

The President's Daily Brief

June 1, 1976

2

~~Top Secret 25X1~~

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

June 1, 1976

Table of Contents

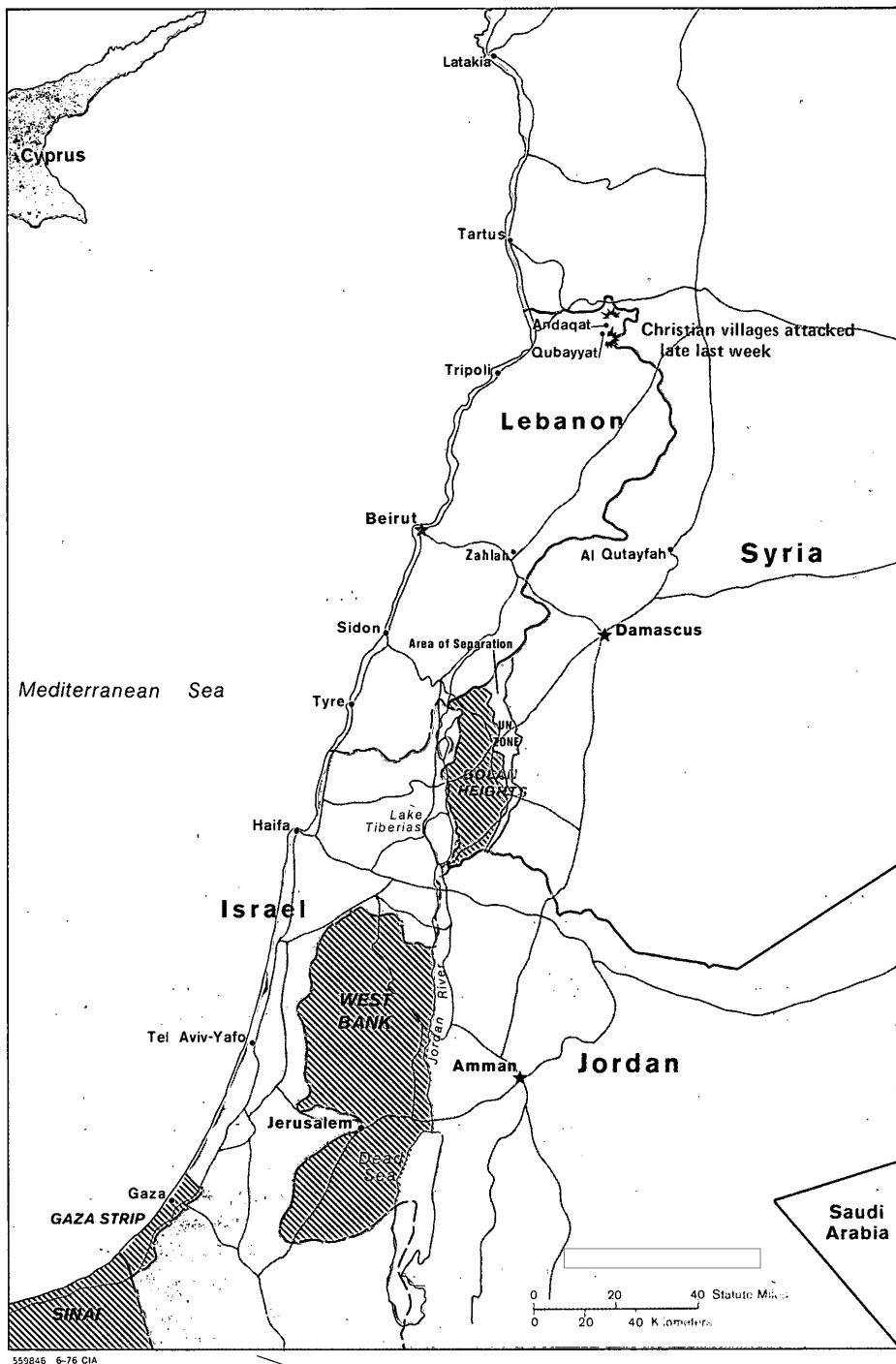
Lebanon: More Syrian armored units have moved into northern Lebanon. (Page 1)

USSR-Syria-Iraq: Premier Kosygin began a trouble-shooting mission in Damascus today following a similar mission to Baghdad. (Page 1)

Cuba - Latin America: Cuba's relations with a number of Latin American countries have cooled because of Havana's involvement in Angola. (Page 2)

At Annex we present an assessment of King Juan Carlos and Spain's political and economic problems.

FOR THE PRESIDENT ONLY



25X1

559846 6-76 CIA

LEBANON: More Syrian armored units--at least a battalion, possibly a brigade--have moved into northern Lebanon.

The Syrians moved after heavy attacks by dissident Muslims on two northern Christian villages had sparked a severe Christian reaction elsewhere in the country. Christian forces, mostly those controlled by Interior Minister Camille Shamun, began shelling isolated Muslim villages farther south, mounting new attacks near Zahlah in eastern Lebanon and shelling nearly all Palestinian refugee camps in Beirut.

The severity of the Christian reaction seemed designed to force president-elect Sarkis to request increased Syrian military intervention.

Lebanese radio reports this morning say arrival of the Syrian forces in the north resulted in an end to the fighting around the two Christian villages. Fighting in Beirut itself apparently tapered off last night.

On Sunday, Sarkis in effect rejected a proposal by Arab League Secretary General Riad for a general Arab conference on Lebanon. The reply is a further reflection of the unwillingness of Sarkis and Syria to allow other foreign parties a central role in resolving the crisis.

* * *

USSR-SYRIA-IRAQ: Premier Kosygin began a hastily arranged trouble-shooting mission in Damascus today following a similar mission to Baghdad.

The USSR's problems with Syria include Damascus' failure to consult fully with Moscow on Syrian policy toward Lebanon, Syria's reported request for debt rescheduling,

--continued

friction between Syrian military personnel and Soviet military advisers, and Damascus' apparent unwillingness to grant everything the Soviets want in the way of additional naval access to Syrian ports.

Moscow also is disturbed about the growing ties of Syria and Iraq to the West, and the way each has been treating its national communist party. In addition, the Soviets are displeased about the two governments' failure to support Soviet calls for reconvening the Middle East peace conference at Geneva, and to denounce Egypt for its abrogation of the Soviet-Egyptian friendship treaty.

Kosygin apparently did not achieve full satisfaction in Baghdad. His talks with the Iraqis were described as "frank and cordial," a good indication that not all problems were resolved.

* * *

CUBA - LATIN AMERICA:

Cuba's relations with a number of Latin American countries

[redacted] have cooled because of Havana's involvement in Angola. Normal diplomatic ties with those [redacted] countries apparently will be maintained, however.

25X1

The controlled Panamanian press has published several articles critical of Havana's role in Africa, and General Torrijos and his military colleagues have become uneasy about Havana's intentions regarding Panama.

25X1

25X1

25X1



25X1

--continued

25X1



While Mexican President Echeverria's disillusionment with Havana's Angola policy has prompted him to cool Mexico's relations with Cuba, commercial ties and plans for technical cooperation between the two countries have not been affected.

Cuban Deputy Prime Minister for Foreign Affairs Rodriguez, during his visit to Mexico last week, refused to give any public assurances about a Cuban withdrawal from Angola.

A
N
Z
N
E
X
25X1

King Juan Carlos

King Juan Carlos has given high priority to bringing democratic change to Spain,



Progress on Reform

On May 25 the Cortes passed the first bill in the government reform package. This bill, which relaxes restrictions on freedom of assembly, was approved by an overwhelming vote.

25X1

The key to the government's reform package is a referendum on amending the constitution to create a bicameral legislature with the lower house elected directly and the senate largely elected and partly

--continued

A1

FOR THE PRESIDENT ONLY

appointed. The referendum will also open the way for labor reform and make changes in the royal succession law. A new election law to expand suffrage will be submitted to the Cortes by mid-July.

If the reforms are passed, the timetable laid out by Arias last month calls for the referendum to be held by October and a parliamentary election to follow in early 1977.

25X1

In the government proposal, the upper and lower houses will be co-equal,

25X1

Workers, employers, and government representatives are now grouped in one labor organization, and its top officials are government appointed. Rightists are firmly entrenched in the official labor bureaucracy. The legislature must approve the proposed referendum calling for an overhaul of this system to allow for pluralistic trade unions.

Economic Problems

Production is sluggish, unemployment high, inflation excessive, and the current trade account is in deep deficit. Unemployment probably is about 8 percent.

Last November, with wages rising at an annual rate of 25 to 30 percent and consumer prices increasing by 15 to 20 percent, the government instituted wage controls. This helped slow inflation to 14 percent by early 1976 but also caused worker dissatisfaction, which enabled leftist agitators to organize numerous strikes.

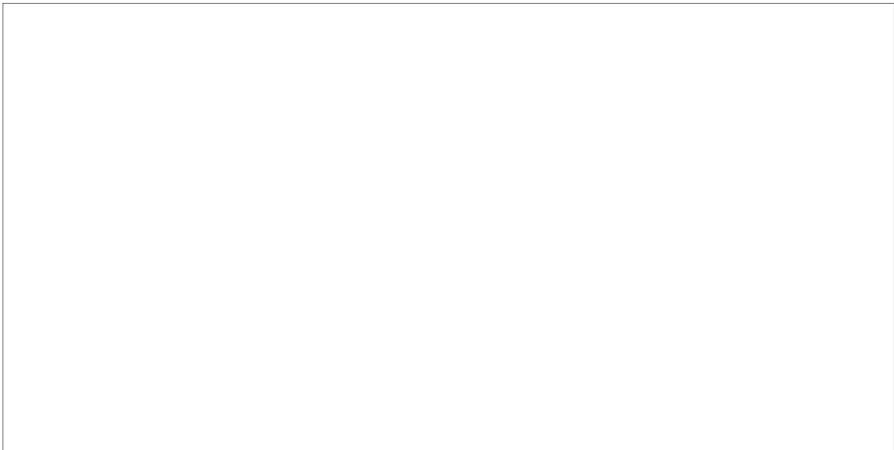
GNP, which declined in 1975, is showing signs of an upturn. Industrial production began to recover in the fourth quarter of 1975.

Stronger export growth is needed to relieve balance-of-payments problems. The trade deficit nearly doubled in 1974, largely because of the stiff rise in oil prices.

--continued

A2

FOR THE PRESIDENT ONLY

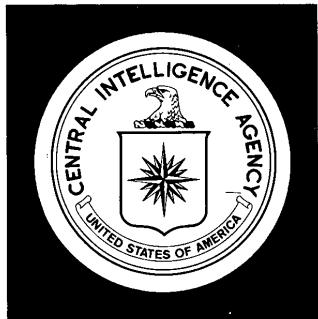


25X1

A3

FOR THE PRESIDENT ONLY

Top Secret



✓

The President's Daily Brief

June 2, 1976

2



~~Top Secret~~ 25X1

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

June 2, 1976

Table of Contents

Lebanon: Syria's decision to send more troops into Lebanon underscores Damascus' renewed determination to restore order and make sure that president-elect Sarkis is able to succeed President Franjiyah. (Page 1)

25X1

USSR - Middle East:

25X1

USSR:

25X1

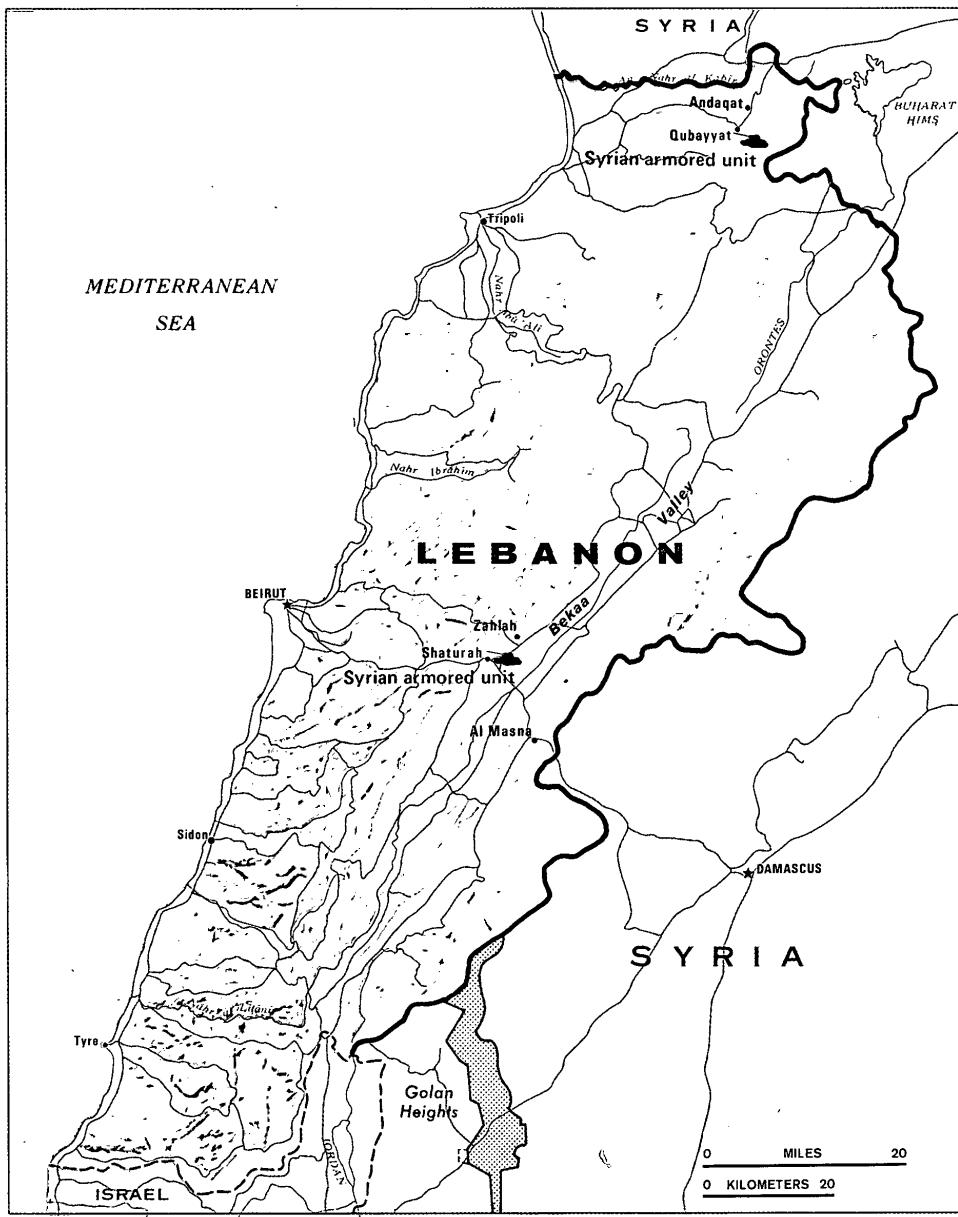
(Page 3)

25X1

Yugoslavia-USSR: The prospects of a Tito-Brezhnev summit before fall have dimmed, primarily because of Soviet demands for conformity in the Communist movement. (Page 4)

Notes: Thailand; Saudi Arabia - Iran (Page 5)

FOR THE PRESIDENT ONLY



559853 6-76

25X1

LEBANON: Syria's decision to send additional troops into Lebanon underscores Damascus' renewed determination to arrest the deterioration in Lebanese security and to ensure that president-elect Ilyas Sarkis is able to succeed President Franjiyah.

During the past two days, Syrian forces have moved into northern Lebanon near Qubayyat and Andaqat and into the central part of the country near Zahlah. [redacted]

[redacted] the number of Syrians involved in the current operation is at least several thousand. 25X1

At least one Syrian armored battalion entered northern Lebanon on Monday, and other Syrian units may have been sent into the area or moved up to the border inside Syria. Another Syrian armored unit, of at least battalion size, moved into central Lebanon yesterday as far as the main crossroad at Shaturah, a few miles west of Zahlah. Troops reportedly have spread out along the Beirut-Damascus highway and intend to open the roads in eastern Lebanon, lifting the leftist blockade of the Christian forces in Zahlah.

The Syrians' primary aim is to build up Syrian regular forces in Lebanon to smooth the transition of power from Franjiyah to Sarkis and to protect Syrian-directed mediation. Although the Syrians will want to assess fully the repercussions of their latest move, they are probably prepared to send in additional troops if necessary. If Syrian troops succeed in their reported intention to secure major access routes in eastern Lebanon, they could come into direct conflict with Arafat's Fatah forces, the largest of the fedayeen groups.

