the Supreme Soviet this fall, the embassy believes that this "news story" signal may be intended to prepare the West for another face in the premiership at that time.

Change of status for a leader of Kosygin's rank, responsibilities, and political stature will obviously necessitate serious "bumping" among the current leaders and their clients below. In the embassy's view, the current stand-pat leadership will wish to limit to the extent possible the effects of such a change, but none of the possible contenders to replace Kosygin has clear and unchallenged credentials for the job, and the choice will not be an easy one. Any such shift would be read as a signal that the changing of the guard was at last under way, bringing unwelcome frictions within the Kremlin.

*We think that the embassy may be relying too much on the significance of Viktor Louis' byline.*

Louis himself continues to disavow authorship and yesterday told Western newsmen that he had no information on the reported swimming accident. Even assuming that he is indeed the source of the story, his past reporting record has been mixed.

--continued

*FOR THE PRESIDENT ONLY*

We expect the five-year plan to be presented to the Supreme Soviet in October. That session will probably be preceded by a meeting of the party's Central Committee--the forum in which leadership changes at this level must be announced. If Kosygin does go--either to honorable retirement or to President Podgorny's less demanding post--it will mean a break in the circle of "seniors" in the Politburo who have been the guarantors of continuity and stability, and would, as the embassy points out, lead to a sense of fluidity in the leadership and to jockeying for position among the survivors.

--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

NOTES

The Turkish research ship Sismik I was scheduled to leave Izmir last night on its fourth mission, according to a broadcast yesterday by the Turkish government-operated communications network.

The government has not announced the exact area and duration of this mission, as it has done at least one day prior to each of the last three missions. This suggests that the ship may be undergoing a shakedown cruise before beginning exploration again. The ship has been in Izmir during the past week for maintenance and possibly installation of new equipment.

\* \* 50X1 50X1 50X1 50X1

[redacted] Kenya [redacted]

[redacted]

\* \* \*

[redacted]  
the Soviets probably will be able to diagnose and correct the atmospheric conditioning problem on the Salyut 5 space station.

50X1

We expect another crew will be sent to the space station within several months. The two Salyut 5 cosmonauts returned to Earth prematurely on August 24 [redacted]

50X1

[redacted] Salyut 5 seems to be fully operational and probably has supplies for an additional 40 to 70 days of manned flight. More supplies could be sent up with the new crew in a Soyuz spacecraft.

50X1

--continued

*FOR THE PRESIDENT ONLY*

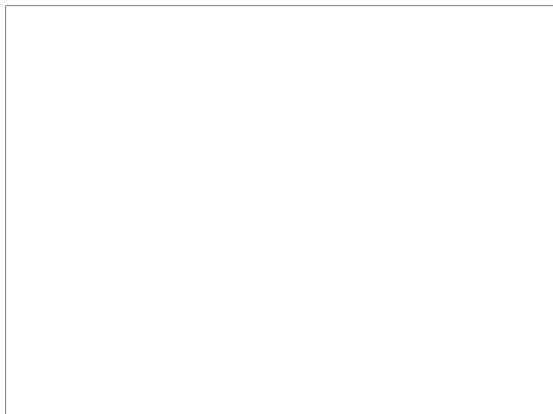
*FOR THE PRESIDENT ONLY*

In the meantime, even though un-manned, Salyut 5 is likely to continue some photographic activity, and it may have the capability to deorbit film capsules automatically.

\* \* \*

50X1

The Portuguese government reportedly is planning to approach the US embassy in Lisbon within the next three weeks to discuss reopening negotiations on the US base at Lajes in the Azores.



Possibly in an effort to help smooth the way, Soares appears to be taking a less dogmatic stand on the use of the Azores for the re-supply of Israel in a renewed Middle East conflict.

A spokesman for the Prime Minister said on Monday that the government would respond to new requests for the use of the base on a case-by-case basis.

\* \* \*

Mexico's release yesterday of the peso from its fixed exchange rate with the US dollar will result in a devaluation that Mexican officials reportedly hope can be held to around 20 percent.

Monetary controls and export and excess profits taxes will be employed to prevent speculation, but no exchange controls will be introduced. International banking sources in Mexico City have said the peso will probably stabilize at about 20 to the dollar, down from the present 12.5.

--continued

*FOR THE PRESIDENT ONLY*

The peso has come under growing pressure recently as inflation in Mexico has continued to outpace that in the US. This has resulted in an overvaluation of the peso by as much as 40 percent to 60 percent.

Capital flight, the recent increase of which provoked the float at this time, will be reduced if the government institutes the necessary fiscal and monetary policies to complement the devaluation. President Echeverria is expected to elaborate on such reforms later today in his State of the Republic address.

*FOR THE PRESIDENT ONLY*

*Top Secret*



# The President's Daily Brief

*September 2, 1976*

2

~~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***

September 2, 1976

**Table of Contents**

Turkey-Greece: The fourth phase of operations by the Turkish research ship Sismik I is likely to heighten Greek-Turkish tensions again and could undermine recent UN efforts to get bilateral talks started on Aegean problems. (Page 1)

Libya-Egypt: A speech by Libyan President Qadhafi last night seemed clearly intended to avoid giving Cairo provocation for military or political action against him. (Page 1)

Lebanon: No statement has yet been issued on the substance of talks between Lebanese president-elect Ilyas Sarkis and Syrian President Asad in Damascus on August 21. (Page 2)

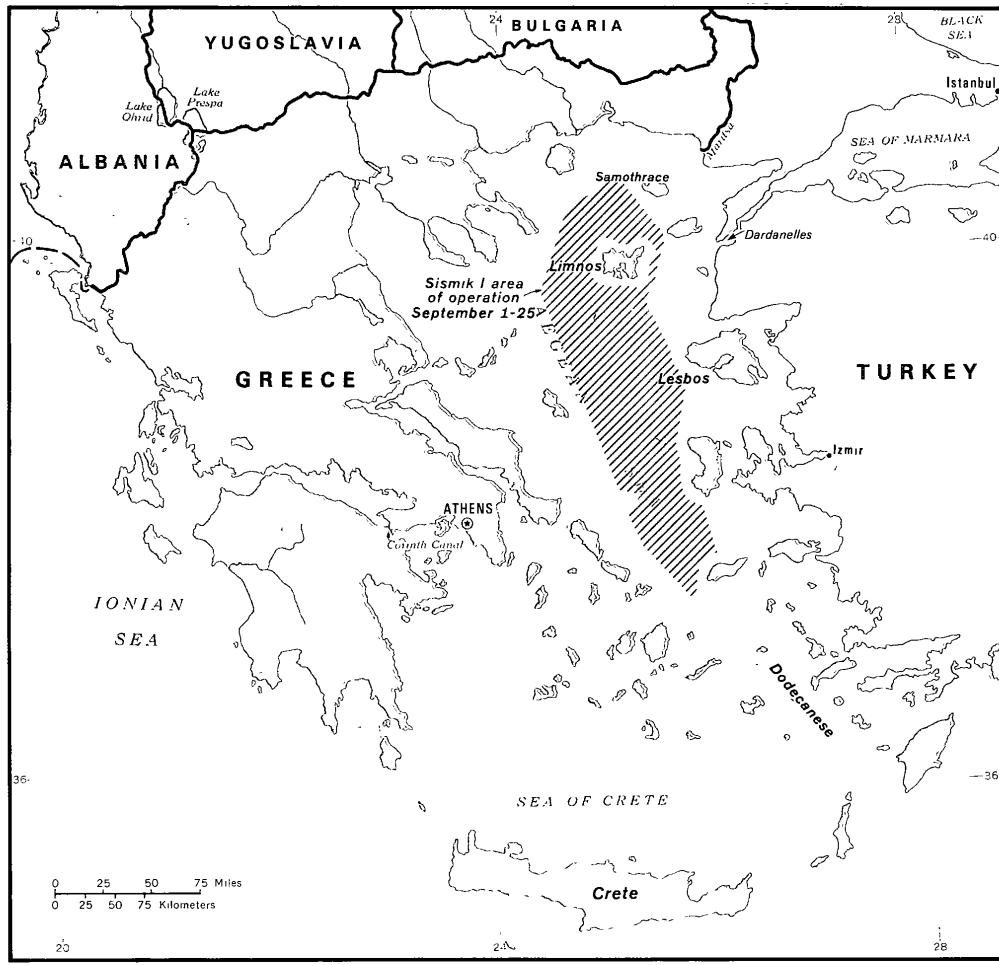
Angola-US: President Neto's private message to Washington expressing interest in establishing normal relations probably was stimulated by pressure within his Popular Movement to make moves that could assist in gaining UN membership. (Page 4)

Namibia: Leading white politicians in Namibia have accepted December 1978 as the target date for the territory's independence but are resisting the UN demand for popular elections before then. (Page 5)

Notes: France; UK; Netherlands; Mexico (Pages 7, 8, and 9)

At Annex, we discuss the USSR's military investment in Libya.

***FOR THE PRESIDENT ONLY***



*FOR THE PRESIDENT ONLY*

**TURKEY-GREECE:** *The Turkish research ship Sismik I left Izmir yesterday morning on a mission that will continue through September 25. This fourth phase of operations is likely to heighten Greek-Turkish tensions again and could undermine recent UN efforts to get bilateral talks started on Aegean problems.*

The ship will avoid Greek territorial waters, according to an announcement by the Turkish navy, but its area of operation will encompass substantial portions of the Greek-claimed continental shelf--some of it west of Greek islands along the Turkish coast. The area comes close at one point to the Greek mainland itself and includes zones where Athens and Ankara have granted overlapping oil concessions.

The new Turkish move, at best, is almost certain to delay negotiations tentatively set for mid-September by the Greek and Turkish foreign ministers.

25X1

25X1  
Both governments will be alert to the possibility of incidents arising from the activities of the Sismik I and from a Greek naval exercise in the northern Aegean scheduled to continue through September 12.

\* \* \*

**LIBYA-EGYPT:** *A speech by Libyan President Qadhafi last night seemed clearly intended to avoid giving Cairo provocation for military or political action against him.*

Despite some harsh comments on President Sadat, Qadhafi said he bears the Egyptian President no grudge and would not break diplomatic relations with Egypt. Referring to Cairo's military threats, he asserted that, although Libya is capable of doing so, it will never use its military strength against Egypt.

Qadhafi announced the release of three Egyptians whom Libya had recently arrested on charges of

--continued

*FOR THE PRESIDENT ONLY*

spying for Egypt. He did not mention the expulsion of Egyptian workers from Libya--a threat he has repeatedly made.

Qadhafi's remarks on Egypt were part of a long, self-congratulatory exposition on the popularity of his revolution. His speech seemed designed to convince Cairo and any Egyptian-backed coup plotters that his regime is too soundly based to be toppled.

The Libyans are more concerned about the possibility of Egyptian action than Qadhafi's breezy dismissal of the danger would indicate. [redacted]

25X1

[redacted]

25X1

Qadhafi must see his present approach as one that permits him to appear before the Libyan people and the other Arab states as the reasonable party to the dispute and Sadat the unprovoked aggressor.

\* \* \*

LEBANON: No statement has been issued on the substance of talks between Lebanese president-elect Ilyas Sarkis and Syrian President Asad in Damascus on August 21. Sarkis has been quoted as calling Syria's role in Lebanon "positive."

Damascus radio has emphasized that the two leaders stressed the need to continue Syria's "effort to establish peace" in Lebanon until political problems are solved and normal life restored. The leftist Beirut radio, however, said Sarkis asked the Syrians for a pledge to withdraw their forces so he can begin working on a solution.

It is entirely possible that Sarkis, while expressing appreciation for Syria's involvement in Lebanon--a position he is forced to adopt

--continued



620386 8-76

**FOR THE PRESIDENT ONLY**

to retain his vital support from Damascus--has also said a public pledge of Syria's intended withdrawal is a political necessity if he is to have any chance of governing the country.

A second meeting between Asad and Sarkis will apparently take place soon, although no date has been set.

*The leftist "central political council"--a loose leftwing coalition headed by Kamal Jumblatt--has announced plans to establish its own "foreign office."*

The "foreign office" is to have branches in France, Bulgaria, Libya, Egypt, and Cyprus and will deal with public relations, economic, and political affairs. The council also announced formation of a bureau of finance and a new security force of 2,000 men.

*The military situation has been relatively calm.*

The Christians claim to have advanced in the north, and the Syrians continue to consolidate their forces in the mountains east of Beirut and near Jazzin in the south. Clashes occurred again yesterday in the commercial district of Beirut.

*The airfield at Nabatiyah in a leftist-controlled area of southern Lebanon has reportedly been completed.*

25X1

--continued

*FOR THE PRESIDENT ONLY*

Overhead photography of mid-August showed that construction on the airstrip at Nabatiyah was almost completed. The runway will be able to handle transports such as the AN-12 and C-130. The Iraqis have about ten AN-12s; Libya has eight C-130s.

Most recent coverage of a second airstrip at Badharan showed construction still under way.

\* \* \*

*ANGOLA-US: Angolan President Neto's private message to Washington expressing interest in establishing normal relations probably was sparked by growing pressure from within his Popular Movement to make moves that could assist in gaining UN membership.*

The message, delivered to the US embassy in Stockholm on Tuesday asserted:

--Neto personally guarantees that the Cuban presence is not directed against US interests.

--Angola is not a "satellite" of the USSR, and its "alliance" with Cuba was based on wartime necessity. The Angolan government is "strongly determined" not to come under foreign influence.

--The Cubans are not in Angola for aggressive purposes but are there to train the Angolan army and to provide public health facilities.

--The Angolan government has a strong interest in joining the UN.

--Delays in gaining membership "create irritation" among the people and within the Popular Movement.

Neto, a proud man and a strong nationalist, probably would in fact like to reduce the Cuban presence

--continued

*FOR THE PRESIDENT ONLY*

if at the same time he can assure his security situation. He is in no position to force the pace of any reduction now, however, in view of present military and economic conditions in Angola and the absence of alternative sources of assistance. A substantial continued Cuban presence--probably on the order of at least 10,000 troops and advisers--appears likely for some time to come.

\* \* \*

*NAMIBIA: Leading white politicians in Namibia have accepted December 1978 as the target date for the territory's independence from South Africa, but they are resisting the UN demand for popular elections before independence.*

South African Prime Minister Vorster has not taken a public stand on proposed steps toward independence, although he has stated that he would not block any measure that might be approved by a consensus of all ethnic delegations within the constitutional conference that the South Africans convened last year in Windhoek, the territorial capital. The South African press has speculated that Vorster will urge white settlers in Namibia to accept at least some proposals from the non-whites before the UN Security Council resumes consideration of Namibia on September 22.

The US embassy in Pretoria believes Vorster may take no action until after his meeting with Secretary Kissinger this weekend and after consultations with his National Party leadership that are scheduled for September 10.

--continued

*FOR THE PRESIDENT ONLY*

*Commentary in the Soviet media about events in southern Africa, particularly in Namibia, has been predictably negative and suggests that the Soviets are apprehensive over current US initiatives in the region.*

Racial disturbances in South Africa and Rhodesian retaliatory raids into Mozambique have been convenient subjects for Soviet propaganda. In addition, the passing of the August 31 deadline set by the UN Security Council for concrete steps toward Namibian independence has prompted tirades against South Africa and its "imperialist" supporters.

Moscow's propaganda sees all western peace efforts in southern Africa as ploys to preserve "imperialist" control of the rich natural resources of the region.

--continued

*FOR THE PRESIDENT ONLY*

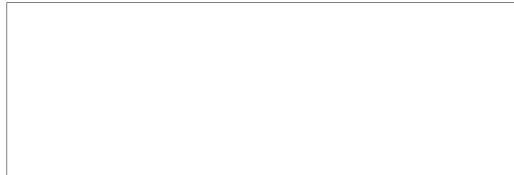
25X1

NOTES

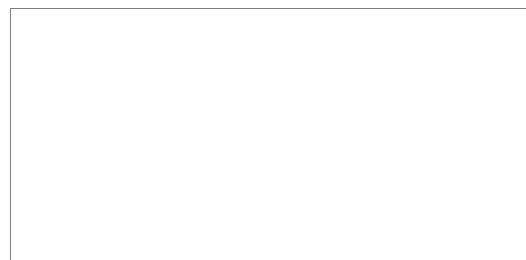
25X1

25X1

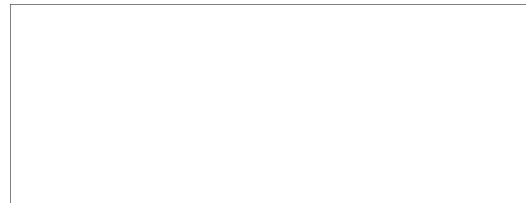
25X1



25X1



25X1



\* \* \*

*The leadership of the British Trades Union Congress should have little difficulty at the annual meeting next week in winning approval of either the new "social contract" governing the alliance between the TUC and the Labor Party or in getting the unions to re-endorse the current wage guidelines.*

High unemployment, on the other hand, will cause continuing strain between the government and its union allies. Public sector unions, whose members will bear the brunt of planned government cuts in public spending, have been lobbying with the powerful manufacturing-based unions to resist further attempts to cut the budget.

--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

Chancellor of the Exchequer Healey, however, is unlikely to be pressured into shifting policies while curbing inflation still has priority over a quick reduction in unemployment.

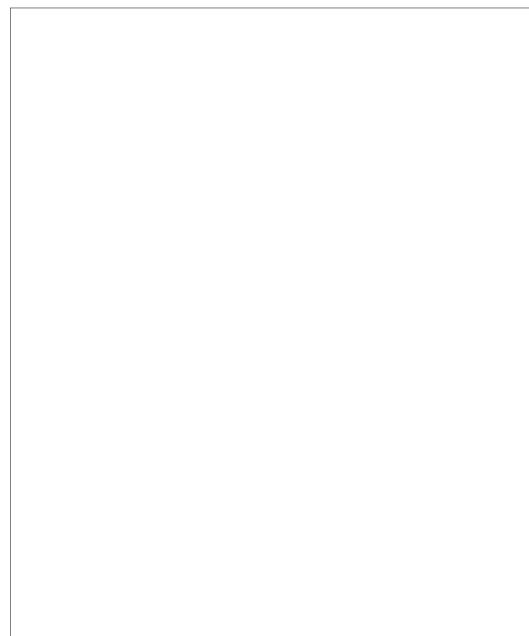
\* \* \*



25X1

25X1

25X1



25X1

25X1

25X1

\* \* \*

Mexican President Echeverria yesterday outlined new government policies to back the decision on Tuesday to float the peso.

He proposed strict government fiscal responsibility to eliminate excess spending and cut the budget deficit without reducing needed investment in public facilities, industry, and social services. To protect consumer purchasing power

--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

Echeverria called for price controls on essential goods, export and excess profits taxes, reduction of tariffs on raw materials and some other items, and special tax breaks for those who will suffer most from the effects of the depreciation.

To protect the value of the peso from excessive erosion, the national bank will intervene where necessary, relying on foreign exchange reserves of \$1.4 billion and drawing rights totaling another \$1 billion with the International Monetary Fund and other international financial sources.

The Mexicans hope these measures will hold the line on import prices, domestic inflation, and severe capital flight while bolstering export receipts, especially tourist earnings.

--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

A  
N  
Z  
E  
X

USSR-LIBYA

*The Soviet Union's relations with Libya, a country with long-standing distrust of the USSR, entered a new phase in May 1974. The change occurred shortly after Egyptian President Sadat stated that he would be relying less on the USSR for political and military support, and would be seeking alternate sources of assistance in the West. At its inception the Libyan connection, as far as the Soviets were concerned, was therefore a device designed primarily to put pressure on Cairo.*

Soviet-Libyan arms agreements have also opened a financial windfall for Moscow, and the USSR is taking every advantage. The Soviets are charging Libya catalogue prices for weaponry in contrast to the concessionary prices offered to other Arab clients. No doubt the Libyans will be gradually moved along to more advanced (and higher priced) military items. More sophisticated equipment should also increase the total number of Soviet technical advisers in Libya as well as the number of Libyans sent to the USSR for military training.

Moscow's Military Investment

In view of the small size of the Libyan military establishment and the poor state of Soviet-Libyan relations as recently as 1973, the size and scope of Soviet military deliveries during the past two years have been remarkable. Following a \$730 million agreement in 1974 and an apparent supplementary agreement of unknown value negotiated during Premier Kosygin's visit in 1975, these deliveries have included:

--More than 40 MIG-23 Floggers, a high-performance aircraft that will require an increase in the total number of Soviet technical advisers in Libya as well as the number of Libyans training in the USSR.

--Six TU-22 Blinders, making Libya the second Arab country (after Iraq) to receive this medium bomber.

--continued

A1

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

--Surface-to-air missile battalions, consisting of 66 SA-2, 31 SA-3, and 12 SA-6 launchers.

25X1

The Libyans apparently have now received about half of the military equipment agreed to in 1974, and in return the Soviets have been receiving Libyan cash or oil upon delivery. More than \$200 million in Soviet military equipment arrived in Libya in 1975; deliveries remained high in the first half of 1976, when, we believe, Libya received materiel valued at more than \$120 million.

Soviet - East European Advisers

About 500 Soviet military advisers and technicians are now in Libya.

25X1

In addition to 7,000-8,000 Yugoslavs active in all areas of the Libyan economy, more than 5,000 economic advisers from other East European countries are there under commercial contracts.

The East European advisers are serving under barter agreements with Libya paying for their services with cash or oil; two years ago, in fact, Libya was the major crude oil supplier to the East European countries because of these contractual agreements.

--continued

A2

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

Soviet Nuclear Energy Program

The Soviet Union has already begun construction of a nuclear research center near Tripoli that will mark the first contribution to the development of nuclear engineering expertise in Libya.

[redacted] 25X1  
[redacted] 25X1

[redacted] 25X1

Construction is expected to be completed by 1979. The Soviets plan to establish a temporary port on the nearby coast by that time to avoid bringing necessary equipment through the crowded port of Tripoli.

Since Libya has no capability in the nuclear engineering field, a large number of Soviet technicians will be needed. These will include nuclear scientists and engineers as well as the skilled laborers required to build the facility. The Libyans are reportedly displeased with Soviet efforts to assure exclusive control over the Libyan program, and expect the Soviets to drag their feet in training Libyans in this field.

Frustrations in dealing with the Soviets probably prompted the Libyans to renew efforts to obtain assistance elsewhere. An agreement between France and Libya in March to build a nuclear reactor indicated that Tripoli will not accept Soviet domination over the Libyan nuclear program.

State Relations

The increased Soviet military assistance given to Libya during the past three years has not led to political influence there or to access to Libyan military facilities. Qadhafi still deeply distrusts the Soviets and watches their presence carefully.

[redacted] 25X1

[redacted] Soviet naval ships have not made a port call in Libya since Qadhafi came to power seven years ago.

--continued

A3

*FOR THE PRESIDENT ONLY*



*FOR THE PRESIDENT ONLY*

The three Libyan ports at Tripoli, Tobruk, and Benghazi, in any event, could provide little in the way of support and virtually no significant repairs. None has facilities that could approach those the Soviets have been denied at Al Qabbari in Alexandria.

Perhaps as a result, the Soviets until recently have been careful [redacted]

25X1

not to give Qadhafi any genuine political support vis-a-vis Egypt. Rather than get too closely identified with Qadhafi's aspirations, the Soviet press has usually referred to him merely to score points against Sadat.

The Soviets and Worsening Libyan-Egyptian Relations

From mid-March to late August, the Soviet press said nothing about Libya and was silent about the deterioration of Libyan-Egyptian relations, including Libyan charges in early August that Egyptian armed forces were moving to the Libyan-Egyptian border.

The silence was broken on August 29, when *Pravda* took note of the "worsening of the situation" on the border in an *Observer* article. Moscow uses the *Observer* affixation sparingly to give an authoritative stamp to a *Pravda* declaration. The choice of this vehicle is a clear sign that Moscow has come to realize that there is a real potential for hostilities between Egypt and Libya in the near future. It specifically warns of the danger of a "new military conflict" in the Middle East.

The article weighs in on Qadhafi's side and upbraids Egyptian leaders for threatening Libya. Moscow presumably hopes to deter Sadat from attacking Libya.

The article may also be designed to win favor with Qadhafi, who might well be pressuring the Soviets for some expression of support. The Soviets have also sent--for the second time--a delegation to Tripoli for Libya's national day observance. The gesture is muted, however, by the fact that the delegation is headed by a minor official.

--continued

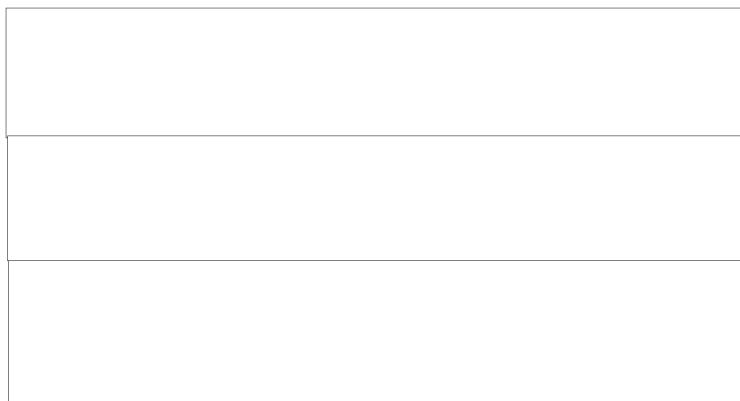
A4

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

The disposition of Soviet military forces thus far does not suggest any contingency planning for a further deterioration in the Libyan-Egyptian situation.

--The Soviets have not made any unusual ship moves or reinforced their Mediterranean Squadron, which currently is somewhat below its normal strength.



25X1

25X1

25X1

An Assessment

The *Observer* article stresses Moscow's concern for avoiding war in the area that is already "one of the hottest points on the globe." Hostilities would almost certainly place the Soviets in a quandary. There would be pressures and temptations for Soviet involvement.

--Should hostilities break out, Libya would be sorely undermanned, and Qadhafi would probably appeal to the USSR for assistance.

--The Soviet position in the Middle East has been on the skids since the October war, and Moscow might feel tempted to recoup with some tangible sign of support for the Libyans.

--Moscow would hope that if Sadat is thwarted in Libya, his position at home would be seriously undermined.

--continued

A5

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

There are also factors that would give Moscow pause.

--The Soviets have reason to feel uncertain about Qadhafi's intentions and there would be pressures to continue to keep him at arm's length. The late Soviet defense minister Grechko once described Qadhafi as a "madman on top of the pile of gold."

--Any Soviet move on behalf of Libya could help Sadat at home because the Egyptians might rally around the flag at the first sight of Soviet intervention.

--The move would have an adverse impact on other countries in the Middle East where Qadhafi is no hero and suspicions regarding Soviet intentions exist.

--The Soviets would be concerned about how the US might respond in the area, and they would anticipate a significant political backlash in the US to direct Soviet intervention on behalf of Qadhafi.

On balance, we strongly doubt that Moscow's interests in Libya are great enough or its prospects for major gains in the region sufficiently attractive, to cause the Soviets to support Qadhafi with their own forces in the event of open war. We also think it unlikely--although we are less certain--that limited numbers of Soviet pilots or air defense personnel would fight on Libya's side.

There are a number of things the Soviets could do to deter the Egyptians from attacking--and the *Observer* article suggests that the USSR is looking for ways to do this. Possibilities include repositioning units of the Soviet Mediterranean Squadron or sending up Libyan planes with Soviet pilots. So far there is no evidence that such contingencies are being planned.

*Top Secret*



/

# The President's Daily Brief

September 3, 1976

2

~~Top Secret~~<sup>50X1</sup>



Exempt from general  
declassification under E.O. 14176  
exemption category SR(1)(2), (3)  
declassified only on approval of  
the Director of Central Intelligence

*FOR THE PRESIDENT ONLY*

September 3, 1976

Table of Contents

- USSR: The appointment of Nikolay Tikhonov as first deputy premier is an initial step to deal organizationally with what has been confirmed to be the serious illness of Premier Kosygin. (Page 1) 50X1
- USSR: [redacted] (Page 2) 50X1
- Lebanon: The lack of comments from Lebanese president-elect Sarkis and President Asad after their recent meeting has prompted speculation in Beirut that the two had serious differences. (Page 3)
- Egypt-Israel: Israeli Defense Minister Peres has said that Egypt has withdrawn three battalions of troops from the east bank of the Suez Canal. (Page 5)
- Tanzania: President Nyerere fears that the factionalism among Rhodesian black nationalists may preclude bringing them to the bargaining table. (Page 5)
- Guinea: Guinean officials have confirmed their government's decision to halt Soviet TU-95 naval reconnaissance deployments from Guinea. (Page 6)
- Cuba-Angola: We present the key points of an Interagency Intelligence Memorandum, "Angola: Cuban Intentions and Changes in Cuban Personnel Strength." (Page 7)
- Notes: North Korea; UN (Page 8)

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

*USSR: The appointment of Nikolay Tikhonov as first deputy premier is an initial step to deal organizationally with what has been confirmed to be the serious illness of Premier Kosygin. The Soviet ambassador to Czechoslovakia told Ambassador Byrne on Wednesday that Kosygin, 72, had suffered a heart attack.*

If Kosygin's "heart attack" was a true myocardial infarction, he has survived the most life-threatening phase of his illness. Kosygin has not been well for some time, however, and his prospects for regaining sufficient strength to resume a vigorous schedule are not good. His convalescence from a heart attack would in any event probably extend into at least another month.

Tikhonov becomes the second "first" deputy premier, along with Kirill Mazurov, who has held the post since 1965. Tikhonov, 71, is General Secretary Brezhnev's protege and is one of many officials with career ties to Brezhnev's region in the Ukraine. He made his early career in metallurgy and continued to be responsible for that field and the coal industry as deputy premier.

The leadership may have promoted Tikhonov to help take on the workload that Kosygin, at least temporarily, must be spared. Brezhnev undoubtedly welcomed the opportunity to place an ally that high in the government as a counter-weight to the more independent Mazurov. Tikhonov could also be elected to the Politburo, since Mazurov is a member, as was former first deputy premier Polyansky.

*The leadership has behaved routinely in recent weeks and has given no sign that Kosygin's illness, which probably struck in early August, raised the question of replacing him.*

If Kosygin should retire or die, his succession appears to be an open question. Mazurov has the clearest claim to the job. Brezhnev may have wanted to ensure that his man, Tikhonov served as first deputy in such an eventuality.

--continued

*FOR THE PRESIDENT ONLY*

Mazurov, 62, is in indifferent health, however, and was absent from public view all summer. His promotion would break the hold on the top leadership posts of the still older generation of Soviet leaders.

Tikhonov could conceivably replace Kosygin, but probably only after serving a period on the Politburo, and his close association with Brezhnev would probably offend Kosygin and other members of the collective. With his age making him a member of the elder generation, he could not be expected to be a long-term premier.

\*

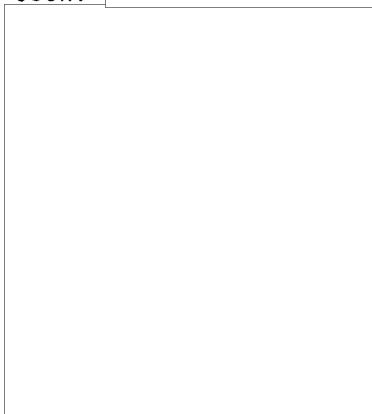
\* \* \*

50X1

50X1

50X1

USSR: [redacted]



50X1



--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

50X1

50X1

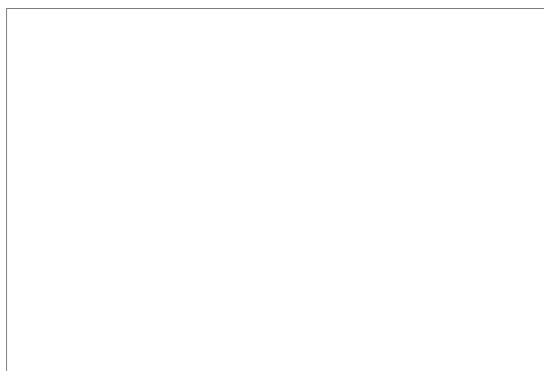
50X1

50X1

50X1

\* \* \*

LEBANON: *The apparent refusal of Lebanese president-elect Sarkis and President Asad to comment on the results of their private meeting Tuesday has prompted speculation in Beirut that the two leaders had major disagreements. Palestinian sources are saying that Sarkis failed to reach an understanding with Asad on the issue of Syrian troops in Lebanon.*



--continued

*FOR THE PRESIDENT ONLY*



620395 8-76

*FOR THE PRESIDENT ONLY*

50X1

The Palestinians' failure to undertake any new negotiating initiatives with the Syrians probably has also been a major factor in Asad's thinking. [redacted] 50X1

The military situation remains relatively calm.

Lebanese leftist sources charged yesterday that Israeli troops and armored units had crossed the border in large numbers. We have no information of this, and the Israelis so far probably have provided Christian troops in the south only limited support.

Israeli units have for some time conducted patrols along well-known Palestinian access routes on both sides of the border. The Israelis also have occupied observation posts during daylight hours in southern Lebanon to prevent terrorist intimidation of Lebanese villagers in the area and renewed cross-border terrorist raids. This patrolling probably has been stepped up in recent days. Earlier this week, Israeli artillery units also are said to have shelled suspected Palestinian positions located near the border.

Israeli Foreign Minister Allon reiterated on Tuesday that his government would not tolerate a resumption of Palestinian terrorist attacks against northern Israel from bases in southern Lebanon. Allon's statement comes on the heels of clashes between Christian

--continued

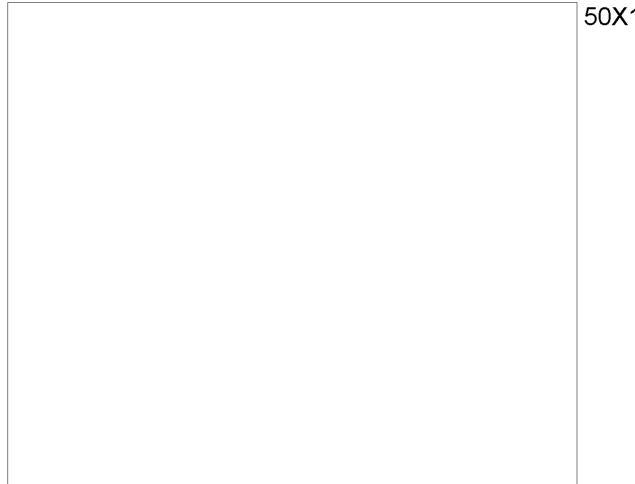
*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

and Palestinian forces in the southern Lebanese village of Ayn Ibil where residents evidently have requested Israeli military protection.

\* \* \*

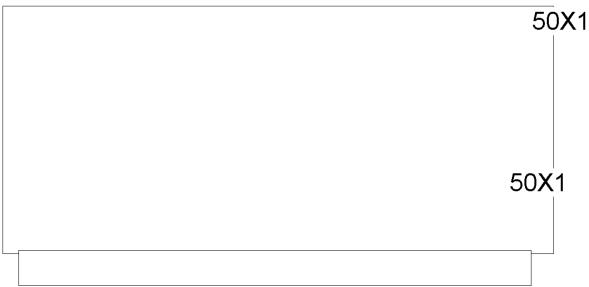
*EGYPT-ISRAEL: Israeli Defense Minister Peres told press sources Wednesday that the Egyptians have withdrawn three battalions of troops from the east bank of the Suez Canal over the past several days. Peres went on to say that Egypt now has eight battalions remaining in the limited armaments zone, the maximum number allowed under the terms of the Sinai II agreement.*



If the units have in fact withdrawn, this would be the first appreciable change in the strength of Egyptian infantry in the limited armaments zone since May 31.

\* \* \*

*TANZANIA: President Nyerere is fearful that the factionalism among Rhodesian black nationalists may preclude bringing them to the bargaining table.*



--continued

*FOR THE PRESIDENT ONLY*

50X1



\* \* \*

*GUINEA: Guinean officials recently confirmed to Ambassador Harrop their government's decision to halt Soviet TU-95 naval reconnaissance deployments from Guinea beginning this month.*

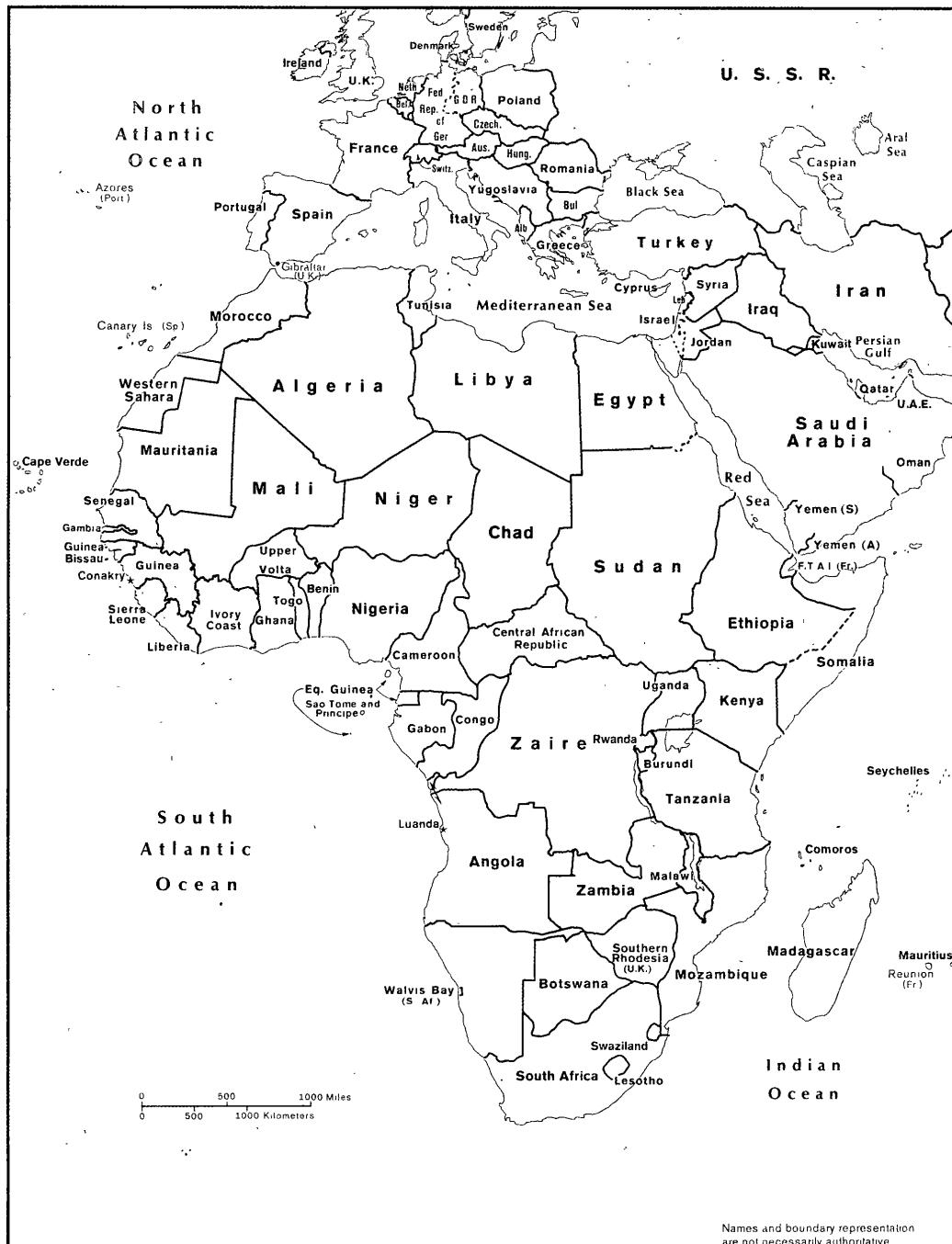
Two spokesmen for President Toure, in separate meetings with the ambassador, also noted Guinea's earlier request for a "US security guarantee" to help protect the regime against the alleged threat posed by Guinean exiles. They implied that the continuation of the ban on Soviet reconnaissance deployments may well depend on a favorable US response to this request.

According to one of the spokesmen, Soviet representatives in Conakry have been told that no flights would be authorized after Wednesday because they were being used for surveillance in the Atlantic rather than along Guinea's coastline as was originally agreed to protect against the threat of invasion by exiles.

The spokesman asserted that Guinea had granted Soviet requests for reconnaissance deployments on a month-to-month basis. He implied that the Soviets might propose a deployment for October.

--continued

*FOR THE PRESIDENT ONLY*



*FOR THE PRESIDENT ONLY*

*The last TU-95 deployment to Guinea--the 16th since the operations began in mid-1973--ended on July 22, when the two aircraft involved returned to the USSR.*

We have no evidence that another flight to Guinea is planned in the near future, but this is not unusual. Following the deployment of TU-95s in July last year, the Soviets waited until October 10 before they sent another flight.

The loss of air facilities at Conakry would make it very difficult for the Soviets to conduct open-ocean reconnaissance in the Atlantic south of the equator.