The Israeli government continues to maintain its low-key public attitude toward Syrian actions in Lebanon. Israeli defense ministry

--continued

spokesmen yesterday said that Israel would not intervene in Lebanon as long as Syrian actions did not take the situation beyond the context of a civil war.

Although the statement had a warning tone, it seemed to reflect an Israeli view that Syria's latest move is intended to end the fighting in Lebanon and is not a prelude to massive military intervention that could threaten Israel's security. Syria's decision to renew the UN mandate in the Golan Heights last week almost certainly helped allay some of Israel's concern.

* * *

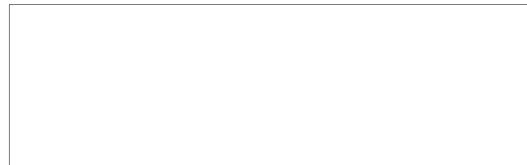
25X1

USSR - MIDDLE EAST:

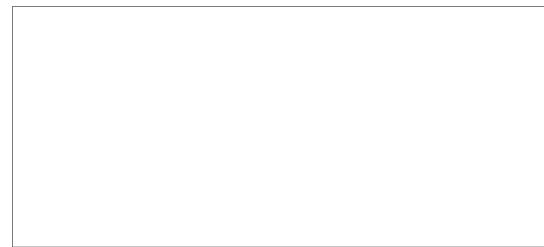


25X1

25X1



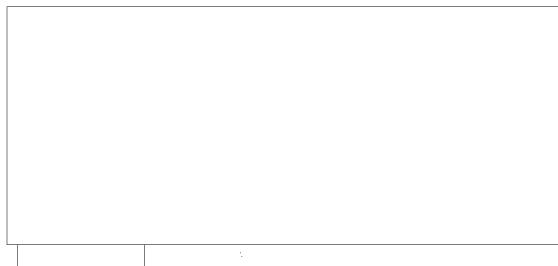
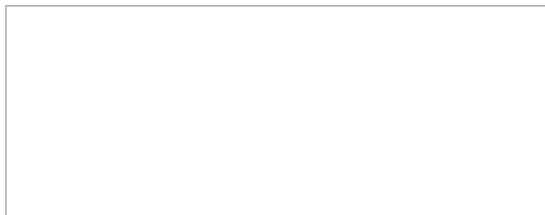
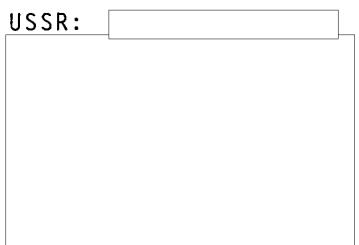
25X1



* * *

25X1

25X1



* * *

YUGOSLAVIA: Belgrade is making it clear that unacceptable Soviet demands for conformity in the communist movement have caused the shelving of plans for a Tito-Brezhnev summit meeting and dimmed prospects that it will be held before fall.

Last Friday, two of Tito's top subordinates discussed the decline in Soviet-Yugoslav relations with British journalists. One said that, as far as he knew, "Brezhnev will not be coming." The other commented that relations with the USSR are approaching a "coolness" without precedent in recent years.

In a speech over the weekend, Tito finally added his personal contribution to Belgrade's current, three-month-long polemic against Soviet pressure tactics. Without citing the Soviets by name, he revived charges of external support for the cominformists and implicitly complained that Moscow's appeal to "proletarian internationalism" is in part an effort to undermine Yugoslavia's independence in foreign policy.

NOTES

Foreign Minister Phichai of Thailand yesterday publicly announced the cabinet decision not to allow unilateral US operations at the Ramasun intelligence collection facility in northeast Thailand.

The foreign minister said the government would take steps to have all US personnel stationed at Ramasun as well as the equipment at the site which cannot be operated by the Thai removed by the July 20 deadline.

Phichai affirmed that Bangkok would continue negotiations for the retention of other equipment which can be operated by Thai personnel and for additional US military supplies to enhance Thai capabilities. Phichai emphasized that the cabinet decision, based on recommendations of the National Security Council, had been unanimous.

* * *

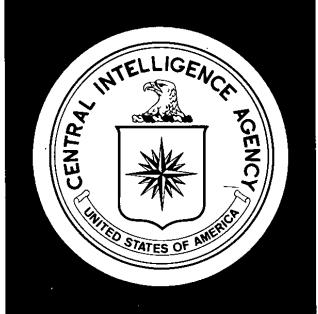
The visit of Saudi King Khalid to Iran last week left the Shah convinced that Riyadh will never fully cooperate with him in regional approaches to Persian Gulf security and other issues.

The Shah informed the US embassy on Monday that he is satisfied the Saudis are not deliberately working to undermine Iranian policy. He believes, however, that the Saudi establishment is not able to take the broad view or to embrace his advocacy of regional positions on problems.

The Shah certainly is not ready to abandon his efforts to secure closer cooperation among area governments. He may decide, however, to concentrate more on strengthening bilateral ties and on persuading Gulf rulers to accept the notion that Iran may act alone to police the Gulf.

Top Secret

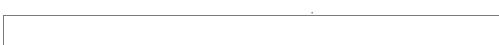
✓



The President's Daily Brief

June 3, 1976

2



~~Top Secret 25X1~~

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

June 3, 1976

Table of Contents

Lebanon-Syria: No new Syrian forces have been detected moving into Lebanon. (Page 1)

USSR-Syria: Premier Kosygin, now in Damascus, is in an awkward position because of the increased Syrian intervention in Lebanon. (Page 2)

Syria: The latest intervention in Lebanon could increase opposition to President Asad. (Page 2)

Lebanon: President-elect Sarkis has used the Syrian move to advance his peace proposal. (Page 3)

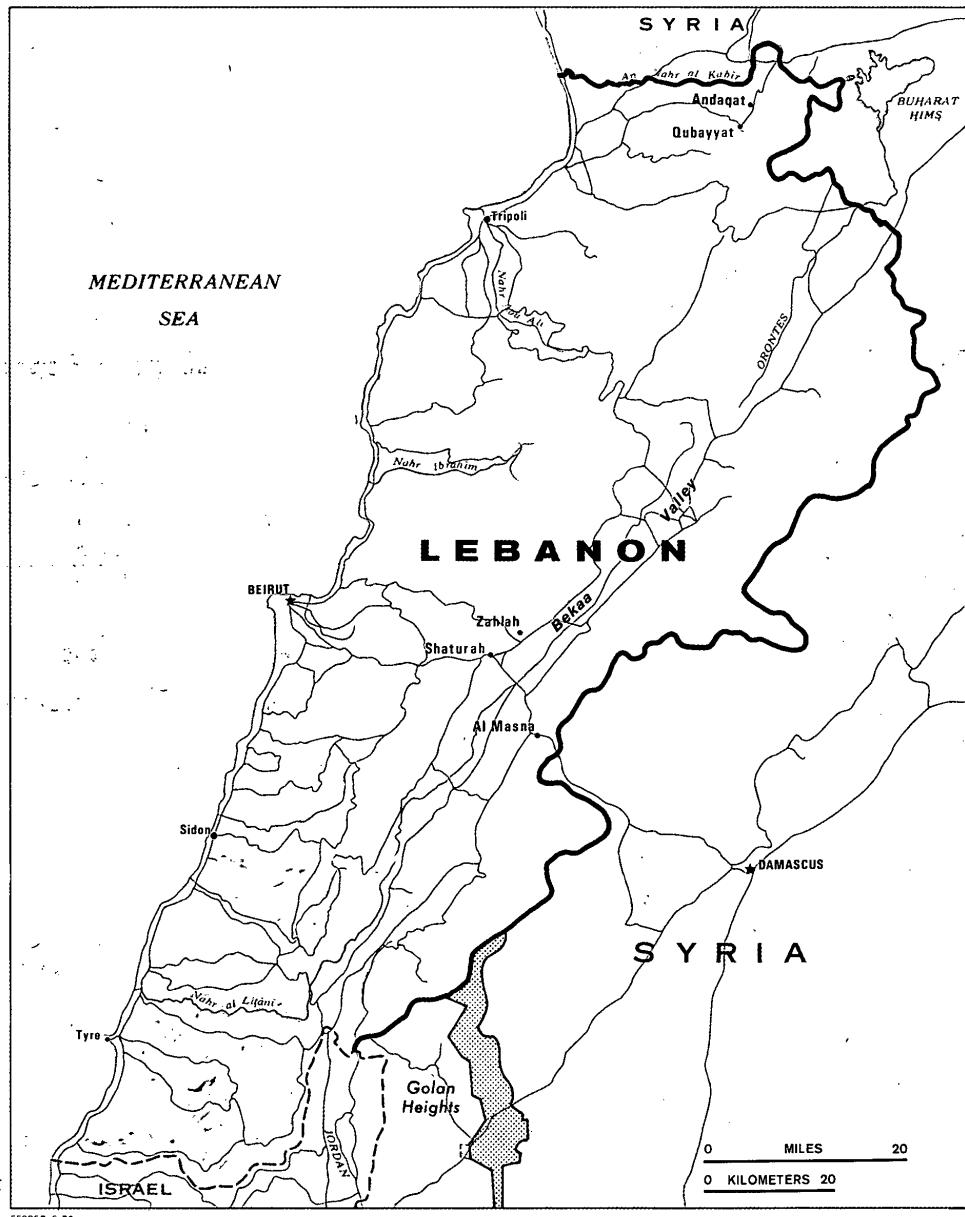
Cuba-Angola: A high-level Cuban official reportedly has said that plans to withdraw Cuban troops from Angola have been suspended because of the threat of guerrilla operations. (Page 4)

Zaire-Angola: The long-standing mutual distrust between the two countries' presidents is inhibiting the implementation of the reconciliation agreement reached last March. (Page 4)

USSR-Rhodesia: Moscow is not publicizing the visit of Rhodesian black nationalist leader Joshua Nkomo, who has lost political ground to some of his more militant rivals. (Page 5)

USSR-Philippines: President Marcos is getting the top-level attention he demanded as a prerequisite for his current state visit to the USSR. (Page 5)

FOR THE PRESIDENT ONLY



LEBANON-SYRIA: No new Syrian forces have been detected moving into Lebanon in the past 48 hours.

We estimate that there are now about 3,000 Syrian troops and nearly 100 tanks in eastern Lebanon. This total includes two infantry battalions that have been at Al-Masna since mid-April. Some additional Syrian forces [redacted] are located just across the border in Syria.

25X1

The Syrian troops that entered central Lebanon Tuesday and moved to Shaturah and Zahlah apparently were from the armored brigade that has been astride the central Syria-Lebanon border near Al-Masna since mid-April.

25X1

There has been no significant resistance by Palestinian and leftist forces to Syria's advance in eastern Lebanon. [redacted]

25X1

[redacted]
[redacted]
[redacted]
We have been unable to confirm press claims that Syrian troops are in Sidon and have secured its port and large oil refinery complex. As many as 300 Syrian regular troops disguised as Palestinian Saïqa forces have been there since early April to intercept arms deliveries to leftist and Palestinian forces. The Syrians have been reluctant to augment this contingent because of Israeli warnings that Syrian troops must stay out of southern Lebanon.

25X1

The US defense attache in Tel Aviv reported yesterday that the Israeli military does not appear to have increased its readiness posture in reaction to Syrian moves in Lebanon.

* * *

USSR-SYRIA: The escalation of the Syrian intervention in Lebanon on the eve of Soviet Premier Kosygin's arrival in Damascus has put the Russian in an awkward position.

Kosygin undoubtedly is under strong pressure from the Palestinians and the leftist Lebanese to rein in Damascus. On Tuesday he publicly voiced mild criticism of Syrian actions in Lebanon, saying Moscow opposes "imperialist interference" in "any form whatsoever."

It is doubtful that at this juncture Moscow has the will to do more than this. The Soviets still value Syria as a counterweight to Egypt, and want to avoid any action that might encourage Damascus to rely on the US for the arrangement of a settlement with Israel.

* * *

SYRIA: President Asad's domestic vulnerability could further increase if the latest Syrian intervention in Lebanon does not promote a political breakthrough. Despite the risks, Asad is unlikely to withdraw unilaterally from his commitment to obtain a solution in Lebanon.

There is a danger that Lebanon's confessional strife might spread to Syria. There already have been attacks on members of Asad's minority Alawite sect by leading elements of the conservative Sunni Muslim opposition. There also have been numerous reports in recent months that Syrian military officers are disturbed by Asad's support for Lebanon's Christians. Asad, however, presumably secured the backing of his principal military commanders before he introduced additional troops this week.

Despite his reported concern about the overall reliability of the Syrian military in the present situation, Asad may well inject more troops into Lebanon if the political stalemate persists. The Syrian President clearly is determined to recoup the stature he lost when the Syrian-engineered settlement in January collapsed and to ensure the transfer of power to president-elect Sarkis.

--continued

Asad may be calculating that the presence of a large Syrian force gives Sarkis a trump card in his negotiations with the leftists. Sarkis is now in a position to offer to negotiate the withdrawal of most--if not all--of the Syrians in return for leftist cooperation.

* * *

LEBANON: President-elect Ilyas Sarkis has so far managed not only to dissociate himself from Syria's decision to intervene but also to use the Syrian move to advance his peace proposal.

Sarkis held his long-awaited meeting with leftist leader Kamal Jumblatt yesterday and apparently gained Jumblatt's approval to convene roundtable settlement talks as soon as possible.

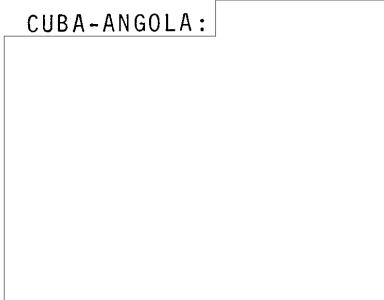
Jumblatt issued a statement following the meeting in which he warmly praised Sarkis, calling him a man of conscience and independence. Only weeks ago Jumblatt had treated Sarkis as little more than a Syrian puppet and had refused to accept the validity of his election to the presidency.

Although Jumblatt coupled his praise with calls for an immediate Syrian withdrawal, the tone of his remarks suggests that he may now believe that cooperation with Sarkis is the only way to get the Syrian troops out.

Jumblatt apparently also met yesterday with the son of Christian Phalanges Party leader Pierre Jumayyil. So far we have no information on the results of the meeting, which representatives of the two leaders have been trying for weeks to arrange.

* * *

CUBA-ANGOLA:



25X1

Cuban forces in Angola would be withdrawn only at the request of the Angolan government, and that such a request had not yet been made. This echoes what Cuban Deputy Prime Minister Rodriguez told the press in late May during a visit to Mexico.

* * *

ZAIRE-ANGOLA: Presidents Mobutu of Zaire and Neto of Angola do not seem to be making much progress in implementing the reconciliation agreement they reached last March. Their long-standing mutual distrust is apparently the main stumbling block.

Mobutu's chief political adviser recently told US officials that relations with Angola were becoming embittered. He accused the Angolans of refusing to honor several of the agreement's provisions, including the voluntary repatriation to Zaire of the former Katangan secessionists who took refuge in Angola in 1963.

The adviser also complained that the Angolan government is stalling on putting the Benguela railroad, an important trade artery for Zaire, back into operation. Other information indicates that the railroad's operations are being hampered by well entrenched National Union guerrillas in central Angola.

--continued

On the Angolan side, according to the adviser, Neto recently accused Zaire of continuing to train guerrilla forces of the National Front and to support their cross-border operations. The adviser argued that National Front troops are operating on their own and are not allowed to use Zairian territory.

The two presidents probably will continue to find fault with each other. The joint commission established to work out the details of their agreement is operating under an intentionally vague charter, and mutual suspicion is deep.

* * *

USSR-RHODESIA: Rhodesian black nationalist leader Joshua Nkomo has arrived quietly in Moscow on the heels of visits there by Mozambican President Machel and Angolan Prime Minister Nascimento.

Nkomo has long-standing links with Moscow. He probably hopes that a visit now will help bolster his faltering position among Rhodesian nationalists. Much of Nkomo's influence has shifted to more militant rivals following the collapse of settlement talks with Rhodesian Prime Minister Smith in March.

The Soviets have yet to make any announcement of Nkomo's visit. Moscow apparently does not want to offend Machel and other black African leaders by openly favoring any particular Rhodesian nationalist leader. Moreover, in the aftermath of the Angolan conflict, Moscow's overall approach to the Rhodesian and Namibian problems has been relatively cautious.

* * *

USSR-PHILIPPINES: Philippine President Marcos' first state visit to the USSR seems to be proceeding according to plan.