\* \* \*

*CUBA-ANGOLA: We present here the key points of an Inter-agency Intelligence Memorandum, "Angola: Cuban Intentions and Changes in Cuban Personnel Strength."*

Cuba almost certainly will keep a large number of military and civilian personnel--probably on the order of 10,000--in the Angolan area for at least the next several years. For both military and economic reasons, Angola will need foreign personnel on this scale, and Havana has clearly indicated that it will do all it can to meet this need.

Although our information is incomplete and imprecise, we estimate the number of Cuban personnel presently in the Angolan area (including neighboring Congo) to be over 10,000 and it may be as high as 14,500. The net reduction since March 15, 1976 of Cubans in the Angolan area has probably been on the order of 2,500 to 5,000.

Some 1,000 to 2,000 of the Cubans who had been in Angola earlier this year have apparently moved to Congo in recent months. Since one of their tasks is to help assure Angolan control over Cabinda, they should be considered part of the Cuban force in the Angolan area.

--continued

*FOR THE PRESIDENT ONLY*

In addition to regarding their interests in Angola as long range, the Cubans appear to see Angola as a base from which to increase their influence elsewhere in southern Africa. Castro would probably respond favorably to a request for additional assistance to Mozambique should the latter's position in the conflict with Rhodesia deteriorate further.

Cuba will of necessity be constrained by its own relative lack of resources beyond those which it must expend in Angola to preserve its investment there. Its actions will also be heavily influenced by the willingness--or lack of willingness--of the Soviet Union to support Havana.

Finally, Cuba's policies will be affected in varying degrees by such factors as the sentiment of black African leaders, concern over its relations with Western Europe, Japan and Latin American states, and internal developments in Cuba.

Nevertheless, given Fidel Castro's urge to play a major role on the world stage, he will not easily be dissuaded from further involvement in Africa.

--continued

*FOR THE PRESIDENT ONLY*

NOTES

North Korea has responded with unusual swiftness and moderation to inquiries from the South regarding the fate of the South Korean fishing boat that strayed into Northern waters earlier this week.

North Korea's statement on the boat incident indicated that it is prepared to cooperate in arranging an early release provided South Korea confirms the identity of the boat and crew. This suggests North Korea wishes to avoid any steps that might complicate the negotiations on its proposal for new security arrangements in the Panmunjom Joint Security Area.

Since the Panmunjom incident on August 18, North Korea has attempted to portray itself as the responsible party advancing constructive proposals for easing tensions provoked by the US and South Korea.

\* \* \*

UN Secretary General Kurt Waldheim will accept another five-year term if there is support for his re-election when his current term expires at the end of this year.

50X1

50X1

The Mexicans apparently are still pushing President Echeverria's candidacy for the UN job.

Mexican strategy for securing Echeverria's election seems to be based in part on a claim that China would veto Waldheim. China, however, has not made its position known;

50X1  
50X1

Open support for Echeverria from the third world states has been noticeably lacking.

*FOR THE PRESIDENT ONLY*

*Top Secret*



# The President's Daily Brief

*September 4, 1976*

2



~~Top Secre<sup>50X1</sup>~~

Exempt from general  
declassification schedule of EO 11652  
under authority of 5B(e)(2), (3)  
declassified only pursuant to a final opinion  
of the Director of Central Intelligence

*FOR THE PRESIDENT ONLY*

LATE ITEM

LEBANON: Leftist and Christian radio broadcasts today in Beirut have stated that Syrian President Asad, Lebanese president-elect Sarkis, and King Husayn of Jordan have tentatively scheduled a summit meeting in Damascus on September 27. The broadcasts quoted informed sources as saying that the discussions at the anticipated meeting will deal with relations among the three states involved and the establishment of some sort of alliance among them. The speaker of the Lebanese parliament [redacted] said that such an alliance "is probably the only way out of the conflict."

50X1

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

September 4, 1976

Table of Contents

Egypt-Israel: A US-owned oil exploration ship that recently was forced to withdraw from the Ramadan oil field in the Gulf of Suez is scheduled to return to the disputed area this morning. (Page 1)

Lebanon: There are further indications of a serious split within the Palestinian leadership over the position to be adopted on Syria's military presence in Lebanon. (Page 2)

Egypt-USSR: Egypt has reacted sharply to an article appearing in Pravda on Monday that accused Cairo of risking a "new conflict" in the Middle East by threatening Libya. (Page 3)

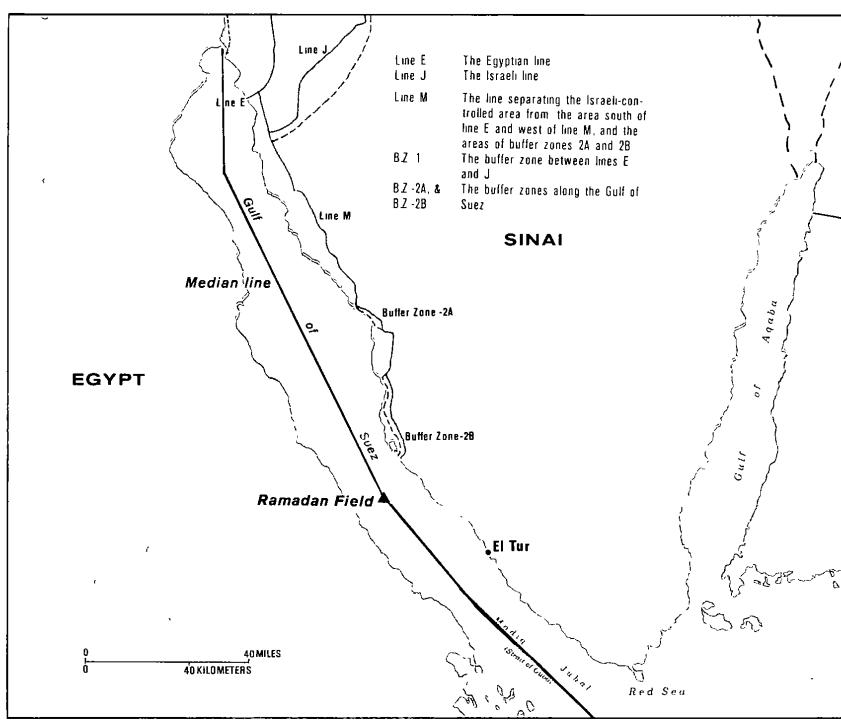
Greece-Turkey: The Greek government has made a demarche to Ambassador Kubisch registering its concern over Turkish seismic exploration in the Aegean. (Page 4)

Notes: South Africa; Rhodesia-Mozambique; Barbados (Pages 6 and 7) 50X1

At Annex, [redacted] 50X1  
Rhodesia [redacted]

*FOR THE PRESIDENT ONLY*

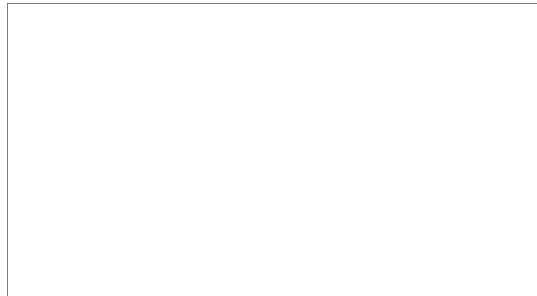
### Gulf of Suez



*FOR THE PRESIDENT ONLY*

50X1

*EGYPT-ISRAEL: A US-owned oil exploration ship that was recently forced to withdraw from the Ramadan oil field in the Gulf of Suez is scheduled to return to the disputed area this morning.*



An Israeli patrol boat forced the drilling ship--leased jointly by AMOCO and the Egyptian government--to withdraw on Tuesday night. The incident was only the latest attempt by the Israelis to discourage Egypt from drilling in an area of the gulf they hope to exploit and claim is in Israeli territorial waters. There have been a series of similar incidents in the same general area over the past several months.

Israeli Foreign Minister Allon told Ambassador Toon in Tel Aviv yesterday that the drilling ship would not be physically harassed if it proceeded into the disputed area. The Israelis, however, would take steps--which Allon did not specify--so that the ship would find it "inconvenient" to drill.

Egyptian military moves in response to the recent incidents are more extensive than we previously have seen. The Egyptians are determined to assert their right to explore for oil in waters they regard as their own, and they appear willing to risk a serious incident if the Israelis press the issue. Cairo may be relying on the US to defuse the situation through diplomatic channels.

\* \* \*

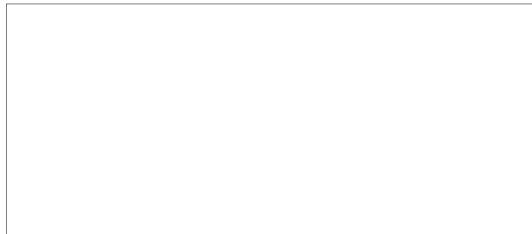
--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

*LEBANON: There are further indications of a serious split within the Palestinian leadership over the position to be adopted on Syria's military presence in Lebanon.*

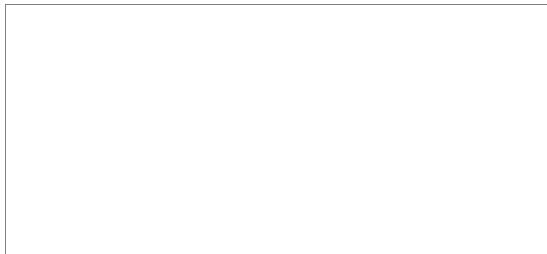
Fatah's second-in-command Salah Khalaf has been quoted in the press as saying that the Palestine Liberation Organization is prepared to make "major concessions" for a settlement in Lebanon--but 50X1 only if the Syrians agree to withdraw.



The Christians are openly questioning whether even a Palestinian agreement to abide by the restrictions of the Cairo accords would be sufficient. Phalangist chief Pierre Jumayyil--possibly in an effort to close ranks with extremist Camille Shamun--has suggested that the accords be considered null because the Palestinians refuse to abide by them.

50X1

*The Christians' intransigence is due in large part to the arms, ammunition, and military training they are receiving from the Israelis.*

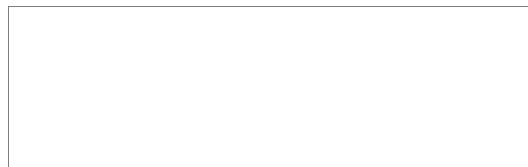


50X1

--continued

*FOR THE PRESIDENT ONLY*

50X1



*The Arab League meeting, originally billed as a foreign ministers' conference, opens today, but most members are sending lesser ranking functionaries.*

The meeting is to prepare the agenda for an Arab summit to which a majority of the League members have agreed. The low level of representation at the preliminary meeting may indicate reluctance to tackle the Lebanese problem. Most League members support Syria's attempt to impose controls on the Palestinians in Lebanon, but few are willing to condone publicly Syria's intervention in the fighting.

The military situation in Lebanon yesterday was again relatively calm.

\* \* \*

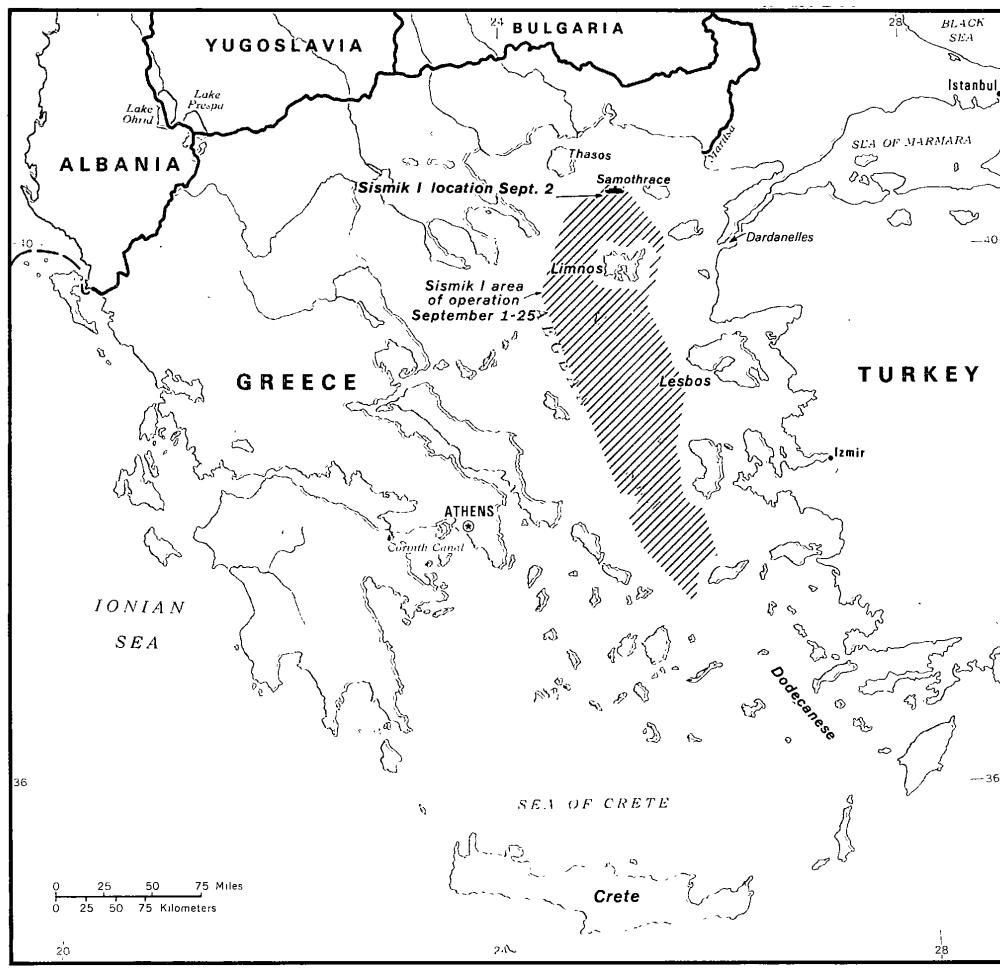
**EGYPT-USSR:** Egypt has reacted sharply to an article appearing in Pravda on Monday that accused Cairo of risking a "new conflict" in the Middle East by threatening Libya.

Egyptian Foreign Minister Fahmi, according to the Cairo press, rebuked the Soviet charge for the article later in the week. Fahmi reportedly characterized the article as Soviet interference in Egypt's internal affairs and with Egypt's right to protect itself from Libyan sabotage.

Publicly the Egyptians are taking the position that Pravda's support for Libya is nothing to worry about. The Cairo press has treated the article as a sign that Moscow no longer has a firm foothold in the Middle East and has been reduced to supporting the "mad" Libyan, President Qadhafi, who has been involved in subversive schemes throughout the Arab world.

--continued

*FOR THE PRESIDENT ONLY*



*FOR THE PRESIDENT ONLY*

This theme is new for the Egyptians. They have for some time charged that Moscow was masterminding Libya's operations. By treating Moscow now as the follower of Qadhafi that supports his behavior toward the other Arabs, Cairo is clearly bidding for Arab sympathy.

The Egyptians may, however, be more worried than their public bluster would indicate. In a conversation with Ambassador Eilts on Thursday, Foreign Minister Fahmi charged that the Soviets' UN mission is circulating the Pravda article among UN members, telling them that Egypt will have to bear the consequences for its threats against Libya.

Fahmi challenged the US to support Egypt against the Soviets, alleging pointedly that Washington had supported Syria in the face of a recent ultimatum from Moscow about Syria's intervention in Lebanon.

\* \* \*

**GREECE-TURKEY:** *The Greek government registered its concern to Ambassador Kubisch on Thursday over renewed Turkish seismic exploration in sensitive areas of the Aegean Sea.*

A Greek spokesman said his government considered the Turkish action an intentional provocation that cannot continue. He said Greece would lodge a complaint with Turkey and with the UN Security Council, but he did not request any US action. Similar demarches also may have been made to the British, French, and Italian governments, which helped formulate the compromise resolution on the Aegean controversy in the Security Council last week.

Greek air and naval units ] 50X1  
[ change their

--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

zone of operations to avoid overlapping the area of the Sismik, the Turkish research ship, which was located yesterday between Thasos and Samothrace islands.

*Prime Minister Caramanlis had appeared determined to settle the dispute through negotiations prior to the announcement of the new area of Turkish exploration.*

He now may come under pressure from the public and opposition parties to take a tougher line with Turkey. He may even be reluctant to negotiate in the absence of a major modification of the scope and duration of the Sismik's activities.

The Turkish government appears to be attempting to induce the Greeks to negotiate on Turkish terms. Prime Minister Demirel also seems to be trying to undercut charges by his opponents that his Aegean policy lacks boldness.

--continued

*FOR THE PRESIDENT ONLY*

NOTES

South African Prime Minister Vorster will meet with leaders of the tribal homelands on October 8.

Official commentary has implied that Vorster will discuss with them their demand for the release or fair trial of all urban blacks who have been arrested since June. A week ago the government acknowledged that over 800 blacks were under detention.

Vorster probably wants to defer any commitments to blacks until after the special caucus on September 10 of the ruling National Party. The South African press speculates that the caucus is intended to develop a consensus on limited modifications of the apartheid system.

The caucus will also afford Vorster an opportunity to explain any foreign policy decisions that result from his meeting with Secretary Kissinger. As he left for Zurich yesterday, the Prime Minister stressed that the meeting would deal exclusively with international problems.

\* 50X1 \* 50X1 50X1 50X1 50X1

Rhodesia [redacted]  
[redacted]  
Mozambican [redacted]  
[redacted]

50X1

[redacted]  
[redacted]

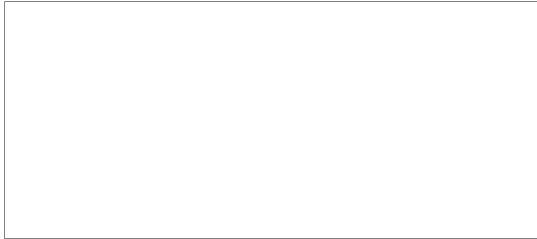
--continued

*FOR THE PRESIDENT ONLY*

50X1



50X1

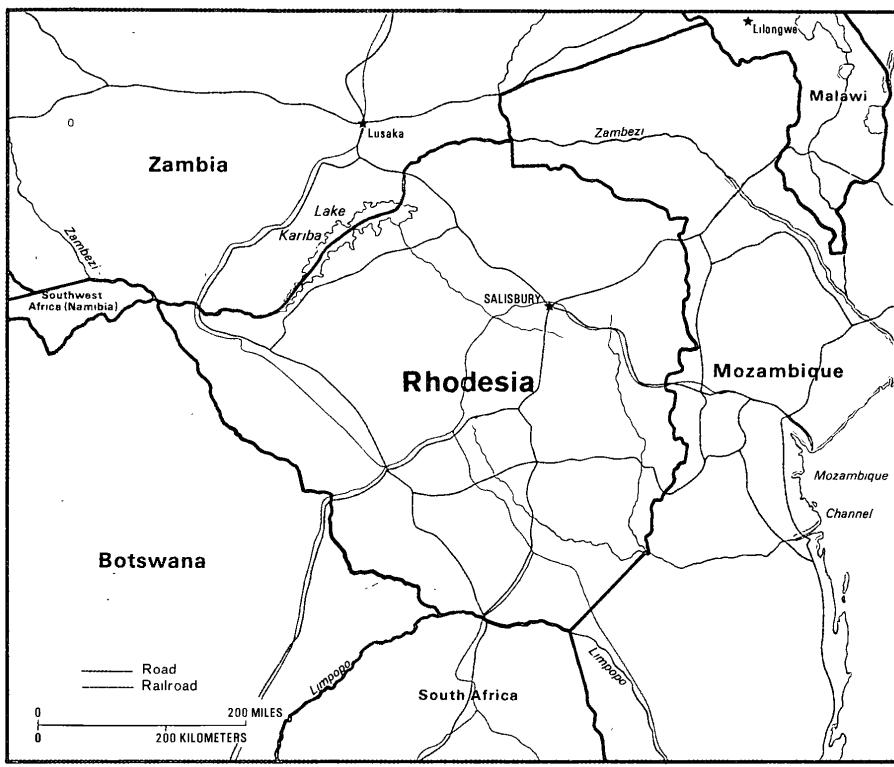


\* \* \*

*The new prime minister  
of Barbados is J. M.  
G. Adams, leader of the  
Barbados Labor Party,  
which won Thursday's  
election.*

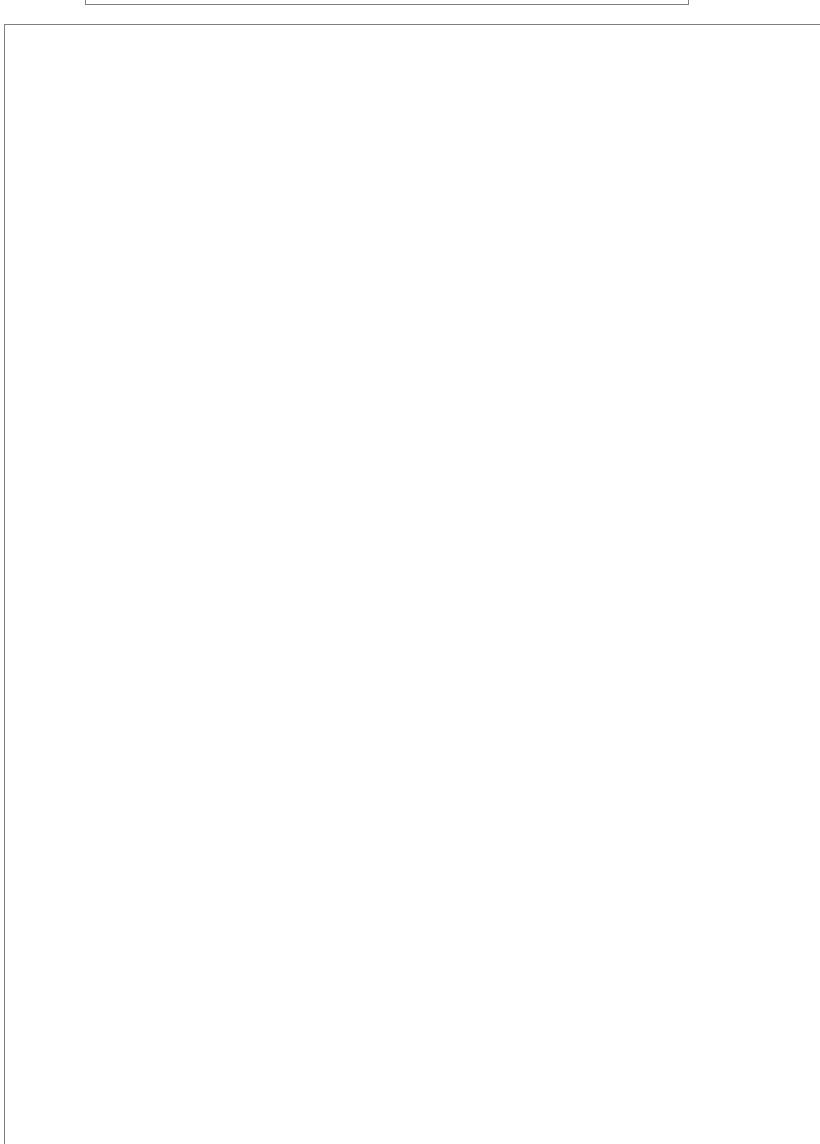
*Relations with the US are not likely  
to change significantly under Adams.  
The US embassy believes, however,  
that the Barbadians will demand sub-  
stantial compensation for the con-  
tinued presence of the US naval  
facility on the island after Decem-  
ber 1977, when the present lease  
expires. The embassy speculates,  
on the other hand, that the Cubans  
will find Adams less cooperative  
than former prime minister Barrow  
was during recent months.*

*FOR THE PRESIDENT ONLY*



*FOR THE PRESIDENT ONLY*

RHODESIA



A

N

N

50X1

E

50X1

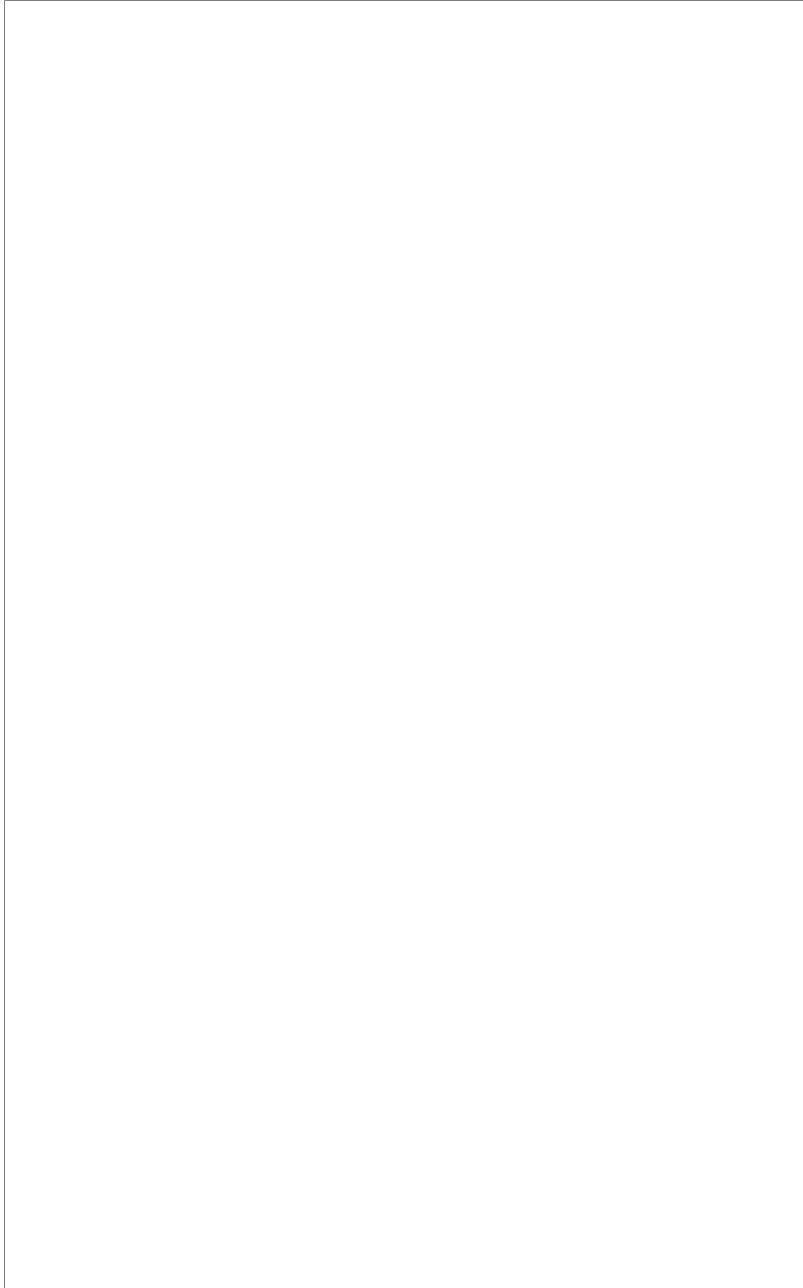
X

--continued

A1

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*



50X1

50X1

--continued

A2

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*



50X1

A3

*FOR THE PRESIDENT ONLY*

*Top Secret*

✓



# The President's Daily Brief

*September 6, 1976*



~~2~~  
~~Top Secret~~<sup>50X1</sup>

Exempt from general  
declassification schedule of E.O. 14176  
exemption category 5b(1),(2),(3)  
declassified only on approval of  
the Director of Central Intelligence

*FOR THE PRESIDENT ONLY*

September 6, 1976

Table of Contents

ISRAEL-EGYPT: Neither Egypt nor Israel is likely to back down on conflicting claims in the Gulf of Suez, but Egypt may be temporarily content to handle the issue through diplomatic channels. (Page 1)

LEBANON: It is unlikely that the meeting of Syrian President Asad, King Husayn of Jordan, and Lebanese president-elect Sarkis on September 27 is for the purpose of forming an alliance--as is widely speculated in Beirut. (Page 2)

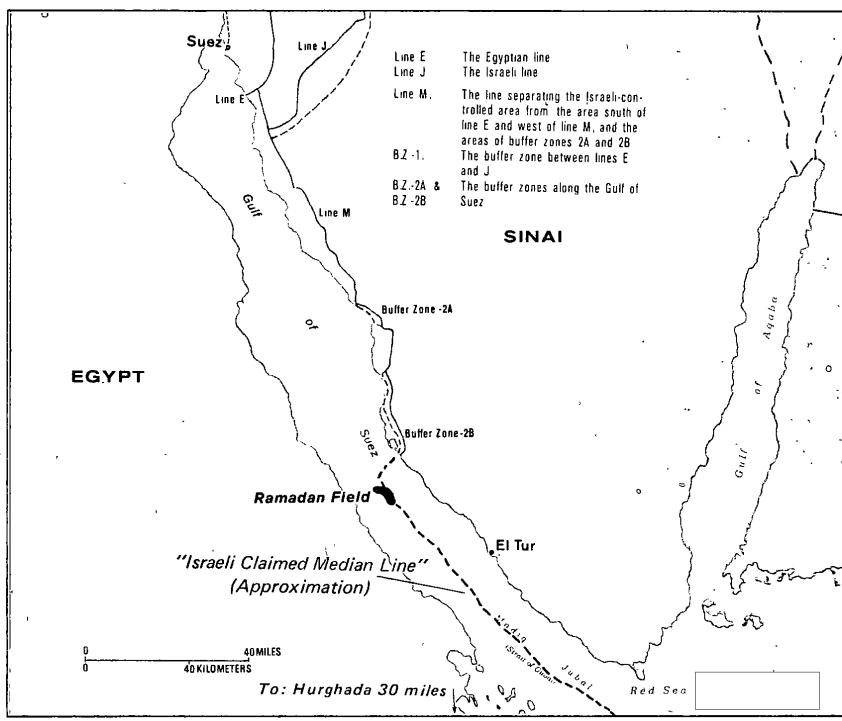
HIJACKING: We have not yet established the identity of the hijackers who seized a KLM DC-9 airliner late Saturday. (Page 4)

LIBYA: An official of the ministry of foreign affairs sharply rebutted on Saturday remarks made in the US concerning Libya's involvement in international terrorism; within hours President Qadhafi emphasized to an American newsmen his desire to begin a dialogue with the US. (Page 5)

NOTES: USSR-Japan; Korea; Turkey-Greece (Pages 6 and 7)

*FOR THE PRESIDENT ONLY*

### Gulf of Suez



50X1

*FOR THE PRESIDENT ONLY*

*ISRAEL-EGYPT: Neither Egypt nor Israel is likely to back down on conflicting claims in the Gulf of Suez. After showing the flag in the disputed area on Saturday, however, the Egyptians may be temporarily content to handle the issue through diplomatic channels.*

By sending patrol boats to the disputed oil drilling site but avoiding a fight, the Egyptians probably hoped to do two things: demonstrate their determination not to be pushed around by the Israelis and galvanize the US into pressing Egypt's case harder with Israel. Foreign Minister Fahmi told Ambassador Eilts on Saturday that President Sadat considers the issue a "test case"--presumably of both Israeli intentions and US willingness to stand up to the Israelis when Washington regards Israel to be clearly in the wrong.

*Israeli Foreign Minister Allon reacted defensively on Friday to the US demarche regarding the incident that had occurred earlier in the week.*

Allon accused the US oil companies of allowing themselves to be used to further an Egyptian political campaign against Israel. He also implied that Washington--by "taking sides" in what the Israelis consider to be a matter strictly between themselves and Egypt--was violating its commitment in the second Sinai accord not to support any proposal disadvantageous to Israel.

Ambassador Toon could detect no give in the Israeli position and gained the impression that the Israelis believe any retreat on their part would be interpreted in Cairo as a sign of weakness and lead to further Egyptian challenges.

--continued

*FOR THE PRESIDENT ONLY*

*For a brief period on Saturday, Israeli and Egyptian gunboats were within several hundred meters of each other, but no shots were exchanged.*

50X1

The Israelis claim the Egyptian boats did discharge a few rounds, apparently accidentally. Later the Israelis shot two buoys that marked the drilling site out of the water.

Since then, the disputed area has been quiet. The Egyptian navy has reduced its alert status, and the two Egyptian patrol boats involved in the incident, along with two other patrol boats, are in port at Hurghada. Two motor torpedo boats from Suez may be en route to join them.

The Israelis still had two boats in the area late Saturday, but the rest of their force--three or four other patrol boats--have returned to anchorage off El Tur.

\* \* \*

*LEBANON: The announcement that Syrian President Asad, King Husayn of Jordan, and Lebanese president-elect Sarkis will meet in Damascus on September 27--shortly after Sarkis is scheduled to take office--has raised broad speculation in Beirut that an alliance among the three is in the making and that this, in turn, will help end the Lebanese conflict.*

We doubt that Asad has done anything more than raise the idea of a closer working relationship among the three states in recent talks with Sarkis and the King. He is also unlikely to see such a plan as a means of bringing the Lebanese conflict to an end.

It is true, however, that Asad has been talking to Husayn for some time about ways to translate their economic and military cooperation into a loose confederation. He may view the inclusion of Lebanon in such an arrangement as a means of legitimizing Syria's presence there and of ultimately strengthening Syria's position vis-a-vis Israel.

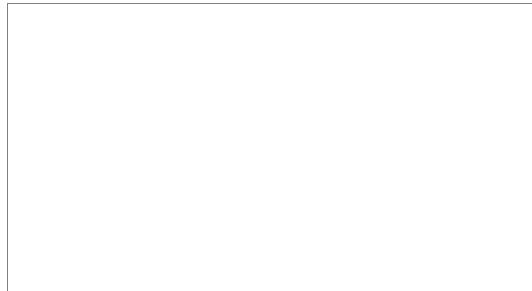
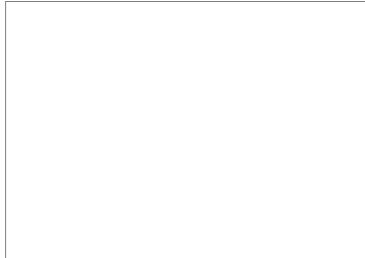
--continued

*FOR THE PRESIDENT ONLY*

Husayn referred obliquely to this possibility during his visit to Moscow early this summer when he spoke of "building a new reality" between Jordan and Syria and linked this to the "national role" Syria is playing in Lebanon.

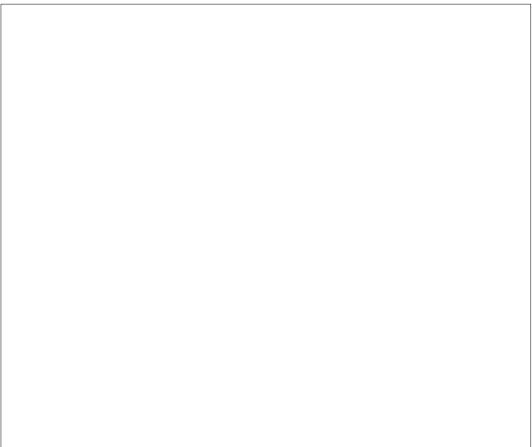
50X1

50X1



50X1

50X1



50X1

--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

Three bombings on Friday in Homs, a town on the northern border with Lebanon, will surely add to the growing uneasiness in the Syrian military. Eight people were reportedly killed when a bomb exploded at a bus station, and another explosion blew up a generator that provides most of the city's electricity. We have no details as yet on the third bombing.

*Arab League representatives, who convened on Saturday, decided to postpone the summit until the third week of October. Despite protests from Lebanese Christians, the conference will be held in Cairo.*

The decision to postpone the summit probably derives, at least in part, from a desire to give president-elect Sarkis time to form his new government before participating in the meeting.

\* \* \*

*HIJACKING: We have not yet established the identity of the hijackers who seized a KLM DC-9 airliner late Saturday.*

The aircraft--which was bound from Malaga to Amsterdam--was seized 20 minutes after a refueling stop in Nice. Three men, apparently all Arabs, carried out the hijacking and demanded the release of eight prisoners held in Israel in exchange for not blowing up the aircraft.

The plane eventually landed at a small airfield in Larnaca, Cyprus. According to press reports, the hijackers agreed to release the 75 passengers and five crew members in return for safe conduct to another country, apparently Libya.

--continued

*FOR THE PRESIDENT ONLY*

The Palestine Liberation Organization reportedly refused to negotiate with the hijackers, and has condemned their action. The radical Popular Front for the Liberation of Palestine headed by George Habbash has denied responsibility for the hijacking.

Nothing has been heard from Wadi Haddad who recently broke with the PFLP and who was responsible for the recent hijacking that ended at Uganda's Entebbe airport.

*LIBYA: Undersecretary for Foreign Affairs Durdah issued a sharp rebuttal on Saturday to recent remarks by you and Governor Carter concerning Libya's involvement in international terrorism.*

Durdah's diatribe was delivered to about a hundred journalists covering the celebration of the seventh anniversary of President Qadhafi's coup. Most were from Third World and communist countries.

Durdah accused "US presidential candidates of competing for votes in a Zionist environment," and lamented that Libya's support for the Arab cause had made it a target of the US.

*Within hours of Durdah's press conference, President Qadhafi granted a private interview to Arnaud De Borchgrave of Newsweek in which he emphasized his desire to begin a dialogue with the US.*

It is not unusual for the Libyans to lash out at the US in public while privately making conciliatory overtures. Moreover, Qadhafi may calculate that he must argue strongly against charges that Libya is involved in terrorism at a time when he suspects the Egyptians are preparing to use the pretext of Libyan recklessness to invade his country.

--continued

*FOR THE PRESIDENT ONLY*

NOTES    50X1        50X1        50X1

[redacted] Soviet  
[redacted] Japan  
[large redacted area]  
50X1

[large redacted area]  
50X1

50X1

\*      \*      \*

North Korea and the United Nations Command reached initial agreement Saturday as to the separation of military forces in the Joint Security Area at Panmunjom.

Minor differences were resolved when the Koreans accepted a UNC counterproposal on passage of non-military personnel and vehicles across the Military Demarcation Line.

Pyongyang approached these negotiations seriously and appeared anxious to see them brought to a successful conclusion. Presumably the North Koreans hope this agreement will help them in their image-building efforts in the wake of the Panmunjom incident of August 18.

The South Koreans have been informed of the agreement and have expressed their general satisfaction.

\*      \*      \*

--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

*The Turkish seismic research ship is carrying out its work in international waters, where it is being shadowed by two Greek ships, according to the Turkish press.*

The Aegean situation will be one of the topics discussed at an extraordinary meeting of the Turkish national security council today.

Greek Prime Minister Karamanlis, in a major speech on Saturday, expressed willingness to negotiate with Turkey in "patience and calm" despite Turkey's "high-handed actions" in the Aegean.

*FOR THE PRESIDENT ONLY*

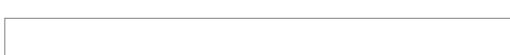
*Top Secret*

✓



# The President's Daily Brief

*September 7, 1976*



2  
*Top Secret* 50X1

Exempt from general  
declassification schedule of E.O. 131652  
exclusion category 1 (1)  
declassified only on approval of  
the Director of Central Intelligence

*FOR THE PRESIDENT ONLY*

September 7, 1976

Table of Contents

Lebanon: PLO leader Arafat sent three of his closest aides to Damascus to convey his views on Lebanon to the Syrians.  
(Page 1)

Libya-Egypt: There have been no significant military developments detected along Egypt's border with Libya for the past several days. Egyptian officials have made no public comments about President Qadhafi's relatively conciliatory speech last week, but one Egyptian official stationed in Tripoli privately characterized it as a clever move.  
(Page 1)

Southern Africa: The summit meeting in Dar es Salaam of five southern African presidents and leaders of Rhodesian nationalist groups apparently is exploring ways to enhance the military strength of the nationalists. (Page 3)

Notes: USSR - US - South Africa; USSR-Japan (Page 4)

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**LEBANON:** PLO leader Yasir Arafat sent three of his closest aides to Damascus over the weekend to convey his views on Lebanon to the Syrians.

Arafat reportedly is willing to accept Syria's continued military presence in Lebanon and its formula for an overall settlement in that troubled country. Fatah militants headed by Salah Khalaf still have not approved these new proposals.

The Syrians, who almost certainly are aware of the deep split in Fatah ranks, may not take Arafat's latest entreaties seriously. Syrian President Asad--who has an abiding personal distrust of Arafat--may believe that it is in Syria's interest to encourage the divisions among Arafat and his colleagues and that by shunning the PLO leader's initiatives he can further chip away at Arafat's credibility as Palestinian leader.

*We have seen no evidence to confirm press accounts of a major escalation of the fighting in Lebanon last weekend.*

Limited clashes continued yesterday at various points, but there was no activity that would suggest that any of the combatants has launched a major new offensive. The Christians have made no new gains on the ground and seem only to have intensified their artillery fire in the Mount Lebanon area.

\* \* \*

**LIBYA-EGYPT:** There have been no significant military developments detected along Egypt's border with Libya for the past several days.