The Soviets have given Marcos the top-level attention he demanded as a prerequisite for the trip. Marcos has had two sessions with President Podgorny and other Soviet

--continued

officials and one "friendly, businesslike" meeting with General Secretary Brezhnev. The two sides yesterday announced the establishment of diplomatic relations and the conclusion of a trade agreement.

At the Soviet dinner in honor of Marcos, he pointedly expressed the hope that Moscow would continue to pursue peaceful policies in Asia and elsewhere. Podgorny responded by stressing the need for all Asians to work together for Asian peace and security. This is the new formulation the Soviets have adopted to seek Asian support for Brezhnev's seven-year-old Asian collective security idea.

During the preliminary negotiations on the final Soviet-Philippine communique, there were indications that, in return for a favorable Soviet reference to the Association of Southeast Asian Nations, Marcos might be prepared to endorse the new, watered-down version of Brezhnev's proposal. The communique is likely to be issued on Sunday, the final day of Marcos' visit.

Top Secret

✓



The President's Daily Brief

June 4, 1976

2

~~Top Secret~~ 25X1

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

June 4, 1976

Table of Contents

Lebanon: Leftists and Palestinians are clearly intimidated by Syria's latest intervention, and fighting in most areas of the country has dropped sharply. (Page 1)

Rhodesia: Continuing government operations against the insurgents have brought a rising number of clashes with small guerrilla bands and higher casualties. (Page 2)

Notes: USSR (grain); USSR (exercise); Israel; Peru-Cuba; Bolivia
(Pages 3 and 4)

FOR THE PRESIDENT ONLY

LEBANON: Leftists and Palestinians are clearly intimidated by Syria's latest intervention although both groups continue to protest Damascus' move. Only a few fedayeen and leftist fighters have confronted Syrian troops in eastern Lebanon, and fighting in most other areas of the country has dropped sharply.

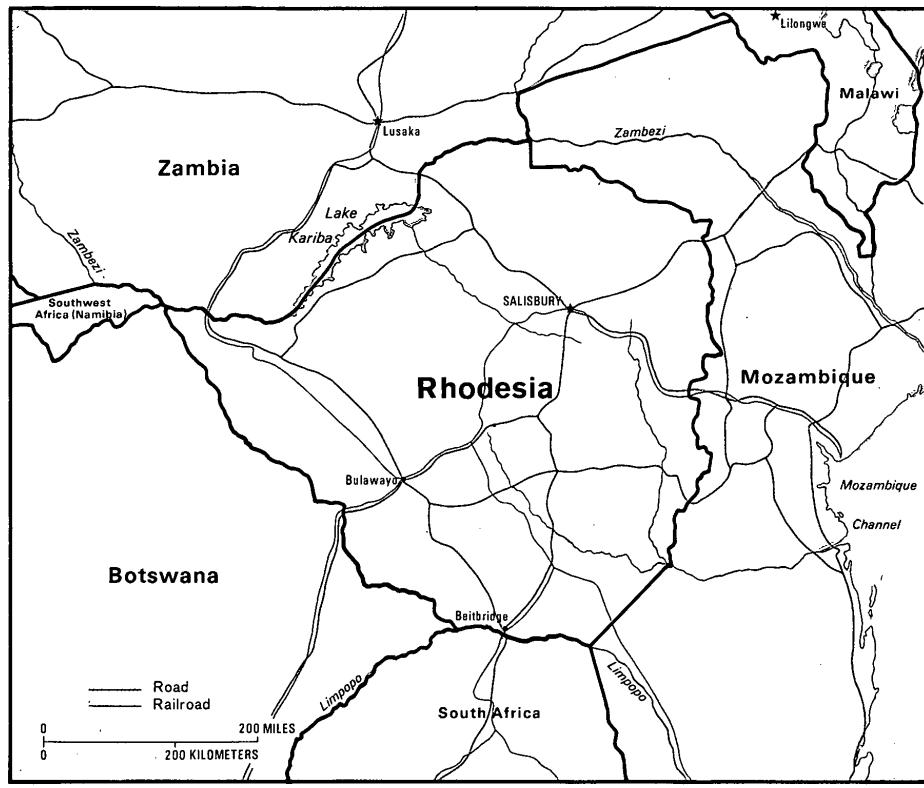
For the first time, Syrian fighters--possibly supported by Christian elements of the Lebanese air force--flew over Beirut early yesterday at low altitudes. This show of force was intended both to impress leftist dissidents and to upstage a general protest strike in Beirut sponsored by the leftists.

Top officials in Yasir Arafat's Fatah organization are working feverishly to find a realistic way to handle Damascus' challenge. Fatah officials seem to have decided that if further Syrian intervention is to be forestalled, the Lebanese left must now negotiate in earnest.

Apparently at the urging of Fatah officials, leftist leader Kamal Jumblatt submitted a relatively reasonable agenda for political talks to president-elect Ilyas Sarkis during their meeting on Wednesday. Jumblatt still insists on the withdrawal of Syrian troops, but reportedly has dropped his demand for an immediate pullback. Jumblatt's meetings with both Sarkis and Christian Phalange leader Bashir Jumayyil may have laid the groundwork for broader talks among Lebanese leaders that reportedly are scheduled for today.

The initial success of Syria's decision to send new troops into Lebanon will encourage Damascus to press for a formal cease-fire as soon as possible. Most Muslim and Christian leaders seem ready to accept a truce, but no reaction has yet come from two key players--President Franjiyah and Interior Minister Shamun.

--continued



Any delay in establishing a cease-fire will dissipate the sobering effect Syrian actions have had on the warring factions.

* * *

RHODESIA: *Continuing government operations against the insurgents are resulting in increasing clashes with small guerrilla bands and higher casualties.*

According to the government, 104 guerrillas and 23 members of the Rhodesian security forces were killed last month.

The security forces have established three separate operational zones along the northern, central, and southern sectors of Rhodesia's border with Mozambique, where the main rebel bases are located. The insurgents, however, are still operating over wide areas and stretching the government's resources.

As the fighting picks up, the number of Rhodesian whites opting for emigration is rising. The white population decreased in April by more than 800--by far the highest monthly decrease since 1965. As a result, Rhodesian authorities reportedly are stalling on issuing credentials needed by persons planning to leave for South Africa.

NOTES

Soviet planners are re-
lying on a record sow-
ing of spring grains--
around 250 million
acres--to offset winter
grain losses.

Winter grain production, which nor-
mally accounts for about 30 percent
of total grain output, is now pro-
jected at 45 million tons at most.
This would be 4 million tons less
than the winter harvest last year
and 18 million tons less than the
record winter crop of 1973. Weather
conditions for the remainder of
this crop season--especially during
June and July--will be decisive in
determining the size of this year's
total grain harvest.

* * *

Soviet

The Soviet Mediterranean Squadron^{25X1}
is at a higher than normal level
because of the arrival of ships
and submarines that are intended
to relieve other vessels that have
been in the Mediterranean for some
time. In the past, the Soviets
have used such a period as an op-
portunity to conduct a naval exer-
cise.

The Squadron now has about 70 ships
and submarines of all types in the
Mediterranean. The number is ex-
pected to stabilize at about 55,
the normal number in the Squadron.

* * *

Israelis

25X1

Possibly violent confrontations
with Israeli security forces are
likely if the Arabs follow through
with their plans. The Israelis
had arrested a number of West Bank
Arabs this week in an effort to
head off the demonstrations, but
the arrests only added to existing
tensions among the Arab population.

--continued

* * *

Peru, like several other Latin American countries, recently has been downplaying its official ties with Cuba.

President Morales Bermudez believes that this will help Peru to improve its standing with other South American governments. The Peruvians have been careful, however, to reassure Havana that they want to maintain amicable relations.

Morales Bermudez has shown concern over unsubstantiated reports of large numbers of Cuban military personnel arriving in Peru. [redacted]

25X1

[redacted] 25X1

Aside from a military attache, there are no known Cuban military personnel there.

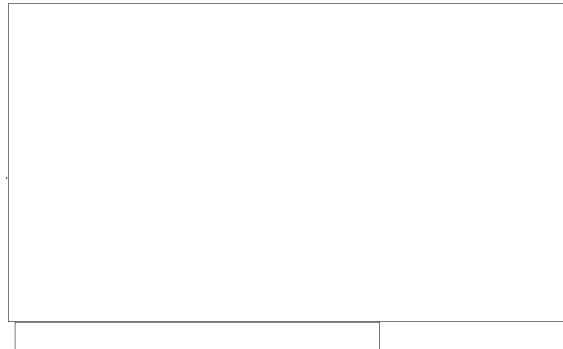
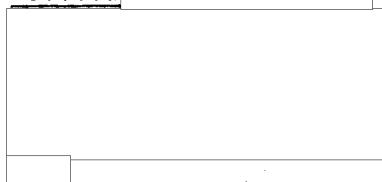
25X1

25X1

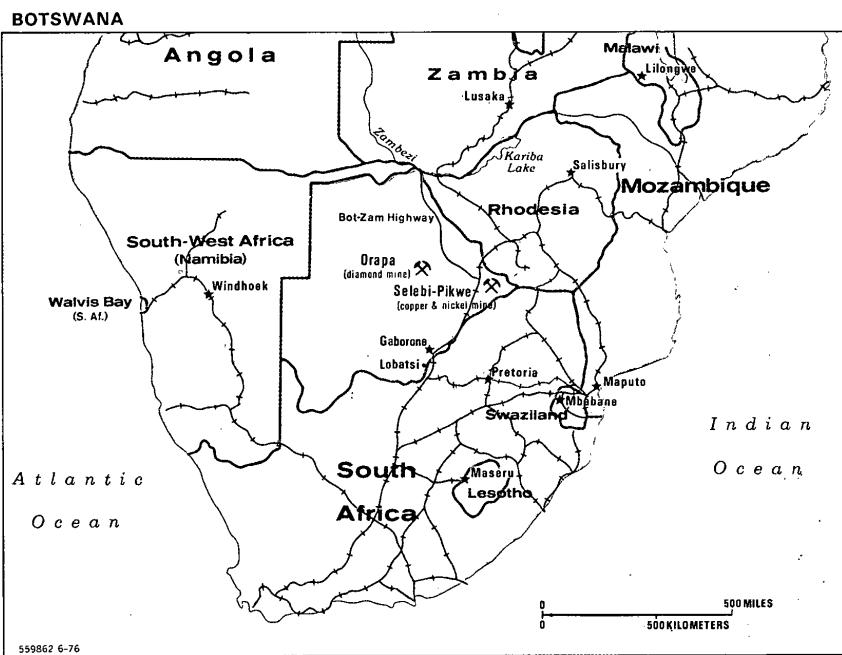
* * * 25X1

25X1

Bolivia [redacted]



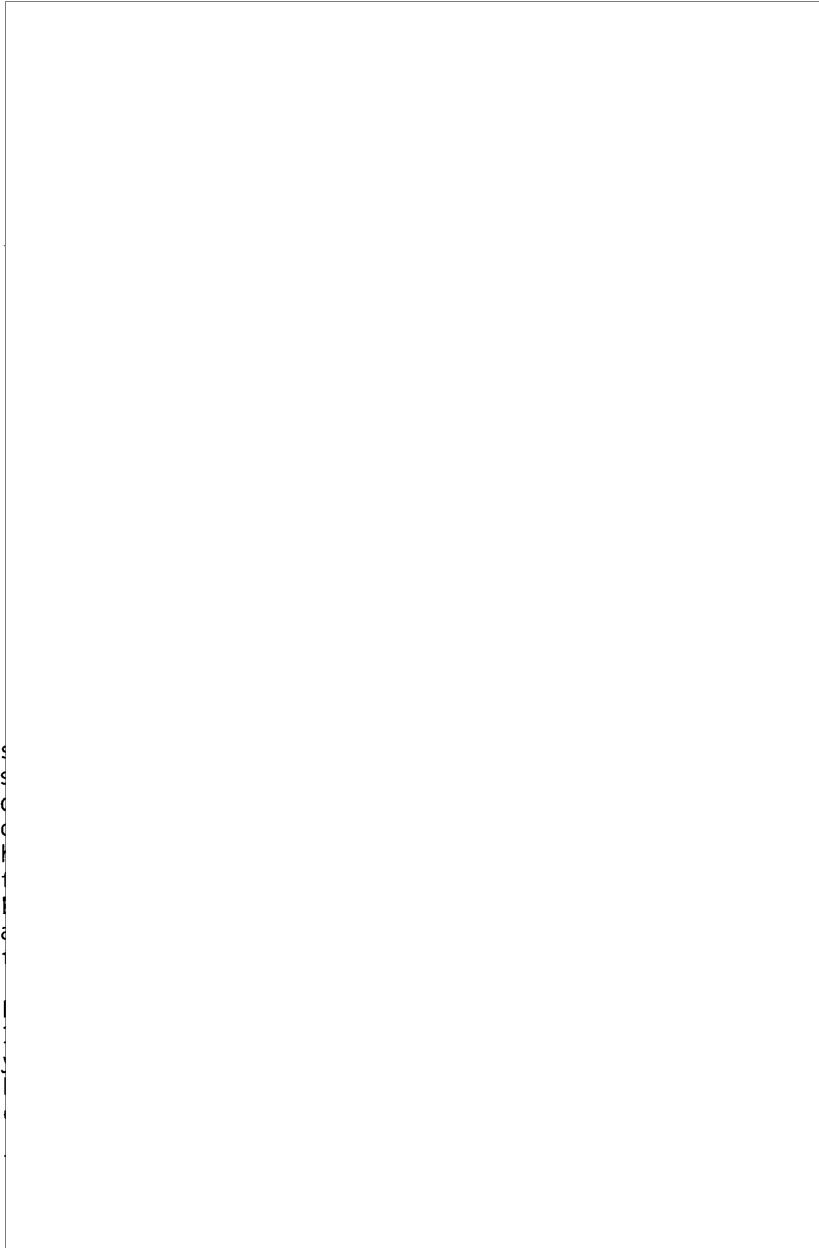
25X1



BOTSWANA

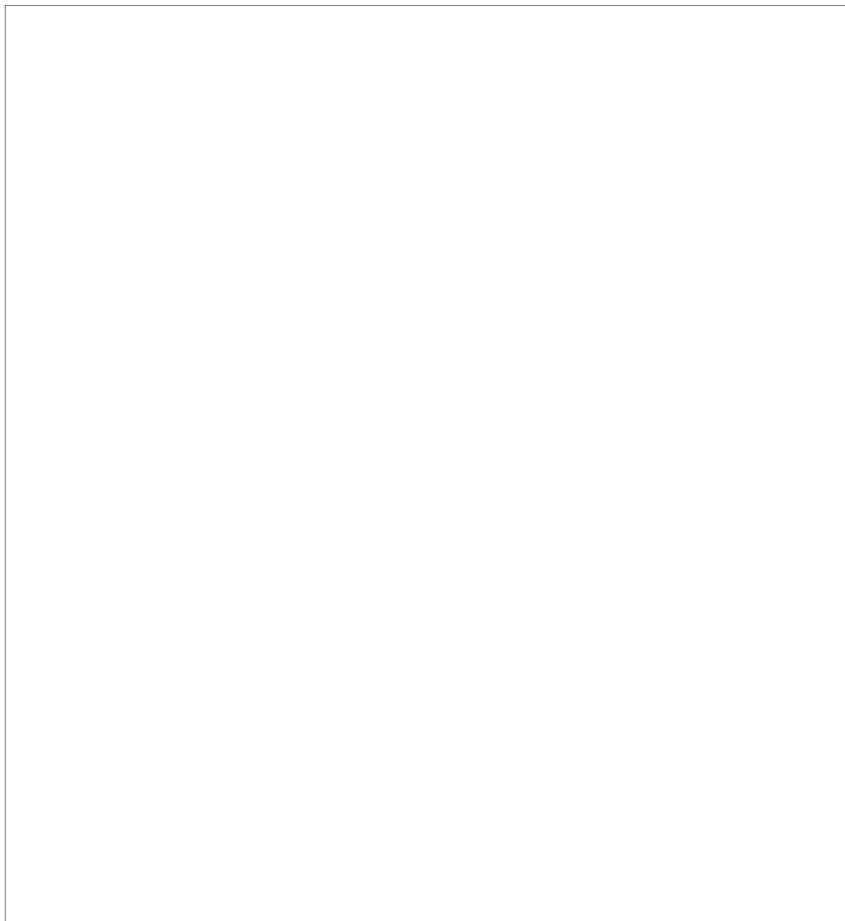
25X1

A
N
Z
E
X



A1

FOR THE PRESIDENT ONLY



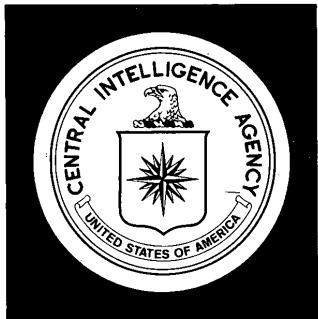
25X1

A2

FOR THE PRESIDENT ONLY

Top Secret

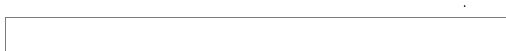
✓



The President's Daily Brief

June 5, 1976

2



~~Top Secret~~ 25X1

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

June 5, 1976

Table of Contents

25X1

Syria-Lebanon: Damascus seems determined to introduce more
troops into Lebanon, if necessary, in order to reinforce a durable cease-fire. (Page 1) 25X1