Egyptian naval units on alert at Sollum and Matruh since August 31 reduced their readiness posture late last week. Libyan forces in the border area lowered their

--continued

*FOR THE PRESIDENT ONLY*

*Egyptian officials continue to withhold public comment on Libyan President Qadhafi's relatively conciliatory speech last week, but the head of the Egyptian Relations Office in Tripoli privately characterized the speech as a clever move.*

*Qadhafi seems to believe that the "reasonable" approach is his best course at this point and has offered to meet with Egyptian President Sadat without mediators in a neutral country to resolve their differences.*

alert status over the weekend. The alerts in both countries apparently were precautionary measures aimed at maintaining security during the Libyan national holiday period.

50X1

The Egyptian official said that Qadhafi's speech has left Egypt in a position of being "damned if it does and damned if it does not" attack Libya.

50X1

In an apparent effort to make Sadat uncomfortable and to suggest that Sadat has had little control over events, Qadhafi blamed Egyptian Foreign Minister Fahmi and Egyptian and US intelligence for fomenting tensions between the two countries.

In an interview published over the weekend, Qadhafi repeated a promise that in the interest of Arab unity he would not use Libyan forces even to repel an Egyptian attack.

\* \* \*

--continued

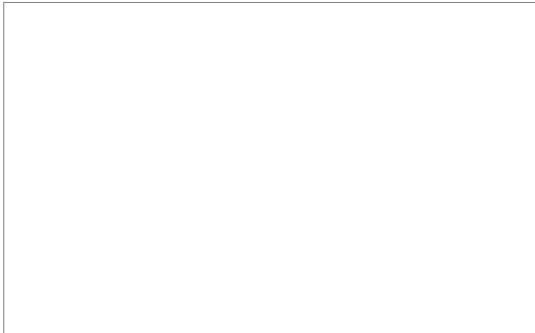
*FOR THE PRESIDENT ONLY*

50X1

SOUTHERN AFRICA: *The summit meeting in Dar es Salaam of five southern African presidents and leaders of Rhodesian nationalist groups apparently is exploring ways to enhance the military strength of the nationalists.*



*The presence of Angolan President Neto and Sam Nujoma, leader of the South-West Africa People's Organization, clearly indicates that the situation in Namibia is also being addressed.*



50X1

--continued

>

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

NOTES

*The Soviet press has criticized sharply Secretary Kissinger's talks with South African Prime Minister Vorster as a futile attempt aimed at preserving colonial rule on the continent.*

The Soviets say that Secretary Kissinger is trying to persuade Vorster to offer "dubious half measures" and "minor concessions" to black leaders in an effort to create the "semblance of a solution." US economic and strategic interests dictate Washington's support for the "Pretoria racists," according to the Soviets.

Moscow clearly is warning black African leaders to be wary and to adopt a tough position. The Soviets have been concerned about the possible success of Secretary Kissinger's efforts since his meeting with Vorster was announced.

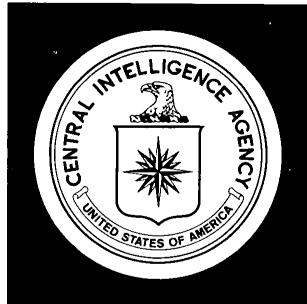
\* \* \*

*The Soviets have demanded that Japan return the MIG-25 aircraft that landed in Japan yesterday and its pilot.*

The Japanese have sent a technical team of experts to examine the aircraft, the fastest and most advanced interceptor in the Soviet inventory, which has never been observed outside the USSR. Tokyo probably will allow US authorities to examine the aircraft. We do not know whether the Japanese have decided to return the aircraft to the Soviets. The pilot has asked for and will receive asylum in the US.

The Soviets flew several intelligence collection missions over the Sea of Japan yesterday, but we cannot determine if these flights were related to the defection because the Soviets periodically fly such missions over the area.

*Top Secret*



✓

# The President's Daily Brief

*September 8, 1976*



2

~~Top Secret~~ 50X1

Exempt from general  
declassification schedule of E.O. 13652  
excluded category 1, 2, 3, 4, 5  
declassified only on approval of  
the Director of Central Intelligence

*FOR THE PRESIDENT ONLY*

September 8, 1976

Table of Contents

Lebanon: Syria continues preparations to ensure a smooth transfer of power to Lebanese president-elect Sarkis. (Page 1)

Angola-Portugal: Angolan leaders expressed to a visiting Portuguese Socialist Party delegation last week their wish to re-establish diplomatic relations with Portugal. (Page 1)

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

LEBANON: Syria continues preparations to ensure a smooth transfer of power to Lebanese president-elect Sarkis.

Pierre Jumayyil and a high-level Phalangist delegation met with Syrian President Asad on Monday, and extremist Christian leader Camille Shamun is scheduled to visit Damascus today for consultations.

50X1

In the course of his talks with Asad, Shamun is expected [redacted]

50X1

[redacted] to press his standard demand that the Palestinians be totally disarmed before any further negotiations. Shamun, who is skeptical about the prospects for peace, would prefer to resume Christian offensive operations.

PLO chief Yasir Arafat, Lebanese leftist leader Kamal Jumblatt, and other Palestinian and leftist leaders met in Beirut on Monday and rejected a "Syrian peace plan" brought back by Arafat's envoys from Damascus over the weekend.

Fighting in most of Lebanon remains at a generally low level.

Exceptions are Beirut where shelling has increased again and the Mount Lebanon area where the Christians are shelling Palestinian-held villages.

\* \* \*

ANGOLA-PORTUGAL: Portuguese Prime Minister Soares told Ambassador Carlucci that Angolan leaders expressed to a visiting Portuguese Socialist Party delegation last week their wish to re-establish diplomatic relations with Portugal.

According to Soares, the Angolans felt they had been pushed into too close a relationship with the Soviet Union and now wanted to develop a more independent position.

Soares said the Angolans even raised the possibility of a "privileged relationship" for Portugal.

--continued

*FOR THE PRESIDENT ONLY*

They need technical assistance and apparently hope to see the return of Portuguese technicians. The Angolans also made the point that Portugal could help Luanda establish links with Europe and contacts that would facilitate Angola's admission to the UN.

The Portuguese delegation gained the impression that conditions had improved in Angola. Stores were well stocked and the people appeared to have more money. Most Angolans who were questioned on the situation credited American petroleum operations rather than Soviet aid.

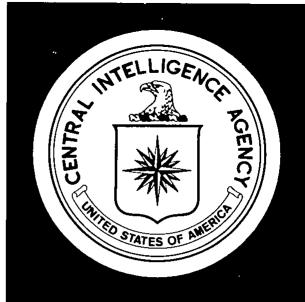
The exchange of views last week was on a party-to-party basis. Following the talks, however, both sides publicly proposed re-establishing diplomatic relations, and government-level exchanges can be expected in the near future.

The minority Socialist government in Lisbon has promised to cultivate close ties with all Portuguese-speaking nations, and the restoration of relations with Angola would give it a needed foreign policy success. The government would also probably like to reduce the economic strain caused by the return of some 600,000 refugees from the territories by sending some of them back to Angola.

Angola's approach to the Portuguese Socialists occurred during the same week that President Neto sent a private message to Washington--delivered through the US embassy in Stockholm--expressing interest in establishing normal relations.

*Top Secret*

✓

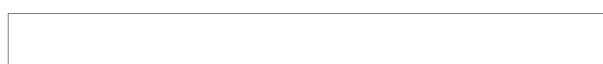


# The President's Daily Brief

*September 9, 1976*

2

~~Top Secret~~<sup>25X1</sup>



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***

September 9, 1976

**Table of Contents**

- China: NCNA has announced the death of Chairman Mao Tse-tung. (Page 1)
- Southern Africa: [redacted] at the summit meeting in Dar es Salaam no progress was made toward uniting the Rhodesian nationalists. (Page 2) 25X1
- Rhodesia: The government's security forces claim that they have inflicted heavy casualties on the guerrillas, but the level of insurgent activity apparently has not changed. (Page 2)
- USSR - US - South Africa: Soviet commentary on the US - South African talks shows that Moscow is concerned about the possibility that "shuttle diplomacy" will be resumed. (Page 3)
- Lebanon: The Syrians apparently are urging Lebanese leaders to cooperate with the future government of president-elect Sarkis. (Page 4)
- USSR-Syria-Lebanon: The Soviets have issued an authoritative and relatively moderate statement on Lebanon to convey support for a negotiated settlement. (Page 5)
- OPEC: We have new information which strengthens our belief that OPEC will vote to raise prices by 10 to 15 percent at the December meeting in Qatar. (Page 6)
- Egypt-Libya: Photography of September 5 seems to indicate that Egypt is continuing its military buildup along the Libyan border but at a slower pace than earlier indications had led us to believe. (Page 7) 25X1
- Portugal: Prime Minister Soares may be losing confidence in his government's ability to resolve Portugal's problems. (Page 8) 25X1
- Ethiopia: [redacted]  
[redacted] 25X1
- Notes: USSR; Poland; Angola-Portugal; South Africa (Pages 10, 11, and 12)
- At Annex we discuss some of the implications of the death of Chairman Mao Tse-tung.

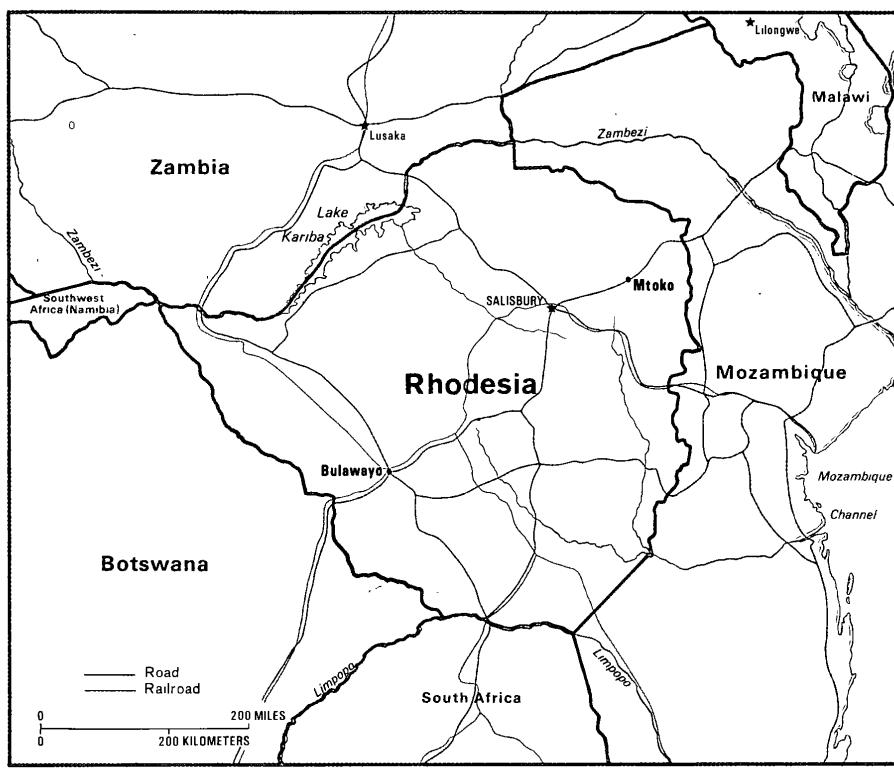
***FOR THE PRESIDENT ONLY***

*FOR THE PRESIDENT ONLY*

CHINA: NCNA announced  
the death of Chairman  
Mao Tse-tung in Peking  
this morning. At Annex  
we discuss some of the  
implications of his  
demise.

--continued

*FOR THE PRESIDENT ONLY*

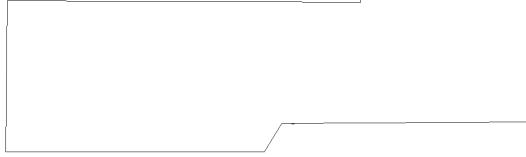


*FOR THE PRESIDENT ONLY*

SOUTHERN AFRICA: Reliable reports confirm that no progress was made toward uniting the fragmented Rhodesian nationalist movement at the two-day summit conference of five southern African presidents at Dar es Salaam.

The five presidents probably held off making any firm decisions on ways to strengthen the military effort against Rhodesia until they assess the results of Secretary Kissinger's meeting with South African Prime Minister Vorster.

The meeting at Dar es Salaam marked a broadening of the role of presidents Nyerere of Tanzania, Kaunda of Zambia, Machel of Mozambique, and Khama of Botswana.



Meanwhile, Prime Minister Vorster will brief Rhodesian Prime Minister Smith early next week on the results of his talks with Secretary Kissinger.

RHODESIA: The government's security forces claim that they have inflicted heavy casualties on the guerrillas, but the level of insurgent activity apparently has not been affected.

According to government figures, 131 guerrillas were killed in Rhodesia during August--the highest monthly total since the fighting began in 1972. Nevertheless, press reports indicate that the insurgents last week made one of their largest attacks ever. Some 100 guerrillas are said to have followed up a mortar and rocket barrage by raiding a Rhodesian army outpost in northeast Rhodesia.

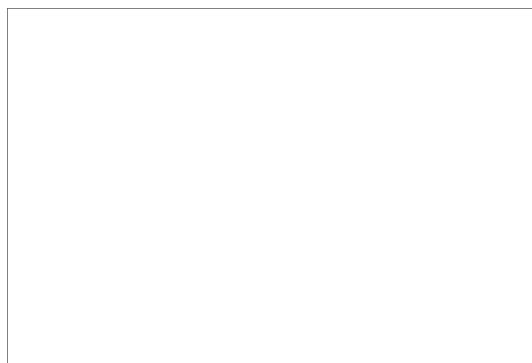
--continued

*FOR THE PRESIDENT ONLY*

In southeastern Rhodesia, the guerrillas, according to press reports, shot down a helicopter last week. The Rhodesian air force now faces a serious shortage of trained helicopter pilots following the withdrawal of South African pilots last month. [redacted] 25X1

25X1

[redacted] 25X1



USSR - US - SOUTH AFRICA: Soviet commentary on the US - South African talks in Zurich shows that Moscow is concerned about the possibility that "shuttle diplomacy" will be resumed.

Writing in Pravda on September 7, senior political commentator Yuriy Zhukov charged that the US role in Africa may cause "new dangerous complications" in the area and that Secretary Kissinger was trying to maintain "racists" in power. The chief of the USA Institute's Foreign Policy Department remarked to a US embassy official on September 7 that he personally viewed the Secretary's activities in Africa as a "carbon copy" of the US approach in the Middle East.

The selection of Zhukov--a well-connected commentator who usually deals with major East-West issues--to write the Pravda commentary

--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

strongly suggests that more than just African issues are being addressed. Zhukov's direct criticism of Secretary Kissinger appears to be part of an increasing inclination on the part of the Soviets to find fault with the US administration in general and the Secretary's role in particular.

\* \* \*

LEBANON: *The Syrians apparently are stressing in their talks with Lebanese leaders this week the need for full cooperation with the future government of president-elect Sarkis.*

The Syrians want Sarkis to have sufficient stature to conduct meaningful negotiations. They recognize that this must come primarily from his ability to control his fellow Christians. Phalanges Party leader Jumayyil has been a supporter of Sarkis from the start; however, rightist leader Camille Shamun has a long-standing personal grudge against him and is not in favor of any negotiations until the Palestinians have been more thoroughly chastened.

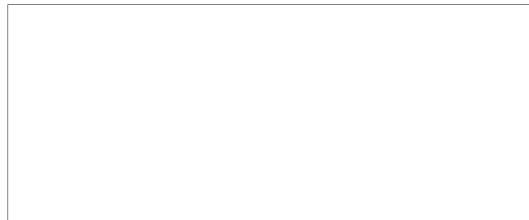
Before his departure for Damascus yesterday, Shamun apparently commented publicly that current efforts to find a new basis for negotiations will not be successful and that the fighting will escalate dramatically before Sarkis is able to take office. His remarks will reinforce the suspicion among many Palestinians and Lebanese Muslims that the current round of talks in Damascus is laying the groundwork for another major Christian-Syrian offensive.

--continued

*FOR THE PRESIDENT ONLY*

25X1

*Damascus' main concern at present is the inauguration of Sarkis, now officially scheduled for September 23, the expiration date of President Franjiyah's term.*



The Syrians would like to hold the swearing-in ceremony within Lebanese territory controlled by Syrian forces, thus allowing some 25 members of the Lebanese parliament now in Syria to attend. Several sites in Beirut reportedly also are under consideration, but the Syrians fear a ceremony there would create a potentially explosive security situation. Moreover, if significant numbers of parliamentary deputies are prevented from attending the session, Sarkis' inauguration could be challenged on legal grounds.

**USSR-SYRIA-LEBANON:**

*The USSR has issued an authoritative and relatively moderate statement on Lebanon to convey its support for a negotiated settlement.*

The Pravda statement on September 7, signed "Observer" to signify Kremlin endorsement, criticizes both the Syrian intervention in Lebanon and, for the first time, "leftist elements" within the Palestinian movement. The statement denounces the Palestinian leftists for "rejecting out of hand any peaceful proposals" and calls attention to the deep split within the Palestinian leadership regarding negotiations. This will be interpreted by Arafat as an endorsement of his position.

--continued

*FOR THE PRESIDENT ONLY*

The article--Moscow's strongest criticism so far of the intervention of Syrian forces in Lebanon--terms the Syrian decision "harmful." The Soviets are still refraining from forthrightly calling for withdrawal and instead are expressing tacit agreement with the demands of "many Arab countries and other countries" that these forces leave. Soviet commentary is obviously bent on antagonizing Damascus no more than necessary.

Unlike the last Observer piece on Lebanon in April, the current article does not go out of its way to castigate Israel or to raise the possibility of US military intervention.

25X1

\* \* \*

OPEC:



25X1

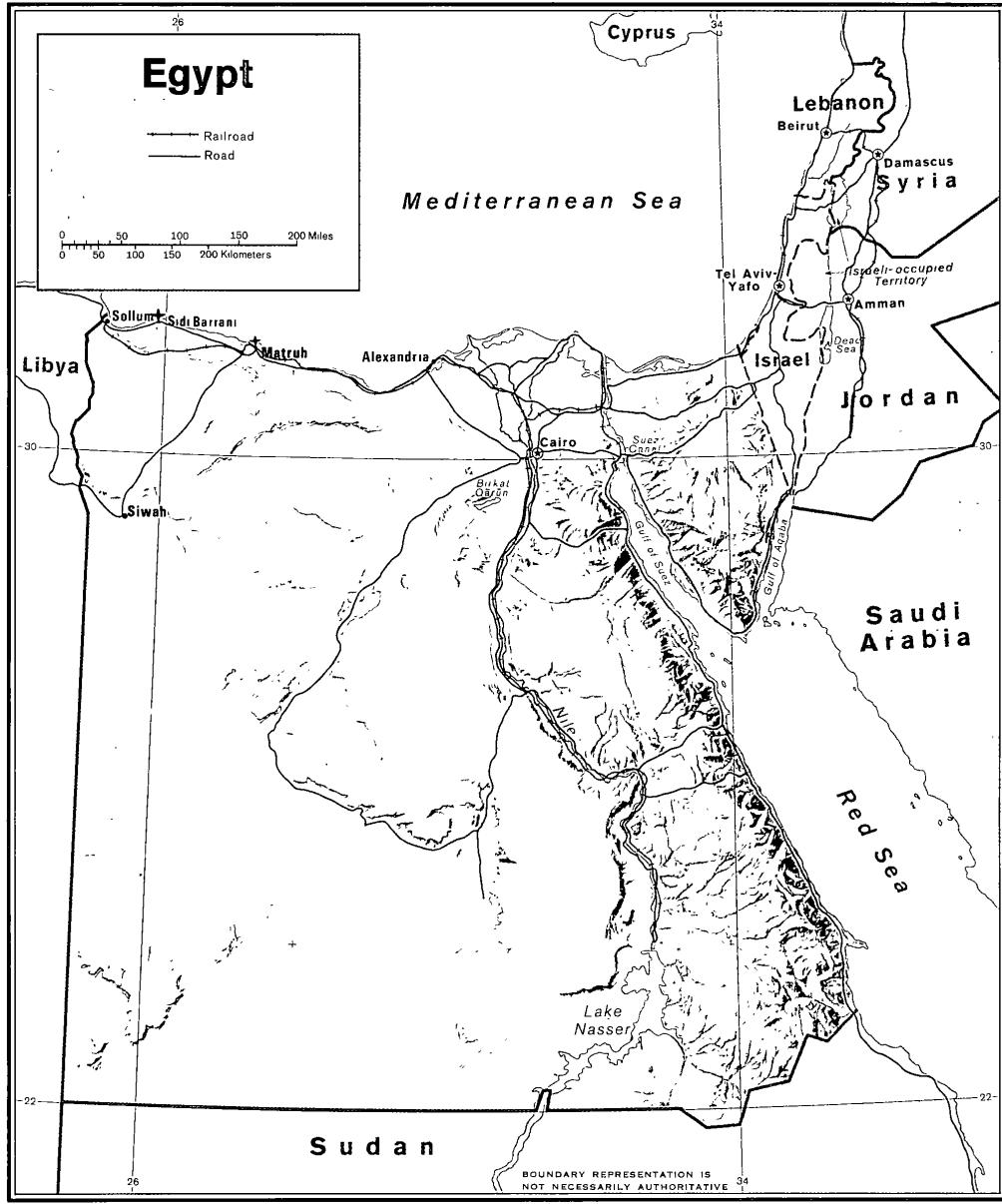
We reported [redacted] two weeks ago that the Saudis had assured Venezuela that they would go along with a price increase of from 10 to 15 percent. At about that time the most influential OPEC ministers--from Saudi Arabia, Iran, Venezuela, and possibly Algeria--met in Saudi Arabia and discussed the December price increase.

Subsequently, a high Iranian official told the US embassy in Tehran that a 15- to 18-percent rise is called for.

In the hope of avoiding the kind of acrimony that developed at the OPEC meeting in Bali in May, the ministers who met recently in Saudi Arabia probably negotiated the approximate range of the price rise to be made in December.

--continued

*FOR THE PRESIDENT ONLY*



620375 8-76

*FOR THE PRESIDENT ONLY*

Unless there is a shift in the Saudi price position in the interim, the full OPEC meeting in December probably will agree to a price increase of at least 10 percent and most likely 15 percent.

\* \* \*

**EGYPT-LIBYA:** Preliminary analysis of satellite photography [redacted]

[redacted] indicates that Egypt is continuing its military build-up along the Libyan border, but at a slower pace than earlier indications had led us to believe.

Egypt is still in the early stages 25X1 of a build-up of ground forces. 25X1 Photography shows a substantial increase in logistics support equipment at Sollum, Sidi Barrani, and Matruh.

There is no build-up of forces at Siwah, the area from which [redacted] they might launch a major armored drive into Libyan territory. No new ground combat units were detected on the photography. 25X1

Construction continues on the new airfield at Sidi Barrani but not at the rapid pace observed in July photography. The Egyptians appear to be preparing to pave the airfield's runway. Its completion would give Cairo two airfields in the west capable of handling sustained air combat operations.

\* \* \*

**PORUGAL:** Prime Minister Soares may be losing confidence in his government's ability to resolve Portugal's problems.

Soares apparently feels very frustrated and pessimistic over the political-economic situation. Yesterday he postponed the announcement of the first of a series of economic austerity measures, probably because of the difficulty he has had in getting his cabinet to agree on the proposals. He is said to be particularly disturbed

--continued

*FOR THE PRESIDENT ONLY*

by the refusal of his labor and agriculture ministers to cooperate in a stabilization program and by the government's failure to attract private investment.

The agricultural and labor areas are especially significant because they are being watched closely for indications of the government's ability to reduce entrenched Communist influence.

Last week Soares told Ambassador Carlucci that Portugal requires a \$300-million balance-of-payments support loan from the US this year and an additional \$1 billion in 1977. Soares said his government agrees with US suggestions concerning economic recovery measures and urgently needs a loan commitment to permit development of an appropriate program. He conceded, however, that his advisers are evenly divided on the important question of devaluation.

\*

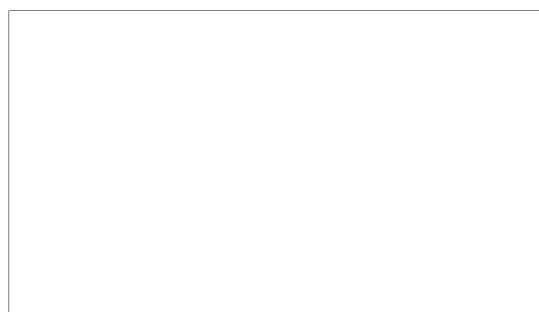
\*

\*

25X1

ETHIOPIA: [redacted]

25X1

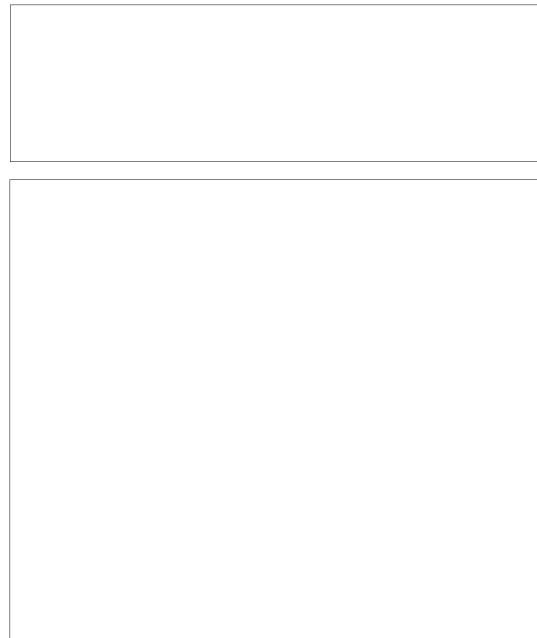


25X1

--continued

*FOR THE PRESIDENT ONLY*

25X1



25X1

--continued

*FOR THE PRESIDENT ONLY*

***FOR THE PRESIDENT ONLY***

**NOTES**

*Recently appointed Soviet First Deputy Premier Tikhonov will handle foreign economic relations.*

According to an official of the Ministry of Foreign Affairs, the USSR attaches great importance to this field. Premier Kosygin has exercised overall direction of foreign economic relations. In view of Kosygin's illness, it would seem logical that Tikhonov should pick up this responsibility.

\* \* \*

*Poland's current troubles have led to speculation about party chief Gierek's future.*

Several influential Polish journalists recently told a US diplomat that they were "absolutely fed up" with the Gierek regime, although they said Gierek himself has "good intentions." One predicted that Prime Minister Jaroszewicz would be the first to go and implied that within a year Gierek would follow.

According to our embassy in Warsaw, "the events of these last three months have left a shaken, dispirited Gierek regime pitted against a headstrong, distrustful and sullen population." Gierek undoubtedly is in a weaker position now than he was before June. We have seen no indications, however, of any movement within the party or from the Soviets to unseat him.

--continued

*FOR THE PRESIDENT ONLY*

\* \* \*

Angola's foreign minister informed Portugal yesterday that the Angolan government desires to reestablish diplomatic relations "in the near future."

The message is an official follow-up to the exchange of views last week in Luanda between Angolan leaders and a visiting Portuguese Socialist Party delegation.

Lisbon replied quickly and positively to the Angolan message by proposing a foreign ministers' meeting. The minority Socialist government needs the political boost that reestablishing relations with the former territory will provide. The eagerness the two countries are showing toward resuming ties suggests that future talks on outstanding issues--particularly Angolan nationalization of Portuguese properties--can be resolved amicably.

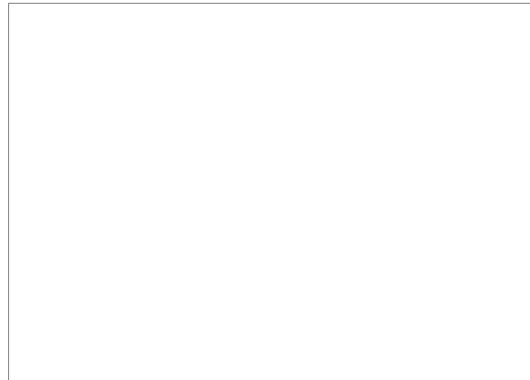
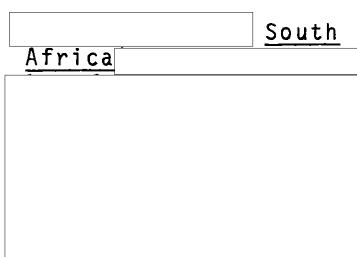
\*

\* 25X1

25X1

25X1

25X1

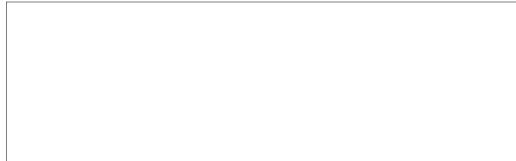


--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

25X1



25X1



*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

A  
N  
N  
E  
X

CHINA AFTER MAO

*The death of Mao Tse-tung, announced this morning, will not come as a traumatic surprise to the Chinese populace; the regime has been preparing the public for this event for some time through wide dissemination of photographs showing an increasingly aged and infirm Chairman. The political repercussions of his demise, however, may well last for years.*

Mao had been an important member of the Chinese Communist Party since its founding in 1921, and Chairman since the mid-1930s. He has been the most important and the central reference point in the often confused politics of the party for much longer. Even when his will was partly thwarted by others in the Chinese leadership whose policy views differed from his own, his personality and programs could never be ignored; even his opponents claimed to be speaking in his name and to be carrying out his commands.

As the dominating force in Chinese politics, a founder of the party, the formulator of the "Chinese way" to communism, and the man who led the Chinese revolution to triumph, Mao will be irreplaceable. There is no one on the Chinese scene today who even remotely commands the authority that has been accorded to him or who can easily assume the charismatic role of leader of the Chinese people he exercised for years.

In the upper echelons of the party, however, the Chairman's death may come as something of a relief to a considerable number of second-level leaders. Mao's autocratic actions, suspiciousness, and sometimes erratic policy shifts were almost certainly resented by some of his associates and subordinates, particularly in the past decade. Some of these individuals are now likely to believe that more orderly and rational approaches to policy problems can be taken without fear of reprisals from the Chairman.

Although Mao's place in the three-thousand-year-old history of the Chinese state is likely to loom large, one conspicuous failure in his long domination of the political scene is already glaringly evident and

--continued

A1

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

is likely to have serious implications for the future. The Chairman did not succeed in providing for a widely acknowledged and recognized successor. Two designated successors, Liu Shao-chi and Lin Piao, fell by the wayside in 1966 and 1971 respectively.

A third, Teng Hsiao-ping, who appeared in a position to inherit much of Mao's authority if not the formal title of party chairman, was removed from all his high positions in early April. At the same time, the young Wang Hung-wen, who by virtue of his position in the hierarchy seemed to have a shot at succession to the formal title of party chairman--but probably without much of the authority that normally could accrue to that post--was passed over for promotion last April. Finally, Chou En-lai, who by virtue of his experience and the respect accorded him by most Chinese was perhaps the most logical of all possible successors to Mao, died last January.

For several years the Chinese have talked about post-Mao arrangements in terms of a collegial group which would in effect share the Chairman's authority among themselves. Such an arrangement is entirely possible, at least in the short run, since it seems clear that no single individual has the stature to replace Mao in his full leadership capacity.

It is possible, in fact, that the post of party chairman may now be retired, as a post that could only be held by the irreplaceable leader who has just died. The Nationalist Chinese on Taiwan followed a similar procedure at the death of Chiang Kai-shek last year. In this case, Peking would probably revive the post of party secretary-general, which has been dormant since the start of the Cultural Revolution, in order to provide a manager for party affairs.

If the post of Chairman is to be filled, however, the most likely candidate for the job is Premier Hua Kuo-feng, who is now "first" party vice chairman, a new post created in early April, at the time of the fall of Teng Hsiao-ping. Hua is, however, a compromise figure who lacks a strong power base and who has operated at the center of power for only a few years. In his hands the post of chairman would be less important than it was when Mao occupied the position. Moreover, there are almost certainly a number of senior leaders of the party who would prefer that additional power and prestige did not accrue to Hua. There have been occasional covert attacks on Hua in the media since January, and his deputy in Hunan Province,

--continued

A2

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

which he ran before coming to Peking, has been under heavy political pressure for several months.

It is possible, therefore, that Hua's elevation to the chairmanship could be contested, and in fact any decision to fill the post might be put off for some time. It is also possible that if Hua were elevated to the chairmanship, he could be balanced off by a reconstitution of the post of secretary-general. In this case a leading candidate for that job would be the leftist political boss of Shanghai, Chang Chun-chiao, who probably performs the functions of secretary-general on a de facto basis at present. There is certain to be opposition to this appointment from the party's right wing, however.

If the post of chairman were abolished, that of the current party vice chairman would also have to be abolished. In addition to Hua, the other vice chairmen are Wang Hung-wen, whose youth makes him suspect to many older party members and whose alignment with the left wing of the party is a major disability in the eyes of the rightists, and Defense Minister Yeh Chien-ying, a long-time associate of the late Chou En-lai who has been identified with the party's right wing and who came under criticism earlier this year for his vehement support of Teng Hsiao-ping.

The balance these two men provide could be an argument for preserving the system of chairman and vice chairman. If, however, that system is scrapped, Hua Kuo-feng would be an obvious candidate for the secretary-general's post. Since Chang Chun-chaio also has claims on this job, a clash between the two could easily develop.

Insofar as the principle of collegiality is followed by the Chinese, the three current vice chairmen, Chang Chun-chiao and Peking Military Region Commander Chen Hsi-lien would almost certainly form the core of the collective. These five men are the most powerful in China today. They are not likely to work easily together, however. The left-right split between Yeh, on the one hand, and Wang and Chang, on the other, is already pronounced, and as already noted, there is potential for serious friction between Chang and Hua.

--continued

*FOR THE PRESIDENT ONLY*

Chen, even more than Yeh, the defense minister, is likely to represent military interests in the collective. Many important military figures have represented the leftist leaders since the days of the Cultural Revolution, and to the degree that Chen speaks for them, he could come into conflict with Chang and Wang. Chen, however, appears to be an ambitious man whose personal interests could lead him into temporary and expedient alliances with any civilian faction. He is reported to have abandoned Teng Hsiao-ping at a crucial juncture last January, for example, and this move may have been an important factor in Teng's subsequent political demise.

Latent factionalism among the ruling group is likely to come to the fore rather quickly, in fact. Mao's death occurs at a tense and rather fluid moment in Chinese politics. Repercussions from the Teng purge are still echoing throughout the country--in the provinces and in Peking. The fissure between the party's right and left wings is perhaps wider than at any time since the late stages of the Cultural Revolution, and the issue of relations between the military and civilian members of the party is still not fully resolved. Since the attacks on Teng began, the army has begun to reemerge as an important factor in political affairs; this tendency is likely to become more pronounced in the wake of Mao's death.

This confused situation makes a struggle among the various factions in the leadership all but inevitable, and this struggle is likely to make itself manifest sooner rather than later. Mao has died at an unpropitious moment for the party's left wing, however. This group--a minority in the party and among the leadership--has not yet managed to achieve a solid and largely unassailable position, as it clearly hoped to do before the Chairman's death. Mao had his differences with the leftists in recent years, but they were at most times able to play on his obsessive concern for the development of an equalitarian China, and their enemies were inhibited by fear that Mao could intervene on their behalf in unexpected fashion. This inhibition has now been removed.

One likely victim of these changed circumstances is Mao's wife, the termagant Chiang Ching. She is widely disliked, and without the Chairman's potential protection she may well fall by the wayside rather quickly. The left as a whole is in fact now in a

--continued

A4

*FOR THE PRESIDENT ONLY*

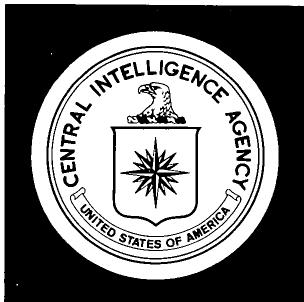
*FOR THE PRESIDENT ONLY*

somewhat unenviable position. It is likely to be on the defense in whatever struggle develops in the wake of Mao's death. Nevertheless, leftist leaders, although a minority, speak for a significant portion of the Chinese party, and the struggle, if it develops, is not likely to be resolved quickly.

This fact, plus the obvious difficulty the Chinese will have in adjusting to a China without Mao, is likely to inhibit the development of new policy initiatives and to slow the implementation of policies already adopted, both in the domestic and foreign policy spheres. If the military gains an increased voice in policy-making, however, it is possible that Peking may become more receptive to the idea of moderating somewhat its unyielding opposition to the USSR.

*Top Secret*

✓  
✓

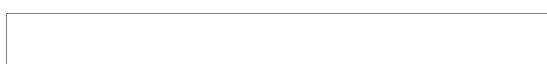


# The President's Daily Brief

*September 10, 1976*

2

*Top Secret*<sup>25X1</sup>



Exempt from general  
declassification schedule of E.O. 13652  
except as provided in (1)(2)(3)  
declassified only on approval of  
the Director of Central Intelligence

*FOR THE PRESIDENT ONLY*

---

LATE ADDITION TO  
JAPAN-USSR ITEM

Tokyo has apparently decided to turn control of the Soviet MIG-25 aircraft over to the Japanese Defense Agency. Cabinet legal experts are said to be working out a rationale for this action.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**CHINA:** *The Chinese leadership has handled the immediate problems posed by Mao's death-- funeral arrangements and mourning ceremonies--quietly and efficiently. The larger issue of a new leadership alignment will take much longer to resolve fully and may well be an acrimonious process.*

*Both of the principal contending political factions in the leadership have been weakened in the past year.*



*Hua Kuo-feng*

Within hours after Mao's death yesterday, Peking issued a lengthy and carefully worded obituary notice that mentioned the need to continue Mao's revolutionary foreign policy line, a codeword for the opening to the US.

The party Central Committee, which apparently was meeting in late August, will probably reconvene after Mao's funeral for the first round of political wrangling. Peking has already shown signs of sensitivity about revealing who stands where in the hierarchy. The funeral committee, announced yesterday, listed the Politburo in the Chinese equivalent of alphabetical order.

The more conservative of them, with the loss of Chou En-lai and Teng Hsiao-ping, lack a strong and widely respected leader around whom to rally. Defense Minister Yeh Chien-ying, in his late 70s, is now the leader of this group. His age precludes his being a strong contender for the party leadership, but he will continue to exercise a moderating influence as long as he lives.

Premier Hua Kuo-feng is not a charter member of this group, although he seems to lean more toward the conservatives than he does toward the left. He has not had time, in his brief tenure as premier and first vice chairman of the party, to establish solid ties or a wide base of support.

--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*



*Chang Chun-chiao*

*Despite their respective weaknesses, both Hua and Chang are likely to make a run for the party leadership.*

Lacking a strong leader and with Mao now out of the picture, the moderates may be tempted to try to bring Teng Hsiao-ping back into the political picture. Such a move would be strongly opposed by the left and could well fail.

The current leftist leader, standing committee member Chang Chun-chiao, because of his close identification with the leftist move against Teng earlier this year, is now probably less acceptable than previously to centrists who may have once found him less objectionable than some of his unreconstructed leftist associates. He seemed to be the main challenger to Teng Hsiao-ping for the premiership, but since neither he nor Teng had the overwhelming endorsement of the party needed to rule effectively in the job, Hua Kuo-feng was chosen as an apparent compromise.

Precisely because of their weaknesses, both men and any other civilian contenders will have to court the military. In return for their support, military men are in an excellent position to extract major concessions from the civilians. Although civilians of all stripes are wary of allowing the army too much political power, the divisions among them could allow the army to exploit those differences for its own ends.

Civilians will be on guard against a possible military coup attempt. We believe an attempted military coup is most unlikely.

--continued

*FOR THE PRESIDENT ONLY*

*The division of labor among the leadership is probably going to be a difficult process and subject to considerable horse trading.*

Should Premier Hua end up as titular head of the party, for example, he would be under pressure to relinquish the premiership. One of the many problems the left had with Teng Hsiao-ping was that he not only acted for Chou En-lai as premier but seemed also to be in charge of the party's day-to-day affairs.

There are enough ambitious men in the leadership who have waited a long time for their chance in the sun that any attempt to consolidate the party leadership and the premiership into the hands of one person would be strongly opposed.

Formal discussion of the parceling out of the Maoist legacy will almost certainly be postponed until after the memorial service on September 18. No decisions may in fact be taken for some time, and there are many factors, internal and external, which drive the current members of the Politburo to attempt to work together. The leadership is fundamentally too divided and inherently unstable, however, to remain in harness together indefinitely.

\* \* \*

**JAPAN-USSR:** Friction between Japan and the USSR increased yesterday over the handling of the MIG-25 when the Soviets delivered a harshly worded protest.

Ambassador Polyansky delivered a written statement to Deputy Foreign Minister Arita shortly before Soviet defector Belenko left for the US. The protest:

--noted that Japan had not yet replied to repeated Soviet demands for prompt return of the pilot and plane;

--continued

*FOR THE PRESIDENT ONLY*

--termed Belenko's arrival in Japan the result of an emergency landing and his request for asylum a Japanese fabrication;

--accused Japanese authorities of forcibly moving Belenko to Tokyo;

--alleged that denial of Soviet access to Belenko violated bilateral consular agreements;

--described these Japanese actions as unfriendly to the Soviet Union; and

--warned Tokyo not to be influenced by any third countries.

In response, Arita affirmed that Belenko would be allowed to seek asylum in the US; that a Soviet official could see Belenko prior to his departure (a meeting was subsequently held); and "took note" of Moscow's desire for an early return of the plane. Arita reminded Polyansky that Tokyo wanted a satisfactory explanation of the violation of Japan's territorial airspace.

The Japanese press, coached by Foreign Ministry sources, is stressing the theme that in view of the violation of Japanese airspace, Moscow should take a conciliatory attitude before negotiations begin on return of the plane. A Foreign Ministry spokesman has been quoted as saying that once talks with the Soviets are under way, the plane probably could be returned in about a month.

Political infighting over Prime Minister Miki's tenure in office does not seem to have affected Tokyo's handling of the MIG-25 incident.

--continued

*FOR THE PRESIDENT ONLY*

The incident, in fact, could contribute to a continuation of the political impasse. Miki had earlier threatened to force a showdown with his challengers at a cabinet meeting today. The need to address the Soviet problem, however, and the inclination of both Miki and his opponents to avoid an irrevocable step in their political competition should serve to maintain the deadlock a while longer.

*The Soviets may be attempting to use the incident to put the Japanese on the defensive regarding relations between the USSR and Japan.*

The objective would be to make it that much harder for Tokyo to move ahead with peace treaty negotiations with China or to renew pressure on the northern territories issue. Furthermore, the MIG-25 incident came at a time when the Soviets had been making some gestures toward breathing fresh life into economic dealings with Japan and will probably put these efforts on the shelf for the time being.

The Soviets evidently are putting out phony stories in Europe that Tokyo will be acting aberrantly if it makes the MIG-25 available to the US. Moscow apparently has some hope of getting the plane back and of persuading Japan to limit its availability to the US. Soviet "journalist" Victor Louis has a story in a French newspaper asserting that the normal "usage" is to forgo passing such equipment to US experts.

In trying to establish this "principle" of proper behavior, the Soviets may hope to salvage something out of the MIG-25 affair that can be put to use in the future.

\* \* \*

--continued

*FOR THE PRESIDENT ONLY*

**LEBANON-SYRIA:** *The principal Lebanese Christian leaders have completed their talks with President Asad. We have no details as yet on the substance of the latest round of talks.*

The two sides appear, however, to have agreed to postpone any political or military initiatives until after the transfer of power to president-elect Sarkis on September 23.

Shelling is continuing in all of the usual trouble spots, but no significant gains have been made on any side.

\* \* \*

**USSR:** *We now estimate 1976 Soviet grain production at 200 million metric tons, up 5 million tons from our early August estimate. However, the size of the final harvest remains uncertain.*

A crop of 200 million tons would exceed last year's by some 60 million tons and would be second only to the record Soviet crop of 222.5 million tons in 1973.

The Department of Agriculture currently estimates the Soviet crop at 205 million tons.

Weather conditions during the balance of the harvest will play an abnormally large role in determining the size and quality of the crop, however. Cool, wet weather in much of European Russia throughout the summer has delayed harvesting and has made a large share of the cereal grains unsuitable for flour milling.

If favorable grain crop prospects hold, Soviet grain purchases should not exceed 14 million tons, a little more than half the amount bought in 1975. Of this amount, about 9 million tons will come from the US and the remainder from Canada, Australia, Brazil, and New Zealand. Moscow is still obligated to take 1.6 million tons of US grain to meet the 6-million-ton minimum stipulated under the first year of the US-USSR grain agreement.

\* \* \*

--continued

*FOR THE PRESIDENT ONLY*

NOTES

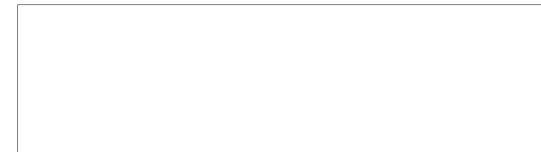
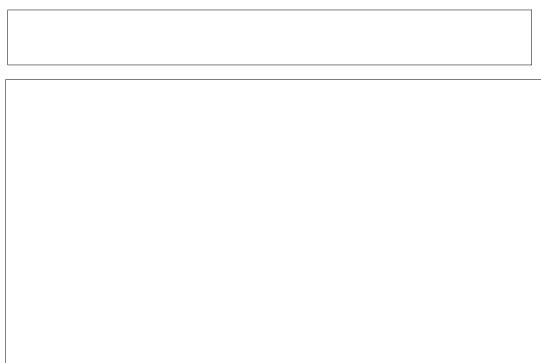
25X1

25X1

25X1

Soviet Union  
Egypt

25X1



\*

\*

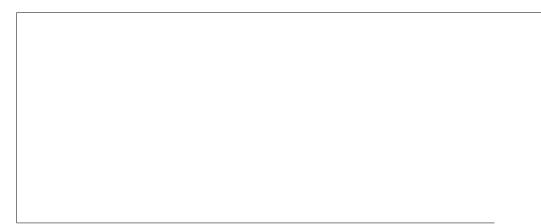
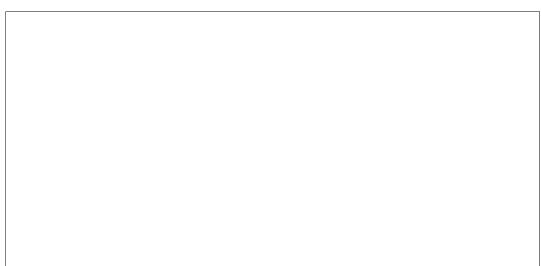
25X1

25X1

25X1

25X1

Yugoslavia,

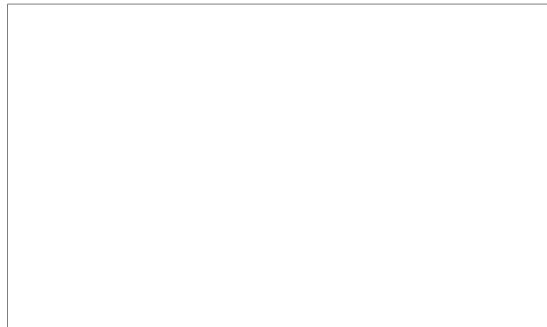


25X1

--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

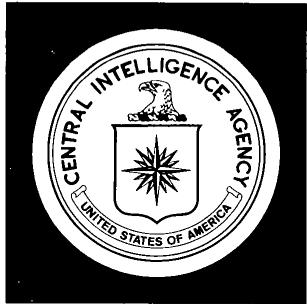


25X1

*FOR THE PRESIDENT ONLY*

*Top Secret*

✓



# The President's Daily Brief

*September 11, 1976*



2  
Top Secret 25X1

Exempt from general  
declassification schedule of E.O. 11652  
except as provided in (1)(2), (3)  
Declassified only on appeal of  
the Director of Central Intelligence

*FOR THE PRESIDENT ONLY*

September 11, 1976

Table of Contents

Egypt-Libya: [redacted] 25X1

Lebanon: Interior Minister Shamun, the most extreme of the major Christian leaders, apparently agreed during talks in Syria this week to allow an orderly transfer of power to president-elect Sarkis. (Page 2)

Iraq-Syria: Baghdad has reduced its forces in western Iraq, and we have indications that further withdrawals are planned. (Page 3)

South Africa: The spread of rioting this week has complicated Prime Minister Vorster's efforts to reach a consensus within the ruling National Party on a strategy to reduce South Africa's mounting racial tensions. (Page 3) 25X1 25X1

South Africa - Israel: [redacted]

(Page 4)

Spain: Prime Minister Suarez' reform program, announced last night, is a major step toward an accommodation with the opposition. (Page 4)

Notes: China; Yugoslavia-Iraq (Pages 7 and 8)

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

25X1

25X1

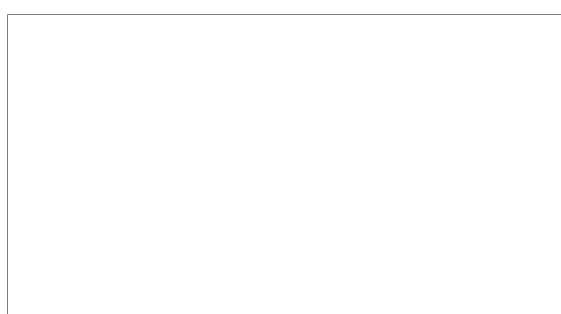
EGYPT-LIBYA: [redacted]

25X1

25X1

25X1

25X1



\*

\*

\*

--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

*LEBANON: Interior Minister Shamun, the most extreme of the major Christian leaders, apparently agreed during talks in Syria this week to allow an orderly transfer of power to president-elect Sarkis on September 23.*

Syrian President Asad and leaders of the larger Christian Phalanges Party believe Sarkis should take office before new political or military initiatives are launched.

Shamun and Asad reportedly discussed the possibility of moving "symbolic" Syrian units into Christian-held areas of Lebanon for a possible new military push to be made if the political stalemate continues after September 23. Such a move would be intended to support the fiction that Syrian troops are in Lebanon as a peace-keeping force rather than to assist only one side.

*Egypt is now attempting to become centrally involved in the Lebanese diplomatic negotiations.*

Palestinian and Lebanese leftist and Muslim leaders have recently consulted with Egyptian officials in Cairo. Foreign Minister Fahmi is scheduled to receive a number of other Lebanese politicians in the near future, including Phalanges chief Jumayyil and socialist leader Jumblatt.

Cairo has had little success in limiting Syria's influence in Lebanon by supporting the Lebanese leftists and the Palestinians and presumably is now hoping it can counter Damascus more effectively with assertive diplomatic action. Egypt may also be working to ensure that it will be included in any peace talks that might follow Sarkis' installation and to prepare for the Arab summit that is scheduled to consider the Lebanon problem late next month.

\* \* \*

--continued

*FOR THE PRESIDENT ONLY*

*IRAQ-SYRIA: Baghdad has reduced its forces in western Iraq by about 10,000 men, and we have indications that additional withdrawals are planned.*

Iraq began moving troops toward the Syrian border in early June, apparently in an effort to relieve Syrian pressure on Palestinian and leftist forces in Lebanon, and has maintained a force of 70,000 to 80,000 troops in the west since early July.

\* \* \*

*SOUTH AFRICA: The spread of rioting this week has complicated Prime Minister Vorster's efforts to reach a consensus within the ruling National Party on a strategy to reduce South Africa's mounting racial tensions.*

For several weeks the South African press has been speculating that Vorster intends, through closed-door sessions with members of Parliament and the provincial councils, to gain broad support for some modifications of the apartheid system. A special National Party caucus did convene yesterday.

This week Vorster told a provincial party congress that he would consider measures to alleviate poor living conditions among non-whites, but he said that they had no right to participate in any white political institution. He explicitly ruled out representation of "coloreds" or Asians in Parliament.

The Prime Minister may have taken this tough stand in order to soften opposition among the rank-and-file of his party to economic and social reforms that he had previously proposed.

Yesterday the government did announce limited concessions as the Colored Representative Council convened. The meeting, however, was boycotted by members of the Labor Party, the stronger of two "colored" parties in the council, because of the detention without trial of the party chairman.

\* \* \*

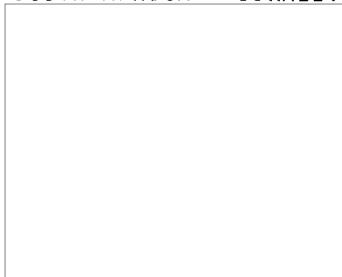
--continued

*FOR THE PRESIDENT ONLY*

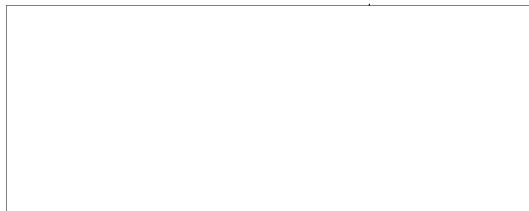
25X1

25X1

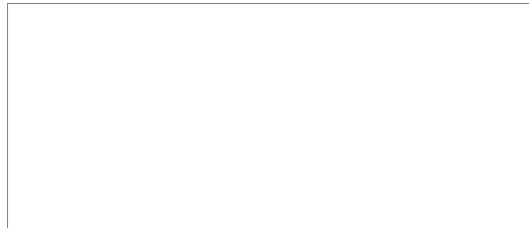
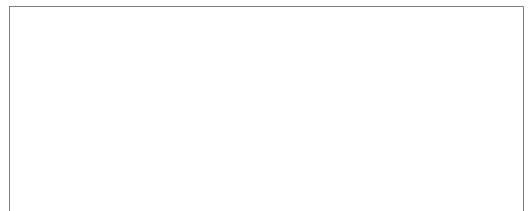
SOUTH AFRICA - ISRAEL:



25X1



25X1



\* \* \*

*SPAIN: Spanish Prime Minister Adolfo Suarez took a major step toward accommodating opposition demands last night when he announced the general lines of his government's reform program.*

In a televised statement following cabinet approval of the program, Suarez said that all major reforms--such as overhauling the state-run labor organization, granting greater autonomy to the regions, and working out the power relationship between parliament and government--would be left to a bicameral legislature to be elected by direct, universal suffrage before next June. In effect, this would make the new parliament, which is to include the democratic opposition, a constituent assembly.

--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

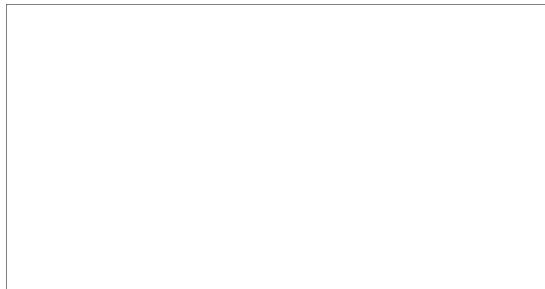
Suarez' program also incorporates several other concepts called for by the opposition as guarantees of democratic progress:

- abolition of the seats held by 40 members of the current parliament appointed for life by General Franco;
- some form of proportional representation;
- regional representation in the upper house;
- lower house initiative for constitutional reforms.

The role of the present government will be to prepare for the legislative election. Suarez did not specify how this would be done, but according to an advance briefing sent to the US embassy, the government intends to submit its proposals for holding the election and establishing a bicameral legislature to the current parliament and subsequently to a referendum. Armed with a popular mandate, Suarez will issue electoral laws by decree.

25X1

*The major stumbling block will be getting the reform program approved by two-thirds of the current, rightist-dominated parliament, but the government seems optimistic.*

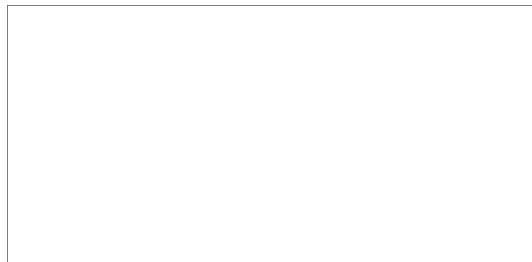


--continued

25X1

*FOR THE PRESIDENT ONLY*

25X1



Relations between government and opposition seem to have improved dramatically since Suarez began meeting with leftist leaders, but legalization of the Communist Party remains one of the main points of contention. The government, pointing to military inflexibility on the issue, maintains that its hands are tied. There have been recent signs, however, that the Communist-dominated Workers Commissions may be legalized along with other clandestine labor unions, perhaps as early as next week.

\* \* \*

--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

NOTES

25X1

25X1

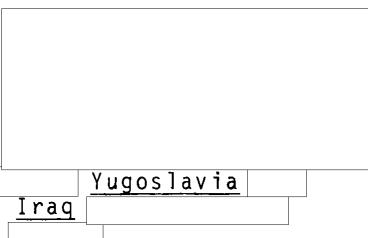
25X1

25X1

\* 25X1

\* 25X1

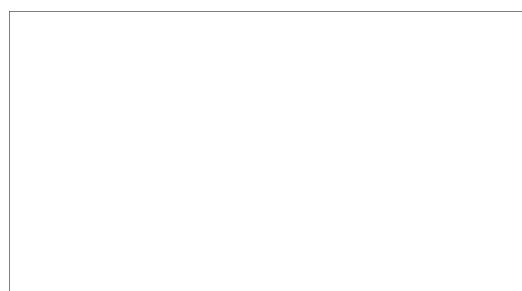
25X1



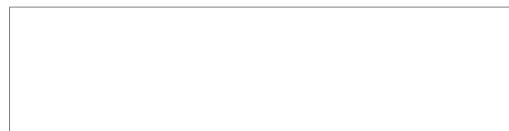
Iraq

Yugoslavia

25X1



25X1

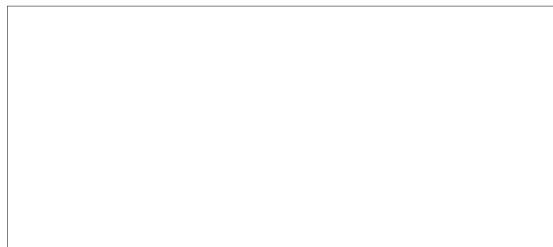


--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

25X1



*FOR THE PRESIDENT ONLY*

*Top Secret*

2



# The President's Daily Brief

*September 13, 1976*

[Redacted]

2  
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*

September 13, 1976

Table of Contents

Greece-Turkey: The decision Saturday by the International Court of Justice may encourage the Greeks to negotiate seriously in the bilateral talks with the Turks scheduled for later this month. (Page 1)

Lebanon: Syrian officials continue to hold discussions with Lebanese and other Arab emissaries to facilitate the transfer of power to Lebanese president-elect Sarkis and to prepare for the Arab summit on Lebanon. (Page 2)

Angola: President Neto appears to have made gains in his power struggle with radical groups within the Popular Movement. (Page 3)

Notes: China; Chile (Page 5)

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**GREECE-TURKEY:** *The decision Saturday by the International Court of Justice may encourage the Greeks to negotiate seriously in the bilateral talks with the Turks scheduled for later this month.*

The Court rejected the Greek appeal for a temporary ban on Turkish oil exploration in disputed Aegean waters. It also turned down the Turkish request to drop the case altogether.

The Greek government is trying to put the best face on the Court's verdict. It is likely to be concerned, however, that its policy of countering Turkish moves by diplomatic and other peaceful means will face mounting criticism from parts of the opposition, the military, and the public. Prime Minister Caramanlis reportedly is determined not to let such criticism change his course. He undoubtedly hopes that the Turks will not be emboldened by the Court's decision to test Greek resolve further.

25X1

25X1

[redacted] The Turks probably now have more leverage than ever before to convince the Greeks to consider seriously their proposals, such as joint exploration. Opposition pressure or the prospect of political gain, however, could tempt the weak Demirel government to take a hard line, thereby clouding the outlook for progress in the talks.

\* \* \*

--continued

*FOR THE PRESIDENT ONLY*

***FOR THE PRESIDENT ONLY***

**LEBANON:** Syrian officials continue to hold discussions with Lebanese and other Arab emissaries to facilitate the transfer of power to Lebanese president-elect Sarkis and to prepare for the Arab summit on Lebanon.

Lebanese Prime Minister Karami went to Damascus yesterday, presumably to learn Syria's view of his role once Sarkis is inaugurated. Right-wing Christian leaders, such as President Franjiyah and Interior Minister Shamun, would oppose strongly Karami's retention.

The Syrians probably would prefer that he stay on, but they may not want to risk undermining Sarkis' efforts to secure the cooperation of the more extreme Christian leaders.

Arab envoys in Damascus this weekend to discuss preparations for the forthcoming Arab summit on Lebanon in late October included Tunisian Foreign Minister Chatti and Saudi Foreign Minister Prince <sup>25X1</sup> Saud.

25X1

--continued

**FOR THE PRESIDENT ONLY**

*Fighting remained at a low level throughout Lebanon this weekend.*

Sporadic shelling occurred in Beirut and its suburbs and in central and northern Lebanon. [redacted] 25X1  
[redacted] do not confirm press reports of heavy fighting.

\* \* \*

**ANGOLA:** President Neto appears to have made gains in his power struggle with radical groups within the Popular Movement.

Portuguese Socialist Party officials who recently visited Luanda--at Neto's invitation--came away with the impression that Neto's political and personal self-confidence are growing. During recent months, Neto has given many speeches and interviews in which he has stressed multiracialism, denounced party disunity, and supported nonalignment. In the months immediately following the Popular Movement's victory, black radicals within the party's military hierarchy supported by the Soviets and Cubans had restricted his efforts to establish national policies.

[redacted] Neto  
favors a reconciliation with the two rival nationalist groups that would allow their members, but not their top leaders, to participate in the government.

25X1

*Within the past two weeks, Neto has moved to broaden Angola's foreign ties.*

He has accepted an ambassador from Sweden and is pushing to resume relations with Portugal. He apparently hopes that ties with Portugal will help to build bridges with other West European countries and ease Angola's admission to the UN. In late August, he sent a letter to Washington expressing a

--continued

**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

desire to establish normal relations with the US. Angola's economy needs Western technology and markets if it is to be revived quickly.

Since the end of the civil war, Angola has become almost totally dependent on Cuban and Soviet assistance. Efforts by Neto to put some distance between his government and the Soviets and the Cubans will not go unchallenged by the military radicals of the Popular Movement, who owe their strength to communist assistance.

\* \* \*

--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

NOTES

*Attendance at official Chinese mourning ceremonies for Mao Tse-tung on Saturday revealed no changes thus far in the political ranking.*

All active members of the Politburo, including those based in the provinces, simply were listed in order of their political positions. Fifteen provincial leaders, including several who have been linked to the ousted Teng Hsiao-ping and have appeared infrequently, were present at the ceremonies. Three government officials tied to Teng, however, did not attend.

Despite her general lack of political popularity, Mao's wife, Chiang Ching, apparently will be accorded all the honors due the widow of the chairman--at least during the mourning period.

Military units remain in a state of heightened readiness, in part as a precaution against possible domestic unrest.

\* \* \*

*The Pinochet government in Chile, which observed its third anniversary on Saturday, shows no signs of moderating its tough internal security practices or offering any substantial concessions in the area of human rights.*

Pinochet's speech marking the occasion reiterated the regime's harsh views and indicated that new decrees further restricting political activity soon would be issued. The crackdown clearly is aimed at the Christian Democrats and the church--the regime's principal domestic critics.

The Interior Ministry announced that more than 200 political prisoners were being released, but the state of siege has been extended for another six months.

The expansive guarantees of human rights promised by Pinochet at the OAS meeting in Santiago last June are still largely ignored by the security forces.

*Top Secret*

✓



# The President's Daily Brief

*September 14, 1976*



2  
Top Secret<sup>25X1</sup>

Exempt from general  
declassification schedule of E.O. 13652  
except under section 2(b)(6) or (c)(1)  
declassified only on approval of  
the Director of Central Intelligence

*FOR THE PRESIDENT ONLY*

September 14, 1976

Table of Contents

USSR-China: The Soviet government was correct but not necessarily conciliatory in signing the Chinese embassy's condolence book for Mao yesterday. Peking has rejected the Soviet party's condolence message of last week. (*Page 1*)

Lebanon: Some Lebanese political leaders who have been shuttling to Damascus are also visiting Cairo for consultations. (*Page 2*)

Yugoslavia: The announcement that President Tito will be unable to see Denmark's Queen Margrethe later this month seems intended to squelch speculation that his current indisposition is a diplomatic one. (*Page 3*)

Notes: USSR; South Africa (*Page 5*)

*FOR THE PRESIDENT ONLY*

***FOR THE PRESIDENT ONLY***

**USSR-CHINA:** *In a response that was correct but not necessarily conciliatory, the Soviet Union sent two Politburo members to the Chinese embassy in Moscow to sign the condolence book for Mao.*

The two Politburo members were First Deputy Premier Mazurov, who may have been standing in for the ailing Kosygin, and Foreign Minister Gromyko. They constituted the highest level delegation the USSR has sent upon the death of a Chinese leader.

Soviet central press coverage of China has been muted since Mao's death. The only comment has been in Pravda; its Sunday feature entitled "International Week" included a statement to the effect that the Western press has carried contradictory predictions about the impact of Mao's death on China's internal developments and on its relations with the US and the USSR.

Less authoritative Soviet propaganda organs are still running some material critical of Chinese foreign policy, although on September 9 the nominally unofficial broadcasts of Radio Peace and Progress dropped two regular features that are almost invariably critical of China. One was replaced by a commentary recalling all that the Soviets have done for the Chinese and reiterating Moscow's standard conditions for an improvement in relations.

The Chinese have apparently rejected the message of condolence on Mao's death sent last week by the Soviet Communist Party, as well as those sent by most East European parties. A Chinese Foreign Ministry spokesman was quoted today as saying that the messages were unacceptable because the Chinese party does not have formal relations with the other parties.

--continued

***FOR THE PRESIDENT ONLY***

The increase in Soviet aerial reconnaissance along the Chinese border, which began last Thursday, continues.

\* \* \*

*LEBANON: Some Lebanese political leaders who are shuttling to Damascus are also visiting Cairo for consultations.*

The Egyptians, having failed to limit Syria's influence by other means, have been trying recently to play a more direct role in the Lebanese talks.

Prime Minister Karami, who talked with Syrian President Asad on Sunday, flew to Cairo yesterday to meet with Egyptian President Sadat. Another traditional Muslim leader, Saib Salam, conferred with Asad yesterday. Both Salam and Christian Phalanges leader Jumayyil are expected in Cairo today.

*Fatah leader Salah Khalaf, despite a public denial, may have met with Syrian officials Saturday in central Lebanon.*

Khalaf leads a militant faction in Fatah that opposes Arafat's policy of compromise on the question of Syria's military presence in Lebanon.

Khalaf's denial may only mean that he was dissatisfied with the position taken by Syria at the meeting. Khalaf stated yesterday that the Palestinians were prepared for a dialogue, but not on terms that made them "slaves of Syria."

\* \* \*

--continued

**FOR THE PRESIDENT ONLY**

*YUGOSLAVIA: The government's announcement yesterday that President Tito will not be able to see Denmark's Queen Margrethe in late September seems intended, at least in part, to squelch speculation that his current indisposition is a diplomatic one.*

Tito contributed to such an interpretation by appearing several times with Romania's Ceausescu on Friday--after Paris had been informed that President Giscard's visit to Belgrade would have to be postponed because of Tito's illness. Some observers concluded that the postponement stemmed from differences between the two countries that had arisen at the Sri Lanka summit last month. Official French responses have discounted this kind of speculation.

The Belgrade announcement said that Tito would need several weeks of "indispensable rest." Tito's medical history includes one serious bout with a liver ailment and a gall bladder operation years ago.

If Tito's doctors did detect a liver problem during recent medical examinations, hepatitis could be the problem.

25X1

25X1

*Yugoslavia's anti-US commentaries on the hijacking by Croat emigres last Friday are indicative of the government's concern that terrorist activity could erupt in post-Tito Yugoslavia.*

Intemperate allegations and diplomatic demarches are regular features of Yugoslav reactions to any increase in the activities of emigres. The virulence of the current campaign may also reflect a fear that the hijacking was triggered by Belgrade's announcement on Friday that Tito is ailing.

--continued

**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

At the same time, the Yugoslavs are not unmindful that these condemnations of the US might deflect Western criticism of Belgrade's own recent treatment of the international terrorist, "Carlos," who was not detained during his stay in Belgrade last week.

\* \* \*

--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

NOTES

*Nikolay Tikhonov, who was appointed a first deputy premier of the Soviet Union September 2, has not yet been formally promoted to Politburo status, but he is being treated as though he has been.*

In the Soviet photographs of the leadership assembled at the airport to welcome General Secretary Brezhnev back from Alma Ata on September 5, Tikhonov is shown in the front ranks with full members of the Politburo.

The other First Deputy Premier, Kirill Mazurov, is already a full member, and Tikhonov's promotion is to be expected. It must be announced, however, at a central committee plenum. Such a meeting is likely to be held next month.

\* \* \*

*The three-day work boycott in South Africa that began yesterday in the black townships of Soweto and Alexandra near Johannesburg has so far been successful.*

Absenteeism in Johannesburg businesses was reported at about 70 percent, with 90 percent of the city's bus drivers staying away. The US consulate reports that the boycott was highly organized, apparently by student leaders.

In the Cape Town vicinity, leaflets reportedly are circulating in both colored (mulatto) and black residential areas calling for a boycott on Thursday and Friday and threatening reprisals against those who do not cooperate.

Prime Minister Vorster once again made it clear, in an address Sunday night, that blacks would not get any political representation in South Africa, and that their political rights would be exercised only in the tribal homelands.

*Top Secret*



✓

# The President's Daily Brief

*September 15, 1976*

[Redacted]

2  
Top Secret / 25X1

Exempt from general  
declassification schedule of E.O. 13652  
except as provided by Statute, Executive Order, or  
declassified only upon approval of  
the Director of Central Intelligence

*FOR THE PRESIDENT ONLY*

September 15, 1976

Table of Contents

USSR: [redacted] 25X1

Lebanon: Arab mediators have proposed a meeting of Yasir Arafat, Lebanese president-elect Sarkis, and Syrian Prime Minister Khulayfawi in another attempt to implement the Damascus accord. (Page 2)

China: From recent satellite photography we have obtained further evidence of the damage caused in China by the earthquake on July 28. (Page 4)

Notes: USSR [redacted]; USSR (agriculture); Panama (Pages 6 and 7) 25X1

---

LATE ITEM

25X1

[redacted] Soviets [redacted]

25X1

25X1

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

*USSR: The latest satellite photography shows that the Soviets have started dismantling 26 additional older ICBM launchers--16 SS-7s and 10 SS-8s. They now have 35 launchers fully dismantled and are in the process of dismantling 44 others. By now the Soviets should have at least 51 launchers fully dismantled and work on 28 others in process.*

All 53 SS-7 launchers--44 above-ground and 9 silos--where dismantling activity had been previously noted were photographed between August 3 and September 6. In addition, 136 of the remaining 137 SS-7 launchers, all 19 SS-8 launchers, and two of the seven older H-II class submarines were photographed.

To be in accord with the dismantling procedures of the Standing Consultative Commission, the Soviets should have had 51 launchers fully dismantled by about March 1. Only eight launchers met all of the criteria to be considered fully dismantled by that date, although 43 others were partially dismantled.

In early April the Soviets, after admitting they had failed to meet the schedule, stated that they would have all of the launchers dismantled by June 1. On that date they notified the US that all 51 launchers were dismantled or destroyed in accordance with agreed procedures.

On the basis of the latest photography, only 35 launchers can be considered fully dismantled. At launch sites containing 16 other launchers not all of the required procedures have been completed, but dismantling or destruction has progressed to a point where the sites are unusable and could not be returned to operational service in substantially less time than would be required to construct a new launch facility.

A total of 28 additional SS-7 and SS-8 launchers have been identified in the initial stages of dismantling in the past two months.

--continued

*FOR THE PRESIDENT ONLY*

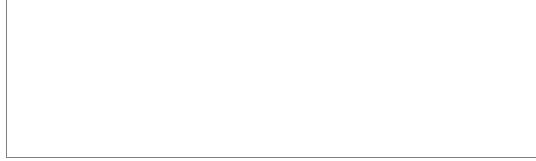
This is the number required to compensate for the SLBM launchers on the new submarines that entered sea trials this summer. Sixteen of these should be fully dismantled in early October and the other 12 by about December 1.

25X1

25X1



25X1



\* \* \*

*LEBANON: Arab mediators have proposed a meeting of Yasir Arafat, Lebanese president-elect Sarkis, and Syrian Prime Minister Khulayfawi in another attempt to implement the Damascus accord.*

The Damascus accord, concluded between Syria and the Palestine Liberation Organization in late July, calls for a cease-fire, Palestinian adherence to the restrictive Cairo accords, and the opening of roundtable negotiations under Sarkis.

Christian leaders reportedly would favor such a gathering only if President Franjiyah were represented. Sarkis apparently has indicated that he would not attend before his inauguration without Franjiyah's approval.

Syrian President Asad has not yet commented on the proposal but presumably he would welcome such a meeting. [redacted]

25X1



--continued

*FOR THE PRESIDENT ONLY*

25X1



The pro-leftist radio in Beirut<sup>25X1</sup> announced yesterday that the PLO and its leftist allies had approved the meeting. Even if an understanding could be reached at the meeting, Arafat would still have to face the stiff opposition of Salah Khalaf and other Fatah extremists.

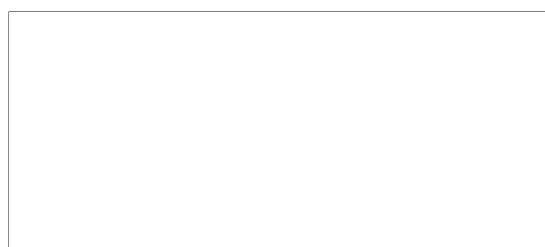
The meeting last weekend between Khalaf and the Syrians,

25X1

[redacted] apparently did end in deadlock, presumably over Khalaf's insistence that Syria withdraw its forces from Lebanon. Arafat has told Damascus that he is prepared to accept an indefinite Syrian military presence in Lebanon.

25X1

25X1



\* \* \*

--continued

*FOR THE PRESIDENT ONLY*

25X1



*FOR THE PRESIDENT ONLY*

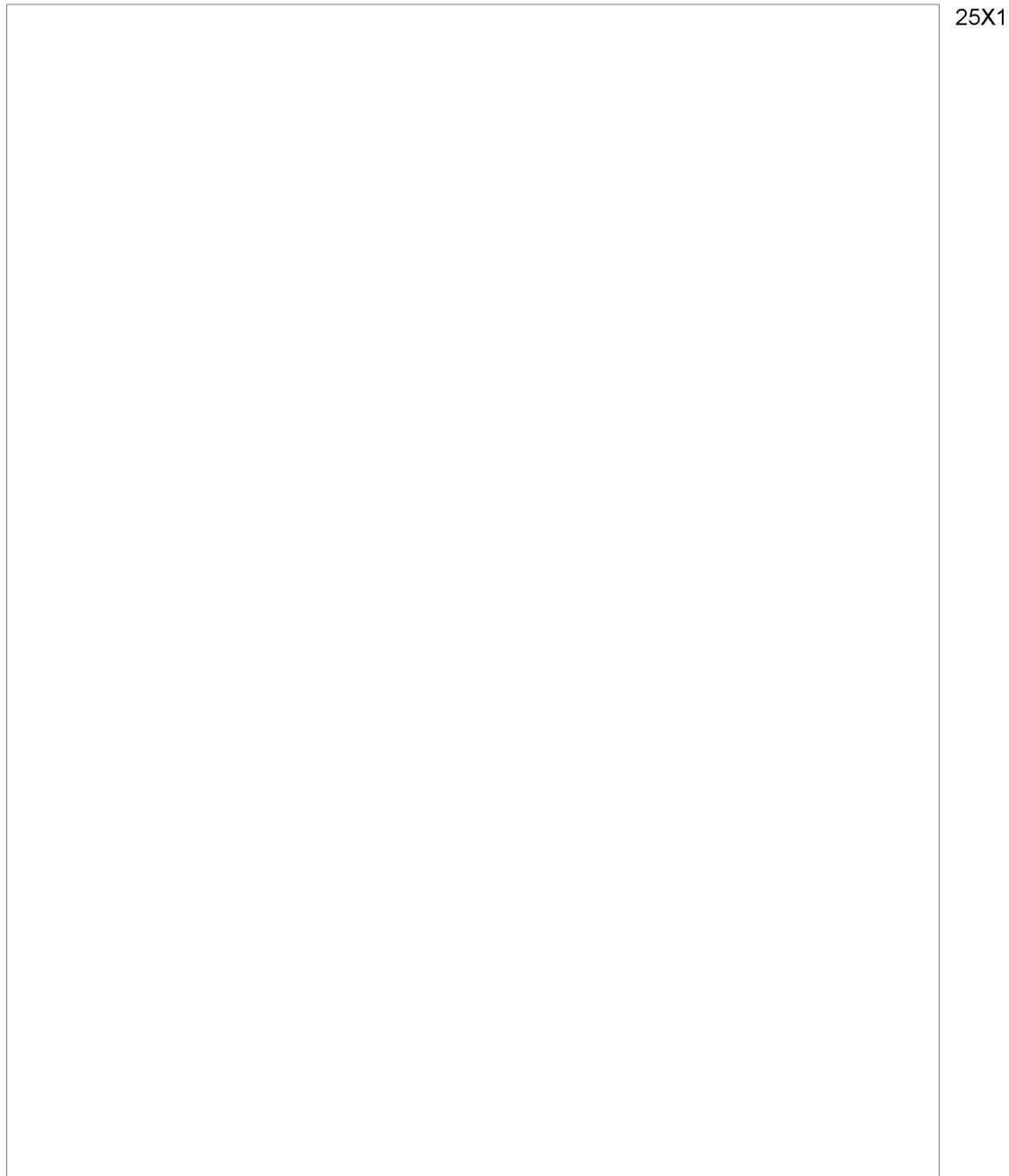
*CHINA: From recent satellite photography we have obtained further evidence of the damage caused in China by the earthquake on July 28.*

As shown in the before-and-after photos on these pages, housing areas throughout Tang-shan, a city of 1 million persons, were virtually destroyed. Heavy destruction was observed over an area covering roughly 160 x 65 kilometers (99 x 40 miles).

25X1

--continued

*FOR THE PRESIDENT ONLY*



25X1

*FOR THE PRESIDENT ONLY*

Preliminary analysis reveals that damage to industrial plants in the Tang-shan area ranges from light to extensive: some plants suffered little exterior damage; others were totally destroyed.

At the railroad rolling-stock plant shown in these pictures, all of the production buildings sustained heavy damage.

25X1

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

NOTES

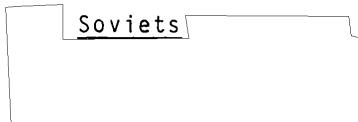
*Total Soviet agricultural production this year, including crops and livestock, will be about the same as in the poor year of 1975.*

An increase in crop production of about 19 percent will be offset by a drop of an estimated 13 percent in output of livestock products--the result of earlier distress slaughtering.

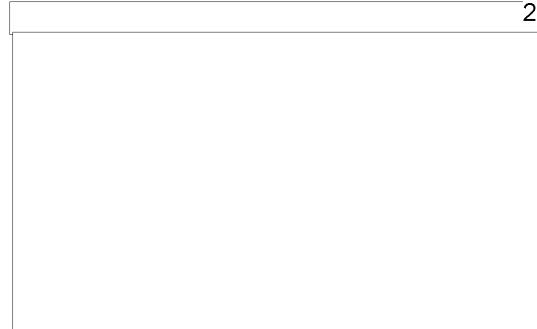
This year's improved crop prospects reduce the Soviet need for imports of agricultural commodities, notably grain, and will release for export greater quantities of other products--cotton, sugar, and vegetable oil.

Unless there are quality problems with this year's grain crop--which we estimate will be 200 million metric tons--we expect the Soviets to hold grain purchases to about 14 million tons. At current prices, purchases of this size would cost roughly between \$2 and \$2.5 billion compared with the almost \$4.5 billion worth of grain purchased last year.

\* \* 25X1



25X1



25X1



25X1

--continued

*FOR THE PRESIDENT ONLY*

\* \* \*

*The Panamanian government, after two days of demonstrations spurred by economic discontent, is likely to press harder for movement in the canal treaty negotiations to distract its domestic critics.*

*The protests were clearly anti-government, with almost no anti-US overtones, and were prompted primarily by recent price rises.*

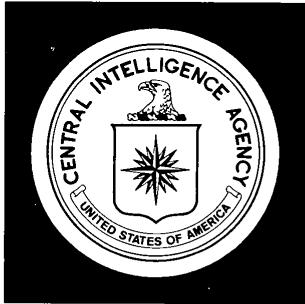
25X1

Government Chief Torrijos has several options, including lowering some prices, pressing even harder for a resumption of treaty talks, and pushing for action at this year's UN General Assembly. Torrijos, with the National Guard solidly behind him, does not yet face a serious threat, but domestic pressures are mounting and the erosion of his popularity could prompt him to act without fully considering the possible results.

*FOR THE PRESIDENT ONLY*

*Top Secret*

V



# The President's Daily Brief

*September 16, 1976*

2



~~Top Secret~~ 25X1

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

*FOR THE PRESIDENT ONLY*

September 16, 1976

Table of Contents

[Redacted]

25X1

Lebanon: Syria apparently has thrown its support privately behind the Arab League proposal for a tripartite meeting of Yasir Arafat, Lebanese president-elect Sarkis, and Syrian Prime Minister Khulayfawi. (Page 2)

Panama: The Torrijos regime is reportedly planning to turn continuing domestic protests over price increases against the US Canal Zone. (Page 3)

USSR: [Redacted]

25X1

South Africa - Rhodesia: Rhodesian air force personnel continue to receive training in South Africa despite recent indications that Pretoria was seeking to reduce the level of its military assistance to Salisbury. (Page 4)

Notes: Japan; Sweden; Brazil-Japan (Pages 6 and 7)

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

25X1

EGYPT-ISRAEL: [redacted]

[redacted] 25X1

25X1

[redacted] 25X1

[redacted] Israeli Defense Minister Peres told press sources on September 1 that the Egyptians had withdrawn three battalions in late August.