Syria-Israel: [redacted]

[redacted] (Page 2)

25X1

France-Lebanon: Paris is keeping open its offer to send a token peacekeeping force to Lebanon. (Page 3) 25X1

25X1

Arab States: [redacted]

[redacted] (Page 3)

25X1

Notes: USSR (SS-NX-17); USSR (food shortages); Israel-Turkey (Pages 5 and 6) 25X1

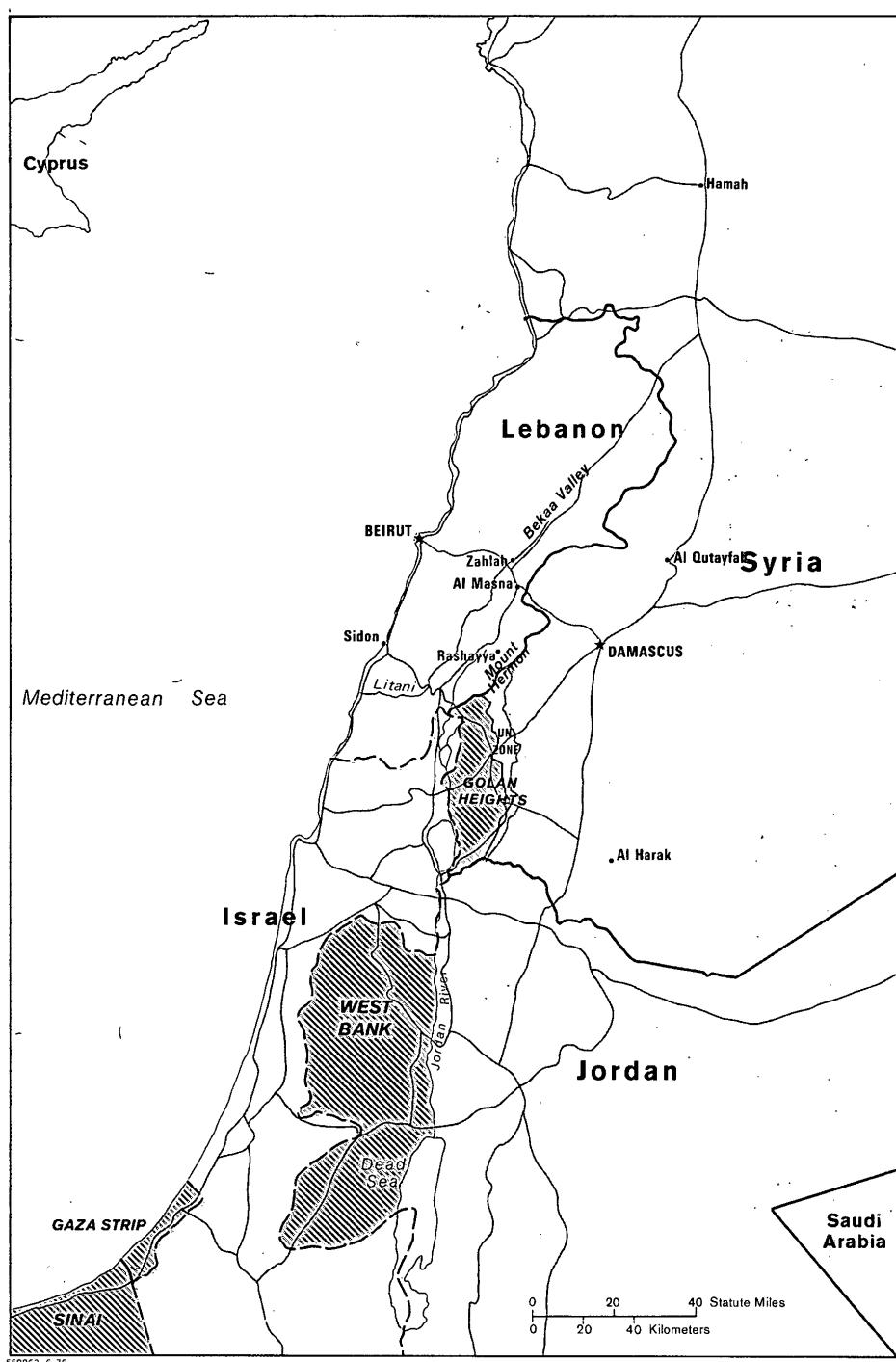
At Annex [redacted]

Jordan [redacted]

25X1

25X1

25X1



SYRIA-LEBANON: *Damascus reportedly is preparing for possible further military advances in Lebanon.*

An armored brigade at Al Harak in southern Syria has been placed on full alert for possible movement into Lebanon. This unit is one of only two armored brigades defending the southern Golan Heights.

25X1

25X1

The Syrian troops that moved into eastern Lebanon early this week have tightened their control over the area around Zahlah, and apparently succeeded yesterday in forcing leftist and Palestinian elements to withdraw from Christian territory west of Zahlah.

Although most of the Syrian troops are holding their positions near Zahlah, an armored battalion that had been based at Al Masna reportedly moved south to Rashayya Thursday to take over positions held by the renegade Lebanese Arab Army.

There reportedly have been some isolated clashes between Syrian and Palestinian troops. On at least one occasion Syrians skirmished with Palestine Liberation Army troops.

--continued

The PLA previously served as an instrument of Syrian policy in Lebanon, but has become an increasingly unreliable prop as Damascus' differences with Yasir Arafat and independent Palestinian groups have sharpened. The PLA defections undoubtedly influenced Syria's decision to send greater numbers of its own forces into Lebanon.

Recent private comments by several senior Syrian officials tend to confirm that Damascus is determined to introduce more troops into Lebanon, if necessary, in order to enforce a durable cease-fire.

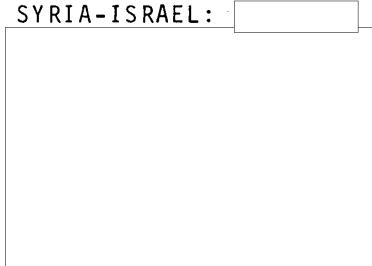
One of President Asad's close advisers told a US official early this week that Damascus "cannot stop" until a political solution is found

25X1

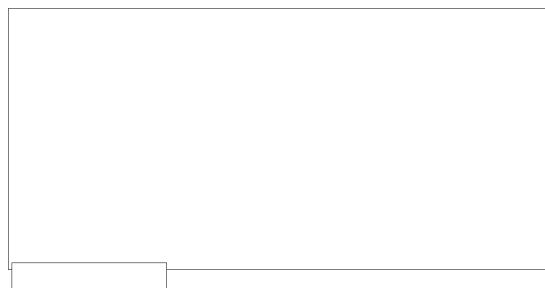
25X1

25X1

SYRIA-ISRAEL:



25X1



25X1



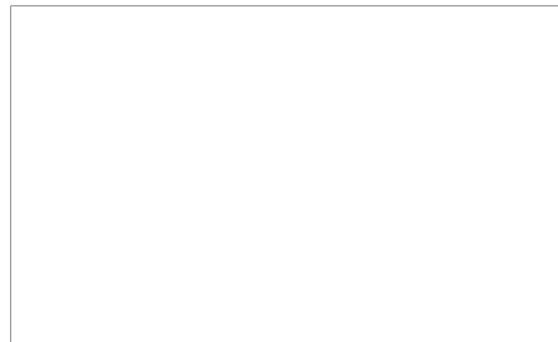
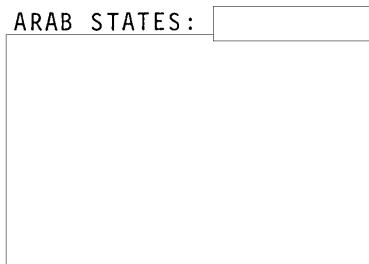
25X1

FRANCE-LEBANON: When Syrian Foreign Minister Khaddam was in Paris yesterday, the French publicly reiterated their offer to send a small peacekeeping force to Lebanon.

We have no indication that the Syrians, who hold the key to whether the French decide to move, have requested French assistance. Syria has mixed feelings about the use of French troops. It sees their involvement as a possible way of patrolling Christian areas otherwise off limits to Syrian and Palestinian troops, yet it is reluctant to allow Paris to proceed while there remains any hope that Damascus can salvage a negotiated peace and get full credit.

* * * 25X1 25X1 25X1

ARAB STATES: [redacted]



25X1



25X1



25X1

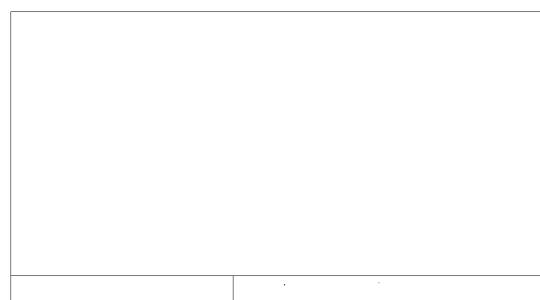
--continued

25X1

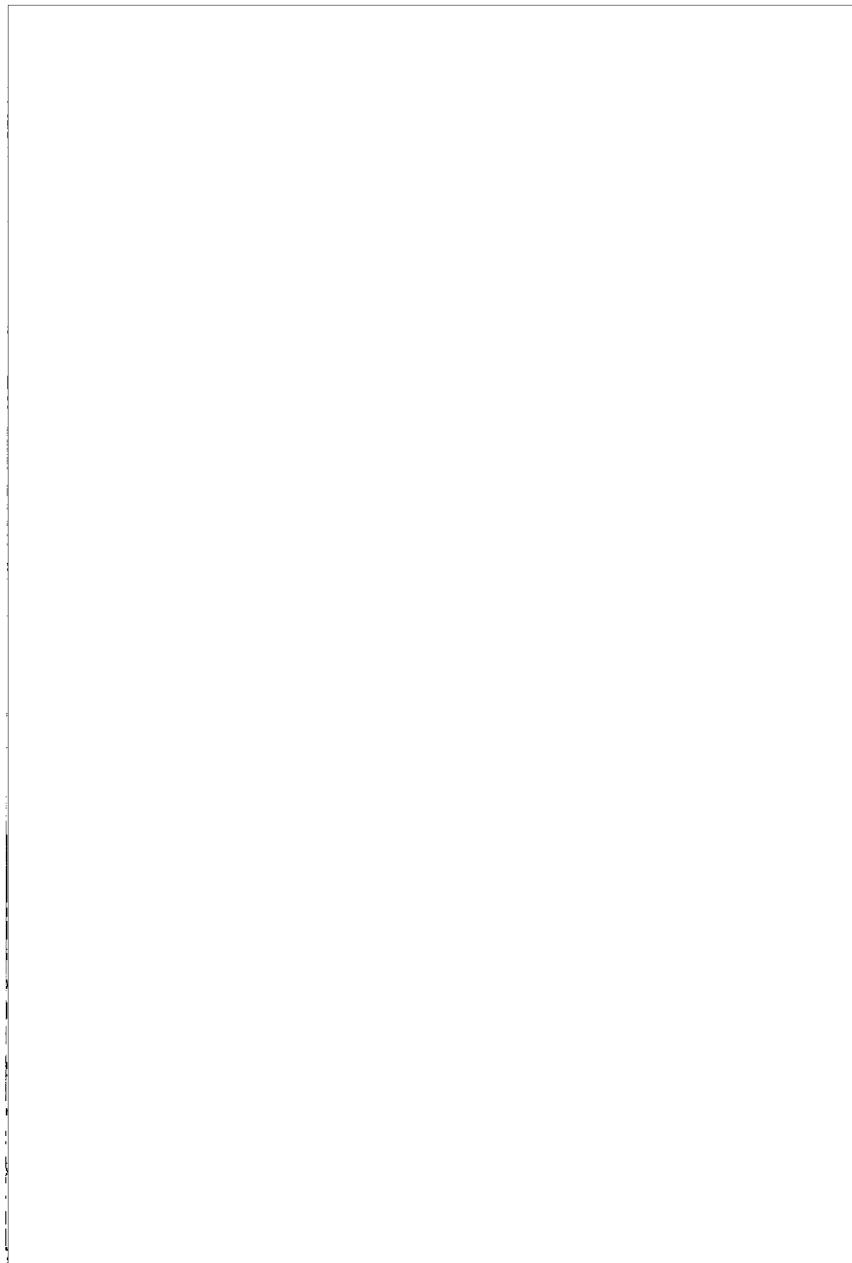


25X1

25X1



25X1



25X1

NOTES

The Soviets have launched their new submarine-launched ballistic missile--the SS-NX-17--seven times since the test program began a year ago, and we now are able to estimate some of the missile's key characteristics.

The SS-NX-17, which is a possible follow on to the SS-N-6, has two stages and is the first Soviet submarine-launched ballistic missile to use solid propellants. It carries a post-boost vehicle, but so far we have not noted a MIRVed payload on any of the flights.

The SS-NX-17 can probably deliver a payload of about 1,200 kilograms (2,650 pounds) to a range of about 1,675 nautical miles. While only one reentry vehicle was observed during each of the tests to date, the missile's payload weight is large enough to include three MIRVs.

* * *

Shortages of food, especially meat, are spreading and becoming more severe in the USSR.

Ambassador Stoessel reports that on a recent trip to Siberia he found the food situation considerably worse than reported during the past winter. In Khabarovsk, embassy officials saw long lines of shoppers waiting to buy poor quality pork. At a meat store in Irkutsk queues of shoppers held coupons, suggesting that formal rationing is occurring there.

Western press reports that food shortages have caused some localized demonstrations have not been confirmed, but there is evidence that Soviet officials are concerned about the possibility of such outbursts.

Although the appearance of spring vegetables should ease the overall situation, shortages of meat and meat products will intensify.

--continued

25X1

25X1

25X1

*

*

*

25X1

25X1

Israel

Turkey

25X1

25X1

25X1

25X1



A
N
N
E
X

JORDAN

25X1

--continued

A1

FOR THE PRESIDENT ONLY



25X1



25X1



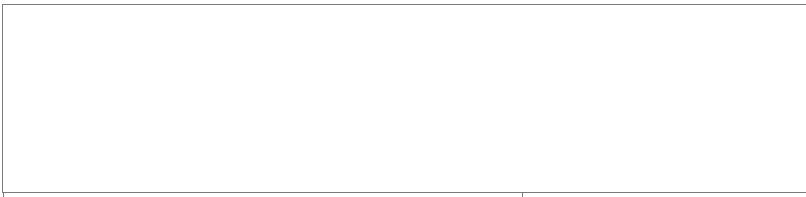
25X1



25X1



25X1



25X1



25X1



25X1



25X1



25X1

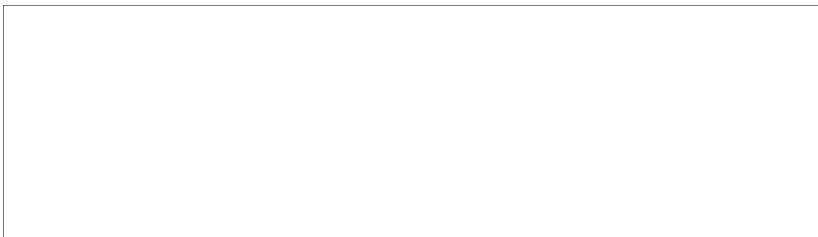


25X1

--continued

A2

FOR THE PRESIDENT ONLY



25X1



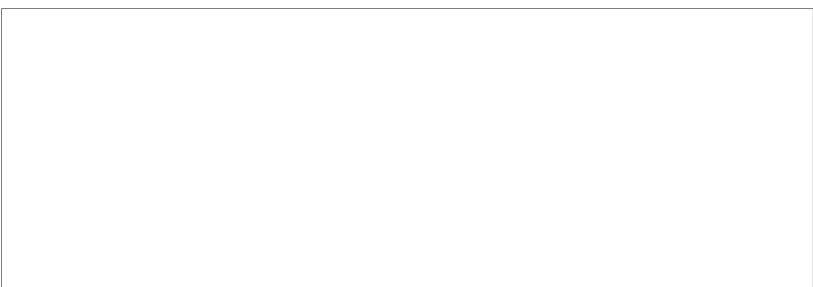
25X1



25X1



25X1



25X1



25X1



25X1



25X1

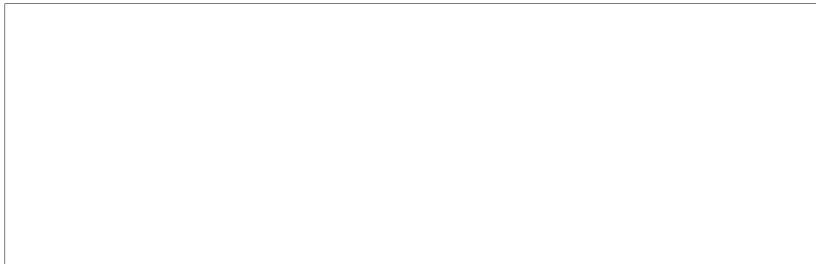


25X1

25X1

--continued

A3



25X1



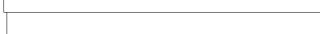
25X1



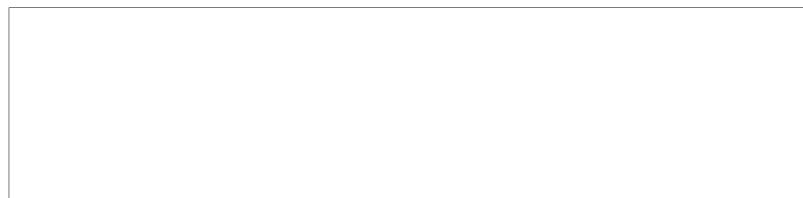
25X1



25X1



25X1



25X1

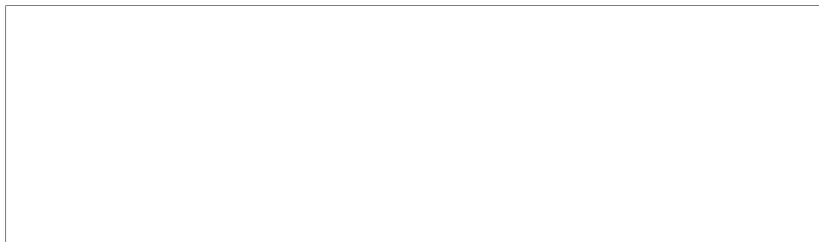


25X1



25X1

--continued



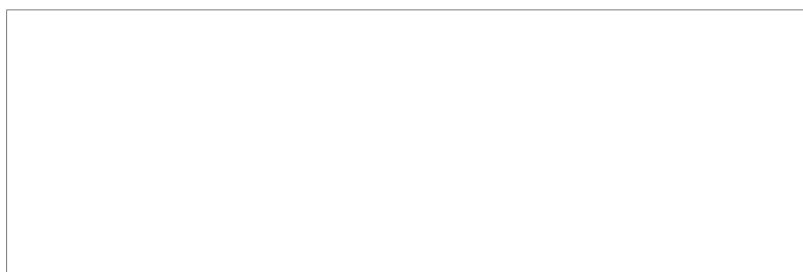
25X1



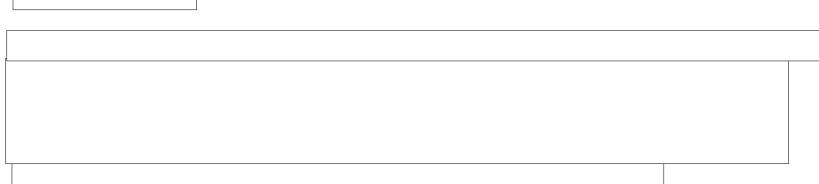
25X1



25X1



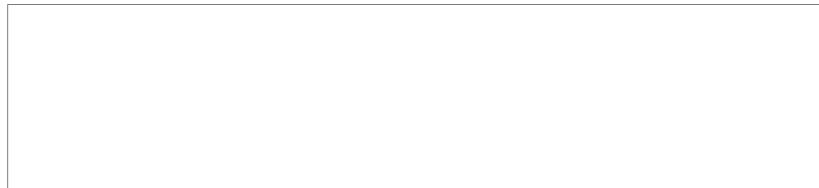
25X1



25X1



25X1

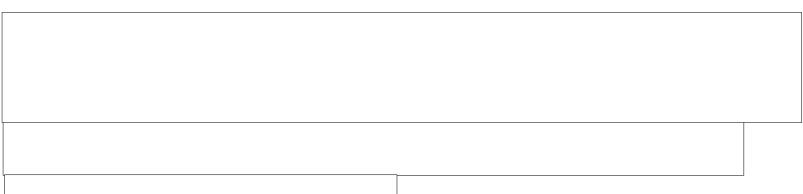


25X1

--continued



25X1



25X1

25X1



25X1

25X1

25X1



25X1

25X1

25X1



25X1

25X1

25X1

--continued

A6



25X1



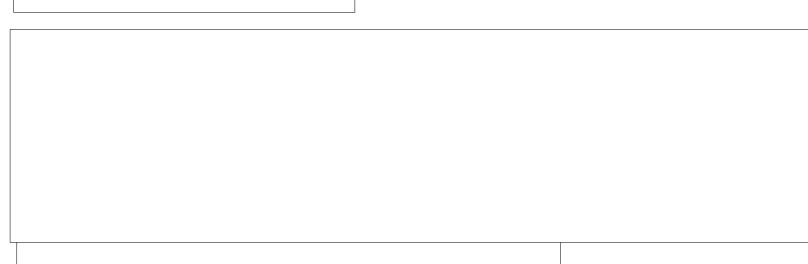
25X1



25X1



25X1

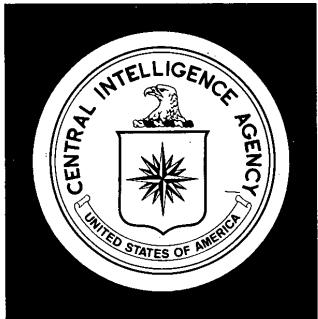


25X1

25X1

25X1

Top Secret



The President's Daily Brief

June 7, 1976

2

~~Top Secret~~

25X1

Exempt from general
declassification schedule of E.O. 13652
exemption category 5(d)(1) and (3)
declassified only on approval of
the Director of Central Intelligence

June 7, 1976

Table of Contents

Lebanon: Political maneuvering continued this weekend in Beirut against a backdrop of renewed factional violence. (Page 1)

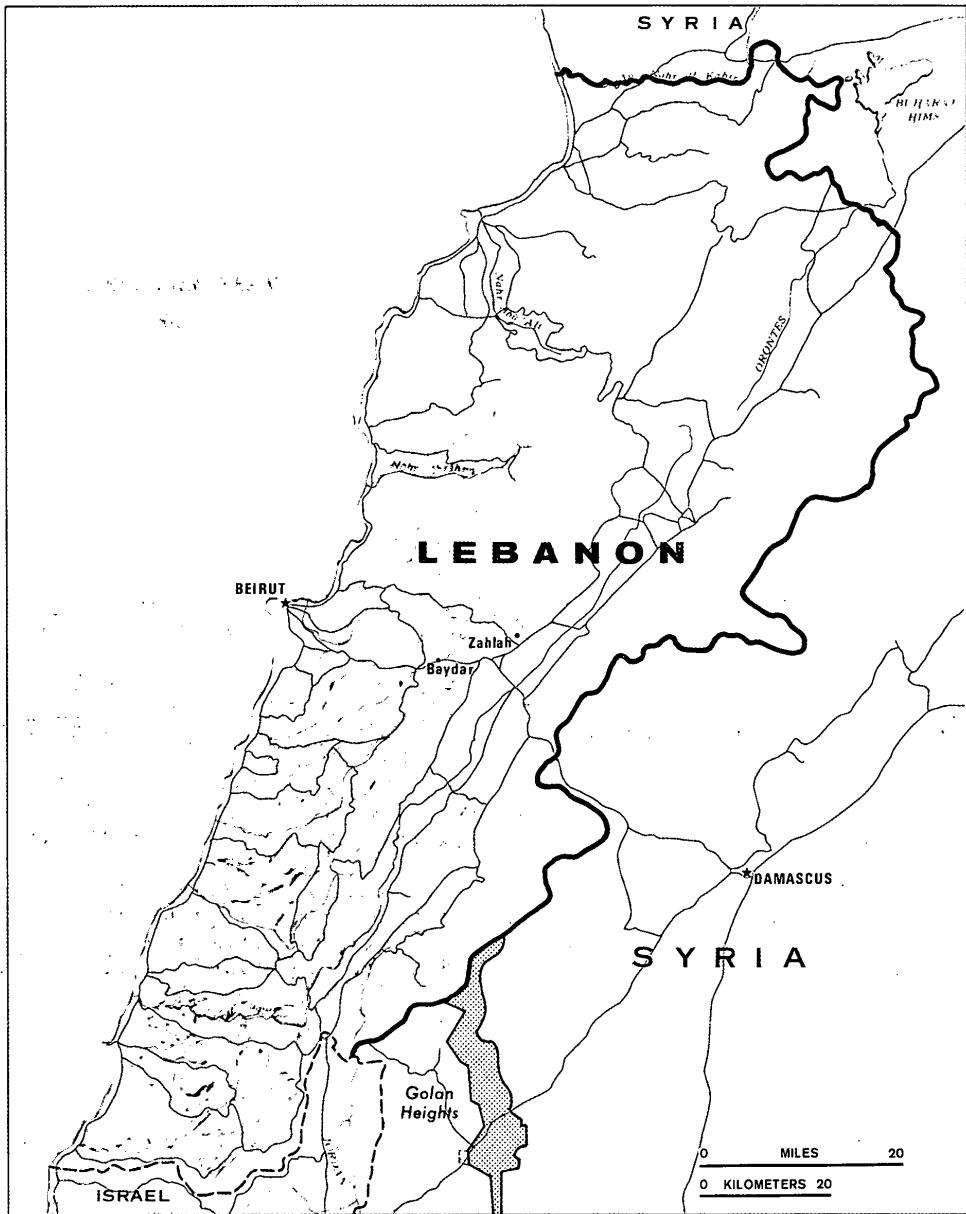
Arab States: Saudi Arabia, Kuwait, and the United Arab Emirates have been withholding financial aid to Syria, Jordan, and Egypt in an effort to make those countries shape up financially and settle their political differences. (Page 2)

Egypt-Syria: The closures of the Egyptian embassy in Damascus and the Syrian embassy in Cairo will have little practical effect. (Page 3)

India-USSR: The visit this week of Prime Minister Gandhi to Moscow shapes up as a routine affair, but it will give the two countries an occasion to play up their close ties. (Page 3)

25X1

FOR THE PRESIDENT ONLY



559869 6-76

LEBANON: Political consultations quickened in Beirut this weekend in an effort to forestall further Syrian military intervention.

President-elect Sarkis met with rightwing Christian leaders on Saturday in another bid to lay the basis for a roundtable conference of the various Lebanese factions. On the same day, leftist leader Kamal Jumblatt conferred with the religious leader of the Sunni Muslims in Lebanon. Both leaders announced their support for an early conference. Jumblatt, however, continues to appeal for outside help against the Syrians.

On the diplomatic front, Libyan Prime Minister Jallud and an Algerian emissary arrived in Damascus Saturday in a further effort to mend the rift between Syria and the Palestinian-leftist alliance in Lebanon. This mission grew out of discussions of Syria's intervention at a meeting held in Tripoli the day before with Palestine Liberation Organization chairman Yasir Arafat and a two-man Iraqi delegation.

Jallud and the Algerian met with President Asad yesterday, but they apparently made little headway.

Factional violence erupted in Lebanon again this weekend, with the most serious clashes occurring in and around Beirut between Syrian-controlled Saqiya units and Fatah and leftist forces. There are at least a thousand Syrian regulars disguised as Saqiya operating in the Beirut area and some almost certainly participated in the clashes. This has given rise to charges from Arafat that Syria has launched a major offensive throughout Lebanon.

Although leftist and Palestinian spokesmen have taken a defiant line in public statements, the two

--continued

groups generally have avoided a showdown with Syrian forces in eastern Lebanon. The formation Friday of a Palestinian-leftist command, excluding Syrian-controlled Saiga units, may strengthen somewhat the de facto coordination that previously has existed among these groups.

[redacted] aircraft conducted ground attacks yesterday against leftist positions in the Baydar area east of Beirut. There are conflicting reports concerning the nationality of the aircraft. Although the airfield from which they took off is in Syrian hands, the aircraft probably were Lebanese. 25X1

* * *

ARAB STATES: Syria, Jordan, and, to a lesser extent, Egypt are feeling the pinch of reduced financial support from Persian Gulf donor states. Saudi Arabia--with Kuwait and the United Arab Emirates going along--has withheld war subsidy payments in recent months and has avoided major new aid commitments in an effort to make the recipients shape up financially and settle their political differences.

Syria has suffered the largest drop in assistance. Last year Damascus received approximately \$800 million in Arab aid. So far this year, Syrian aid receipts from Arab countries have totaled only \$42 million.

Both Syria and Jordan have proceeded with ambitious spending plans based on expected Arab cash transfers, but they may soon be forced to scale down expenditures or to dig into foreign exchange reserves.

Egypt, although the beneficiary of sizable Arab aid early this year, must find additional funds to fill a \$1-billion payments gap; Cairo is counting on other aid sources, such as the International Monetary Fund and the major industrial countries, to make ends meet.

Thus far there is no sign of new Arab commitments. The Saudis are increasingly reluctant to provide

--continued

large-scale handouts over which they have no control. A growing number of high-level officials are complaining that many recipients not only misuse Saudi assistance but treat it as a perpetual economic subsidy. Kuwait and other wealthy Gulf states are following the Saudi lead.

A severe economic crisis in any of the aid recipients probably would loosen the moneybags of Saudi Arabia and other Gulf states. Realizing this, Jordan and Syria can be expected to dramatize their problems in an effort to elicit more assistance.

EGYPT-SYRIA: The Egyptian government's decision on Saturday to close the Syrian embassy in Cairo and its own embassy in Damascus will have little practical effect. There has been almost no official contact between the two countries since October.

The move, however, will further complicate the Saudi-Kuwaiti effort to reconcile Egypt and Syria. At the time of the Egyptian announcement, the Saudi and Kuwaiti foreign ministers were in Damascus trying again to arrange a meeting of the Egyptian and Syrian prime ministers.

Syria is not yet prepared to close the door completely on the mediation attempt because of the financial leverage that Saudi Arabia is bringing to bear against Damascus. At the same time, however, the Syrians are being enticed with offers of aid from Libya to join in a bloc of radical Arab states.

* * *

INDIA-USSR: Prime Minister Indira Gandhi's five-day visit to the USSR, which starts tomorrow, probably is viewed by both sides mainly as an opportunity to demonstrate their continued close ties.