This withdrawal marks the first appreciable change in the Egyptian infantry presence in the limited armaments zone since May 31, when Cairo withdrew three or four infantry battalions.

Egyptian Minister of War Gamasy told US officials in Cairo last Monday that a UN team had recently counted nine Egyptian battalions on the east bank. Gamasy insisted that there were only eight--as provided by the Sinai II agreement--and that the discrepancy probably arose from the fact that the Egyptians had reorganized their military structure since the October 1973 war. Gamasy nevertheless agreed to take up the issue with local commanders later in the week, adding that he thought it important that Egypt abide strictly by the provisions of the agreement.

\* \* \*

--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

LEBANON: Syria apparently has thrown its support privately behind the Arab League proposal for a tripartite meeting of Yasir Arafat, Lebanese president-elect Sarkis, and Syrian Prime Minister Khulayfawi.

[redacted] Damascus also has agreed to encourage Christian leaders to approve Sarkis' participation.

25X1  
25X1

The proposed meeting, which would concentrate primarily on trying to resolve differences between Syria and the Palestinians as a first step toward an overall political settlement, is unlikely to take place before this weekend and could quite possibly be delayed until after Sarkis assumes office on September 23.

President Franjiyah finally reshuffled the Lebanese cabinet in an effort to improve the position of conservative Christians before he turns over the government to Sarkis. Franjiyah did not dismiss Prime Minister Karami, as he planned to do, probably because of Syrian pressure, but he did strip the Muslim Prime Minister of his defense and finance portfolios. Franjiyah awarded the defense post to his militant colleague Camille Shamun, who already holds the interior and foreign affairs portfolios.

In a separate decree, Franjiyah appointed Shamun acting prime minister during Karami's absence in Cairo. It is unclear whether Franjiyah is trying to lay the groundwork for Shamun to declare himself acting president, as many Lebanese officials have predicted he would. The move was clearly intended as a personal slight against the Prime Minister, with whom Franjiyah has long been at odds, and to make it difficult for Karami to attend future negotiations outside Lebanon.

--continued

*FOR THE PRESIDENT ONLY*

Franjiyah's tampering with the cabinet so close to the end of his term is, for the most part, academic, but it will make it more difficult for Sarkis to deal with Shamun in the immediate post-inauguration period, when the current cabinet is expected to stay on.

\* \* \*

PANAMA: *The Torrijos regime is reportedly planning to turn continuing domestic protests over price increases into demands against the US Canal Zone.* [redacted]

Violent, student-incited protests and looting occurred last Friday and again on Monday. Students, workers, and other groups mustered several thousand people for peaceful demonstrations Tuesday, but violence erupted again yesterday. The government has banned further demonstrations and temporarily closed all high schools.

25X1

25X1

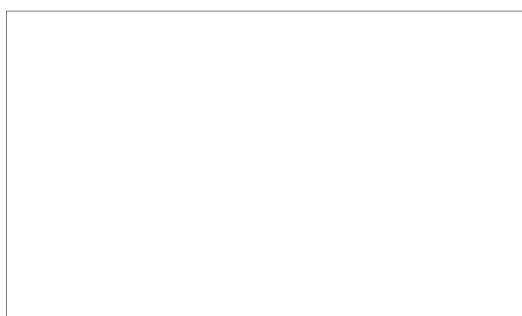
Torrijos is worried that suppression of the students by the Guard could provide antigovernment radicals with martyrs, although thus far there have been no confirmed deaths.

If Torrijos does try to make the US a scapegoat, we believe he will tell the Guard to allow only limited incursions into the Zone.

25X1

\* \* \*

USSR: [redacted]



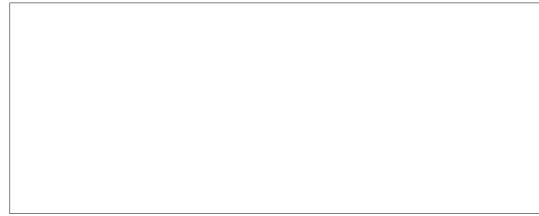
--continued  
25X1

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*



25X1



25X1



25X1

\* \* \*

**SOUTH AFRICA - RHODESIA:**

*Rhodesian air force personnel are continuing to receive training in South Africa despite recent indications that Pretoria was seeking to reduce the level of its military assistance to Salisbury.*

Last month South Africa withdrew from Rhodesia helicopter pilots and crews that were supporting counterinsurgency operations against the Rhodesian black nationalists.

The air force programs, under way for several years, include the training of Rhodesian pilots and crews on South African Mirage fighters, C-160 transports, and Alouette helicopters. South Africa also permits Rhodesian instructors to use South African facilities and jet trainers to conduct basic courses for Rhodesian personnel. Rhodesia has at least 33 personnel training on Mirages and C-160 transports.

--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

Rhodesia does not have the aircraft in its inventory, although the Smith government may hope to acquire them, perhaps from South Africa. The Vorster government is unlikely to let Salisbury have them and we have no evidence that Rhodesia is negotiating for their purchase from any other country.

\* \* \*

--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

NOTES

*In Japan, the new slate of cabinet and Liberal Democratic Party officers still reflects a balance of power weighted against Prime Minister Miki.*

Deputy Prime Minister Fukuda and Finance Minister Ohira--Miki's leading rivals--retained their portfolios. The new Foreign Minister, Zentaro Kosaka, previously served in that position in the early 1960s and is a staunch friend of the US.

The most important change was the removal of Miki's only major ally, party Secretary General Nakasone. His replacement by a member of Ohira's faction will enable the Prime Minister's rivals to circumscribe further his freedom of action.

The new cabinet generally reflects the party's desire to install officials untainted by the Lockheed affair; only two members of the Tanaka faction--the party's largest--are included. With the question of Miki's own tenure in office to be resolved next month, the new cabinet may well be short-lived and is unlikely to effect any significant shifts in Tokyo's foreign or domestic policies.

\* \* \*

*US relations with Sweden are not likely to change significantly if the opposition should win the election on September 19 and 20, although a non-socialist government probably would take pains to avoid unnecessary friction with the US.*

Parliament now is divided equally between socialists and Communists on the one hand and non-socialists on the other. Prime Minister Olof Palme heads a minority Social Democratic government and relies on the support of the Communist deputies to block challenges by the non-socialist opposition parties.

--continued

*FOR THE PRESIDENT ONLY*

The Social Democrats, in government almost continuously for 44 years, have suffered declining popularity in recent years. The latest polls show the Social Democrats and the Communists winning a combined 47 percent of the votes and the opposition parties 51 percent.

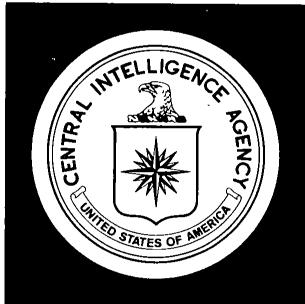
\* \* \*

Brazilian President Geisel, now visiting Japan, will probably sign agreements on investment projects that would more than double the value of Japanese investment in Brazil.

Brazil ranks second to the US as an area of Japanese overseas investment. In the past five years Japanese investment there has increased from \$125 million to \$1.3 billion--over 10 percent of all Japanese overseas investment.

Geisel also hopes to purchase a broad range of Japanese industrial technology as a move toward accelerating industrialization and decreasing Brazil's dependence on imports.

*Top Secret*



# The President's Daily Brief

*September 17, 1976*



2

~~Top Secret~~<sup>25X1</sup>

Exempt from general  
declassification schedule of E.O. 14176  
exemptions apply, 5B(1),(2),(3)  
declassified only on approval of  
the Director of Central Intelligence

*FOR THE PRESIDENT ONLY*

September 17, 1976

Table of Contents

Lebanon: A preliminary session of the tripartite Syrian-Palestinian-Lebanese negotiations will be held today before president-elect Sarkis leaves for Cairo. Libya may be withdrawing some of its troops from Lebanon. (Page 1)

Jamaica: The current visit of former CIA employee Philip Agee to Jamaica has been used by the Manley government to bolster its prospects in the elections early next year. (Page 2)

Notes: Rhodesia; Cuba-Angola (Page 4) 25X1

At Annex [redacted] Liberia [redacted] 25X1

[redacted] 25X1

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

*LEBANON: A preliminary session of the tripartite Syrian-Palestinian-Lebanese negotiations will be held today before president-elect Sarkis leaves for Cairo.*

In Cairo, Sarkis is likely to urge Egyptian President Sadat to encourage the Palestinians and Lebanese leftists to negotiate in good faith and to make a plea for the Egyptians to patch up their quarrel with the Syrians. Sadat is likely to urge Sarkis to seek a Syrian withdrawal at the earliest possible date.

Sarkis, who will represent the Christian side at the talks, is likely to have his negotiating mandate highly circumscribed by acting prime minister Shamun a25X1 President Franjiyah. Shamun said yesterday that the Palestinians would have to withdraw from "all fronts," not just the mountains,

*By the recent cabinet reshuffle, Franjiyah and Shamun apparently intend to strengthen the position of their supporters in the new Sarkis government.*

By giving Shamun the defense portfolio, the two men clearly hope to ensure the Maronites a dominant 25X1 voice in the reconstruction of the Lebanese army. This could pit Shamun against the Syrians

*There are tentative indications that Libya may be withdrawing some of its troops from Lebanon who have been serving with the Arab League peacekeeping force.*

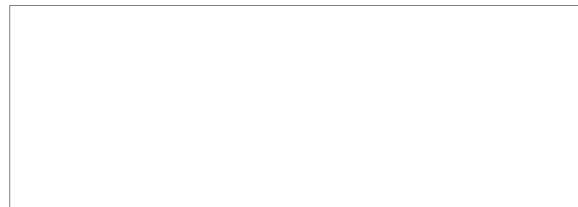
A Libyan C-130 transport was scheduled to depart from Damascus for eastern Libya on Wednesday. On the same day an unspecified number of Libyan personnel in Beirut were to leave Lebanon. Damascus would be the logical transit point if they were returning to Libya.

25X1

--continued

*FOR THE PRESIDENT ONLY*

25X1



Yasir Arafat is quoted as having said recently that Syria and Libya had begun to cooperate with one another in efforts against Egypt.

\* \* \*

*JAMAICA: The current visit of former CIA employee Philip Agee to Jamaica has been used by the Manley government to bolster its prospects in the elections early next year.*

Agee arrived in Jamaica on September 9 for a highly publicized one-week visit. He appeared on television, had press conferences, and made a number of speeches stressing the theme of US, and particularly CIA, efforts to destabilize Jamaica.

25X1  
Although the trip ostensibly was sponsored by a private organization, it could hardly have taken place without Manley's approval. This assumption is strengthened by the contact Agee had with high Jamaican officials, reportedly including Manley, and by the frequent and prominent coverage the government media gave to Agee's statements.

With the opposition clearly gaining ground in the pre-election maneuvering, Manley probably counted on Agee to help persuade the Jamaican public of the credibility of his insinuation that the US is trying to subvert his government. In this way he probably hopes to buttress

--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

his case for maintaining the present state of emergency through the elections and for further harassment of the opposition.

A member of Manley's cabinet, acknowledging that Agee's visit should be viewed in the context of Jamaica's elections, told Ambassador Gerard that the visit will be helpful for the ruling party.

\* \* \*

--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

NOTES

*The ruling Rhodesian Front Party's resolution giving Prime Minister Smith a unanimous vote of confidence and "full backing to negotiate" does not indicate that the Smith government has softened its position toward a settlement with the black nationalists.*

*The party's action may have been designed to give Rhodesia at least the facade of being reasonable should there be pressure for new settlement talks. The unanimous support for Smith suggests that the right-wing members of the party, who are opposed to any concessions to the blacks, were satisfied that the Prime Minister would not make any new moves toward a settlement.*

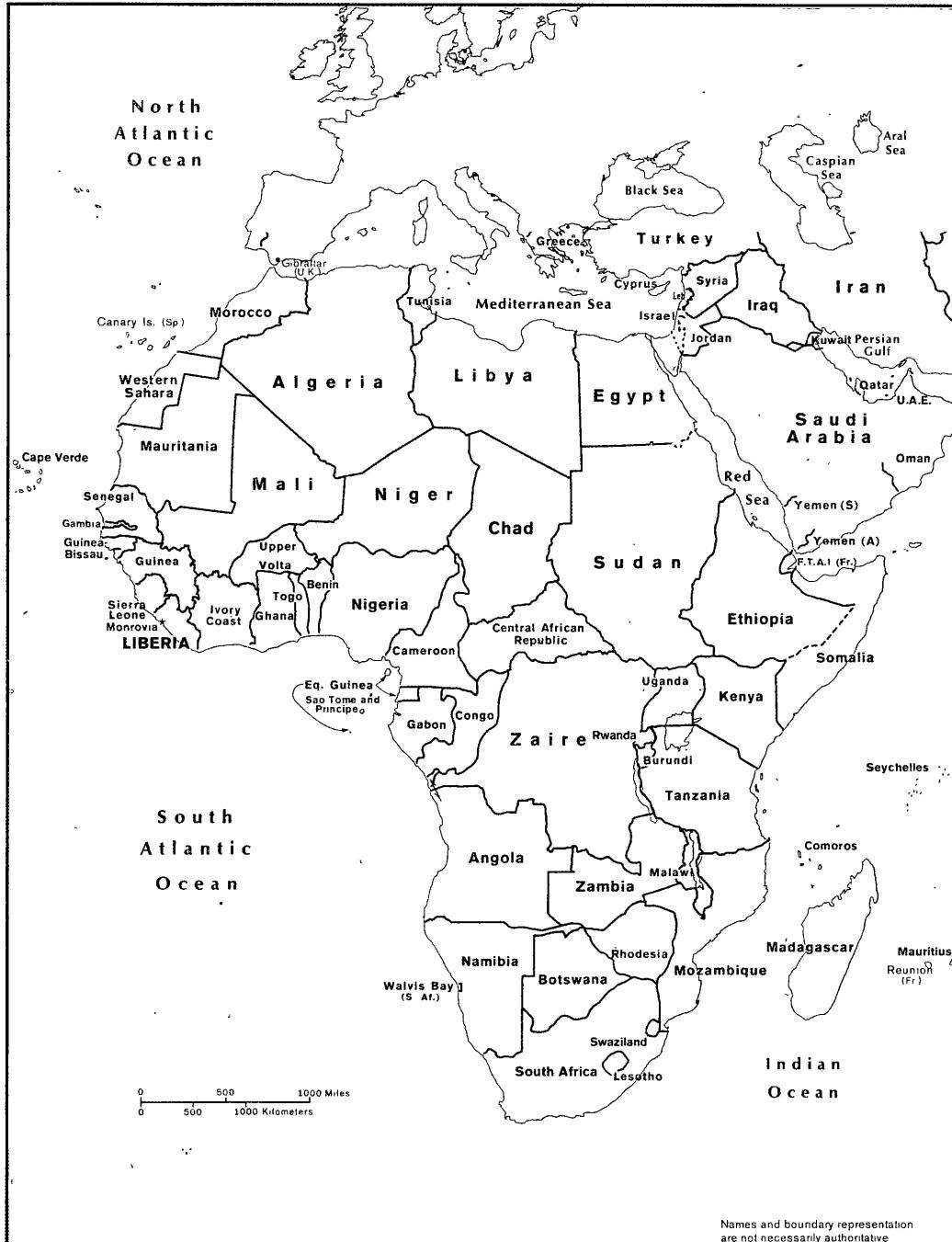
*Smith is expected to return to South Africa this weekend for more talks with South African Prime Minister Vorster.*

\* \* \*

*Another convoy of Cuban ships--the fourth--apparently is on its way back from Angola and could arrive as early as next weekend.*

*Three of the four ships in the convoy are known to have carried troops in the past and to have participated in the last convoy. It has not been possible, however, to determine whether they carried troops in that convoy, which arrived in Cuba at the end of July.*

--continued



*FOR THE PRESIDENT ONLY*

LIBERIA



A  
N  
N  
E  
X

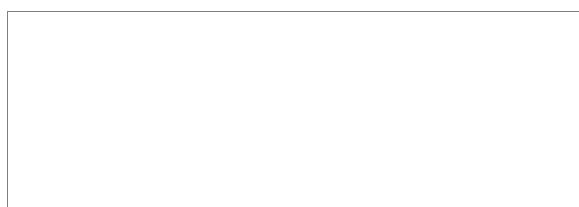
25X1



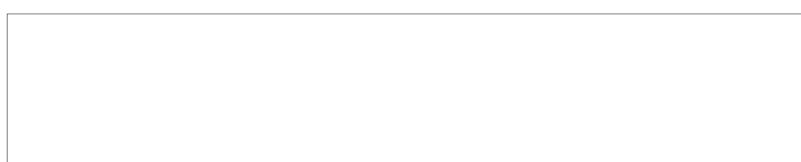
25X1



25X1



25X1



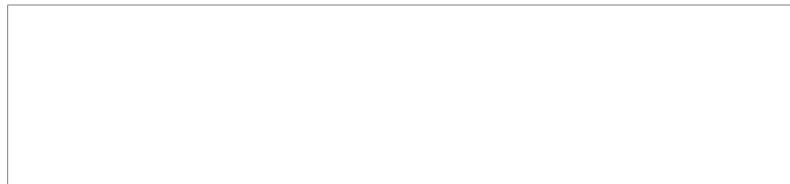
25X1

--continued

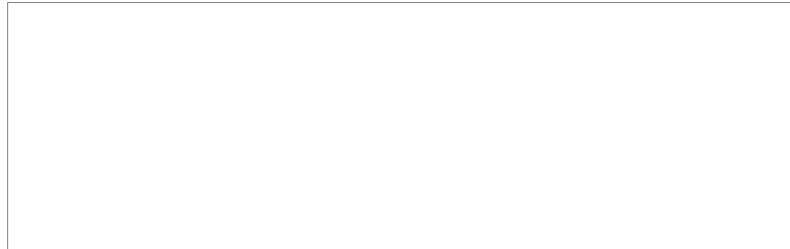
A1

*FOR THE PRESIDENT ONLY*

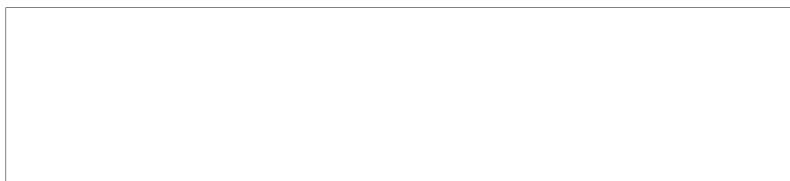
*FOR THE PRESIDENT ONLY*



25X1



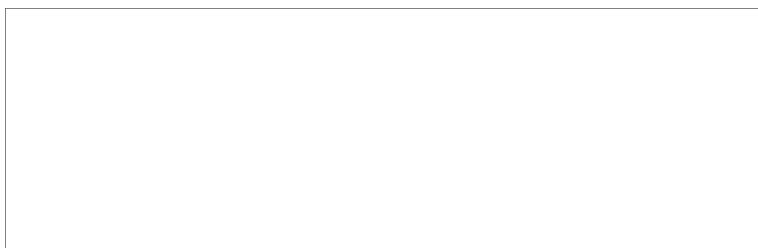
25X1



25X1



25X1



25X1

\* \* \*



25X1

A2

*FOR THE PRESIDENT ONLY*

*Top Secret*

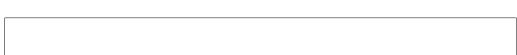
✓



# The President's Daily Brief

*September 18, 1976*

2



*Top Secret*<sup>25X1</sup>

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*

September 18, 1976

Table of Contents

China: There are indications that the military establishment is taking a more active political role, and that key civilian leaders recognize that it is likely to be a major factor in any succession struggle. (Page 1)

Lebanon: Syria's last-minute decision not to send Prime Minister Khulayfawi to the tripartite meeting that convened in Shatrah, Lebanon, yesterday has diminished hopes that the talks will produce a cease-fire. (Page 3)

Libya-Egypt: Overhead photography of late August and early September showed that both Libya and Egypt have strengthened their ground forces near their border. (Page 4)

Portugal: [redacted]

[redacted] (Page 4)

25X1

Notes: Panama; Spain-USSR; Cuba-USSR (Pages 6 and 7)

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

*CHINA: As China enters the transition following Mao's death, there are indications that the military establishment is taking a more active political role, and that key civilian leaders recognize that it is likely to be a major factor in any succession struggle.*

The Chairman's death was jointly announced by the Military Affairs Commission, the country's leading military body, the Central Committee, and the State Council. Mao had been titular chairman of the MAC, thereby justifying its inclusion in the announcement. The prominence accorded this body, however, could hardly be lost on the Chinese populace.

Throughout the just-concluded mourning period and for the first time since the Lin Piao incident of late 1971, the People's Liberation Army has enjoyed roughly equal stature with the top party and government bodies in Chinese propaganda and in the treatment of messages of condolence from provincial military and civilian authorities. Peking, moreover, has passed up few opportunities to laud the PLA.

Even before Mao's death, there appeared to be a concerted effort to enhance the PLA's prestige by highlighting its role in earthquake relief work. A central directive issued in August singled out the PLA for praise in this regard.

The more conservative elements in the Chinese leadership appear to have seized on the need to rebuild after the earthquake to tone down the campaign against Teng Hsiaoping. They may well have been behind much of the effort to focus attention on the PLA, possibly with the cooperation of Premier Hua Kuo-feng.

In his speech after the earthquake, Hua not only called for unity--a theme which runs counter to the

--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

thrust of the anti-Teng campaign-- but was also the first to sound a favorable note on behalf of the army.

*A community of interest between civilian conservatives and the army is likely. There have been signs for some time that the PLA is generally unsympathetic to the attacks on Teng and his followers.*

It is probably no coincidence that as Mao lay dying in August, the stature of the army increased and the campaign against Teng further moderated. At this stage, however, the military establishment is likely to be concerned with protecting its own institutional interests. To some extent it can make political gains by playing off civilian factions against each other, and for this reason, the PLA may want to leave some ambiguity in its position.

The military establishment will be concerned with pending appointments to key military positions. Mao's death leaves open the chairmanship of the MAC. Defense Minister Yeh Chien-ying, the third-ranking member of the party and a leading "rightist," has probably been in direct charge of the work of this body. Despite his reported defense of Teng Hsiao-ping last winter, it would be difficult to deny the post to him.

The position of PLA chief of staff has been vacant since Teng's political demise last April. The military establishment will be pushing for the appointment of a professional military man for the job.

\* \* \*

--continued

*FOR THE PRESIDENT ONLY*

*LEBANON: Syria's last-minute decision not to send Prime Minister Khulayfawi to the tripartite meeting that convened in Shaturah, Lebanon, yesterday has diminished hopes that the talks will produce a cease-fire.*

Deputy Defense Minister Jamil, a comparatively low-level representative, is attending the talks instead. The leftist press in Beirut asserts that Syria's move proves Damascus is not seriously interested in a truce.

Although some Palestinians opposed Yasir Arafat's negotiating with anyone of lower rank than Khulayfawi, Arafat is participating in the talks along with president-elect Sarkis and Arab League mediators.

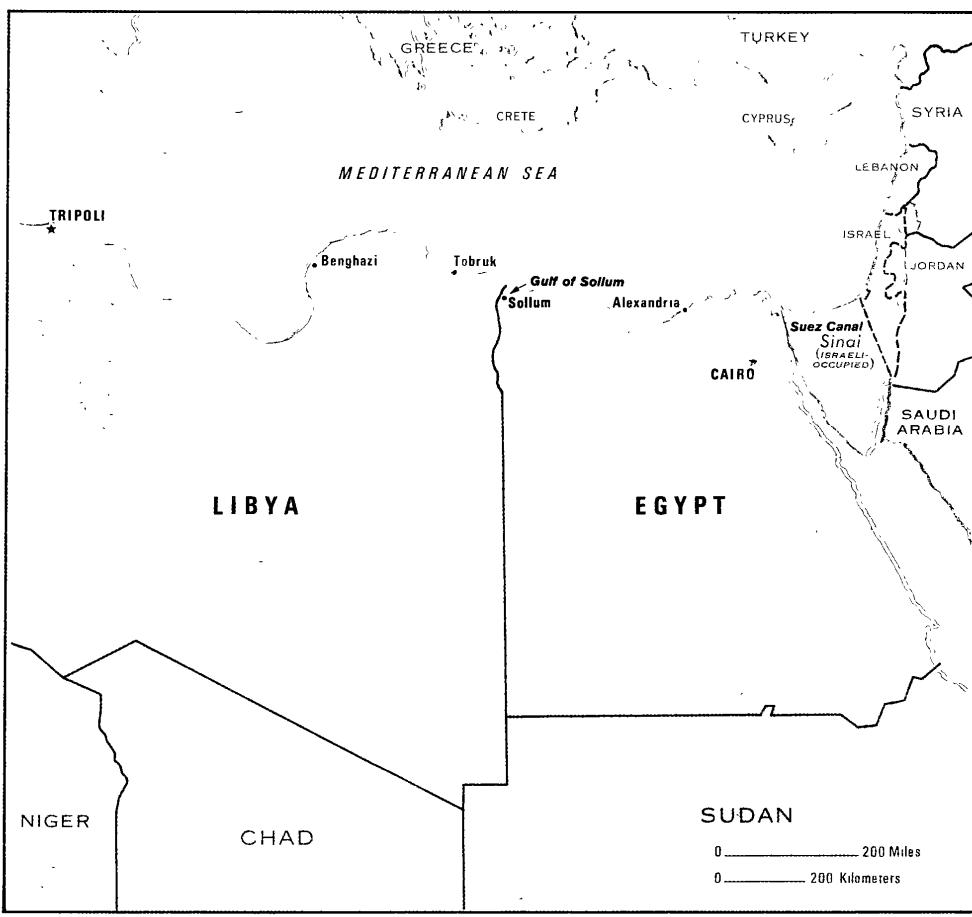
Syria's reason for lowering its profile at the tripartite conference is not clear. The Syrians may want to test Arafat's attitude before inviting him to talk with higher level officials.

*Egyptian President Sadat broadcast an address aimed at the Lebanese people yesterday that emphasized Egypt's commitment to the unity and independence of Lebanon.*

Although Sadat criticized Syria's role in Lebanon, his remarks were intended mainly to highlight Egypt's recent entry into efforts to negotiate a settlement and to show support for Sarkis on the eve of his visit to Cairo.

Sarkis is likely to ask Sadat to urge the Palestinians to be more flexible. He may also broach the sensitive subject of Egypt's efforts to resupply the Palestinian and Lebanese leftist militias.

--continued



*FOR THE PRESIDENT ONLY*

**LIBYA-EGYPT:** Overhead photography of late August and early September shows that both Libya and Egypt have strengthened their ground forces near their border.

Analysis of photography [redacted] indicates that Libya [redacted] may be forming a second armored brigade in the Tobruk area. A tank battalion also probably has been moved into defensive positions some 30 kilometers (18 miles) from the border with Egypt. 25X1

Continuing analysis of the photography on the Egyptian side indicates that Cairo has sent an artillery battalion and a company of armored personnel carriers to the Sollum area, in addition to the previously reported tank battalion.

Egyptian warships conducted another naval exercise in the Gulf of Sollum yesterday, according to intercepted communications. Over the past several days a Soviet frigate and a merchant ship have joined the tug that the Soviet navy has been keeping in this area despite the Egyptian announcement that the Gulf was closed for 10 days, beginning last Saturday, for naval maneuvers.

The continued military activity apparently has not been accompanied by significant political action by either Egypt or Libya.

Libya did release three Egyptians this week who had been held on espionage charges but also resumed personal attacks on President Sadat in Libyan media.

\* \* \*

25X1

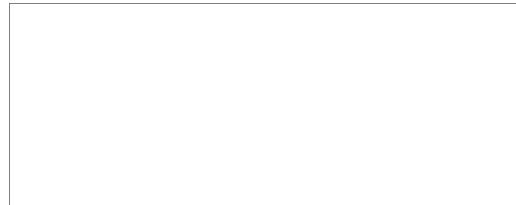
**PORUGAL:** [redacted]

[redacted]

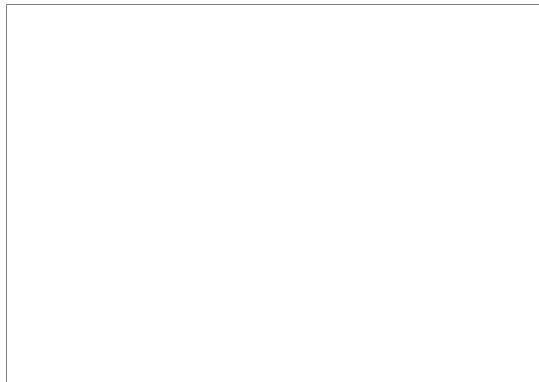
25X1

--continued

*FOR THE PRESIDENT ONLY*



25X1



\* \* \*

25X1

--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

NOTES

The Panamanian government has launched an anti-US propaganda campaign, alleging US involvement in inciting looting and vandalism during the recent protests over price increases.

The government is holding several persons it claims are US servicemen involved in the disturbances. The US embassy, however, has information that only one US serviceman was actually arrested on a protest-related charge.

In addition to diverting attention from the country's economic difficulties, Panamanian strongman Torrijos also hopes the campaign will put pressure on the US to renew canal treaty negotiations on key issues prior to the US elections-- or at least place the onus for further delays on the US.

There is a growing chance Panama will formally raise the canal issue at the UN General Assembly.

\* \* \*

Spanish Foreign Minister Oreja [redacted] conferred with [redacted] Soviet officials in Spain this week on arrangements for a meeting with Soviet Foreign Minister Gromyko.

25X1

The Soviet officials [redacted]

25X1

[redacted] conveyed Gromyko's acceptance of Oreja's earlier proposal for a meeting during the UN General Assembly session which begins next week.

A meeting between the two foreign ministers could be a move toward establishment of diplomatic relations. The Soviet Union reportedly indicated interest in establishing diplomatic ties last March.

--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

The Soviet commercial presence in Spain has grown steadily since a trade agreement was signed in 1972. Four joint Spanish-Soviet companies are now operating in Spain, and the Soviet airline recently inaugurated regular flights to Madrid.

\* \* \*

*The latest satellite photography over Cuba shows no apparent change in the status of the radar associated with the Soviet SA-5 surface-to-air missile system.*

The radar was seen for the first time [redacted] at a Soviet sigint 25X1 collection facility near Havana. We have not yet detected any signals associated with the radar. It is the only component of the SA-5 missile system ever seen outside the USSR.

*FOR THE PRESIDENT ONLY*

*Top Secret*

J



# The President's Daily Brief

September 20, 1976



2  
Top Secret / 25X1

Exempt from general  
declassification schedule of E.O. 13652  
except pursuant to 50 U.S.C. 1211(3)  
declassified only on approval of  
the Director of Central Intelligence

*FOR THE PRESIDENT ONLY*

September 20, 1976

Table of Contents

China: The entire leadership appeared for Mao's funeral, but strict protocol ranking offered no clues as to any change in alignment. (*Page 1*)

Lebanon: The failure of yesterday's tripartite talks sharply reduces prospects that the Syrians and Palestinians can reach any accommodation without further fighting. (*Page 2*)

Sweden: With about 90 percent of the vote counted, Sweden's non-socialist parties appear to have defeated Prime Minister Palme's Social Democrats and their Communist allies in yesterday's election. (*Page 3*)

Notes: Panama; Thailand (*Page 4*)

*FOR THE PRESIDENT ONLY*

LATE ITEM

In Malta's parliamentary election, Prime Minister Mintoff's Labor Party appears headed for a narrow victory. With 10 of 13 electoral districts unofficially counted, the opposition Nationalist Party seemed to have failed in its bid to turn the island nation from Mintoff's neutralist foreign policy toward a more pro-Western stance.

*FOR THE PRESIDENT ONLY*

CHINA: All active members of the Politburo, including those based in the provinces, attended the memorial service for Mao on Saturday in Peking's Tienanmen square.

This was the first time since May 1971, when Mao last appeared publicly, that the entire leadership has been seen by the Chinese people. The leaders were arranged in strict protocol order, revealing no change in alignment.

Hua Kuo-feng, who was identified by the two titles he has held since April, first vice-chairman of the party and premier, delivered a twenty-minute eulogy. Hua's remarks, touching on all aspects of the Chinese political scene, seemed designed to placate civilian and military leaders of every political stripe and suggested that no single faction had the upper hand in drafting the statement.

Hua made a low-key reference to the campaign criticizing the ousted Teng Hsiao-ping, praised the military, took several swipes at the Soviet Union, and mentioned the need to carry on Mao's revolutionary foreign policy line--a euphemism for the opening to the US.

An abbreviated list of others who attended the memorial service shed no further light on the status of several officials who have come under attack in the course of the anti-Teng campaign. Although nearly all members of the Central Committee, including most province chiefs, appeared in Peking during the mourning period, very few were on the list.

\* \* \*

--continued

*FOR THE PRESIDENT ONLY*

*LEBANON: The failure of yesterday's tripartite talks at Shaturah, Lebanon, sharply reduces prospects that the Syrians and Palestinians can reach any accommodation without further fighting.*

President-elect Sarkis, Palestine Liberation Organization chief Yasir Arafat, and Syrian Deputy Defense Minister Jamil have agreed to meet again in Beirut on September 24 after Sarkis' inauguration, but this announcement was probably intended only to mask the fact that their talks ended in deadlock.

Still another attempt to resolve the Lebanese conflict may be under consideration. *An-Nahar*, a reputable and usually well-informed Lebanese newspaper, reported yesterday that Sarkis and several other prominent Lebanese leaders who have visited Cairo recently are pressing for a four-power Arab summit in Jidda to promote a reconciliation between Egypt and Syria in the belief that this would facilitate efforts to end the Lebanese civil war.

We doubt that Sadat and Asad are ready to put aside their differences. The newspaper article may simply reflect the wishful thinking of some Lebanese leaders and encouragement given them by the Egyptians. Despite his probable unwillingness to resolve his quarrel with Asad, Sadat might be receptive to the idea of such a conference because it would place him on a par with the Syrian President in seeking a Lebanese political settlement.

*Soviet officials, including Foreign Minister Gromyko, talked in Moscow last week with PLO political chief Qaddumi.*

Soviet press commentary over the weekend suggests that the officials urged the Palestinians to compromise in order to reach a negotiated settlement in Lebanon. Tass, in describing the talks, stated that all Arab progressives should cooperate to end the crisis.

--continued

*FOR THE PRESIDENT ONLY*

*Pravda* emphasized the importance of a political solution and made no mention of the need for a Syrian troop withdrawal. Previous Soviet press commentary had stressed the importance of a Syrian withdrawal, and Soviet officials had taken the same line in private.

The USSR is also in touch with Syria. The Soviet representative at the Geneva conference--who customarily travels to the Middle East during periods of Arab negotiations--arrived in Syria on Friday and talked with Deputy Prime Minister and Foreign Minister Khaddam on Saturday.

\* \* \*

*SWEDEN: Prime Minister Olof Palme's Social Democrats suffered their first defeat in nearly 44 years in yesterday's election.*

With approximately 90 percent of the vote counted, the three non-socialist parties appeared to have won a clear majority, although the final official tally will not be known until midweek.

Computer projections give the Center, Liberal, and Conservative parties a total of 180 seats, against 169 for the Social Democrats and their Communist Party allies, in the 349-seat parliament. Swedish election analysts claim the final result is not likely to vary more than one or two seats from the computer projection.

Thorbjorn Falldin, chairman of the Center Party, is almost certain to be named prime minister if the non-socialist parties can agree on a coalition. Although the Centrists' and Liberals' differences with the Conservatives have thwarted cooperation in the past, recent statements by the leaders of the three parties suggest that they will make every effort to put together a government this time.

\* \* \*

--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

NOTES

*The Panamanian government softened its accusation over the weekend that US intelligence services were behind the recent protests over price increases.*

*The US citizen arrested by the Panamanians is still being held.*

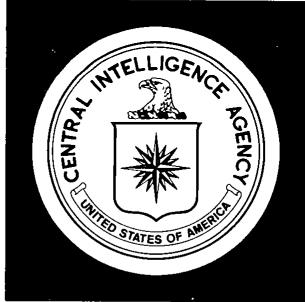
*No protest demonstrations occurred as government officials met with student leaders to explain the country's economic situation. The disturbances last week were the largest anti-government protests since General Torrijos came to power in 1968.*

\* \* \*

*The return to Thailand yesterday of former prime minister Thanom Kittakhachon may prompt some student demonstrations but is unlikely to cause violence.*

*Thanom's return, which was prompted by the apparently imminent death of his father, had been approved by the government but limited to seven days. Actually his stay is likely to be indefinite unless it leads to a repeat of the student turmoil caused by General Praphat's return last month. Thanom's acceptance as a monk within hours of his arrival in Thailand should make it difficult for leftist student leaders to develop much support for demonstrations.*

*Top Secret*



✓

# The President's Daily Brief

*September 21, 1976*



2

~~Top Secret~~

25X1

Exempt from general  
declassification schedule of EO 111652  
exemption category 5B(1),(2),(3)  
Declassified only on approval of  
the Director of Central Intelligence

*FOR THE PRESIDENT ONLY*

September 21, 1976

Table of Contents

Lebanon: Syrian President Asad is unlikely to resume military operations in Lebanon until after president-elect Sarkis' inauguration on Thursday. (Page 1)

China: Since the death of Mao Tse-tung, the Chinese leadership has moved quickly to reconfirm the general outline of Chinese foreign policy toward the US and the Soviet Union. (Page 2)

North Korea: Pyongyang has unexpectedly chosen to withdraw its draft UN General Assembly resolution. (Page 3)

Notes: China; Malta; Argentina (Pages 5 and 6)

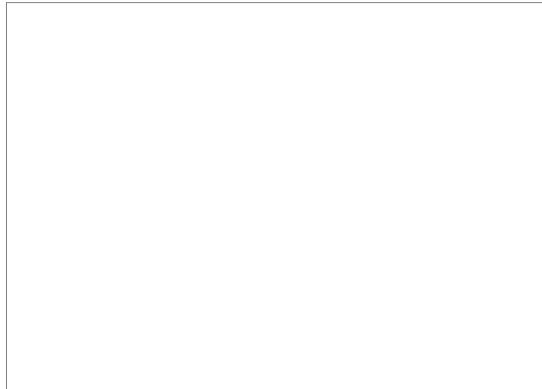
At Annex [redacted] Mexican [redacted] 25X1

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

25X1

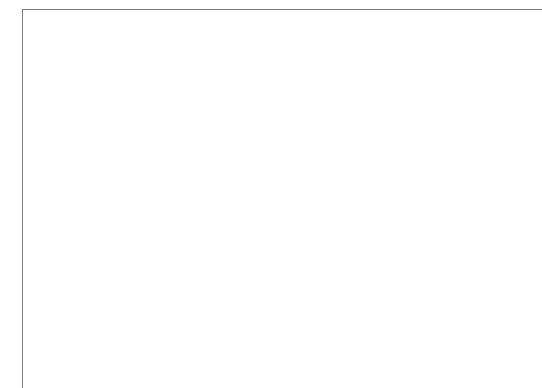
**LEBANON:** *Syrian President Asad is unlikely to resume military operations in Lebanon until after president-elect Sarkis' inauguration on Thursday to allow the new president to work for a political settlement.*



25X1



25X1



Meanwhile, the Syrian media yesterday accused the Sadat government once more of responsibility for the Lebanese civil war and of sabotaging the talks at Shaturah. The singling out of Egypt in this manner does not bode well for the success of the summit in Saudi Arabia.

--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

*Fighting in Beirut has become worse over the past few days.*

The renewed hostilities have raised some concern about the ability of the Arab League forces to provide adequate security for Sarkis' inauguration. The ceremony now is scheduled to take place at a location only 100 yards from the front line.

\* \* \*

*CHINA: Since the death of Mao Tse-tung less than two weeks ago, the Chinese leadership has moved quickly to reconfirm the general outline of Chinese foreign policy toward the US and the USSR.*

The Chinese press quickly published your letter of condolence and replayed your statement to US newsmen on Mao's death. The Chinese nevertheless have made clear that they remain displeased with some aspects of US foreign policy, such as Washington's continuation of "detente" with Moscow.

The Chinese ambassador to the UN, Huang Hua, during a talk last week with Ambassador Scranton, reiterated standard Chinese warnings that "detente" might hasten war rather than prevent it.

Chinese media gave perfunctory treatment of Secretary Kissinger in its coverage of foreign tributes paid to the late Chairman. The Chinese did not publish the Secretary's statement after Mao's death, and he was given no special prominence in Chinese coverage of condolence calls paid by senior US officials to the Chinese mission in Washington.