Gandhi considers India's relationship with Moscow is "special." She has long been partial to the USSR and favored socialist economic development over Western capitalism. Moscow's generous press sup-

--continued

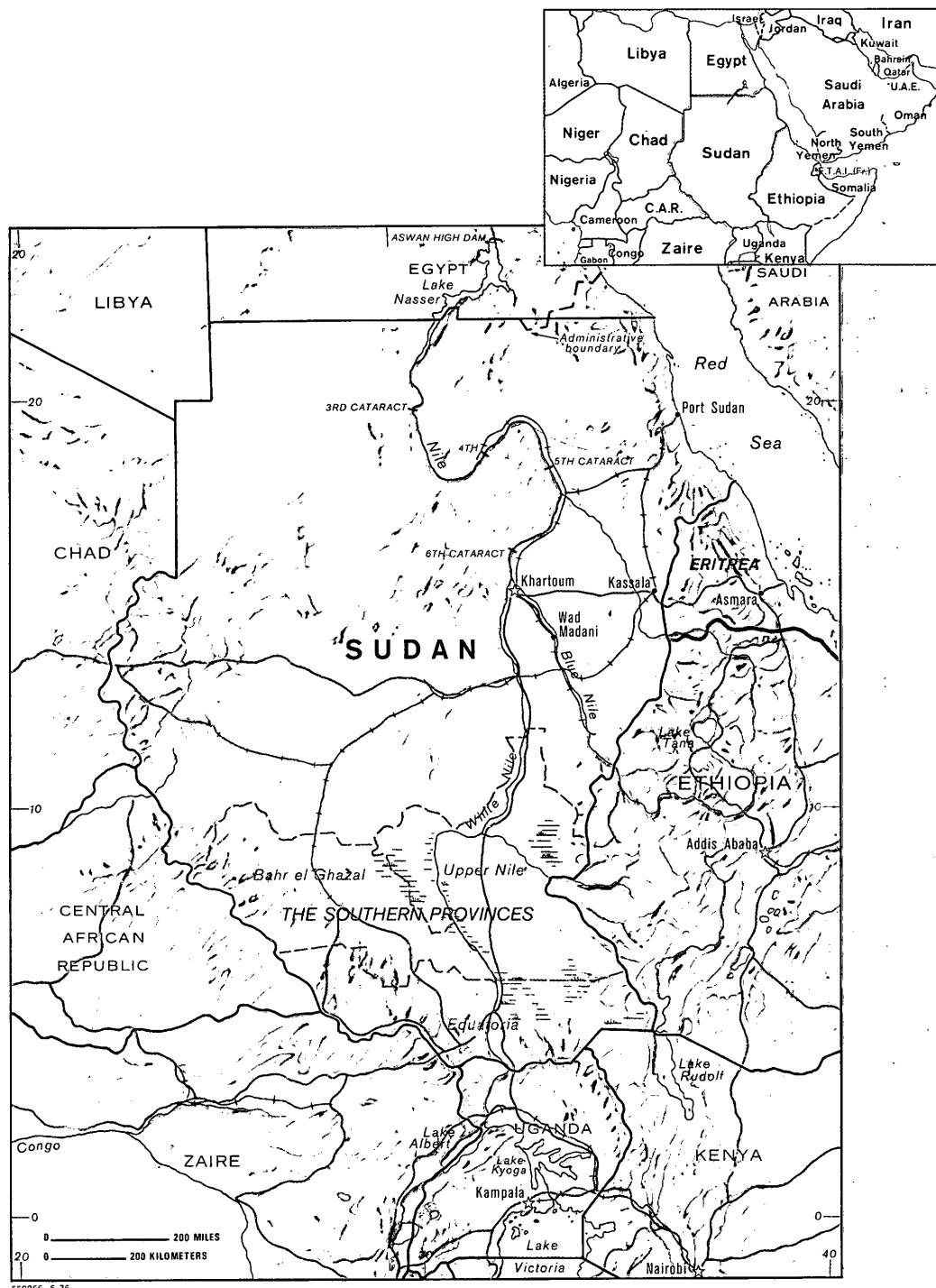
port for Gandhi's domestic actions has helped keep the Soviets high in her esteem.

The Soviets have provided India with large amounts of military and economic assistance, though less than half the amount India received from the US. India, however, is now paying out more in aid and debt credits to the USSR than it is receiving in new commitments. Indian officials are under pressure to obtain more advantageous terms from Moscow.

Soviet leaders may register some concern over the more conservative trend in Indian economic policy during the past year. This trend reduces somewhat the publicity potential for showy Soviet projects that are concentrated in heavy industry.

The Soviets are likely to seek some assurance that Gandhi's recent decision to upgrade relations with Peking does not signify a shift away from Moscow. They are unlikely, however, to persuade Gandhi to reverse her refusal to meet their requests for permanent repair and supply facilities in Indian ports for Soviet naval vessels.

Another topic that probably will come up is assistance for India's nuclear program. The USSR is now the most likely source of heavy water needed for India's reactor program. It is uncertain, however, whether Moscow will be willing to supply heavy water in the face of New Delhi's insistence on its right to conduct additional nuclear tests.



559866 6-76

25X1

A
Z
N
H
X

FOR THE PRESIDENT ONLY

25X1

FOR THE PRESIDENT ONLY

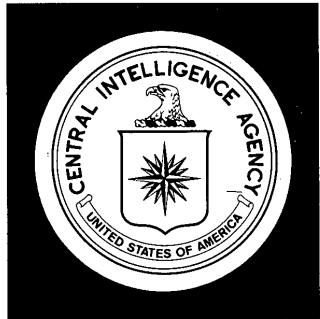
25X1

FOR THE PRESIDENT ONLY

25X1

FOR THE PRESIDENT ONLY

Top Secret



The President's Daily Brief

June 8, 1976

2

[Redacted]

~~Top Secret~~

25X1

Exempt from general
declassification schedule of D.O. 11652
exemption category: SR(1)(2)(i)(3)
declassified only on approval of
the Director of Central Intelligence

June 8, 1976

Table of Contents

Lebanon-Syria: Syrian ground forces, supported by aircraft, moved deep into Lebanon yesterday with the apparent objective of securing the main coastal cities and roads leading into the country from the east. (Page 1)

Israel-Syria-Lebanon: Prime Minister Rabin appears under relatively little pressure to react militarily to Syria's moves in Lebanon. (Page 2)

Arab States: The Arab League foreign ministers will convene in Cairo today to discuss Syria's intervention in Lebanon. (Page 2)

USSR: [redacted] 25X1

Egypt-Israel: [redacted] 25X1
[redacted] 25X1

Cuba-Angola: Prime Minister Fidel Castro announced in Havana Sunday night that Cuba is gradually withdrawing military personnel from Angola. (Page 5)

EC: Belgium, Luxembourg, and the EC Commission have protested to Washington that the presence of only the four largest EC members at the forthcoming economic summit in Puerto Rico will adversely affect community solidarity. (Page 6)

Note: USSR-China (Page 7)



559876 6-76

LEBANON-SYRIA: Syrian ground forces, supported by aircraft, moved deep into Lebanon yesterday. Their objective apparently is to secure the main coastal cities, including Beirut, and the roads leading into the country from the east.

We are still not certain about the size of the Syrian force. Military authorities in Tel Aviv reported yesterday that the entire Syrian 3rd Armored Division is participating. In addition to this division, several battalions of infantry and armor that were in Lebanon before yesterday's push are probably involved.

Syria's increasing military involvement in Lebanon prompted widespread clashes yesterday between fedayeen from the Syrian-controlled Saiqa group and the larger independent Fatah group. Fatah and Lebanese leftist forces apparently also clashed directly with Syrian troops in towns north and west of the Baydar Pass. Fatah, which has attempted to avoid a military showdown with the Syrians, may no longer be able to do so as the result of heavy air attacks and shelling yesterday of almost all Palestinian refugee camps in Beirut.

Fatah chief Arafat's prestige will be diminished by his inability to prevent or effectively counter Syrian action. Radicals within his own organization will call for still more active resistance to Damascus' military initiative.

There were tenuous indications that the Palestinians and Syrians had agreed to a truce last night. Damascus radio quoted an "official source" in the Palestine Liberation Organization as saying that the two sides had agreed to "halt firing throughout Lebanon."

--continued

ISRAEL-SYRIA-LEBANON:

Prime Minister Rabin appears under relatively little pressure to react militarily to Syria's moves in Lebanon.

Two of his prominent conservative critics, Moshe Dayan and Menahem Begin, leader of the Likud opposition in the Knesset, joined Israeli government leaders last weekend in saying that Israel should stay out of the Lebanese conflict. Dayan told the press that he opposes Israeli intervention even if the Syrians occupy Beirut and go below the so-called "red line" the Rabin government has repeatedly warned Damascus against crossing.

25X1

ARAB STATES: *The Arab League foreign ministers will convene in Cairo today to discuss Syria's intervention in Lebanon. The meeting is in response to a call last week by the Palestine Liberation Organization. Syria will undoubtedly boycott the meeting.*

Fifteen of the 20 Arab states have thus far agreed to attend. Most Arab states have been reluctant heretofore to interfere with Syria's handling of the Lebanon crisis. Their consent now evidences growing apprehension about Syria's actions and particularly about its confrontation with the Palestinians.

Saudi Arabia is among the respondents, suggesting some slackening of Riyadh's general support for Syria's role in Lebanon.

Egypt will press at the meeting for the formation of a joint Arab military force to replace or at least balance Syria's forces in Lebanon. The other Arabs, however, will be reluctant to participate in a pan-Arab force in the face of Syrian opposition, and the logistical problems involved in forming and transporting such a force would be extremely difficult.

--continued

The Arabs will most likely opt first for a serious negotiating effort to bring about a Syrian withdrawal, possibly using the threat of Arab intervention to force a pullback. PLO leader Yasir Arafat, in fact, has already called for an Arab summit to follow the foreign ministers' meeting.

If negotiation should fail and Syria appeared on the point of neutralizing the Palestinian movement, in the fashion of Jordan's moves in 1970 and 1971, several of the Arab states might be willing to use force.

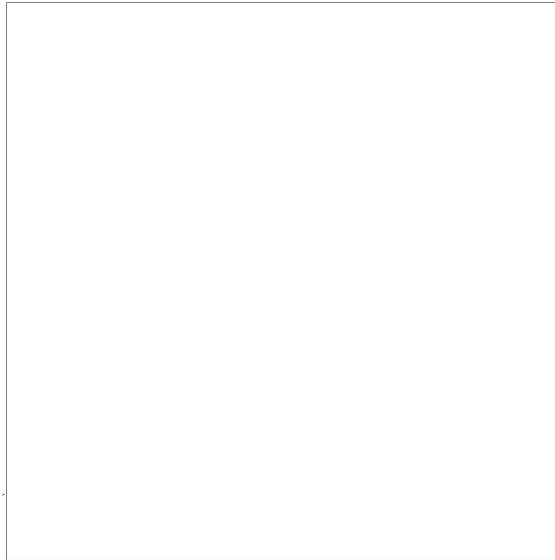
Iraq already seems prepared to use at least the threat of force to intimidate Syria.

25X1

25X1

25X1

USSR:

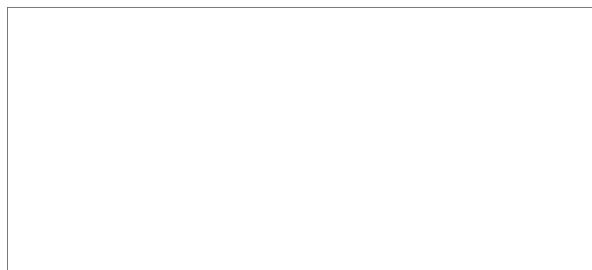


--continued

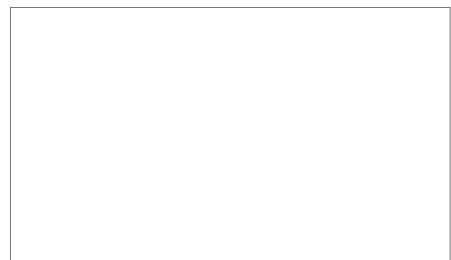
25X1



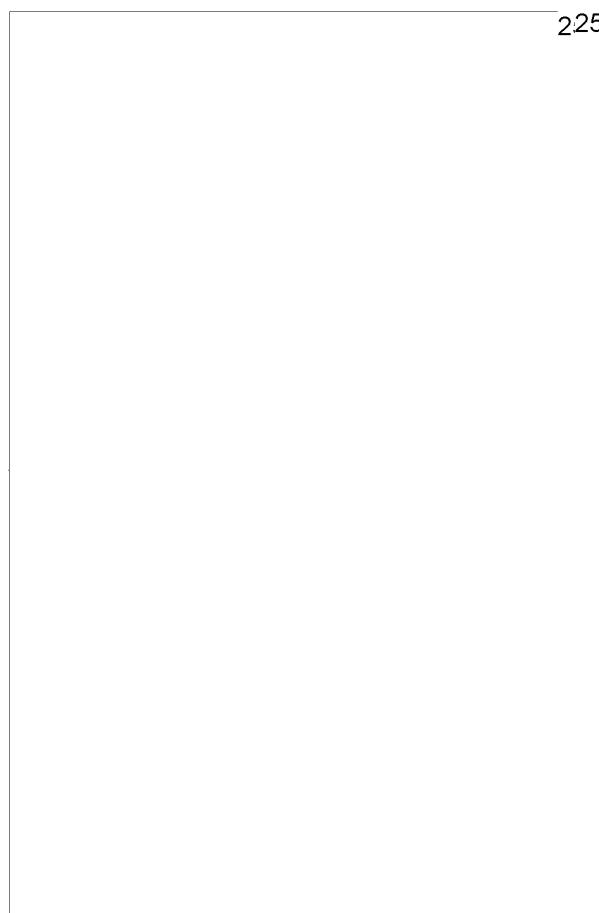
25X1



* * *



225X1



--continued

[Redacted Box] 25X1

* * *

25X1

CUBA-ANGOLA: Prime Minister Fidel Castro announced in Havana Sunday night that Cuba is gradually withdrawing military personnel from Angola in accordance with an agreement with the Angolan government.

25X1

Castro emphasized the long-term nature of the pullout [Redacted]

25X1

[Redacted] and tied its completion to the length of time needed to organize, train, and equip a professional Angolan military establishment.

He reiterated that Cuban civilian aid to Angola is increasing but indicated that the number of civilians would never approach the strength of military personnel when at its peak. He gave no figures for Cuba's future military presence in Angola. He said only that the remaining force would be strong enough to guarantee Angola's external security until the Angolans were able to defend themselves.

Armed Forces Minister Raul Castro visited Angola, Congo, and Guinea over the past week. He probably explained the Cuban action and tried to resolve any concerns it may have raised among Black African leaders.

A convoy, apparently returning from Angola, was to arrive in Cienfuegos, a major port on Cuba's southern coast, last night.

--continued

If it is bringing troops home, a welcoming demonstration would give Castro an opportunity to reinforce his pledge to withdraw.

* * *

EUROPEAN COMMUNITY:

Belgium, Luxembourg, and the EC Commission have protested to Washington that the presence of only the four largest EC members at the forthcoming economic summit in Puerto Rico will adversely affect community solidarity.

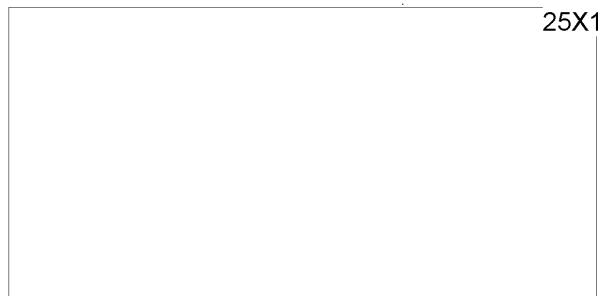
Similar demarches apparently have been made to London, Bonn, Paris, and Rome. The smaller members believe that the EC's existence should be recognized at the summit. Luxembourg's Prime Minister Thorn, in his capacity as current EC president, has asked to be invited.

The EC foreign ministers are due to discuss likely summit issues informally in Luxembourg this Saturday. The larger members probably will assure their smaller partners that no commitments will be made in Puerto Rico which would violate EC responsibilities. They probably also will offer to give prompt briefings on the results of the summit.

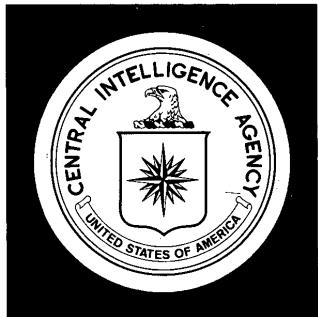
It is uncertain whether such face-saving measures will satisfy Brussels and Luxembourg. Moreover, Dutch officials were suggesting last week that The Hague would not consult on summit matters unless some provision was made for community representation.

NOTE

The opening of the shipping season on the border rivers between the USSR and China has again been accompanied by incidents--none of which seem to have been unusually serious.



Top Secret



✓

The President's Daily Brief

June 9, 1976

2

[Redacted]

~~Top Secret~~

25X1

Exempt from general
declassification schedule of D.O. 11652
exemption category SR(1)/(2)(3),
declassified only on approval of
the Director of Central Intelligence

June 9, 1976

Table of Contents

Lebanon: The Arab League foreign ministers adopted a resolution late last night calling for an immediate cease-fire in Lebanon. Late press reports from Beirut say Syrian President Asad has accepted, but we have no confirmation from Damascus. (Page 1)

Syrian forces in Lebanon met stiffer resistance than they had expected yesterday. (Page 2)

President Asad is under increased domestic pressure as a result of Syria's military escalation in Lebanon. (Page 2) 25X1

Jordan-USSR: [redacted] (Page 3) 25X1

USSR: The Soviets are stressing their interest in the early conclusion of a new strategic arms limitation agreement. (Page 4) 25X1 25X1

West Germany - Italy: [redacted] (Page 5) 25X1

Rhodesia: [redacted] (Page 6) 25X1

Notes: Cuba; Angola; Greece; North Yemen - USSR (Pages 7 and 8) 25X1

LEBANON: The Arab League foreign ministers, who gathered in Cairo late last night to consider the Lebanese crisis, adopted a resolution calling for an immediate cease-fire and the replacement of Syrian troops in Lebanon with an Arab security force. Late press reports from Beirut say Syrian President Assad has accepted the resolution.