There is no ambivalence in Peking's treatment of the USSR. Peking rejected a condolatory message from the Soviet party Central Committee on the grounds that the Chinese "have no relations" with the Soviet

--continued

*FOR THE PRESIDENT ONLY*

party. The Chinese also allowed several days to pass before they publicly acknowledged that two Soviet Politburo members had expressed condolences at the Chinese embassy in Moscow.

Heated anti-Soviet propaganda stressing the theme of Soviet "expansionism" has continued to appear in Chinese media since Mao's death. Peking's treatment of this sensitive issue is clearly designed to counter speculation that Chinese policy toward Moscow is likely to change now that Mao is gone.

\* \* \*

NORTH KOREA: *North Korea, in a sudden turn-about, has instructed its supporters in the UN to withdraw the draft resolution favoring the North from the provisional agenda of the UN General Assembly.*

[redacted] North 25X1  
Korea's communist co-sponsors will present a letter of withdrawal to the president of the General Assembly this morning.

The North Koreans may have detected some weakening in the support for their position at the UN this fall. Last year two conflicting Korean resolutions were passed, and the North was hoping to build enough momentum this year to achieve an outright defeat of the South.

A number of recent developments, however, have improved the prospects for passage again of South Korea's resolution. These include:

--the unusual display of dissent registered by 23 countries against a harshly worded North Korean resolution submitted at the non-aligned conference in Sri Lanka;

--the improved pro-South lobbying effort;

--continued

*FOR THE PRESIDENT ONLY*

--the confrontational language  
of the draft UN resolution sub-  
mitted this year by the North;  
and

--the adverse publicity stemming  
from the Panmunjom incident in  
mid-August.

North Korea may also have sensed  
that there was growing sentiment  
at the UN this year for a deferral 25X1  
of debate on the perennially con-  
tentious Korean issue. [redacted]



25X1

\* \* \*

--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

NOTES

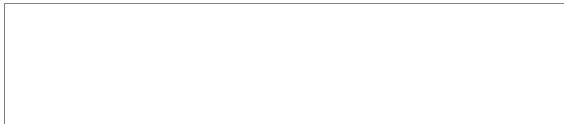
*With the end of the mourning period following Mao's death, China has resumed preparations for an atmospheric test of a nuclear device at Lop Nor.*



25X1



suggests that the test could occur during the next few days.



25X1

\* \* \*

*Prime Minister Mintoff's Labor Party won a close but decisive victory over the opposition Nationalists in Malta's parliamentary election on Friday and Saturday.*

The final vote count is expected to give Labor a three-seat majority in the new parliament. This is more than enough to guarantee the continuation of a strong Labor government for the next five years.

The result is a personal triumph for Mintoff, and he will interpret it as a mandate to continue his foreign policy aimed at avoiding alignment with either the US or USSR.

\* \* \*

*Serious differences with Argentina's foreign minister, Admiral Guzzetti, appear to have been the principal cause of last week's surprise resignation of Ambassador Arnaldo Musich, the junta's envoy to Washington.*

The burden of defending the regime against charges of human rights violations also could have influenced Musich's decision.

Guzzetti has long been upset with Musich because the latter tended to be more responsive to the economy minister than to the foreign

--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

minister. Guzzetti was said to be further incensed when Musich met in Washington with a US priest who had been detained by Argentine authorities as an alleged subversive and freed only after a vigorous US protest.

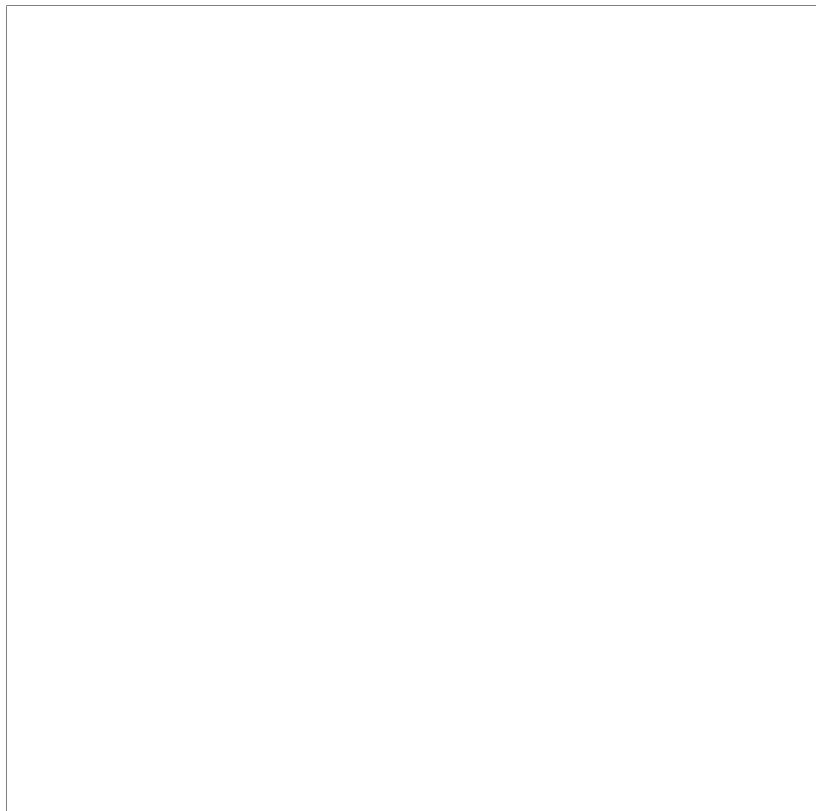
The loss of the able Musich, a businessman and economist who worked hard to secure financial assistance and sympathy for the new government, could hurt the military regime. It could also mean a loss of prestige for President Videla, who pressed Musich's appointment despite some military objections.

--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

MEXICO

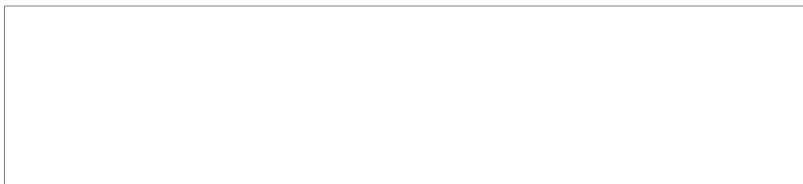


25X1

XX



25X1



25X1



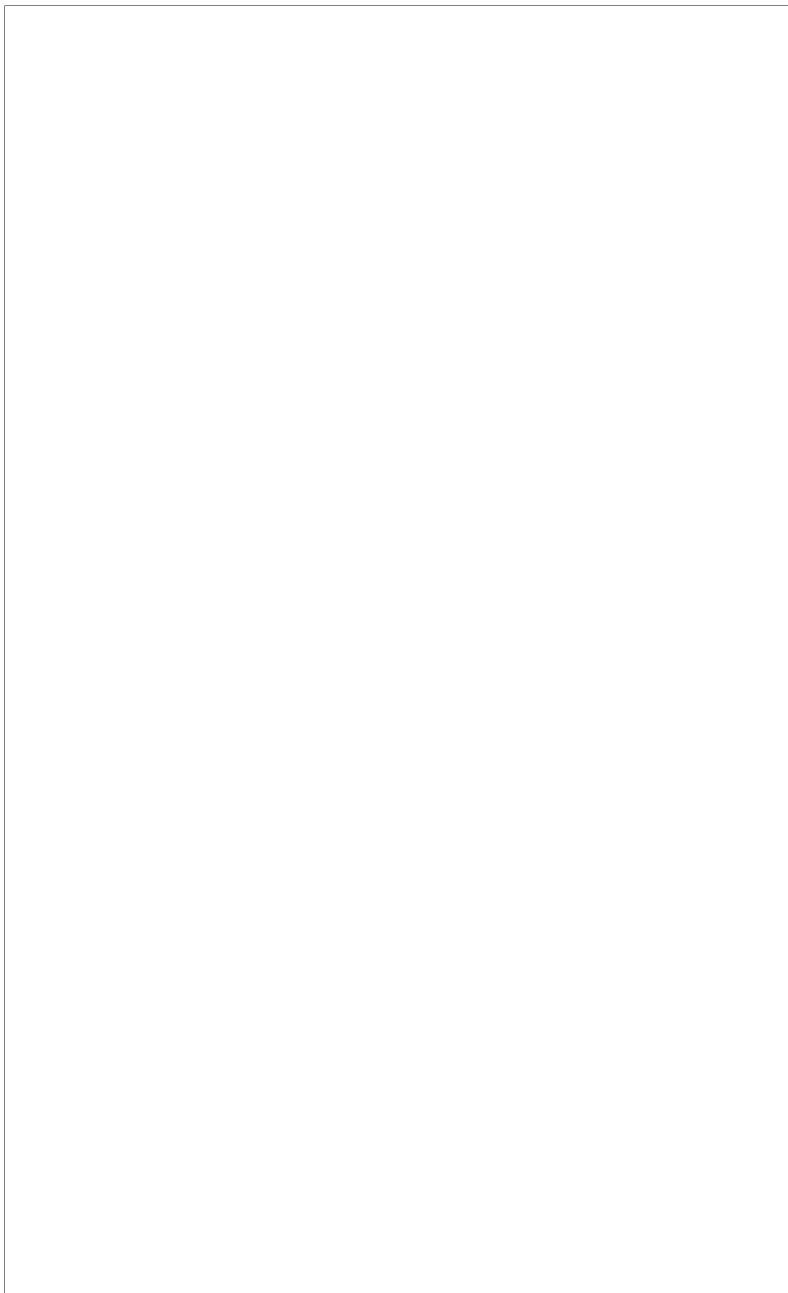
25X1

--continued

A1

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*



25X1

--continued

A2

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*



25X1

A3

*FOR THE PRESIDENT ONLY*

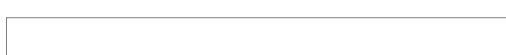
*Top Secret*



✓

# The President's Daily Brief

*September 22, 1976*



2  
Top Secret<sup>25X1</sup>

Exempt from general  
declassification schedule by E.O. 11652  
Under section 1.4(e) of E.O. 13526  
declassified only on approval of  
the Director of Central Intelligence

*FOR THE PRESIDENT ONLY*

September 22, 1976

25X1

Table of Contents

25X1

Arab Summit:

(Page 1)

25X1

Lebanon: The change in locale for the inauguration of president-elect Ilyas Sarkis could raise constitutional questions about the legitimacy of his presidency. (Page 2)

Israel-Syria: Although recent meetings between Syrian and Israeli military officers to arrange the reunion of Druze families separated by the disengagement line on the Golan Heights were a departure for the Syrians, Israeli Prime Minister Rabin has cautioned against assumptions about the longer range significance of the arrangement. (Page 3)

China: Peking has not convened a meeting of the party Central Committee to begin discussions on a post-Mao party leadership. (Page 4) 25X1

USSR: A Soviet fighter currently under development may be a modified version of the MIG-25 interceptor

Note: UK-NATO (Page 6)

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

ARAB SUMMIT: [redacted]

25X1

25X1

25X1

25X1

25X1

--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

*LEBANON: The change in locale for the inauguration of president-elect Ilyas Sarkis could raise constitutional questions about the legitimacy of his presidency.*

The change was forced by a resumption of heavy fighting in the area of Beirut where Sarkis was to take the oath of office.

The inauguration is now scheduled to take place in Shaturah, a city east of Beirut in Syrian-controlled territory. Leftist leader Kamal Jumblatt has declared that he and his parliamentary supporters will not attend the swearing-in ceremony, which must be witnessed by the assembled Parliament.

Jumblatt's decision to boycott the ceremony and the possibility that other deputies will either choose not to go or will be unable to enter Syrian territory raise the possibility that there will not be a parliamentary quorum for the swearing-in. If Sarkis is not inaugurated in the presence of a quorum, many would claim that he did not have a legal mandate.

The location itself is likely to raise legal questions. Strict constructionists--led by acting prime minister Shamun--contend that the oath-taking must be held not only before a quorum but specifically in Beirut.

If Shamun presses this point, he might attempt to assume power as acting head of state. He decided on Monday to keep the cabinet in continuous session until the inauguration in order "to take care of any eventuality"--a move that may have been intended precisely to facilitate his temporary assumption of power.

--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

*Assuming that Sarkis does take over the presidency on Thursday, the departure of President Franjiyah from office--as much as any special qualities of his successor--may create an opportunity to ease the crisis.*

Franjiyah has become a symbol of Christian "tyranny" to the country's Muslim majority and has often provided left-wing leaders justification for their militancy. Indeed, Christian extremism has flourished under his leadership, and the changeover may provide combatants on both sides a face-saving pretext for softening positions they know to be untenable.

The transfer of power to Sarkis, who was elected over four months ago with Syrian support, by no means promises an end to hostilities. It will create new frictions as alliances shift to accommodate the new Christian leader, and it could prompt new violence by extremists who oppose Sarkis' policy of compromise. Resolution of the conflict, moreover, depends to a large extent on broader problems in the Middle East over which Sarkis could have no control.

*ISRAEL-SYRIA: Prime Minister Rabin has cautioned against any assumptions about the longer range significance of the recent arrangement with Syria permitting the reunion of Druze families separated by the disengagement line on the Golan Heights.*

Recent face-to-face meetings between Syrian and Israeli military officers to arrange the family reunions were a departure for the Syrians. Until now, they have kept their direct contacts with the Israelis to a minimum, preferring to communicate through a third party.

Possibly to encourage Damascus, Rabin has said he is ready to consider establishing an open border policy with Syria similar to Israel's "open bridges" policy toward Jordan and its "good fence" policy toward southern Lebanon. Both of these programs provide for a regulated flow of goods and people across Israel's borders.

--continued

*FOR THE PRESIDENT ONLY*

Defense Minister Peres has characterized the agreement as a sign of tactical change by Syria toward Israel, but other Israeli officials have warned--as Rabin has--against exaggerating the importance of the new arrangement. They have suggested that President Asad may be responding primarily to pressures from the Druze community in Syria.

Asad needs the support of Syrian Druze leaders for his Lebanon policy. In particular, he wants their assistance in undercutting the support given by Druze in Lebanon to Lebanese leftist leader Kamal Jumblatt, who is himself a Druze.

\* \* \*

CHINA: Peking has not convened a meeting of the party Central Committee to begin discussions on a post-Mao party leadership.

The party obviously cannot duck the succession question indefinitely, but a divisive meeting at this time could undermine the carefully constructed facade of unity that the leadership has displayed since Mao's death. It is conceivable that the contending factions are playing for time and that one faction will push for a meeting when it feels sufficiently strong.

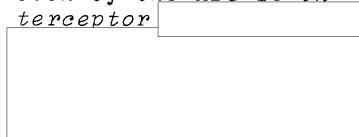
A gauge of this strength may emerge from the propaganda line in the next few weeks, especially regarding the future course of the campaign to criticize Teng Hsiao-ping. As Mao entered his final days, more conservative elements in the leadership were able to tone down the campaign and emphasize production themes in its stead. Leftists will probably try to rejuvenate the campaign in order to attack a number of Teng's supporters who are currently members of the Central Committee.

\* \* \*

--continued

*FOR THE PRESIDENT ONLY*

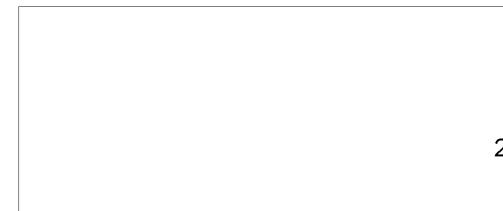
USSR: A Soviet fighter currently under development at Ramenskoye test center near Moscow may be a modified version of the MIG-25 interceptor



25X1

25X1  
25X1

25X1



25X1

[redacted] satellite photos<sup>25X1</sup>  
raphy affirm that three more air defense regiments have been equipped with the MIG-25 within the past six months, bringing the total number to ten. [redacted] 25X1

25X1



\* \* \*

--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

NOTE

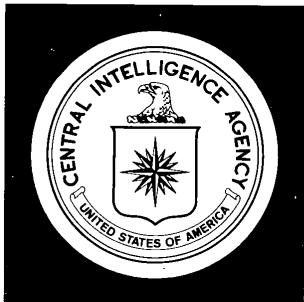
*The UK's support for a new and costly NATO airborne radar system may be weakening.*

The radar system--known as the Airborne Warning and Control System--is capable of detecting low-flying enemy aircraft and represents a major test of NATO's commitment to make more efficient use of its resources by jointly purchasing a common system.

The UK, largely because of domestic pressures to reduce defense spending, has been in the forefront of those arguing for such a joint approach. It is the only major ally that has earmarked funds to procure the system's most expensive component--a fleet of specially modified Boeing 707s designed to provide a permanent radar umbrella over Western Europe.

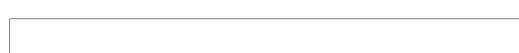
While Britain has not renounced or qualified its commitment on AWACS, senior defense officials and the Royal Air Force appear to have shifted their support to the proposed British Nimrod system. Moreover, because of budgetary pressures and a reduction in the value of the earmarked funds due to exchange rate fluctuations, the AWACS allocation--earlier regarded as untouchable--now appears as vulnerable as any other defense budget item.

*Top Secret*



# The President's Daily Brief

*September 23, 1976*



2  
*Top Secret* / 25X1

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

*FOR THE PRESIDENT ONLY*

September 23, 1976

Table of Contents

Lebanon: President-elect Sarkis is scheduled to take the oath of office today despite threats by some leaders to boycott the ceremony. (Page 1)

USSR-Syria-Lebanon: The USSR is reducing criticism of Syria, displaying more evenhandedness toward the Syrians and Palestinians in statements on Lebanon, and is stressing the need to resume efforts toward a Middle East settlement. (Page 3)

Chile: The government will have a hard time ducking charges that it is responsible for the assassination of former ambassador Orlando Letelier. (Page 4)

France: Prime Minister Raymond Barre yesterday announced his economic program designed to lower the French inflation rate below the double-digit range. (Page 5)

Notes: Saudi Arabia; [redacted] Yugoslavia; Indonesia; Thailand. [redacted] 25X1

At Annex [redacted] West German [redacted]

25X1

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

LEBANON: President-elect Sarkis is scheduled to take the oath of office at noon today in Syrian-occupied Shaturah, despite threats by some leaders--most notably Prime Minister Karami and leftist Kamal Jumblatt--to boycott the ceremony.



*Ilyas Sarkis*

Speaker of the House Kamal al-Asad expects between 65 and 70 of the 99 parliamentary deputies to attend.

42

25X1

Muslim deputies will refuse to make the trip. Al-Asad has said that Sarkis will be sworn in even in the absence of a quorum, which is 66 deputies.

Karami's refusal to attend the ceremony is probably less an attempt to undercut Sarkis than it is to portray himself as opposed to Syrian control of Lebanese politics.

Sarkis' inaugural address is expected to focus on his plans for trying to resolve the Lebanese conflict, the first public expression of his thoughts on the matter. Sarkis may remain in Shaturah to attend another Syrian-Palestinian-Lebanese meeting scheduled for tomorrow, but the session may be postponed.

--continued

*FOR THE PRESIDENT ONLY*

*Some Christians who view Sarkis' ascendancy with uncertainty may be willing to take action if they come to believe Sarkis has moved too far out of line.*

25X1

[redacted]  
Some high-level Phalangist and Shamunist officials are also said to have talked about limiting the degree of power Sarkis will be allowed to exercise, at least in the beginning.

Acting Premier Camille Shamun [redacted]

[redacted] and his party's deputies have announced that they will attend the ceremony.

25X1

25X1

25X1

25X1

[redacted]

[redacted]

--continued

**Lebanon**

*FOR THE PRESIDENT ONLY*

*Heavy fighting is continuing in Beirut.*

There have been outbreaks of intense shelling in the city and sniper fire in the downtown area has virtually closed off the crossing point near which Sarkis was scheduled originally to take his oath of office. Clashes were particularly heavy yesterday in the southern suburbs of Beirut. There also was fighting in the Mount Lebanon area and in Tripoli.

**USSR-SYRIA-LEBANON:**

*The USSR is reducing criticism of Syria, displaying more even-handedness toward the Syrians and the Palestinians in public statements regarding Lebanon, and is stressing the need to resume efforts toward an overall Middle East settlement.*

An authoritative "Observer" article in Pravda on September 8 upbraided "leftist elements" of the PLO along with Syria for failing to achieve a cease-fire. Since then, the central press has not called for Syrian troop withdrawal.

A Soviet diplomat in Cairo told US officials this week that Moscow was urging both the Syrians and the Palestinians to reach a compromise. He said the USSR has tried to persuade Syrian President Asad to adopt a more impartial position toward Christians and Muslims in Lebanon and was pressing the Palestinians to be more accommodating toward the Syrian leadership.

The Soviet official stated that the recent visit to Syria of Vladimire Vinogradov, the co-chairman of the Geneva conference, was meant to put pressure on Damascus. Syria's deputy foreign minister has told a US embassy official, however, that Vinogradov appeared chiefly interested in relating the Lebanese crisis to a resumption of the Geneva conference. If this is true, Foreign Minister Gromyko is likely to make such an appeal during his address to the UN General Assembly next week.

--continued

*FOR THE PRESIDENT ONLY*

An article in Pravda on Sunday called for a solution to the Arab-Israeli crisis as a prerequisite to ending the Lebanese entanglement. For the past several months the Soviets had referred to these priorities in reverse order. The article also emphasized the "urgency of the speediest convening" of Geneva.

*Soviet economic and military aid to Syria continues.*

Soviet arms carriers arrived at Syrian ports during August and September.

25X1

\* \* \*

**CHILE:** *The Pinochet government will have a hard time ducking charges that it is responsible for the assassination Tuesday of former ambassador Orlando Letelier, an active exile opponent of the junta.*

Although the identity of the person or group responsible is unknown, opponents of the government are blaming the junta and are pointing to Letelier's employment by the Washington-based Institute for Policy Studies as the most probable reason for his murder. His studies for the institute reportedly were influential in persuading the Netherlands to deny a recent loan to Chile and to undertake a boycott of Chilean products--actions cited by the Chilean government in depriving Letelier of his citizenship earlier this month. He was also active in lobbying against US economic and military aid to the junta.

--continued

*FOR THE PRESIDENT ONLY*

Exiled Chileans have played a prominent role in the campaign to discredit the military government. The major centers of activity have been in Italy, France, Sweden, Finland, and the UK. Pockets of exiles are also scattered throughout other nations in West and East Europe, as well as the US.

There have been several attempts this year to form a united opposition movement, composed of Salvador Allende's Popular Unity parties and some social democratic groups, including the left wing of the Christian Democratic Party. A joint exile organization was founded in Mexico earlier this year headed by one of Allende's foreign ministers.

Leftist opponents of the junta, who have the most to gain from the incident, are already accusing Chilean intelligence services of complicity. The assassination together with the opening of the UN General Assembly in New York will give the junta's enemies a clear opportunity to focus world attention on human rights.

\* \* \*

**FRANCE:** Prime Minister Raymond Barre yesterday announced his economic program designed to lower the French inflation rate below the double-digit range.

The program includes a three-month freeze on most prices, a moderate tax increase for higher-income groups and business, an anti-inflation tax on business, and slower monetary growth. The program does not mention controls on wages, which have been rising recently at an annual rate of 17 percent.

The measures should have a dramatic short-term impact, holding consumer price increases near zero during the last quarter of this year, but the real test will come early next year when the price freeze expires.

--continued

*FOR THE PRESIDENT ONLY*

On balance, the new program should lower the French inflation rate somewhat next year, but it will still be high, possibly close to 10 percent. So much inflationary pressure has been built into the French system--specifically the recent rises in wages, money supply, and prices of imported raw materials--that a more dramatic improvement seems unlikely.

--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

NOTES

25X1

Saudi Arabia [redacted]

25X1



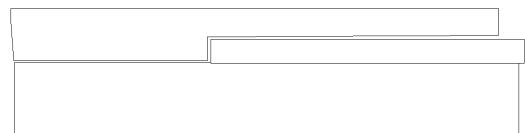
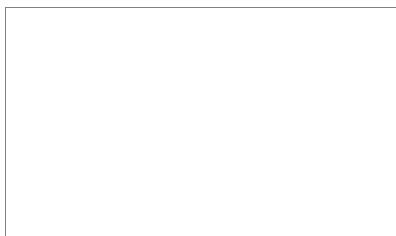
\*

\*

\*

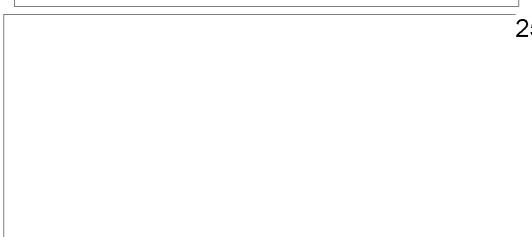
25X1

25X1



25X1

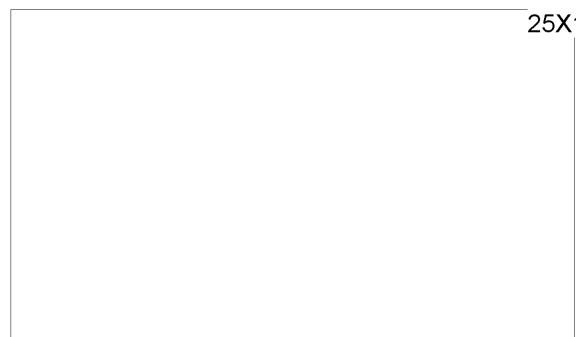
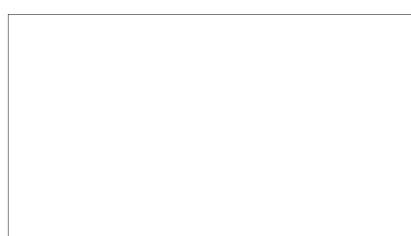
25X1



\*

\*

25X1



--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

25X1

\*



\*

Yugoslav President Tito appears to be recuperating.

Last weekend Tito left Belgrade for a political visit to Slavonia, a stronghold of partisan war veterans staunchly loyal to him. On Monday, he received a delegation of top federal and republic officials. Informed sources in Belgrade announced yesterday that veteran diplomat Averell Harriman will meet Tito soon.

The original forecast by Yugoslav officials had been that Tito would stay in Belgrade--though not hospitalized--for treatment of an acute liver condition.

\*

\*

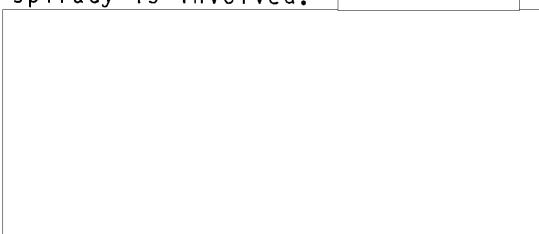
25X1

The Indonesian government--in announcing an alleged plot against President Suharto



25X1

It is unlikely that a serious conspiracy is involved.



Parliamentary elections are scheduled for next May, and political controls aimed at winning a large government majority must also have had an influence in the government's action yesterday.

--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

\* \* \*

Thai Prime Minister  
Seni Pramot has told  
the National Assembly  
that he will tender his  
resignation today, ac-  
cording to a press re-  
port from Bangkok.

Seni's bid to step down apparently  
resulted from parliamentary criti-  
cism of his decision to allow for-  
mer prime minister Thanom to re-  
turn to Thailand.

Thanom arrived back in the country  
on Sunday to visit his father, who  
reportedly is near death. Thanom's  
return two years ago set off stu-  
dent demonstrations that forced  
the government then in power to  
expel him again. The unauthorized  
visit last month of Thanom's for-  
mer deputy, Field Marshal Praphat,  
also led to sizable student pro-  
tests and some violence.

The Prime Minister may be engaging  
in a maneuver to improve his po-  
litical position. The absence of  
any immediately viable alternative  
to Seni appears to be his strong-  
est suit.

--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

A

Z

E

X

25X1

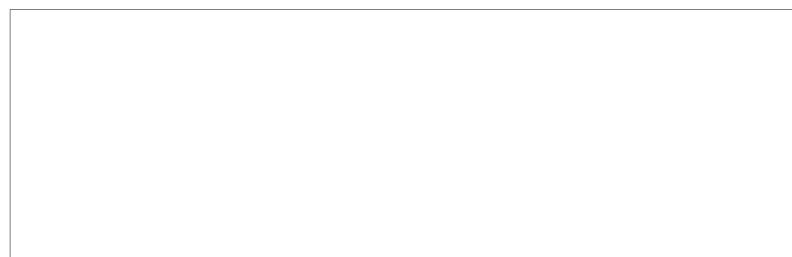
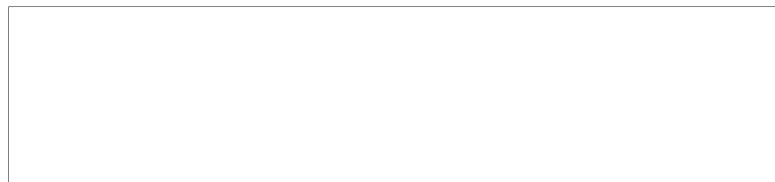
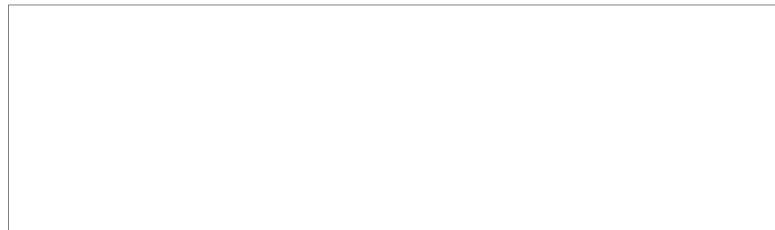
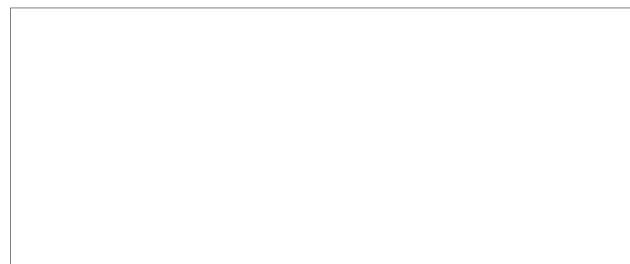
25X1

25X1

25X1

25X1

WEST GERMANY

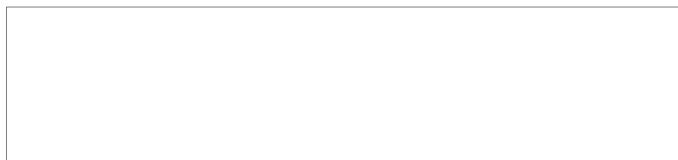


--continued

A1

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*



25X1



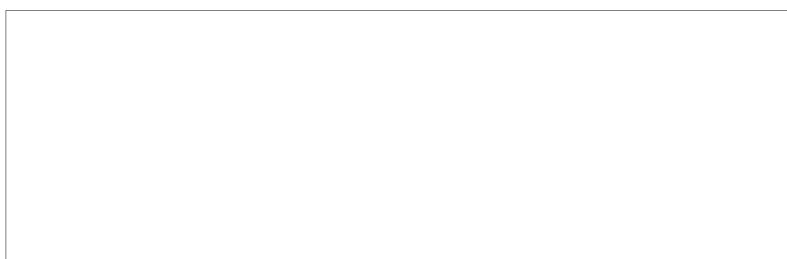
25X1



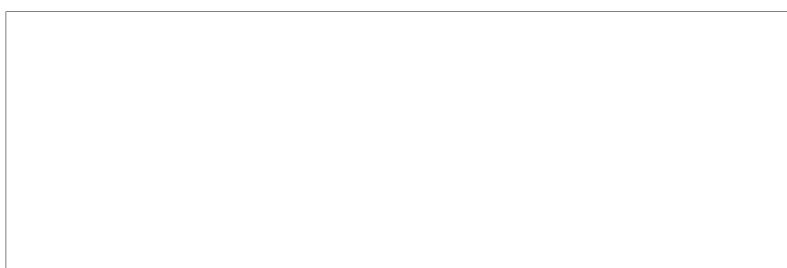
25X1



25X1



25X1



25X1

--continued

A2

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*



25X1

A3

*FOR THE PRESIDENT ONLY*

*Top Secret*



# The President's Daily Brief

*September 24, 1976*

2

~~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*

September 24, 1976

Table of Contents

Lebanon: President Ilyas Sarkis took the oath of office yesterday in Syrian-occupied Shaturah with 66 of the 97 parliamentary deputies present. Egyptian President Sadat appears in no hurry to facilitate Saudi Arabia's mediation effort.  
*(Page 1)*

Bahrain-US: Prime Minister Khalifa and the defense minister continue to hold out the possibility of an extension of the US navy's stationing agreement in return for military assistance.  
*(Page 2)*

Guinea-USSR: Two Soviet TU-95 aircraft landed yesterday in Conakry, Guinea, indicating that President Toure will continue to allow the Soviet Union to use Conakry as a staging base for naval reconnaissance flights. *(Page 3)*

Angola-Zambia: The two governments have agreed to exchange missions under an arrangement that apparently falls just short of establishing diplomatic relations. *(Page 4)* 25X1

USSR [redacted] 25X1

Notes: USSR (Soyuz 22); USSR (Mars Program) *(Pages 6 and 7)* 25X1

At Annex, [redacted] Soviet [redacted] 25X1  
[redacted]

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**LEBANON:** President Ilyas Sarkis took the oath of office yesterday in Syrian-occupied Shaturah with 66 of the 97 parliamentary deputies present.

Sarkis' inaugural address did not set forth a detailed plan of action, but called for an end to the fighting and for communication among all involved in Lebanon.

The initial reaction of Palestine Liberation Organization chief Yasir Arafat was positive. He announced that, to help end the fighting, he would order his forces to cease firing and to avoid retaliating against provocations.

25X1  
25X1

*Saudi Arabia's effort to arrange a limited summit that would strive for a reconciliation between Egypt and Syria as a step toward dealing with the Lebanese problem has stalled. Recent remarks by Egyptian President Sadat suggest that Cairo is in no hurry to facilitate the mediation effort.*

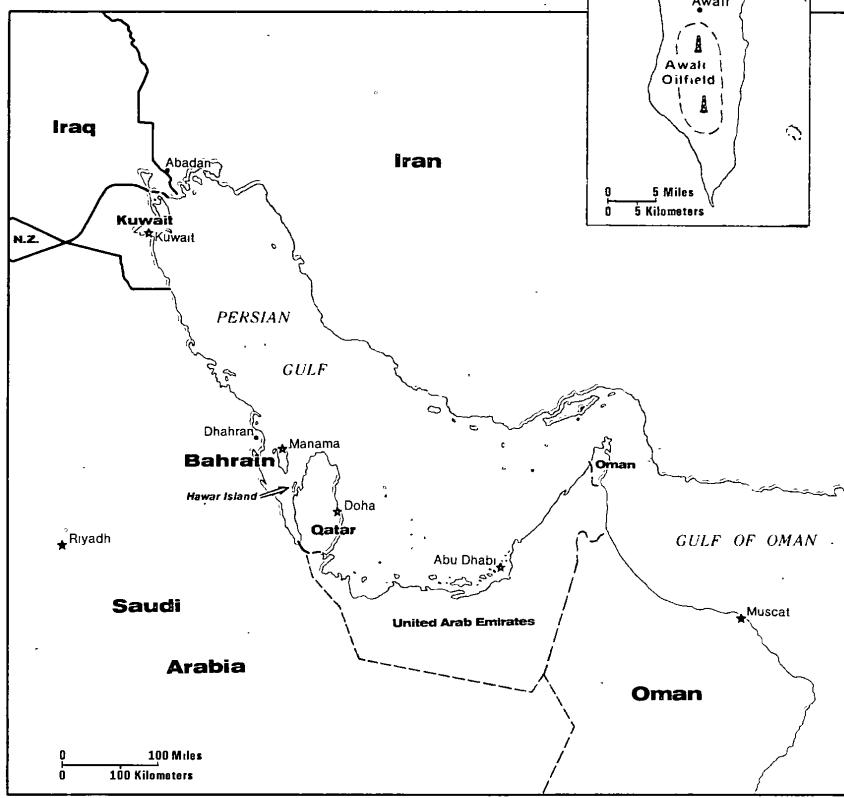
In an interview published yesterday in the Beirut newspaper An-Nahar, Sadat continued his attacks on Syria, blaming Damascus for "selling out" the Palestinians and obstructing other Arabs' efforts to resolve the Lebanon crisis.

Sadat said he welcomes an Arab "mini-summit" with both Egyptian and Syrian participation, but he made clear that he regards it as a forum in which to discuss Lebanon, not to settle his quarrel with Syria.

Sadat indicated that the only way to stop the fighting in Lebanon is "by force" with what he called a deterrent force--presumably an expanded Arab security contingent with an offensive role. He offered Sarkis "tanks, rockets, and artillery of all kinds" from Egypt's inventory. He said, however, that Egypt would not supply any troops.

--continued

# BAHRAIN



*FOR THE PRESIDENT ONLY*

Cairo pressed for an enlargement of both the role and armament of the Arab security force during an Arab League foreign ministers' meeting in July, but the proposal was voted down.

\* \* \*

**BAHRAIN-US:** Since June, Prime Minister Khalifa and his nephew Crown Prince Hamad, who is minister of defense and commander of the defense force, have been holding out the possibility of an extension of the US navy's stationing agreement in return for military assistance.

As of now, the US navy will have to leave by June 30, 1977, as requested by Bahrain in mid-1975. The Prime Minister contends that a military assistance deal would enable his government to demonstrate to its people that the US presence generates tangible benefits for Bahrain.

The Bahraini leaders have been vague on the specifics of what they might have in mind. Recently, however, Crown Prince Hamad informed the US embassy that he wants to develop an air wing--with F-5s and helicopters--and a sea force. Hamad said the air wing should grow to 14 or so jets over the next five to seven years.

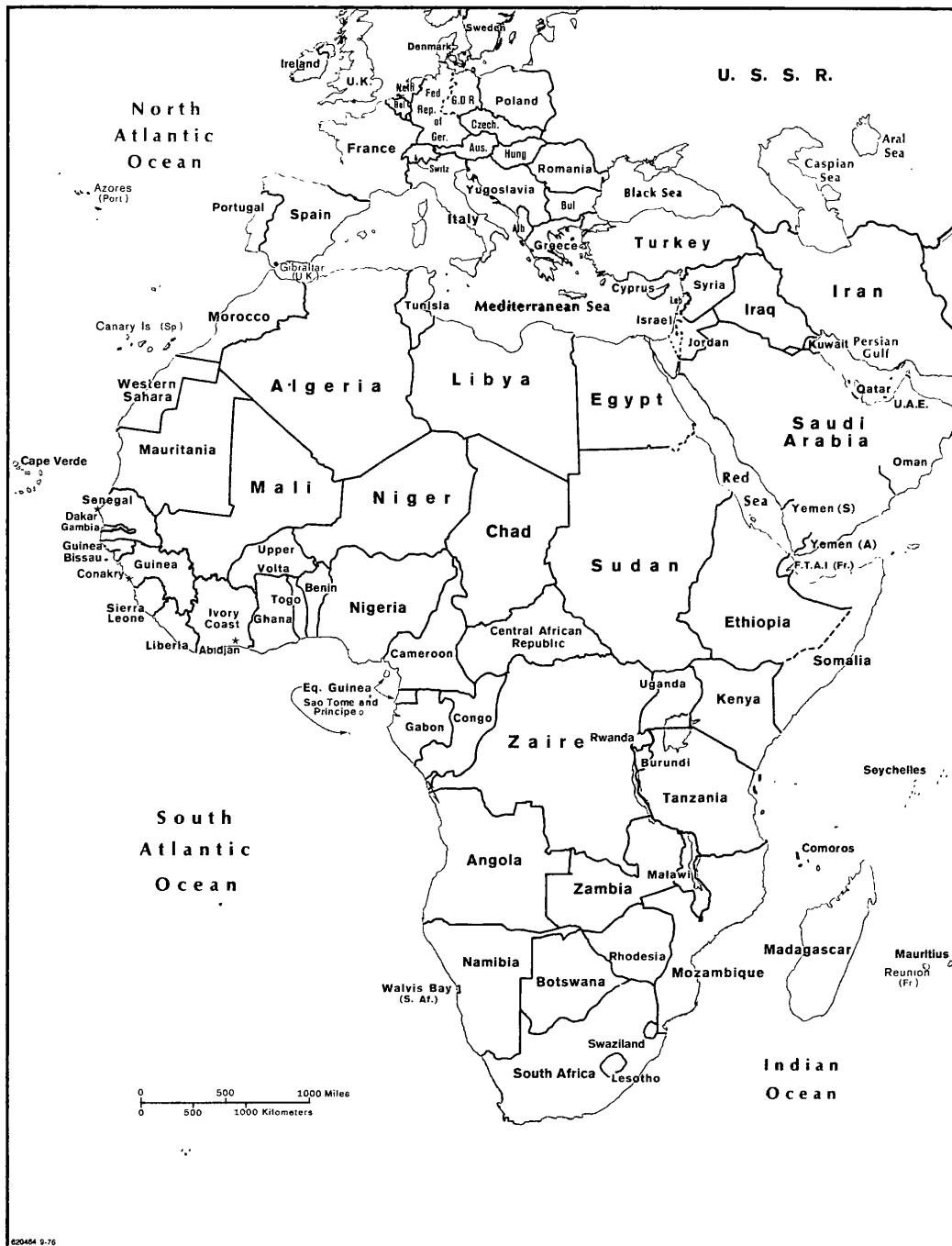
*It is unclear whether the approaches made by Khalifa and the Crown Prince are private and exploratory or whether they reflect an official government overture undertaken after approval by the council of ministers.*

We incline to the former view, in part because Foreign Minister Muhammad--also a member of the ruling family--has given no hint that he is aware of any thought being given to extending the stationing agreement.

25X1

The Prime Minister has justified the apparent reversal of policy on the Middle East Force's presence on the grounds that he no longer must consider the views of

--continued



*FOR THE PRESIDENT ONLY*

the National Assembly--which the ruling family dissolved in August 1975--and that he has personal assurances from the Saudis, Iranians, and Kuwaitis that they would have no objection to an extension of the stationing agreement.

\* \* \*

**GUINEA-USSR:** Two Soviet TU-95 aircraft landed yesterday in Conakry, Guinea, indicating that, contrary to recent assurances given the US, President Toure will continue to allow the Soviet Union to use Conakry as a staging base for naval reconnaissance flights. Since mid-1973, there have been 16 other TU-95 missions to Guinea.

A Guinean spokesman told Ambassador Harrop in late July that after August President Toure planned to halt Soviet use of Guinea for reconnaissance flights. At the same time, Guinea requested a US "security guarantee" against the alleged threat posed to the Toure regime by Guinean exiles in neighboring Senegal and Ivory Coast.

A few weeks later, Guinean officials confirmed the decision to halt the flights, but implied that the ban could depend on a favorable US response to Guinea's request for security guarantee.

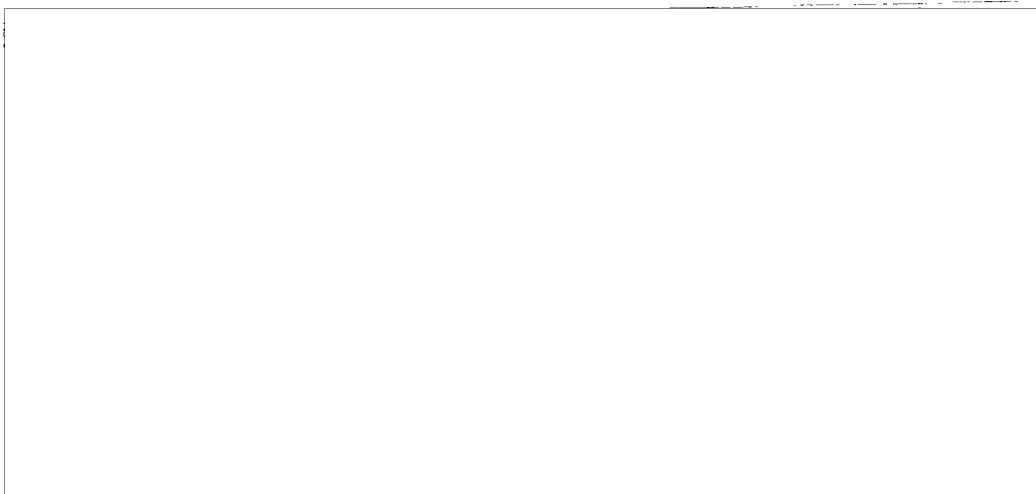
Guinea may justify the latest TU-95 mission by citing the US failure to respond to its security concerns. Toure may have concluded that he cannot afford to antagonize the Soviet Union, which has been responsive in the past to his anxiety about Guinea's security. A small Soviet naval patrol has operated off Conakry at Guinea's request since 1970 when Portuguese-backed exiles mounted a seaborne attack.

Toure may also have used the TU-95 issue to bargain with the Soviets on other issues. The US embassy in Conakry recently reported that Guinea and the USSR could have settled their protracted dispute over the price the Soviets will pay for bauxite produced at a mine developed with Soviet assistance.

\* \* \*

--continued

25X1



*FOR THE PRESIDENT ONLY*

*ANGOLA-ZAMBIA: The governments of Angola and Zambia have agreed to exchange "diplomatic missions."*

The agreement apparently falls short of establishing diplomatic relations, but the two states will set up official missions in each capital in order to develop closer government-to-government and party-to-party ties. They will also establish a permanent joint commission to resolve problems between the two countries.

The Neto regime in Angola would like to establish better relations with Zambia as a way to achieve closer cooperation among the front-line states backing the black nationalists in Rhodesia and Namibia. It hopes to discourage Zambian support for National Union insurgents operating in eastern Angola. The insurgents are allowed to use Zambian territory for refuge and staging purposes.

Zambian President Kaunda now will begin to urge the Angolan regime to establish a government in which the National Union and the National Front can participate. He will probably also encourage the Angolans to reduce the Cuban presence in Angola.

\* \* \*

25X1

USSR

25X1

--continued

*FOR THE PRESIDENT ONLY*

25X1

25X1



\* \* \*

25X1

--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

NOTES

*Soyuz 22, a Soviet spacecraft with two cosmonauts aboard, returned to earth yesterday after an eight-day mission.*

We believe the cosmonauts devoted the bulk of their work schedule to earth resources photography. [redacted] 25X1  
[redacted]  
[redacted]

Soyuz 22 was the first in a highly publicized cooperative manned space flight program involving the nine countries of the communist trading bloc. Photographic equipment manufactured in East Germany was the only bloc contribution to the spacecraft. The USSR had announced that the program would include cosmonauts from each of the other eight before it ended in 1983.

If the first such joint mission takes place in 1978 as announced, it would put the Soviets several years ahead of the joint US-European program in flying multinational crews. The US space shuttle is scheduled to orbit a European space lab with a European crew in the 1980s.

\* \* \*

*The Soviet Union's Mars program, unlike that of the US, has not been notably successful.*

Since 1960, when the program began, the Soviets have made 15 launch attempts aimed at Mars. Eight of these attempts failed shortly after launch, and only three were even partially successful in getting landing capsules to the surface of Mars. [redacted] 25X1

--continued

*FOR THE PRESIDENT ONLY*



25X1

This spotty record, together with Moscow's awareness of Viking's objectives and prospects for success, may have caused the Soviets to reassess their program and pass up the launch opportunity in 1975. Soviet scientists have indicated that they will try again in 1977, the next opportunity.

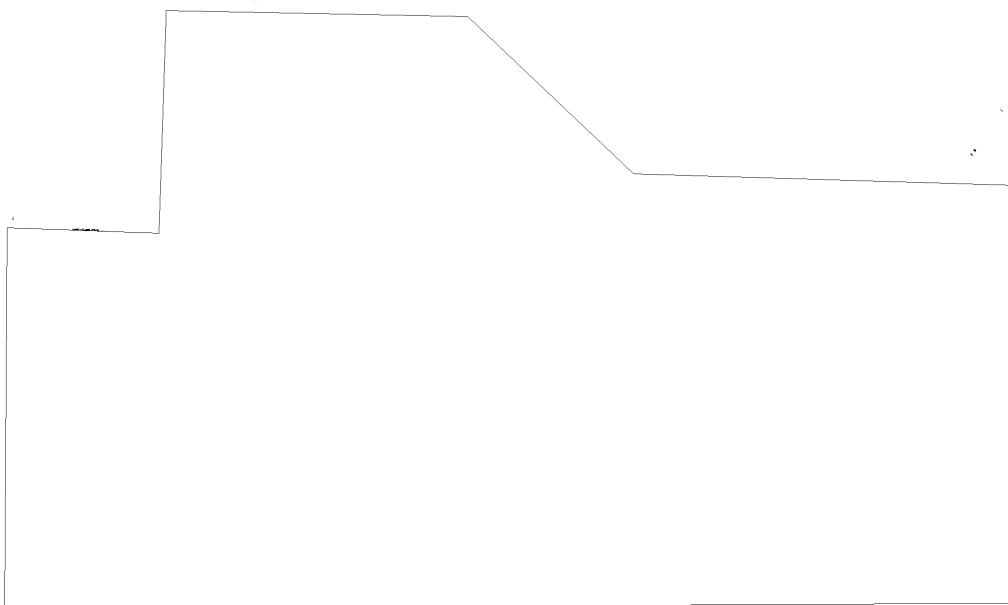
\* \* \*

--continued

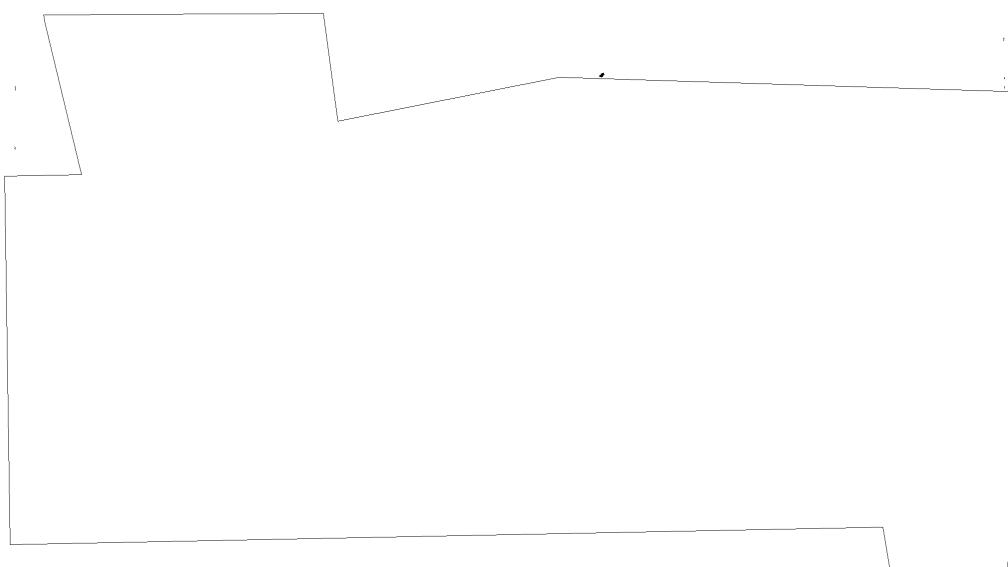
*FOR THE PRESIDENT ONLY*



25X1



25X1

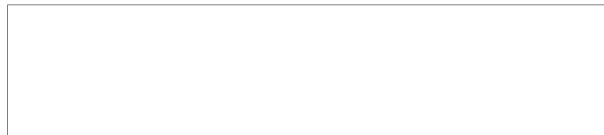


25X1

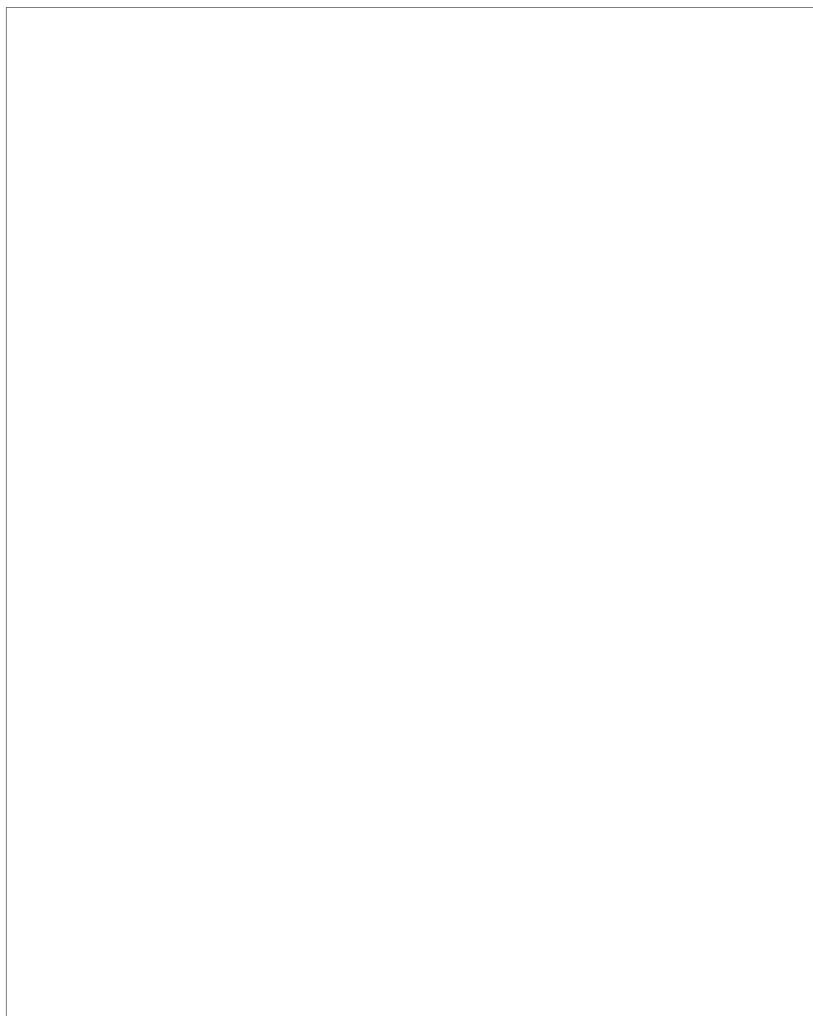
*FOR THE PRESIDENT ONLY*



25X1



25X1



25X1

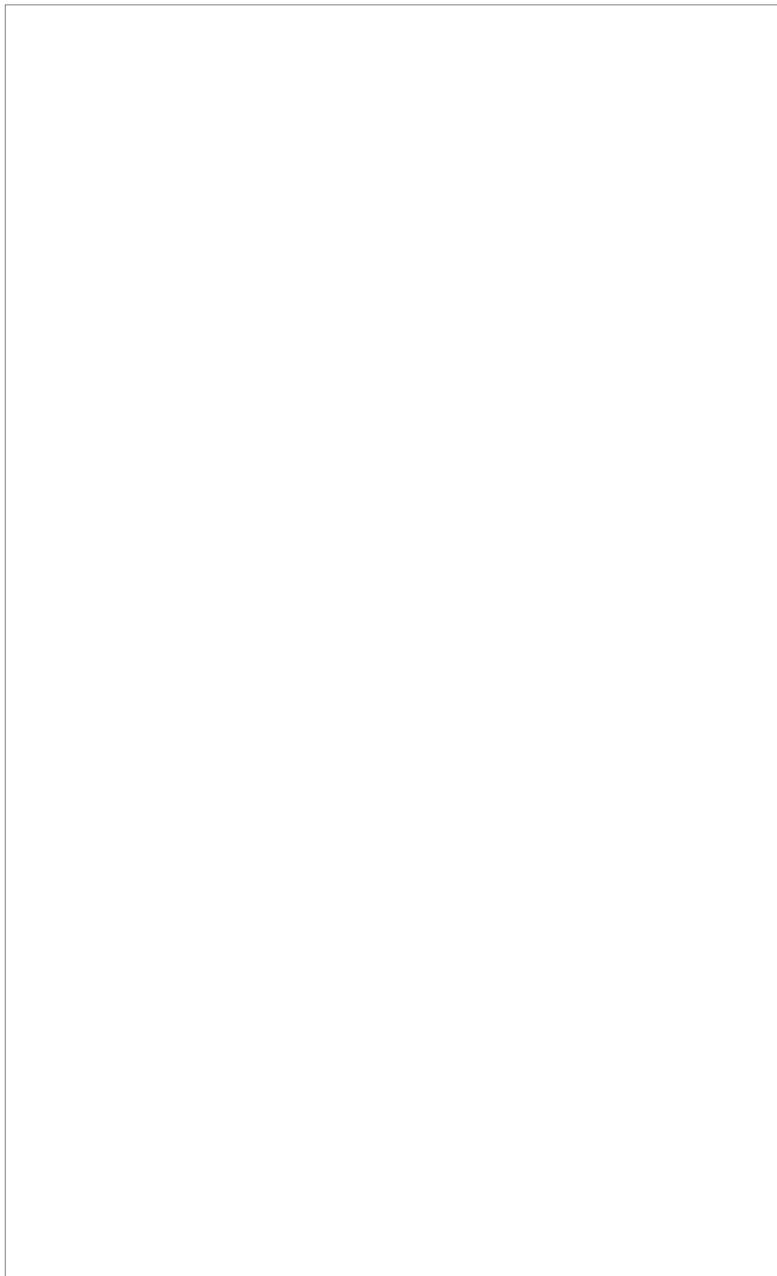
A  
Z  
E  
X

--continued

A1

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*



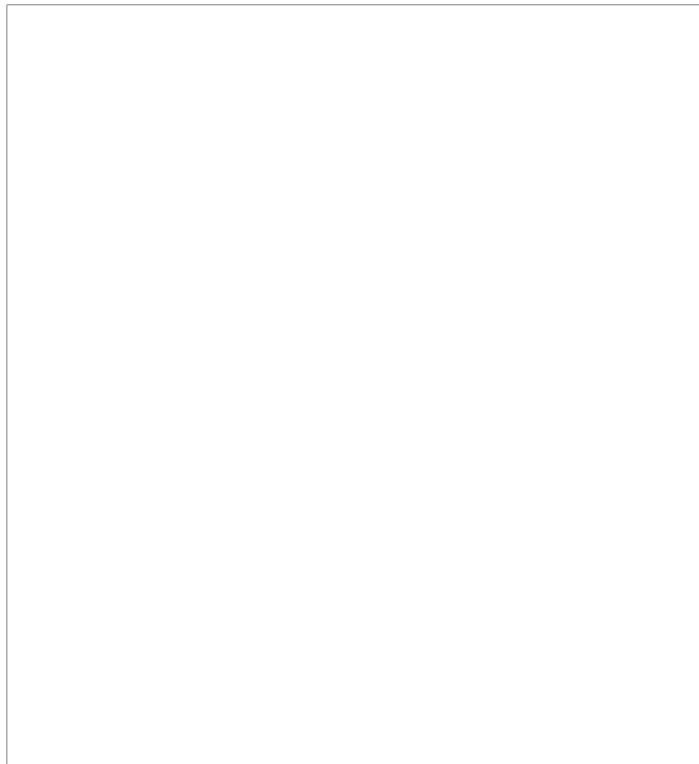
25X1

--continued

A2

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

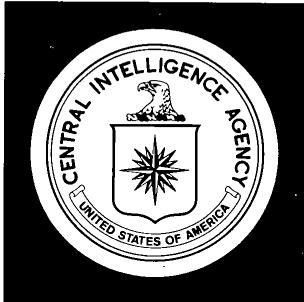


25X1

A3

*FOR THE PRESIDENT ONLY*

*Top Secret*



# The President's Daily Brief

*September 25, 1976*

2

*Top Secret*

25X1

Exempt from general  
declassification schedule of E.O. 11652  
under authority of the Director of Central Intelligence  
declassified only on approval of  
the Director of Central Intelligence

*FOR THE PRESIDENT ONLY*

September 25, 1976

Table of Contents

USSR-Rhodesia: The USSR's initial reaction to the announcement of Rhodesia's acceptance of the peace plan was predictably negative. (Page 1)

Lebanon: The tripartite talks will not be resumed until sometime after the Muslim holiday ends on Sunday to give the Palestinians and Lebanese leftists time to examine a new Syrian cease-fire proposal. (Page 1)

China: The Politburo, which probably has been meeting since Mao's funeral, apparently is having difficulty resolving some of the problems facing it. (Page 2)

USSR-China: Soviet propaganda on China continues in the conciliatory vein adopted since the death of Mao Tse-tung. (Page 3)

Notes: China; Ethiopia; USSR; Egypt-France; Israel-Chile; Portugal. (Pages 5, 6, and 7)

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**USSR-RHODESIA:** *The USSR's initial reaction to the report of Rhodesia's acceptance of the peace plan was predictably negative.*

Soviet radio commentary characterized the plan as a deal made by the "imperialists and racists" behind the backs of the native African majority. It said that the plan had only the appearance of a settlement and left the racists with a "multitude of loopholes." The report also expressed doubt about how much trust should be put in Smith's promises. The commentary concluded with an accusation that the US and Britain had formulated a plan to save their political and economic interests, which are dependent upon the existence of the "racist regimes."

The Soviets are likely to refrain from more authoritative commentary in their central press until they are sure of the details of the plan and have some indication of how the "front-line" African leaders are going to play it.

\* \* \*

**LEBANON:** *Arab League mediator al-Khuli has put off resuming the tripartite talks until after the Muslim holiday ends on Sunday, apparently in part to give the Palestinians and Lebanese leftists time to examine a new Syrian cease-fire proposal.*

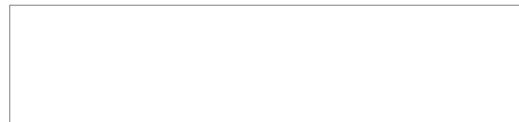
Both Yasir Arafat, who declared a unilateral truce on Thursday, and the Syrians, by their latest proposal, apparently wish to appear as helpful as possible to the new Lebanese president in restoring some momentum to the stalled tripartite negotiations.

It is uncertain how much longer Syria's President Asad can continue to tolerate the present stalemate. The Syrians' political pressure on Arafat over the past month or so has produced meager results thus far, while continuing to drain the Syrian treasury.

25X1

--continued

*FOR THE PRESIDENT ONLY*



25X1

Should Sarkis fail to make any tangible progress soon through negotiations, Asad seems almost certain to resort once more to force to try to bring the PLO and the leftists to terms. In all probability, the Syrians would let the Christians bear the brunt of any new fighting in order to avoid incurring heavy casualties.

The timing of any new Syrian-Christian military move is likely to depend in part on whether the proposed four-power Arab summit conference in Saudi Arabia ever comes off.



25X1

\* \* \*

CHINA: Several deviations from usual Chinese procedure suggest that the Politburo, which has probably been meeting since Mao's funeral, is having difficulty resolving some of the immediate problems facing it.

Aside from the larger issue of the succession, which the leadership may not yet have tackled head on, the Chinese have still not pronounced on the disposition of Mao's body or the future course of the current anti-rightist campaign. There also seems to be some indecision, predating Mao's death, over whether to name Politburo member Wu Te to the post of Chairman of the National People's Congress, the de facto head of state.

The Chinese have canceled celebrations for National Day on October 1. Although this is being explained as a continuation of the mourning period for Mao, political problems may be involved.

--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

Wu Te, who is next in line for the Chairmanship of the National People's Congress, was attacked in wall posters by party leftists in 1974, and it is possible they are trying to block his promotion. As NPC chairman, Wu could be entitled to a spot on the Politburo's elite Standing Committee, currently down to four members. This would improve the position of rightists on the Committee which, with two leftists, one rightist, and "centrist" Premier Hua Kuo-feng, is not truly representative of the composition of the Politburo or the Central Committee. A better balance on the Standing Committee is directly related to the succession since that body, in the immediate future at least, is likely to rule China collectively.

\* \* \*

*USSR-CHINA: Soviet propaganda on China continues in the conciliatory vein adopted since the death of Mao Tsetung.*

Soviet propagandists are busy recalling the supposedly halcyon days of Sino-Soviet cooperation in the 1950s and expressing Moscow's desire to return to those days. The marked shift in Soviet propaganda probably is intended to encourage any of Mao's successors who may be inclined toward less hostile relations with the USSR, or at least to build a public case that Moscow has done all it could to improve relations with China.

Moscow, because it has no insight as to where in China's bureaucracy the less anti-Moscow elements are located, is trying to appeal to all elements who might figure in China's succession struggle in its broadcasts to China. The Soviets

--continued

*FOR THE PRESIDENT ONLY*

are directing some attention to  
China's military, who they have  
long maintained will probably be  
decisive in determining the out-  
come of China's succession struggle.

\* \* \*

--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

NOTES

Chinese forces are continuing to maintain a low-level alert posture, although the standdown in Chinese military activity following Chairman Mao's death has ended.

25X1

naval observation units along China's southern coast are maintaining a low-level alert until October 1. Some air and ground forces presumably will do the same.

The Chinese seem to be particularly wary of the Taiwanese. During the 10-day mourning period for Chairman Mao, Chinese fighter activity was mainly restricted to defensive operations near the southern coast opposite Taiwan.

25X1

\*

\* \* \*

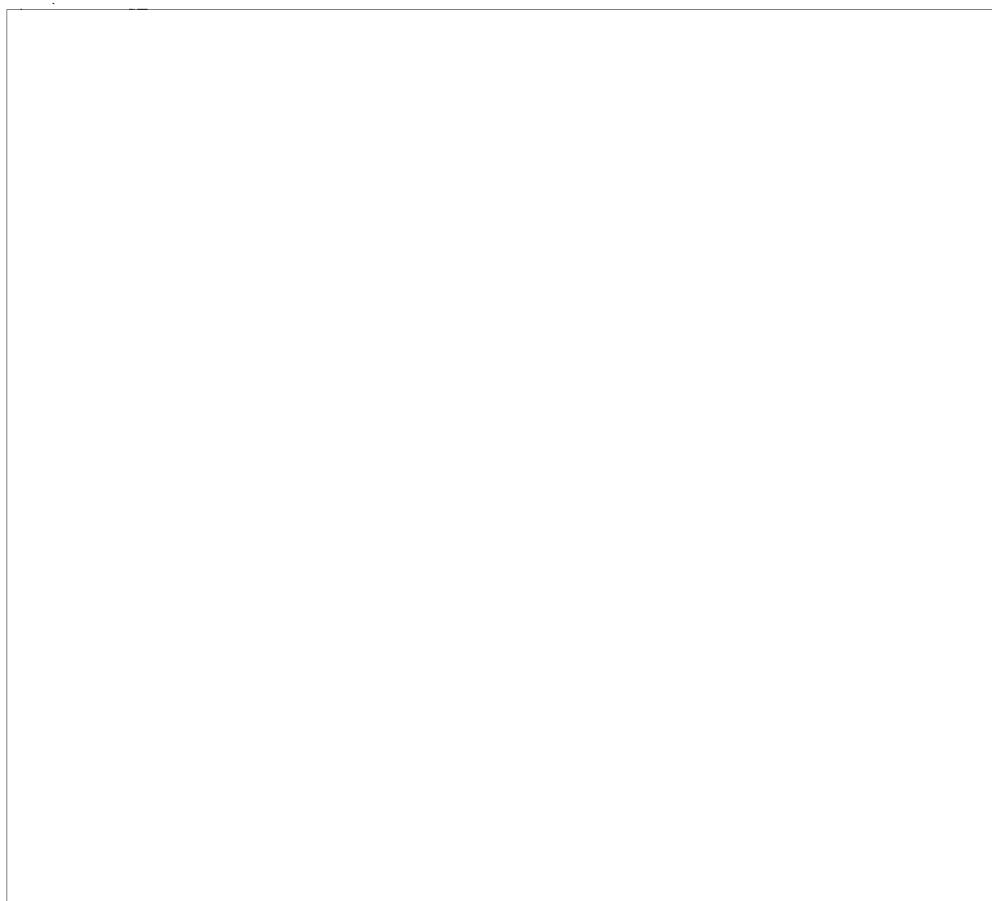
The situation in Addis Ababa remains uneasy in the wake of labor and student unrest this week and an assassination attempt Thursday night against Major Mengistu Hailemariam, the first vice chairman of the ruling military council.

The unrest has apparently heightened the nervousness of the council, which has been especially concerned over the threat posed by the clandestine Marxist Ethiopian People's Revolutionary Party. This party, which demands an immediate return to civilian rule, is well organized and has extended its network of supporters to labor, students, and other urban groups.

Mengistu announced yesterday that he had been slightly wounded in the attack on his car and that another

--continued

*FOR THE PRESIDENT ONLY*



*FOR THE PRESIDENT ONLY*

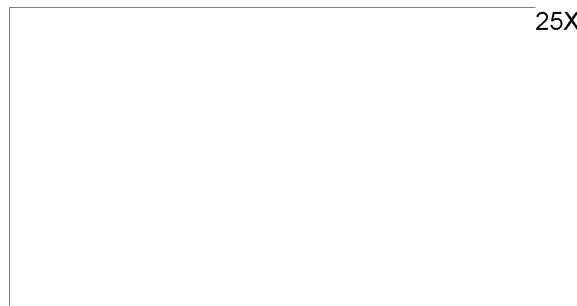
passenger--rumored to be a member of the ruling council--has been hospitalized. The council may use the attack and civil unrest as an excuse to repress its opponents, much like it did during strikes last year.

\* \* \*

25X1



25X1



25X1

\* \* \*

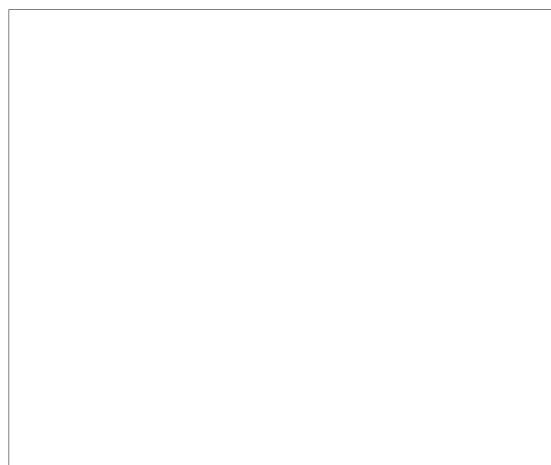
25X1

Egypt,



25X1

France.



--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

\* \* \*

*Israel has delivered air-to-air missiles to Chile, the first Israeli arms sale to that country.*

Chile's other recent arms acquisitions reportedly include surface-to-surface missiles from France and anti-tank missiles from West Germany. Chile has contracted for over \$200 million worth of military equipment from Western sources since the end of the Allende government.

Latin America has become one of Israel's largest arms markets. The Israelis have sold a variety of military equipment to 13 other Latin American countries, primarily in the past three years.

\* \* \*

*The Communist-controlled trade union confederation in Portugal is moving ahead with plans for a congress aimed at confirming Communist dominance of the country's labor movement.*

The Communists' pressure may lead the non-Communist unions to set up a rival confederation of their own.

The Socialists have built up a substantial following in organized labor during the past year, but still cannot rival the organization and discipline of the Communists. The Socialists are using their control of the government to pass legislation unfavorable to the Communists. One of the first priorities will be repeal of the law permitting only one labor confederation, leaving the Socialists free to set up a rival non-Communist organization.

Nearly half of some 300 to 400 Portuguese unions are affiliated with the Communist-controlled confederation, whereas the non-Communists claim the allegiance of only about 50.

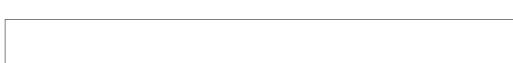
*Top Secret*



✓

# The President's Daily Brief

*September 27, 1976*



2  
Top Secret / 25X1

Exempt from general  
declassification schedule of E.O. 11652  
under authority of E.O. 13526  
declassified only on approval of  
the Director of Central Intelligence

*FOR THE PRESIDENT ONLY*

September 27, 1976

Table of Contents

USSR: The Supreme Soviet will meet in Moscow on October 27, primarily to approve the new five-year plan. (Page 1)

MBFR: In the tenth round of the force reduction talks in Vienna, opening this week, the Allies may try to focus the discussions initially on how the Warsaw Pact counts its forces. (Page 1)

Lebanon:

25X1

Panama: Government strongman Omar Torrijos is now facing his most serious domestic problems since he consolidated his hold on power in 1969. (Page 3)

Notes: USSR-Japan; USSR; North Korea - Scandinavia; China  
(Pages 6 and 7)

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

*USSR: The Supreme Soviet will meet in Moscow on October 27, primarily to approve the final version of the new five-year plan (1976-1980).*

The announcement of a date for the session suggests that Premier Kosygin is well enough to participate. He customarily would address the meeting and present the economic plan. General Secretary Brezhnev told Averill Harriman last week that Kosygin would be returning to work "in several weeks."

A meeting of the party Central Committee is expected to precede the session of the Supreme Soviet to put the party's stamp of approval on the economic plan and possibly to make some changes in the top leadership. Nikolay Tikhonov, who recently was appointed a first deputy premier, presumably to help lighten the workload of the ailing Kosygin, possibly will be given Politburo status. Such an elevation would put him on a par with Kirill Mazurov, the other first deputy premier.

\* \* \*

*MBFR: In the tenth round of the force reduction talks in Vienna, opening this week, the Allies may try to focus the discussions initially on how the Warsaw Pact counts its forces.*

In the last round, the Pact, for the first time, provided data on the size of its forces in Central Europe, which were lower than NATO estimates. Western observers believe that the Pact counts only combat forces rather than all uniformed personnel as the West does.

Paris' refusal to allow French forces in Germany to be included in Western totals is the principal reason why the Allies may try to focus on the rules the Pact has employed in counting its forces rather than presenting data on their own forces when the session opens.

--continued

*FOR THE PRESIDENT ONLY*

The French position also has led to differences among the Allies. The Belgians do not want to include French forces in the totals and believe the discussions on the size of the forces should begin whether or not the Allies agree on the French question. The British and Dutch favor this approach.

The West Germans insist that French forces must be included in the Western figures if the concept of a common ceiling is to be maintained. They believe that the active NATO participants in the talks should agree to balance any changes in the French force levels in Germany with adjustments in their own force levels. The Germans are willing to exclude France from any obligations that might arise from the talks in Vienna.

\*

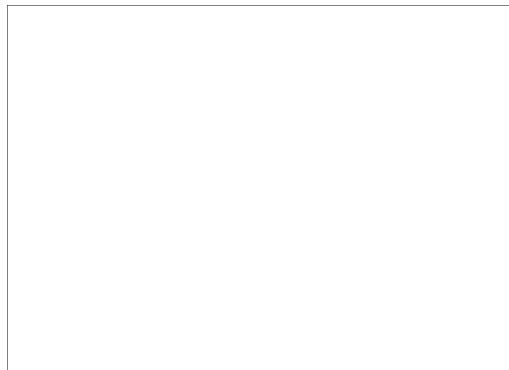
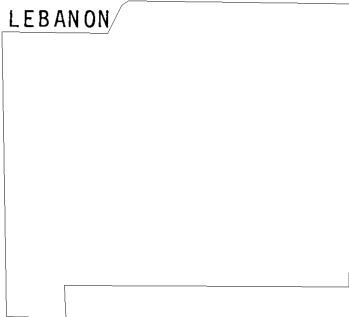
\*

\*

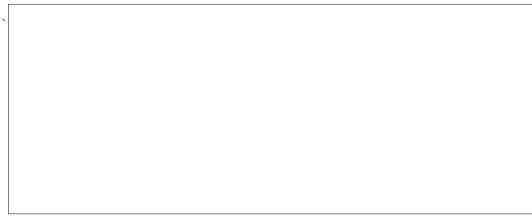
25X1

25X1

LEBANON



25X1



--continued

*FOR THE PRESIDENT ONLY*

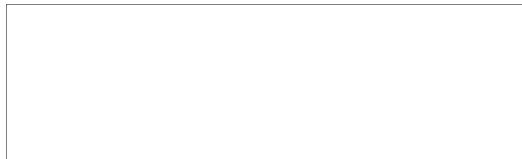
*FOR THE PRESIDENT ONLY*

*The Lebanese leftists remain inflexible on the question of withdrawal.*

In a statement over the weekend, leftist leader Kamal Jumblatt emphasized that Palestinian and leftist withdrawal from the Mount Lebanon area could take place only in the context of a "comprehensive political solution." It would have to include the withdrawal of Syrian forces from Lebanon and the pullback of Christian troops from Muslim villages in the northern mountains.

In a remark clearly pointed at Arafat, Jumblatt stated that "no one" has the right to talk about withdrawal from Mount Lebanon or "raise any other issue" without reference to the Lebanese left.

25X1



\* \* \*

*PANAMA: Government strongman Omar Torrijos is now facing his most serious domestic problems since he consolidated his hold on power in 1969.*

His recent performance, particularly his failure to deal effectively with the demonstrations that rocked Panama in the past two weeks, probably has reduced his popularity to an all-time low. The student-incited protests reflect this along with the government's deepening economic difficulties. Torrijos has long viewed students as among his principal partners.

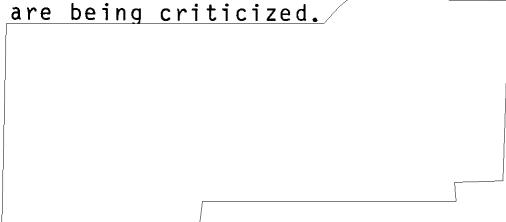
The National Guard, which Torrijos commands and which is the only force capable of removing him from

--continued

*FOR THE PRESIDENT ONLY*

office, lined up solidly behind him in previous crises. Now, for the first time, some of his actions are being criticized.

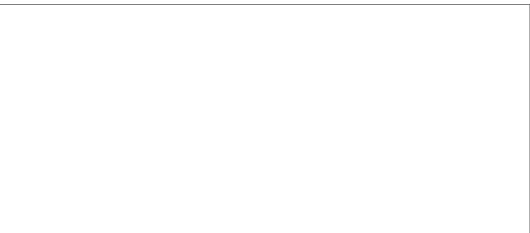
25X1



*The top officers in the National Guard do not appear as yet to have seriously considered alternatives to Torrijos.*

These leaders are men who threw in their lot with Torrijos at the time of an abortive coup attempt in 1969 and hold their positions because of their demonstrated loyalty to him. They probably are still confident they can ride out the difficulties with Torrijos at the helm. They are ambitious, however, and could be ruthless.

25X1



*Torrijos' ability to negotiate a new canal treaty with the US also is being questioned.*

After nearly eight years in power, the general is still promising that "next year" a pact will be signed. Radicals argue that Torrijos would have to sell out Panama's interests in order to secure an accord.

--continued

*FOR THE PRESIDENT ONLY*

Torrijos has believed a new canal treaty would ensure his political future. It is now increasingly apparent, however, that in the absence of success on the canal issue his management of the slumping economy and the domestic political situation will be critical. His home audience is now less willing to be distracted by his unproductive international performances.

--continued

*FOR THE PRESIDENT ONLY*

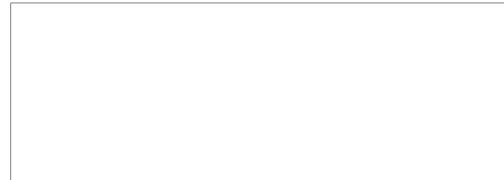
*FOR THE PRESIDENT ONLY*

25X1

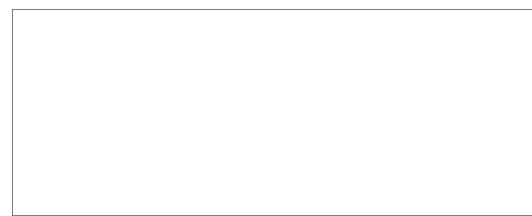
NOTES

Japan [redacted]  
[redacted] Soviet

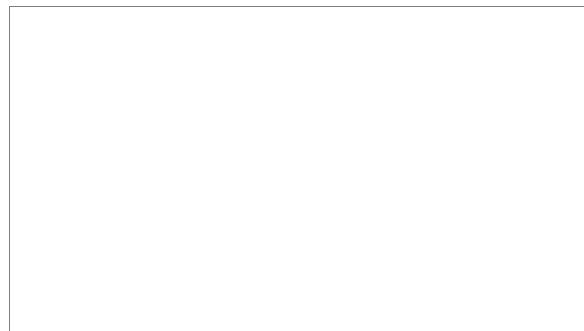
25X1



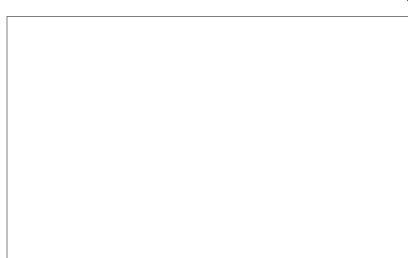
25X1



25X1



25X1



25X1

--continued

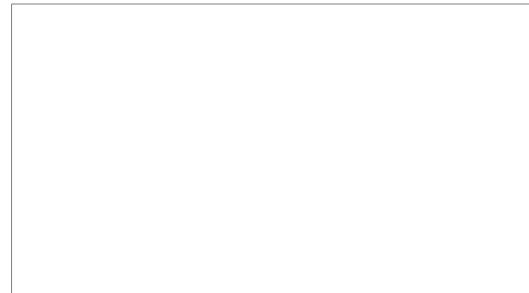
*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

\* \* \*

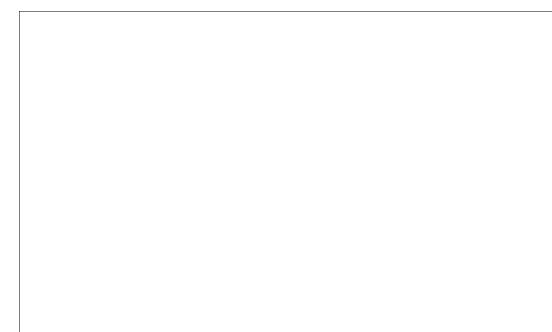
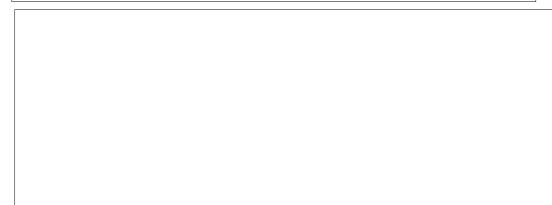
25X1

North Korea [redacted]  
[redacted] Scandinavia [redacted]



25X1

25X1



25X1

\* \* \*

25X1

Chinese [redacted]



25X1

*FOR THE PRESIDENT ONLY*

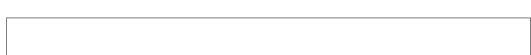
*Top Secret*

✓



# The President's Daily Brief

*September 28, 1976*



2  
Top Secret 25X1

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

*FOR THE PRESIDENT ONLY*

September 28, 1976

Table of Contents

Lebanon: Palestinian sources claim Syrian and Lebanese Christian forces opened an offensive this morning in the mountains east of Beirut. (Page 1)

USSR: The Soviets are building a new radar facility in the north-central USSR that apparently will complement the existing early warning coverage against ballistic missiles. (Page 2)

Angola-USSR: President Agostinho Neto will seek clarification of the USSR's role in Angola when he visits Moscow early next month. (Page 3)

Notes: Japan; Poland; Cuba-Angola; China; UK (Pages 5, 6, and 7)

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**LEBANON:** Preliminary press reports this morning, quoting Palestinian sources, claim Syrian and Lebanese Christian forces have opened an offensive in the mountains east of Beirut.