The resolution appears to be a compromise between advocates of a Palestinian call for an immediate, unconditional withdrawal of Syrian forces and those hoping to avoid a direct challenge to Damascus. The resolution describes the joint Arab force as a "token" security force and gives no timetable for the replacement of Syrian troops.

The resolution also authorizes a committee composed of the Arab League Secretary General and representatives of Algeria, Libya, and Bahrain to go immediately to Beirut to "cooperate" with "all concerned parties" in arranging the cease-fire.

Although the resolution expresses support for the Palestinian revolution and determination to protect it from "all dangers," it carefully avoids direct criticism of Syria's actions in Lebanon and any suggestion that the Arab League is dictating to Damascus.

The speedy action by the foreign ministers clearly caught Damascus off guard. According to reporting early yesterday, Syrian Foreign Minister Khaddam was planning to arrive in Cairo today to counter Palestinian charges. Syria's representative at the session yesterday warned that Syria would not accept any resolution until Khaddam "had been heard."

We have no confirmation from Damascus that President Assad has, in fact, accepted all provisions of the resolution--as the Beirut press alleges. We would expect any Syrian endorsement to be qualified to reflect Syria's adamant opposition to the introduction of other Arab troops in Lebanon.

--continued



559880 6-76

Asad, however, may have accepted the League's call for a truce in order to avoid total defiance of a joint Arab decision. The Syrians, moreover, have run into unexpected, stiff opposition in Lebanon and may even welcome a respite.

Late yesterday, elements of the Syrian armored division on the Beirut to Damascus highway reportedly had moved to within a few miles of the leftist stronghold of Alayh, Kamal Jumblatt's home town.

Other Syrian forces were unsuccessful in their attempt to enter the southern port city of Sidon. Heavy shelling was still going on there late last night, and the Palestinians fear a renewed Syrian assault today.

Fighting elsewhere was at a low level. In the north, Syrian-controlled Saqla forces in Tripoli suffered a sharp setback--as they have in other major Lebanese cities. Syrian regulars, however, expanded their control in the surrounding countryside.

Syrian and Israeli aircraft flew reconnaissance missions over Lebanon again yesterday, but there were no incidents. It is still not clear whether any Syrian aircraft have been used in combat missions against leftist and Palestinian targets.

Syria's military escalation in Lebanon has thrown into even sharper relief President Asad's high personal stake in achieving a solution to the Lebanese crisis.

The domestic returns from Asad's military moves are not yet in, but there are rumors of sharp divisions within the regime. There are no indications that Asad faces an imminent coup.

The urgency in Asad's present situation apparently was brought on by a miscalculation of Palestinian willingness to resist increased Syrian intervention. Thus far, Syrian regulars have not fared as well as Asad expected against the Palestinians.

--continued

Given the outside Arab pressures that are building on Asad, it seems unlikely that he will be willing to sustain military action against the Palestinians much longer. On the other hand, it would be difficult for him to respond to Palestinian pressures for a substantial withdrawal of Syrian forces.

The latest US embassy assessment sees Asad as continuing in firm control. The absence of an Israeli response to the heightened Syrian intervention in Lebanon may have substantially reduced the criticism of Asad from within the all-important military.

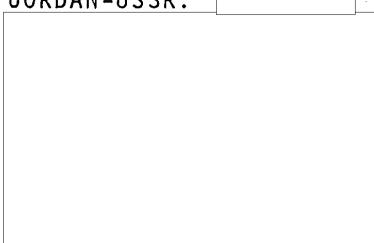
* * *

25X1

25X1

25X1

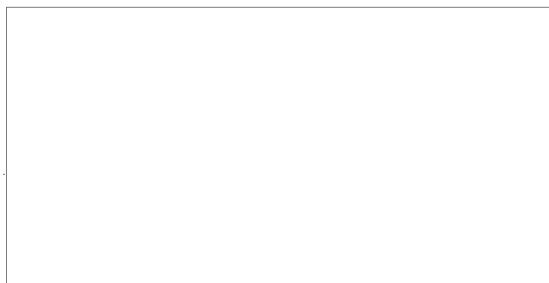
JORDAN-USSR:



25X1



25X1



--continued



25X1



25X1

25X1

25X1

25X1



* * *

USSR: The Soviet leadership and media have re-emphasized interest in the early conclusion of a new strategic arms limitations agreement since the signing last month of the US-Soviet treaty on peaceful nuclear explosions.

The USSR has played up the symbolic significance of the new agreement for US-Soviet relations in general and for SALT in particular. Following General Secretary Brezhnev's affirmation of Moscow's intention to seek a new strategic arms pact at the signing ceremony on May 28, various Soviet spokesmen have asserted that the peaceful nuclear explosions treaty provides a stimulus to agreements on "other disarmament question." An article carried by *Pravda* last week exhorted the US to move "as soon as possible" toward a new SALT agreement.

The USSR's increased public attention to SALT apparently derives from its hopeful readings of developments in the US rather than from any substantial change in the Soviet negotiating position. The Soviets have been encouraged by your success in recent presidential primaries in the face of attacks on US policy toward the USSR. They were also pleased by your reaffirmation last month of a continuing commitment to SALT, and reported your Los Angeles statement in the central press.

--continued

Moscow probably still remains skeptical of the chances for achieving a new SALT agreement this year.

25X1

There has been no indication that the Soviets are willing to modify their negotiating stance. *Pravda* and other sources continue to criticize the US along familiar lines, 25X1 specifically attacking the B-1, Trident, and long-range cruise missile programs. [redacted]

WEST GERMANY - ITALY:

* * *

25X1

25X1

25X1

25X1

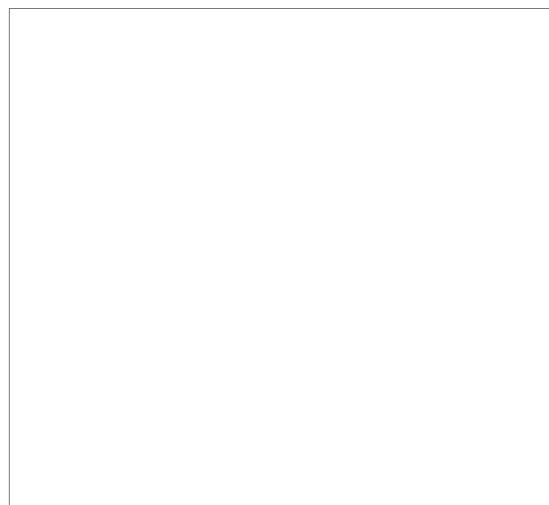
25X1

25X1

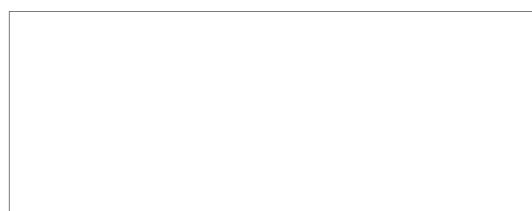
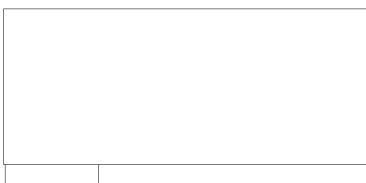
25X1 25X1



25X1



25X1 25X1



25X1

NOTES

The Cuban convoy in the Caribbean has changed course and is scheduled to arrive in Mariel, Cuba's main military port, later today.

It may be bringing home the first sizable contingent of Cuban troops withdrawn from Angola. If so, its arrival would give Prime Minister Castro an opportunity to reiterate his pledge to withdraw.

* * *

All Angolan troops in Luanda were ordered confined to barracks yesterday for two days. Staff headquarters explained that a pending reorganization of the armed forces and preparations for Armed Forces Day were behind the move.

Since Armed Forces Day is almost two months away, the order is more likely related to the factional dispute within the Popular Movement and may be part of a power play by the military against the political wing of the Popular Movement. Last month the general staff surfaced a plan to reorganize the military that President Neto rescinded the following day, stating that it had been issued without his sanction. Neto may actually have been thwarting an attempt by the military leadership to increase its influence.

* * *

The Greek government has declared that it will continue to allow port visits by ships of the US Sixth Fleet despite recent demonstrations and parliamentary criticism directed against them.

25X1

Greek security police clashed last month with leftist demonstrators 25X1 on both Rhodes and Mykonos, which caused the government to ask that US ships depart in order to avoid more serious violence. [redacted]

A limited schedule of port visits by US ships has been resumed, including one to a port near Athens last week that was carried out without incident.

--continued

25X1

* * *

North Yemen

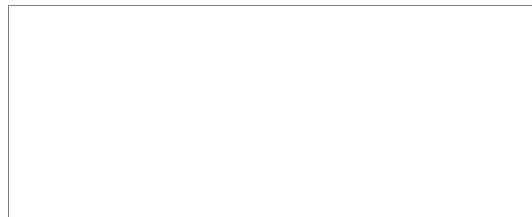
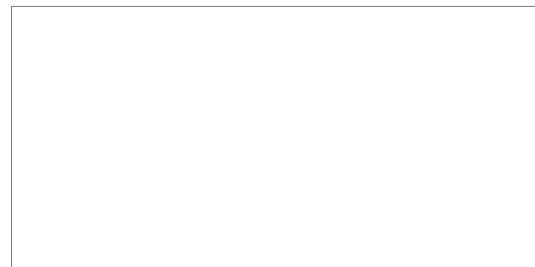


Soviet

25X1

25X1

25X1

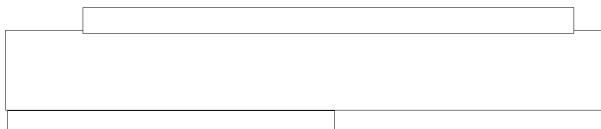


25X1

A
N
N
E
X

LEBANON

25X1

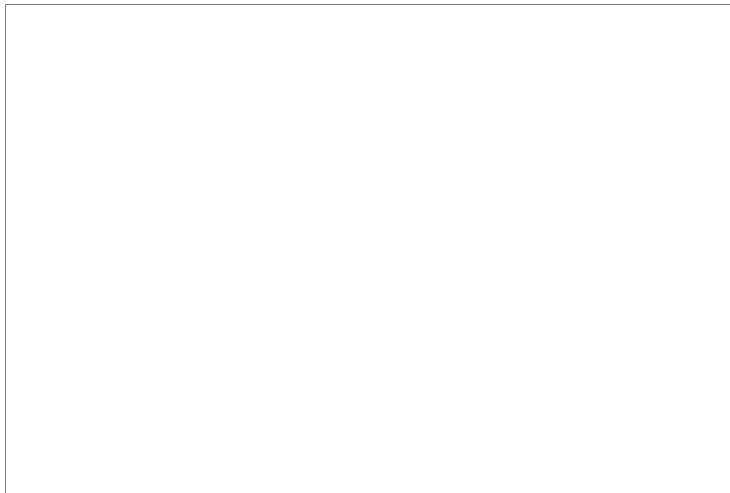


25X1

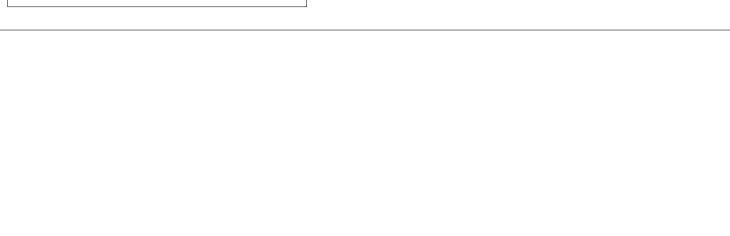
25X1



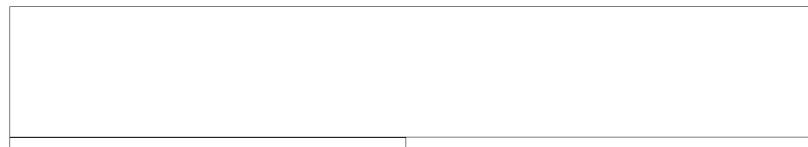
25X1



25X1



25X1



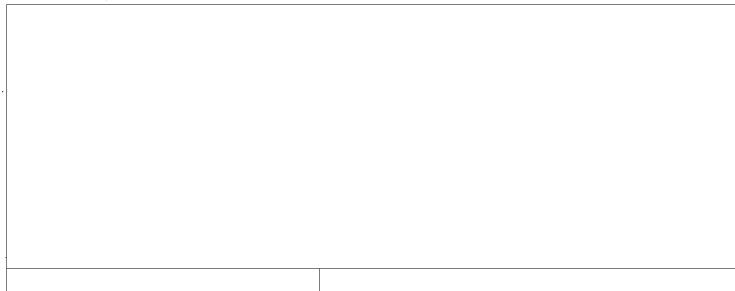
25X1

25X1

--continued

A1

FOR THE PRESIDENT ONLY

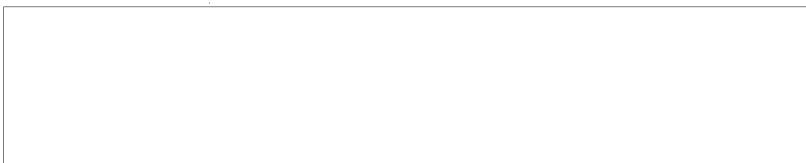


25X1



25X1

25X1



25X1

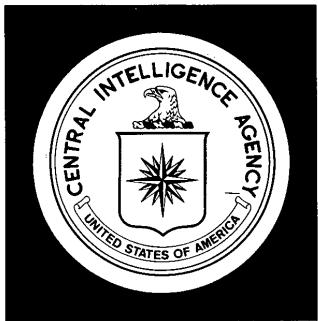
25X1

A2

FOR THE PRESIDENT ONLY

Top Secret

✓



The President's Daily Brief

June 10, 1976

2



~~Top Secret~~ 25X1

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

June 10, 1976

Table of Contents

Lebanon: Syria has agreed to accept Algerian and Libyan troops to "assist" in peace-keeping efforts in Lebanon but seems determined not to bow to Arab pressures for a dilution of Damascus' role in that country. (Page 1)

USSR-Syria: The Soviets are publicly and privately voicing their dissatisfaction with Syrian actions in Lebanon but have given no sign that they plan to exert direct pressure on Damascus. (Page 3)

Mediterranean: Soviet exercises in the eastern Mediterranean 25X1 apparently have ended. (Page 4)

Spain: The government is confident that it has the votes in the Cortes to pass the remainder of its reform program. (Page 5) 25X1
25X1

USSR: [redacted]

Thailand: [redacted]

[redacted] (Page 7)

25X1

Ethiopia-Sudan: Peasant forces recruited to fight separatist guerrillas in Eritrea Province continue to gather at the border; Sudanese President Numayri has promised to try again to get the Eritreans to accept Addis Ababa's peace proposals. (Page 8)

Notes: Cuba-Angola; Angola; USSR-Philippines (Page 9)

FOR THE PRESIDENT ONLY

LEBANON: Syria has agreed to accept Algerian and Libyan troops to "assist" in peace-keeping efforts in Lebanon, according to a Syrian government spokesman. Damascus seems determined not to bow, however, to Arab pressures for a dilution of Syria's military role in Lebanon.

Syrian Foreign Minister Khaddam finally arrived in Cairo yesterday for the Arab League meeting, and apparently was able to qualify further the League's resolution on a joint Arab peace-keeping force for Lebanon. According to the new ground rules, "all parties" involved in the dispute must agree on the size of the force.

Damascus' statement yesterday that it will accept Algerian and Libyan forces suggests that the Syrians intend to use their veto to block the League's earlier plan for a broad force composed of troops from Saudi Arabia, Sudan, the Palestine Liberation Organization, in addition to Libya, Algeria, and Syria.

Khaddam apparently was also able to persuade his colleagues to include in the resolution a statement that the PLO must adhere to previous agreements with the Lebanese government that regulate Palestinian freedoms. These agreements prohibit the Palestinians from bearing arms outside the refugee camps and limit the size and type of weapons inside the camps.

Although the Syrians almost certainly recognize that the agreements cannot be fully implemented, reference to them in the resolution is a direct slap at the PLO and would seem to rule out Palestinian participation in any peace-keeping arrangements.

It is not clear that Syria intends to permit even the Algerian and

--continued

Libyan contingents to enter Lebanon. Syria has announced that these troops are to arrive in Damascus--implying that Syria can thereby control their movements and their armament.