Lebanese President Sarkis had continued yesterday to probe leaders of every persuasion as to their attitude toward a settlement.

A meeting between Sarkis and PLO leader Arafat scheduled for Sunday was canceled after leftist leader Kamal Jumblatt was fired on following an earlier meeting with Sarkis. Sarkis met yesterday with Christian extremist leader Shamun, who reiterated his hard-line position.

The Shia Muslim community in south Lebanon is completely alienated from the Palestinians, according to the Lebanese ambassador to Iran who has just returned from home leave.

The ambassador, who is from a prominent family in south Lebanon, told US embassy officials in Tehran that the Palestinians treat the local population with contempt, expropriate property, demand pay-offs, and kill for real or imagined slights. The Shias of the south are ready to oust the Palestinians and have discussed some form of military cooperation with Christian leaders.

The ambassador also said there is widespread disillusionment among both officers and enlisted men of the Lebanese Arab Army--the break-away Muslim faction that was allied with the leftists--who now feel they have been fighting for no useful cause and are defecting in growing numbers. 25X1

[Redacted Box]

--continued

25X1

*FOR THE PRESIDENT ONLY*

[Redacted Box] 25X1

The defection of the Lebanese Arab Army would not seriously weaken leftist ranks. The present tendency toward realignment, however, does appear to reflect the low morale of leftist and Palestinian forces--and the friction between them--as the war drags on and the initiative seems to remain in Christian and Syrian hands.

*An indication of Soviet support for Syria's position in Lebanon appeared in Pravda yesterday.*

Pravda carried a news report on President Asad's speech to his troops on the Israeli border. The report included Asad's justification for the presence of Syrian troops in Lebanon as well as his specific criticism of the PLO role there.

Moscow seems to be making an effort to acknowledge the realities of the Lebanese situation. A Soviet official in Cairo recently said the Soviets believed it was necessary for the Syrians to remain in Lebanon to guarantee any settlement of the crisis.

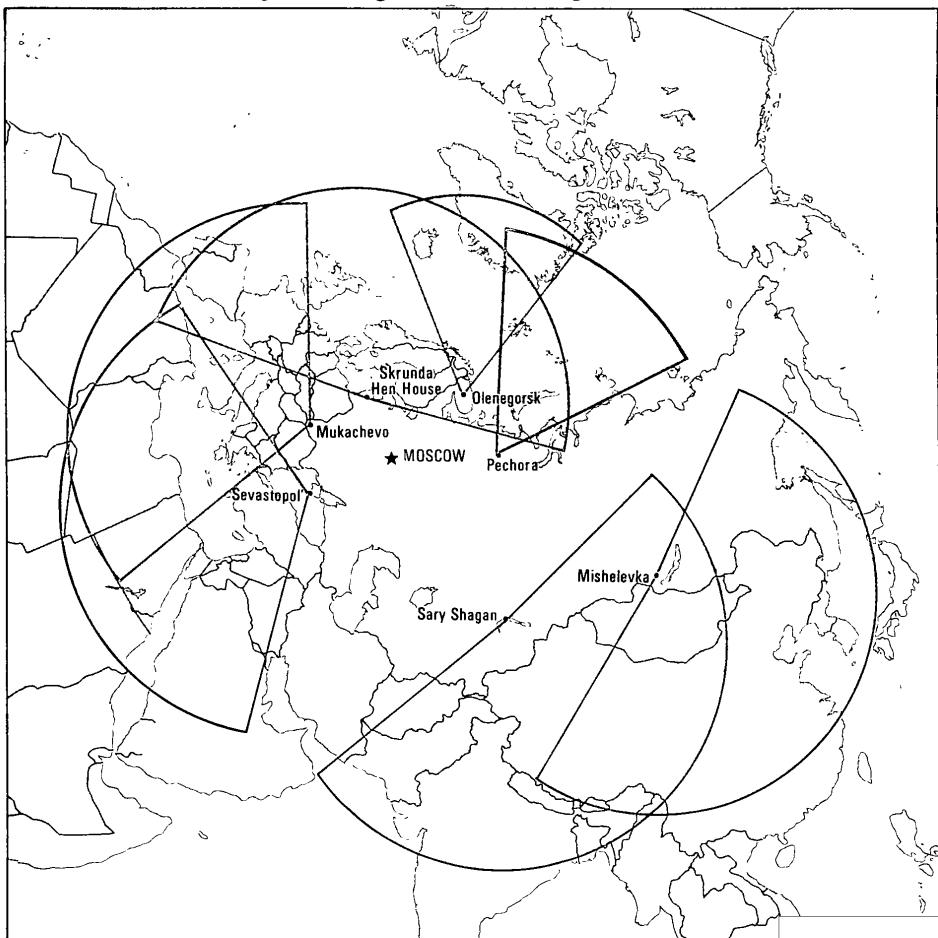
\* \* \*

*USSR: The Soviets are building a new radar facility in the north-central USSR that apparently will complement the existing early warning coverage against ballistic missiles.*

The size of the antenna at the new facility at Pechora and the distance from it to the associated control building suggest that the phased-array radar being built there will provide much better tracking, prediction and target-tracking capabilities than the existing Hen House radars in the USSR. Another new but different kind of phased-array radar is being built at Olenegorsk.

--continued

**Ballistic Missile Early Warning Radar Coverage**



25X1

Early warning radar coverage



25X1

*FOR THE PRESIDENT ONLY*

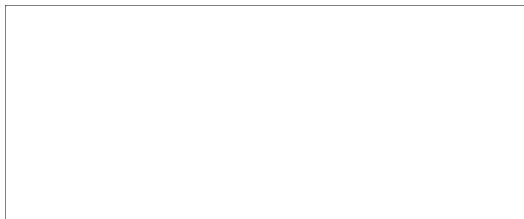
The construction of additional ballistic missile early warning radars is not prohibited by the ABM treaty, provided they are located on the periphery of the Soviet Union and are oriented outward, as the Pechora and Olenegorsk radars are. The treaty does, however, bar the construction of any additional ABM battle management radars.

The new large antennas at Pechora and Olenegorsk have the potential for use in ABM battle management rather than early warning. The radars, however, would add nothing to the current capabilities of the Moscow ABM system, and we see no indications that the Soviets intend to deploy ABM missiles outside the Moscow area.

The Pechora antenna is oriented toward the west coast of the US and would detect ICBMs launched into the central USSR. The Olenegorsk antenna is oriented toward the eastern US and could detect US ICBMs launched into western USSR. The Soviets would still lack early warning coverage of US ICBMs launched toward the far eastern USSR, and consequently may build two or more radars along the northern border to fill this gap.

\* \* \*

*ANGOLA-USSR: President Agostinho Neto will seek clarification of the USSR's role in Angola when he visits Moscow early next month.*



25X1

--continued

*FOR THE PRESIDENT ONLY*

The Angolans may have balked during the May meeting at a Soviet request for access to Angolan naval and air facilities. This would have lessened Moscow's generosity. The USSR may raise the issue again, although there is no reason to believe that Neto's position has changed.

From the Soviet standpoint, Neto's visit is well timed because it offers Soviet leaders an opportunity to press their attack against the Rhodesian settlement plan. Neto will probably be cautious about associating himself with any Soviet attacks that would put him out of step with other front-line African presidents inasmuch as he values his newly acquired status as a member of this group.

The Soviet visit could be offset somewhat by Angola's expected resumption of diplomatic ties with Portugal at about the same time. The Angolan and Portuguese foreign ministers are to meet in Cape Verde around October 1 to work out final arrangements. Neto is anxious to resume the ties in order to balance his foreign relations and broaden his sources of assistance.

\* \* \*

--continued

*FOR THE PRESIDENT ONLY*

NOTES

Japanese Prime Minister Miki has accepted the suggestion of officials from the Foreign Ministry and Japan Defense Agency that the US be allowed additional time for direct examination of the Soviet MIG-25.

Miki's revised deadline--extending direct US access to the aircraft through October 3--is apparently firm.

Foreign Minister Kosaka will confirm Japan's commitment to return the MIG-25 during his meeting with Foreign Minister Gromyko at the UN today, but reportedly will avoid giving Gromyko a firm date. Japanese defense officials calculate that it will take about two weeks to prepare the aircraft for shipment. Should negotiations for the transfer proceed rapidly, even the Japanese investigation of the MIG would be curtailed.

\* \* \*

The Polish Supreme Court today suspended the prison sentences of seven workers who were jailed for activity during the strike in June.

In commenting on the action affecting the three-to-five year sentences, the court said that "a sense of social justice has been satisfied." The suspension, which is unprecedented, was obviously ordered by the top party hierarchy.

The Polish population will view the suspension of the sentences as a conciliatory gesture by Warsaw, but will also see it as another sign of public power over the leaders.

In addition to placating the Polish people, the regime was responding to pleas from the Polish episcopate and to demands of West European communist parties that the strikers be treated leniently.

--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

\* \* \*

The fourth Cuban convoy from Angola has reached home waters and should arrive at the naval port of Mariel by mid-week.

One or more of the four ships in the group stopped briefly at the port of Santiago in southeastern Cuba yesterday before continuing their trip around the island. Several ships in the third convoy made a similar stopover, possibly to unload wounded troops or those 25X1 who were from Cuba's eastern provinces.

25X1

\*

25X1

\* \*

25X1

25X1

\*

\* \*

25X1

25X1

Sterling has fallen over 5 percent since the Bank of England stopped intervening in support of the pound on September 9. The British pound closed yesterday at \$1.68, a record low against the dollar.

A general uncertainty and lack of confidence in the UK economy has been exacerbated recently by uneasiness that the fringe benefits won by the British Seamen's union

--continued

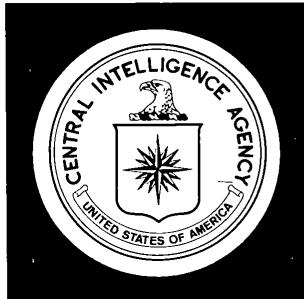
*FOR THE PRESIDENT ONLY*

would lead to other union demands for similar treatment. The Bank of England's apparent reluctance to continue to support the pound has compounded the problem.

The Bank stopped intervention operations in an attempt to preserve its remaining foreign exchange reserves and to avoid further drawing on its \$5.3 billion standby credit. Support operations through the first eight months of this year have cost the Bank an estimated \$5.5 billion. The Bank's current \$1 billion drawings against the standby credit become due in early December.

*Top Secret*

✓



# The President's Daily Brief

*September 29, 1976*

2

*Top Secret* ✓<sup>25X1</sup>



Exempt from general  
declassification schedule of E.O. 14176  
exemption category 5B(1),(2),(3)  
declassified only on approval of  
the Director of Central Intelligence

*FOR THE PRESIDENT ONLY*

September 29, 1976

Table of Contents

Lebanon: The Syrians apparently have agreed to a Fatah proposal for an immediate cease-fire, presumably in the Mount Lebanon area. (Page 1)

USSR: Moscow has heightened its campaign to limit Western exploitation of the MIG-25. The Soviets seem to be making a new effort to get First Lieutenant Belenko to return to the USSR. (Page 2)

USSR: [Redacted] 25X1

USSR: Foreign Minister Gromyko invited the US to discuss ways to reduce Soviet and US military activity in the Indian Ocean. (Page 4)

UK: The pound continued its decline yesterday despite Prime Minister Callaghan's unusually stern speech at the annual Labor Party conference. (Page 5)

China: The destruction and economic disruption caused by the earthquakes that occurred in Hopei Province on July 28 will severely retard the current Five-Year Plan. (Page 6)

*FOR THE PRESIDENT ONLY*



620478 9-76

*FOR THE PRESIDENT ONLY*

LEBANON: *The Syrians agreed late yesterday,*

[redacted] to a Fatah proposal for an immediate cease-fire--presumably in the Mount

[redacted] Fatah and other Palestinian groups--which apparently concur in the Fatah proposal--may be prepared to withdraw from the Mount Lebanon area.

25X1  
Z5X1

The Syrian drive to dislodge the Palestinians from the Mount Lebanon area met stiff resistance yesterday. Both sides claim to have inflicted heavy casualties, but no important terrain appeared to have changed hands.

25X1

25X1

[redacted] Heavy shelling is continuing in Beirut and around Tripoli.

PLO chief Yasir Arafat sent urgent appeals yesterday to several Arab leaders, accusing Syria of attacking without provocation and asking them to use their influence to stop the fighting.

Egyptian President Sadat predictably denounced the Syrian offensive and accused the Syrian government of trying to destroy the Palestinians and Lebanese leftists. Meanwhile, Damascus radio called for the removal of Arafat as the head of the PLO.

Lebanese President Sarkis continued his round of meetings with Lebanese leaders yesterday. His efforts to breathe new life into the deadlocked tripartite talks have been stopped cold at least until the Syrians obtain their military objectives or the Palestinians agree to accept the Syrian terms for a cease-fire.

\* \* \*

--continued

*FOR THE PRESIDENT ONLY*

*USSR: Moscow has heightened its campaign to limit Western exploitation of the MIG-25.*

A Soviet government statement yesterday, largely a rehash of Moscow's second protest note to the Japanese, again warned Japan that its failure to return the plane could not fail to affect Soviet-Japanese relations now and in the future. The Soviets may have been prompted to release the statement because of Japanese press stories reporting that the Japanese Foreign Ministry and the military were arguing about how soon to return the plane.

*The Soviets also seem to be making a new effort to get First Lieutenant Belenko to return to the USSR.*

The Foreign Ministry yesterday held an unprecedented press conference attended by the pilot's wife and mother. They both took the line that Belenko had not defected, but Belenko's wife said that if the pilot "had made a mistake," she had been reassured at the "highest level" all would be forgiven.

The personal message to you from the Belenko women asking for the return of the pilot will, of course, suggest to a Soviet audience that the US government is holding Belenko against his will.

The Soviets probably do not expect that Belenko will return, but they may think there is an outside chance, given the return of the Olympic diver who defected in Canada this past summer. Moscow would view Belenko's redefection as a major help in discouraging other would-be defectors.

--continued

*FOR THE PRESIDENT ONLY*

Even if Belenko stays in the US, the statements by his wife and mother will support the regime's portrayal of Belenko as being held under duress.

*We do not know yet whether the pilot who defected to Iran last week was aware of Belenko's action, but the Soviets are undoubtedly concerned that these defections may trigger more.*

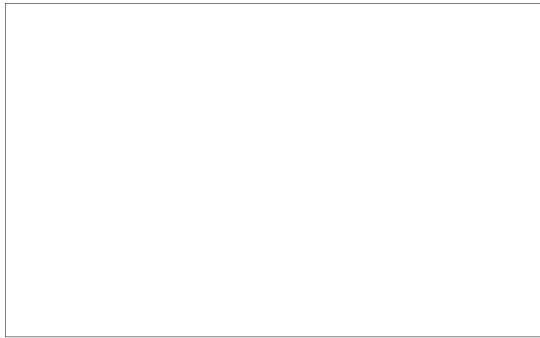
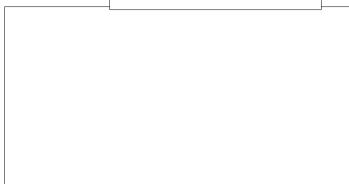
The two defections come on the heels of several other incidents over the past year or so which suggest that Moscow's problems with morale, discipline, and security in its armed forces have increased.

25X1

\* \* \*

25X1

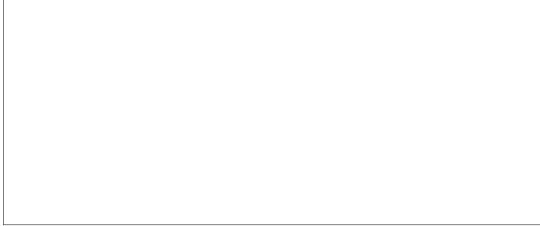
USSR: [redacted]



25X1



25X1



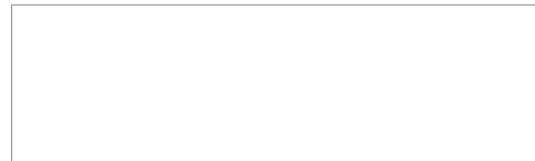
--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*



25X1



25X1

\* \* \*

*USSR: In his address to the UN General Assembly yesterday, Foreign Minister Gromyko invited the US to begin discussing ways to reduce Soviet and US military activity in the Indian Ocean. This marks the first such bid from a high-ranking Soviet leader.*

Gromyko did not mention the US by name, but said the USSR was "ready to look, together with other powers," for ways of reducing the "military activity of nonlitoral states in the Indian Ocean."

He added that Moscow was also ready to "participate in consultations" for convening an international conference on the Indian Ocean, but only if the Soviet approach "is taken into account to the necessary degree." The Soviets are primarily seeking talks that would eliminate foreign military bases in the area.

In the remainder of his speech, Gromyko:

--repeated the Soviet call for a reduction in the military budgets of the permanent members of the Security Council;

--reiterated the usual Soviet references to a non-use-of-force treaty, ending nuclear weapons tests, and dismantling foreign military bases;

--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

--called for resumption of the Geneva conference to settle the Arab-Israeli dispute;

--called for the immediate admission of the Republic of Vietnam to the UN;

--criticized US military programs and Secretary Kissinger's peace efforts in the Middle East and Africa; and

--took the opportunity to ask the Chinese to "normalize" relations.

\* \* \*

UK: *The pound continued its decline yesterday despite Prime Minister Callaghan's unusually stern speech at the annual Labor Party conference.*

The speech, obviously aimed at restoring confidence in the pound, which fell to a low of \$1.63 yesterday, gave notice to the trade unions and the left wing of the Labor Party that the government will not waver in its efforts to rehabilitate the economy and to curb the rise in public spending and borrowing.

Callaghan probably hoped to assure Britain's creditors that the government will not bend to the demands of the left wing for increased spending and further nationalization of industry.

Chancellor of the Exchequer Healey and Bank of England Governor Richardson delayed their departure for the Commonwealth finance ministers' meeting to meet with other senior officials yesterday. Foreign exchange traders saw this move as a sign that the government might enact some emergency measures to support the pound.

--continued

*FOR THE PRESIDENT ONLY*

The cabinet apparently has not decided what measures, if any, should be adopted. An import deposit scheme, such as the one imposed by Italy several years ago, seems the most likely, although Healey apparently is opposed. It is doubtful that such a measure would be effective in halting the pound's decline because of the large sterling balances held outside the country.

\* \* \*

*CHINA: The destruction and economic disruption caused by the earthquakes that occurred in Hopei Province on July 28 will severely retard the current Five-Year Plan (1976-1980).*

Reconstruction and relief combined with production losses will total more than \$10 billion. Some 3 to 4 percent of national industrial production will be directly or indirectly lost for at least two years, and agricultural damage can be repaired only through intensive labor.

The near total destruction in parts of the affected area indicates that casualties were extremely high. Various sources have estimated fatalities ranging from 100,000 to 800,000. Peking probably will never release an official figure.

Three critical sectors of economic activity were particularly hard hit--coal, steel, and transport. It will be over a year before they can return to full operation.

Balance of payments may suffer in the short run since both exports and imports will be hurt. Later, as ports and inland transport are cleared of relief priorities, China may try to increase petroleum exports in order to earn the hard currency required to import additional steel and equipment.

--continued

*FOR THE PRESIDENT ONLY*

The goals of the Five-Year Plan will have to be adjusted to include, at a minimum, the rebuilding of the city of Tang-shan and increased production to offset that lost because of the earthquakes.

Mao's death a little over a month after the quakes increases political uncertainties and further complicates economic decision-making.

*FOR THE PRESIDENT ONLY*

*Top Secret*

✓



# The President's Daily Brief

*September 30, 1976*



2

25X1

~~Top Secret~~

Exempt from general  
declassification schedule of E.O. 13652  
exemption category 5B(1),(2),(3)  
declassified only on approval of  
the Director of Central Intelligence

*FOR THE PRESIDENT ONLY*

September 30, 1976

Table of Contents

Lebanon: The Syrian offensive in the Mount Lebanon area resumed yesterday morning after two unsuccessful efforts--apparently initiated by the Palestinians--to arrange a cease-fire.  
*(Page 1)*

Rhodesia: Presidents Kaunda of Zambia, Machel of Mozambique, and Nyerere of Tanzania reportedly have agreed to take turns hosting unity talks between the two principal Rhodesian nationalist factions. *(Page 2)*

Egypt-USSR: An Egyptian destroyer yesterday fired on and possibly sank two Soviet mooring buoys in the Gulf of Sollum.  
*(Page 3)*

Iran-USSR: The Shah's handling of the flight to Iran last Thursday of a defecting Soviet mail-plane pilot appears intended to minimize friction with Moscow. *(Page 4)*

USSR: The Soviets conducted a nuclear test at their Matochkin Shar Test Area on Novaya Zemlya yesterday. *(Page 4)*

Cuba: Prime Minister Castro has announced that the Cuban economy is experiencing serious problems because of low sugar prices.  
*(Page 5)*

Notes: China; Greece-Turkey; North Korea *(Pages 7 and 8)*

At Annex we discuss briefly the political and economic situations in Poland in the wake of the June disturbances.

*FOR THE PRESIDENT ONLY*



25X1

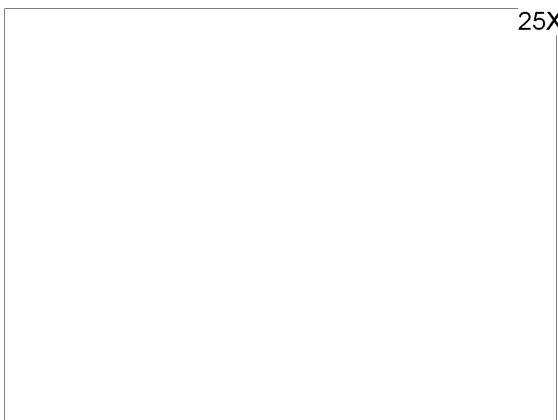
*FOR THE PRESIDENT ONLY*

*LEBANON: The Syrian offensive in the Mount Lebanon area resumed yesterday morning after two unsuccessful efforts--apparently initiated by the Palestinians--to arrange a cease-fire.*

The Syrians seem clearly to have gained the upper hand. Their advance has relied primarily on armor-supported infantry, although aircraft were used for the first<sup>25X1</sup> time yesterday to bomb mountain peaks.



25X1



*President Sarkis is in a difficult position. The leftists have announced that unless he demands Syria's withdrawal from the mountains, he will be considered president only of Christian Lebanese.*

Sarkis has so far made no public statements, although he seems to have been involved in various attempts to arrange a cease-fire. If the Syrian offensive should be a limited one, Sarkis might be able to salvage some of his previous standing with the leftist Lebanese. Should the fighting drag on, however, he would find it increasingly difficult to avoid identification with the Syrian position.

--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

*Egypt continues to call  
for an Arab summit.*

It would include the six members Cairo has been insisting on for the past week--Egypt, Syria, Saudi Arabia, Kuwait, Lebanon, and the PLO.

Syrian President Asad will be in no mood to attend such a gathering but could come under Saudi pressure to do so if the fighting is protracted. Leftist leader Kamal Jumblatt, who was in Cairo when the Syrian offensive was launched, flew to Saudi Arabia yesterday in an effort to enlist Saudi aid in stopping the Syrian drive.

\* \* \*

RHODESIA: Presidents Kaunda of Zambia, Machel of Mozambique, and Nyerere of Tanzania reportedly have agreed to take turns hosting unity talks between the two principal Rhodesian nationalist factions.

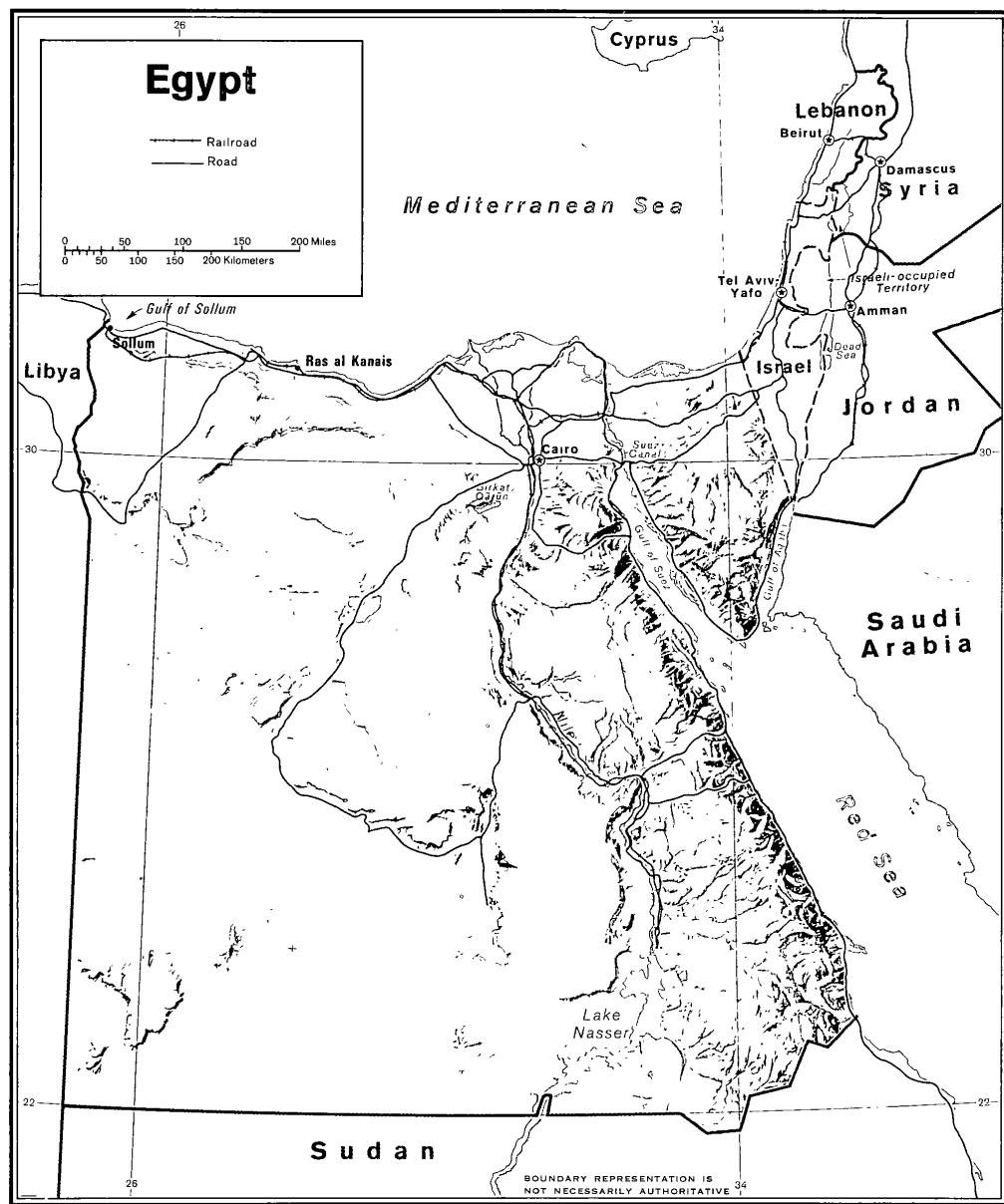
The talks will convene soon in Maputo, Mozambique, for a few days and then will shift to Dar es Salaam in Tanzania.

The presidents appear to have decided that Joshua Nkomo, leader of the Zimbabwe African People's Union, should be the principal nationalist leader in planning for an interim government. He is the most widely known nationalist leader, and his group apparently has the stronger political organization inside Rhodesia.

Most of the guerrilla forces inside Rhodesia are loyal to the rival Zimbabwe African National Union, but its leadership is more fragmented. Robert Mugabe has emerged as its chief spokesman, but there are indications that his influence over the group's military commanders is limited.

--continued

*FOR THE PRESIDENT ONLY*



620462 3-876 CIA

*FOR THE PRESIDENT ONLY*

The talks between the two factions could be difficult, and there is no assurance that any alliance would last beyond the period of an interim government. Nkomo's group will seek to protect its political position, while the Zimbabwe African National Union tries to exploit its greater military strength.

The third major nationalist leader, Bishop Muzorewa, seems to have been excluded from the presidents' unity efforts. Muzorewa has virtually no guerrilla forces of his own but does have some political standing inside Rhodesia.

\* \* \*

EGYPT-USSR: An Egyptian destroyer yesterday fired on and possibly sank two Soviet mooring buoys in the Gulf of Sollum just outside Egyptian territorial waters, [redacted]

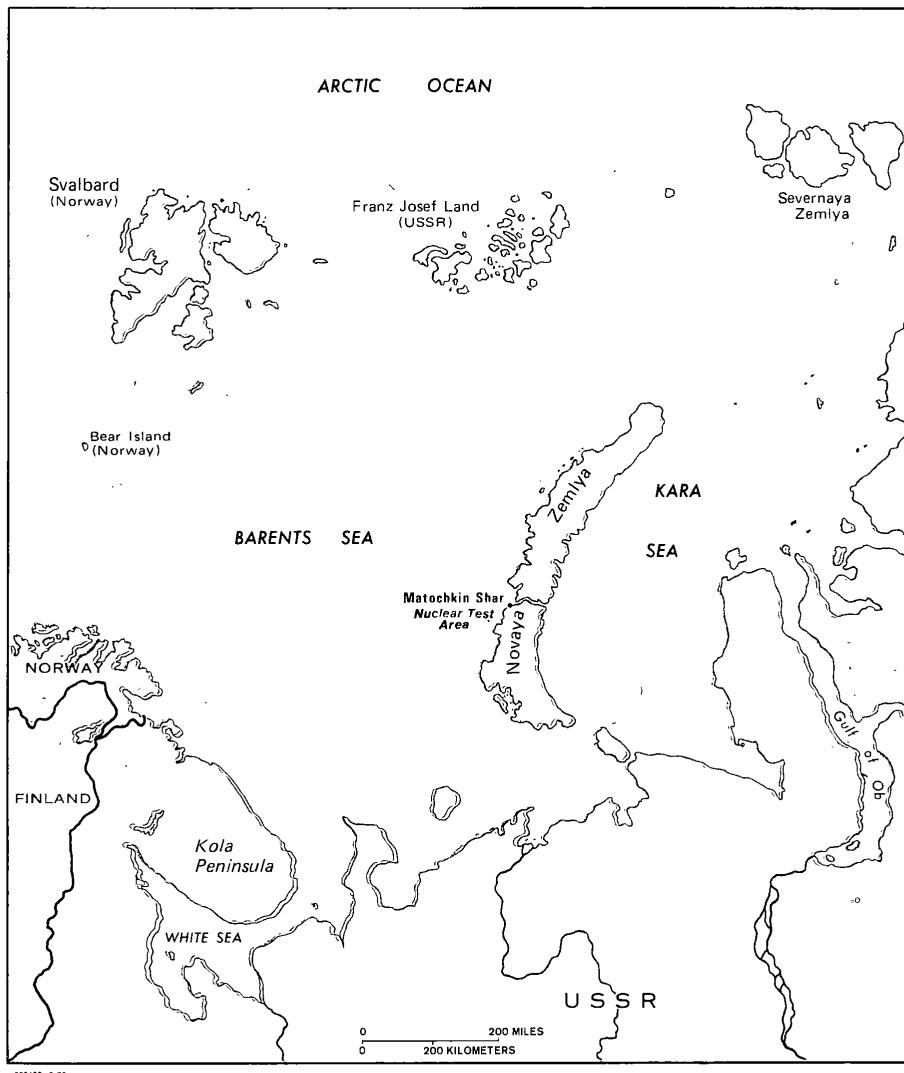
25X1

25X1  
25X1

The Egyptian navy has scheduled the third of four exercises in the gulf for this week, and closed the area to foreign shipping on Monday. Continued Egyptian naval activity in the gulf--including the use of live ammunition--probably convinced the Soviets to abandon the Sollum anchorage at least temporarily.

Once the Egyptian exercises are over, Soviet naval ships will almost certainly return to the Sollum area. The Soviets formerly

--continued



620482 9-76

*FOR THE PRESIDENT ONLY*

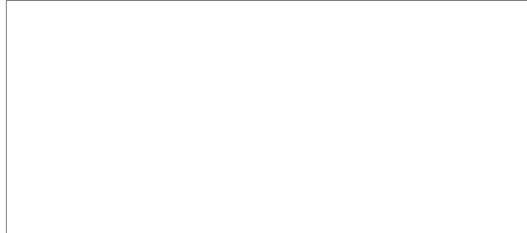
had access to anchorages in Egyptian waters at both Sollum and Ras al Kanais, but Cairo terminated the arrangement at the latter in June.

25X1

\* \* \*

IRAN-USSR: *The Shah's handling of the flight to Iran last Thursday of a defecting Soviet mail-plane pilot appears intended to minimize friction with Moscow.*

25X1



Moscow is demanding return of both pilot and plane under the terms of a hijacking agreement it claims is in force between the two countries.

25X1

Under the International Convention on Refugees, which Iran adhered to last month, Tehran is obliged to grant asylum to bona fide refugees and may not force them to return to their homeland.

25X1

\* \* \*

USSR: *The Soviets conducted a nuclear test at their Matochkin Shar Test Area on Novaya Zemlya yesterday.*

25X1



--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

[redacted] 25X1

It is possible that the Soviets intend to test at this site only until the Threshold Test Ban Treaty is ratified, but they could declare Matochkin Shar a weapons test site and continue using it under that treaty. If the Soviets should decide on the latter, they would be required to provide information on calibration tests and geological data.

[redacted] 25X1  
[redacted] 25X1

\* \* \*

CUBA: Prime Minister Fidel Castro acknowledged in a speech in Havana Tuesday that the Cuban economy is experiencing serious problems because of low sugar prices.

Castro stated that the 60-percent reduction in world sugar prices since last year is forcing Cuba to reduce sharply hard-currency expenditures. He said that if Cuba is to meet the repayment schedule on its mounting debt with the West, a cut in imports will be necessary.

Imports from the West, which totaled \$1.7 billion in 1975, have already been curtailed. They were down by an estimated 25 percent during the period from January through May. Earlier this month, Cuba suspended purchases from Japan, its leading non-communist trading partner.

Castro said imports from communist countries will be maintained. These imports, which amounted to \$2.1 billion or 55 percent of total purchases last year, are estimated to reach \$2.4 billion in 1976.

--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

Because of its mounting debt with the West, Cuba will not be able to maintain hard-currency borrowings at last year's level. This year Havana has drastically reduced Eurocurrency borrowings and appears unwilling to draw substantially on some \$1.5 billion in Western trade credits.

A shift in purchases to communist countries is severely limited because they do not produce in quantity most of the items Cuba gets from the West. It cannot turn to the USSR for additional hard currency support because Moscow is suffering a foreign exchange crunch of its own.

The reduction of imports from the West will force Cuba to revise downward its five-year plan for 1976 to 1980. The production of manufactured goods--particularly consumer goods--will be sharply curtailed.

\* \* \*

--continued

*FOR THE PRESIDENT ONLY*

NOTES

*The first official Chinese commentary on Secretary Kissinger's African mission indicates tacit approval of the talks, but falls short of explicit endorsement. The unsigned commentary also portrays US actions in Africa more favorably than has generally been the case in the last year.*

In previous commentaries on Namibia and Rhodesia, China rejected negotiations and urged "armed struggle." The new commentary, issued while Secretary Kissinger was still in Africa, suggests that China now supports a negotiated settlement in southern Africa to pre-empt increased Soviet involvement there.

The positive tone of the official and unofficial commentaries on US actions in southern Africa contrasts with earlier Chinese charges of US softness in the face of Soviet initiatives in Africa.

\* \* \*

*The Greek and Turkish foreign ministers are to meet tomorrow in New York for a further round of procedural talks on the Aegean dispute.*

At their first meeting on Monday each raised questions that indicate prospects for significant progress remain poor, although the Greek side did make a significant concession. According to Greek officials in Athens, Foreign Minister Bitsios proposed that bilateral negotiations begin soon at the technical level to determine sovereignty over the Aegean seabed. Athens had previously maintained that direct talks should be limited to drawing up terms of reference for a joint application to the International Court of Justice.

On the question of Turkish research in the Aegean, Bitsios reportedly reiterated that negotiations could not take place while exploration continued. He apparently also balked when Turkish Foreign Minister Caglayangil asked

--continued

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

the Greeks to withdraw their unilateral application to the International Court for a delimitation of Aegean seabed rights.

According to the Greeks, Caglayan-gil hinted that domestic political considerations could limit Ankara's ability to compromise even if negotiations should begin.

\* \* \*

North Korea may be considering some kind of "peace initiative."

In a recent conversation with the head of the Romanian UN mission, the North Koreans reiterated their interest in opening talks with the US. A Hungarian diplomat at the UN passed to US officials on September 22 a report that the North Koreans were "studying" the US proposal for a four-power conference on Korea while awaiting Peking's agreement before indicating a willingness to participate.

Any diplomatic initiative probably would involve primarily a repackaging of earlier proposals. But the North Koreans may display greater flexibility than before in their effort to draw the US into the long-proposed bilateral talks on a "peace agreement" to replace the 1953 armistice agreement. As part of this effort Pyongyang might downplay its demands for the immediate dissolution of the UN Command and the withdrawal of US forces and attempt instead to convey an impression that a phased disengagement of the US military presence would be acceptable.

\* \* \*

--continued

*FOR THE PRESIDENT ONLY*

A  
N  
N  
E  
X

POLAND

*The strikes and rioting against price increases last June continue to dominate the political atmosphere in Warsaw. Party and government leaders are still postponing decisions on critical economic problems, but have warned, in increasingly frank terms, that a long period of belt-tightening is ahead.*

Party leader Gierek's status within the leadership is clearly weaker than it was before June, and a certain amount of jockeying for position is underway. Some efforts are reportedly being made to find a scapegoat for the country's economic difficulties and particularly for the June disturbances.

The relationship between Gierek and Prime Minister Jaroszewicz appears to be strained, apparently because the Prime Minister and other government experts pressed Gierek to approve the June price package.

25X1

The need for dramatic corrective economic measures comes at a time when Poland's options are limited. Poland has little flexibility in foreign trade because of its severe problems with hard-currency balance of payments, and the Soviet Union is unlikely to provide any significant assistance.

Warsaw's decision to freeze food prices for at least another year will aggravate the supply problem. Wages cannot be frozen without creating adverse worker reaction, nor can the regime force the farmer to increase agricultural deliveries without irritating yet another segment of the population.

Poland's only viable option is to increase supply by importing extraordinary amounts of grain and fodder. Most will come from the West, requiring over \$1 billion in hard-currency expenditures.

--continued

A1

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

Poland's burden of hard-currency debt and the need for extraordinary imports of grain and fodder for at least another year will force Warsaw to cut back even more severely on imports of industrial materials. As a consequence, Warsaw may well have to reduce its economic growth plans. Before doing so, however, it is likely to seek help from the West in refinancing or rescheduling part of the debt.

Grappling with these problems and with the after-effects of the June riots has put the leadership to its most severe test since the ouster in 1970 of former party leader Gomulka, Gierek's predecessor. Gierek and his colleagues know that without demonstrable improvement in the economy, they cannot regain the confidence of a public that is increasingly conscious of its own power. The leaders will take no action that could result in another upheaval that would almost certainly mean the end of their tenure.

A2

*FOR THE PRESIDENT ONLY*

*Top Secret*