Three Libyan C-130 transport aircraft arrived in Damascus yesterday morning, possibly with the Libyan contingent on board. There is no indication that Algerian troops have begun to move.

Syria's agreement to share its role in Lebanon at least nominally with Algeria and Libya appears to be carefully calculated to minimize Arab interference without totally alienating other Arab states.

Syria is interested in obtaining financial assistance from Libya, and both Algeria and Libya are useful to Damascus in keeping Iraq and Egypt at bay.

Iraq has been trying since mid-May, through the offices of Algeria and Libya, to persuade Syria to permit Iraqi troops to enter Lebanon or Syria. Iraq was pointedly omitted from the Arab League's list of potential participants for a pan-Arab force for Lebanon. 25X1

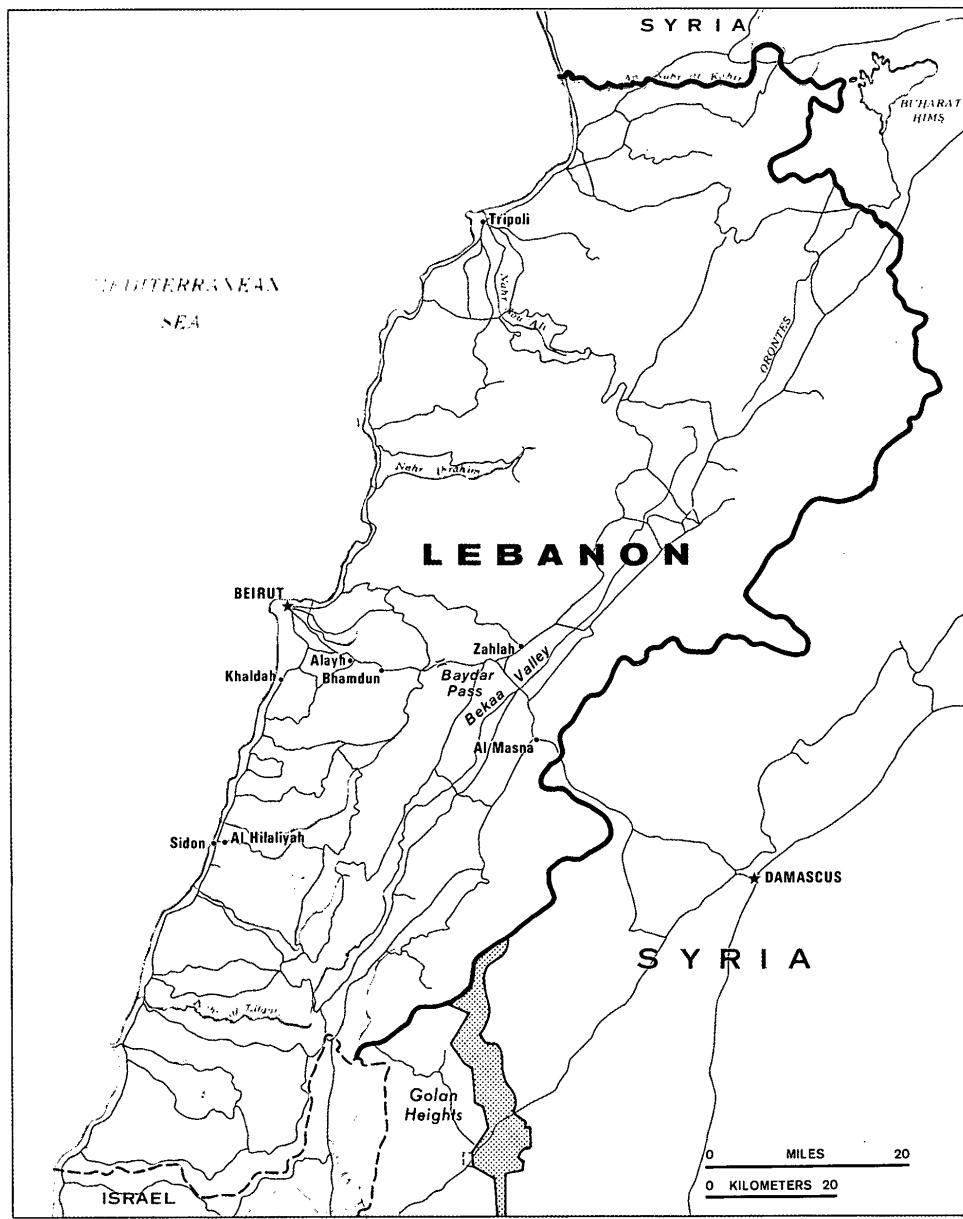
25X1

Although Syria has tacitly accepted the League's call for a cease-fire.

[Redacted]
The Syrians have established a new large command post just inside the Syrian border opposite Al Masna, presumably to control military operations in Lebanon.

Fighting was heavy yesterday near the southern port city of Sidon, long a stronghold of radical Palestinian and Lebanese leftist

--continued



559887 6-76

groups. Some Syrian forces may have bypassed Sidon and moved north to Khaldah. Syrian and Saïqa troops have been fighting independent fedayeen and Lebanese leftists there for control of access roads into Beirut and the nearby international airport.

A Syrian armored brigade has been moving slowly toward Beirut on the main Damascus-Beirut highway. Its advance may have been halted near Alayh, approximately seven miles east of the capital.

Syrian forces reportedly are gradually establishing control in the Tripoli area, the predominantly Christian areas north of Zahlah, and in the Bekaa Valley.

In the east, they are disarming and in some cases arresting remnants of fedayeen and Lebanese Arab Army units that had been resisting Syrian occupation.

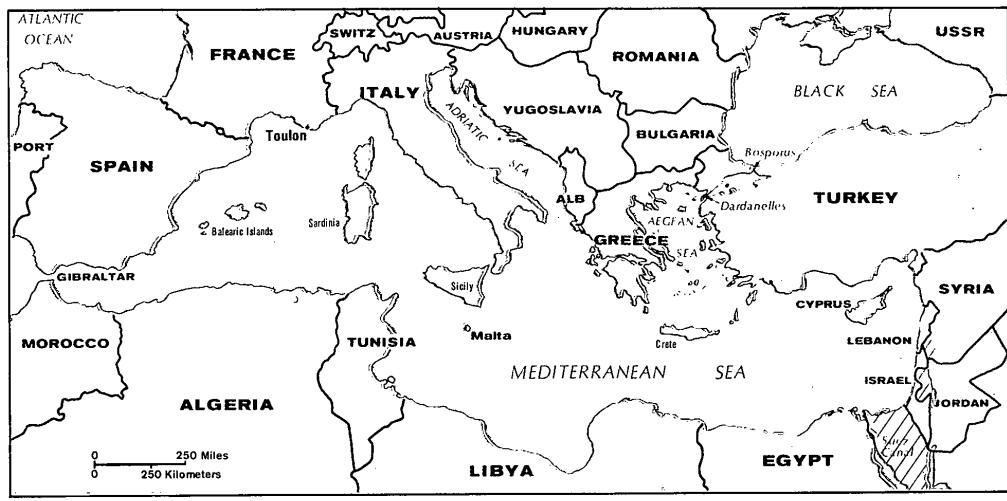
The Syrians are withdrawing some units of the 5,000-man Palestine Liberation Army, which is composed of Palestinians controlled by Damascus, from areas of heavy fighting. Syria hopes this move will forestall massive desertions fr25X1 the force.



USSR-SYRIA: The Soviets are voicing their dissatisfaction with Syrian actions in Lebanon but have given no sign that they plan to exert direct pressure on Damascus.

A Tass statement issued yesterday questioned Syrian intentions in Lebanon. It stated that although Damascus had "time and again" claimed to be seeking only to stop the bloodshed, the fighting had intensified and was jeopardizing Palestinian interests.

--continued



559891 6-76

Far more blunt criticism was voiced by the senior Soviet military attache in Damascus in a conversation with his US counterpart Tuesday. The Soviet officer described his embassy as "quite confused and unhappy" over the commitment of major Syrian units in Lebanon because their apparent intention was the destruction of the Palestinian-leftist coalition.

The attache said the entry of regular Syrian forces into Lebanon last week was designed to embarrass Premier Kosygin. He complained that Damascus had not taken Moscow into its confidence and that no Soviet advisers were with the Syrian troops. He labeled the Syrian actions as dangerous and said they carried a considerable risk of failure.

The only prescription for a resolution of the crisis offered publicly by the Soviet Union was included in the Tass statement. It called for all sides to stop fighting immediately. Moscow presumably still hopes to find a way out of the Lebanese problem that does not disrupt its ties with either the Palestinians or Syrians.

* * *

MEDITERRANEAN: Soviet naval exercises in the eastern Mediterranean apparently have ended. Meanwhile, France is gradually increasing its naval presence in the Mediterranean to underscore French political and economic interests there.

Many of the large Soviet surface warships involved in the exercises have moved into the northern Aegean Sea, and some have returned to the Black Sea.

The impending return to the eastern Mediterranean of the US amphibious task force now near Spain--to join a US carrier group now there--undoubtedly will again trigger intense Soviet surveillance.

--continued

The French aircraft carrier Foch left the Atlantic yesterday for its new home port at Toulon in the Mediterranean. Another French carrier also is based at Toulon. France is likely to add a guided missile cruiser and two frigates to its Mediterranean fleet later this year.

* * *

SPAIN: The government is confident that it has the votes in the Cortes to pass the remainder of its reform program, even though it suffered a setback yesterday.

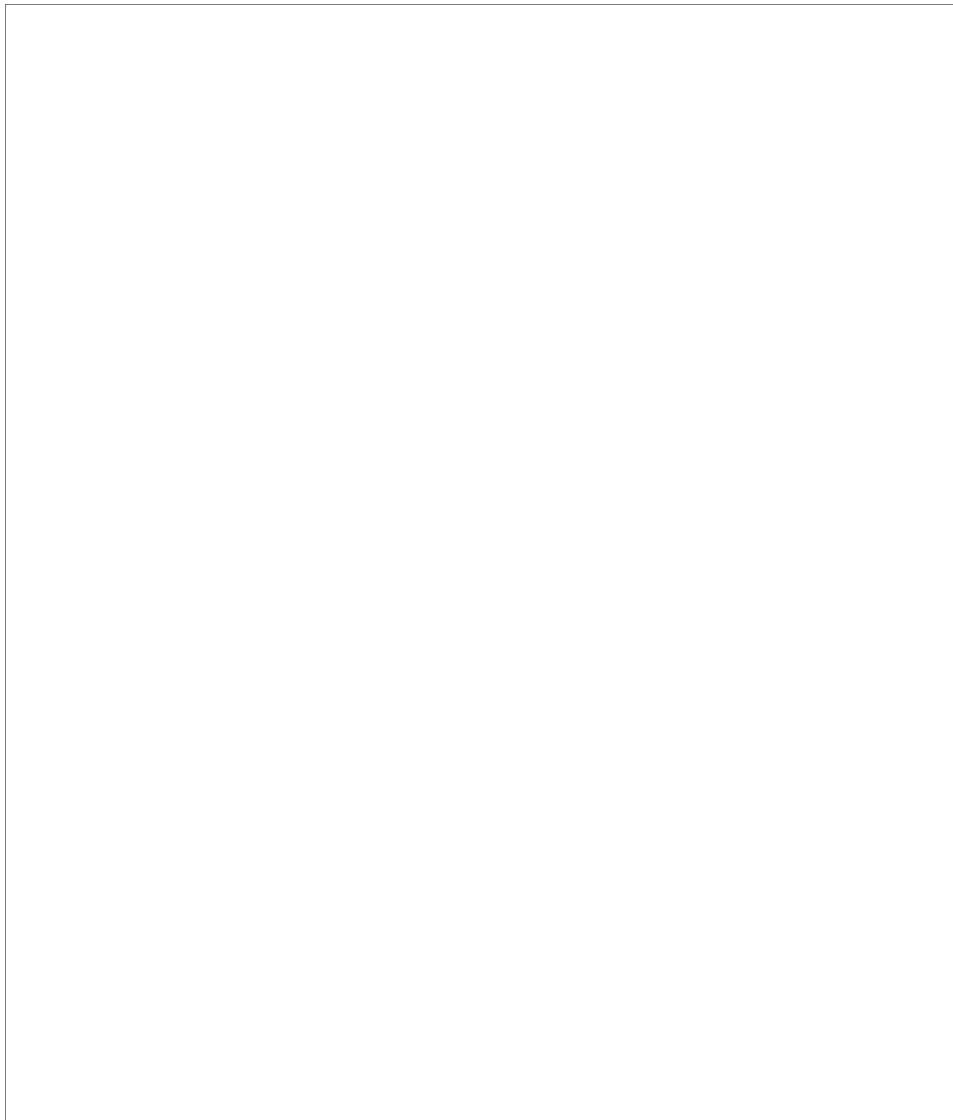
The government withdrew from parliamentary consideration yesterday a bill to revise the penal code. The action was taken after news of the murder of the mayor of a Basque town so angered members of parliament that there was doubt the bill would pass.

The momentum for reform has not been seriously slowed. The government's hand was strengthened by King Juan Carlos' pronouncements supporting liberalization during his US visit last week. The government also now has the support of a Christian Democratic group that previously had been critical of the reform program.

The rightists, however, will still put up a stiff fight against creation of a bicameral legislature, establishment of a free trade union organization, and enactment of a new election law.

The left and center opposition parties are displeased that the new law on political parties does not legalize the Communist Party. They argue that the Communist Party should be allowed to compete openly because this would reveal its narrow base of support and would reduce the possibility of Communist infiltration of less extreme leftist parties.

--continued



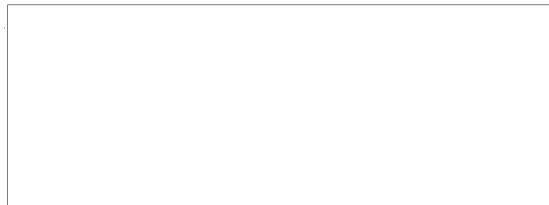
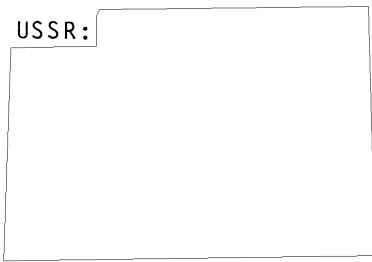
25X1

The government is adamant in refusing to legalize the Communists now but has let it be known that once a democratic system is well established, legalization of the Communist Party could be reconsidered.

* * *

25X1 25X1

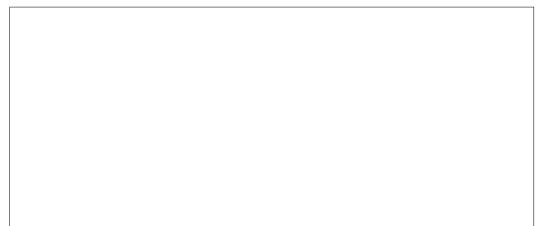
USSR:



25X1



25X1



25X1

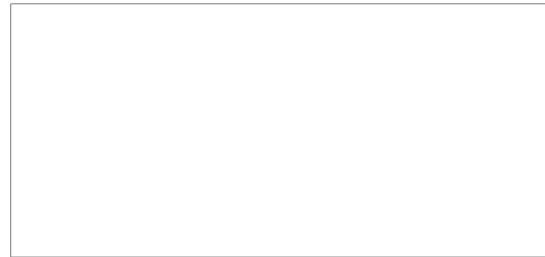


25X1



--continued

25X1



*

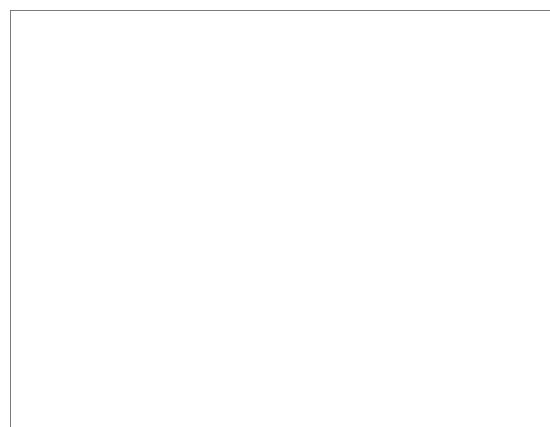
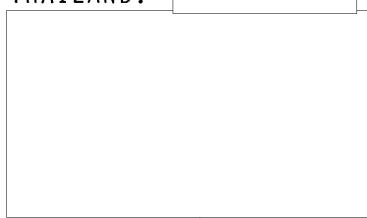
*

* 25X1

25X1

25X1

THAILAND: [redacted]



25X1



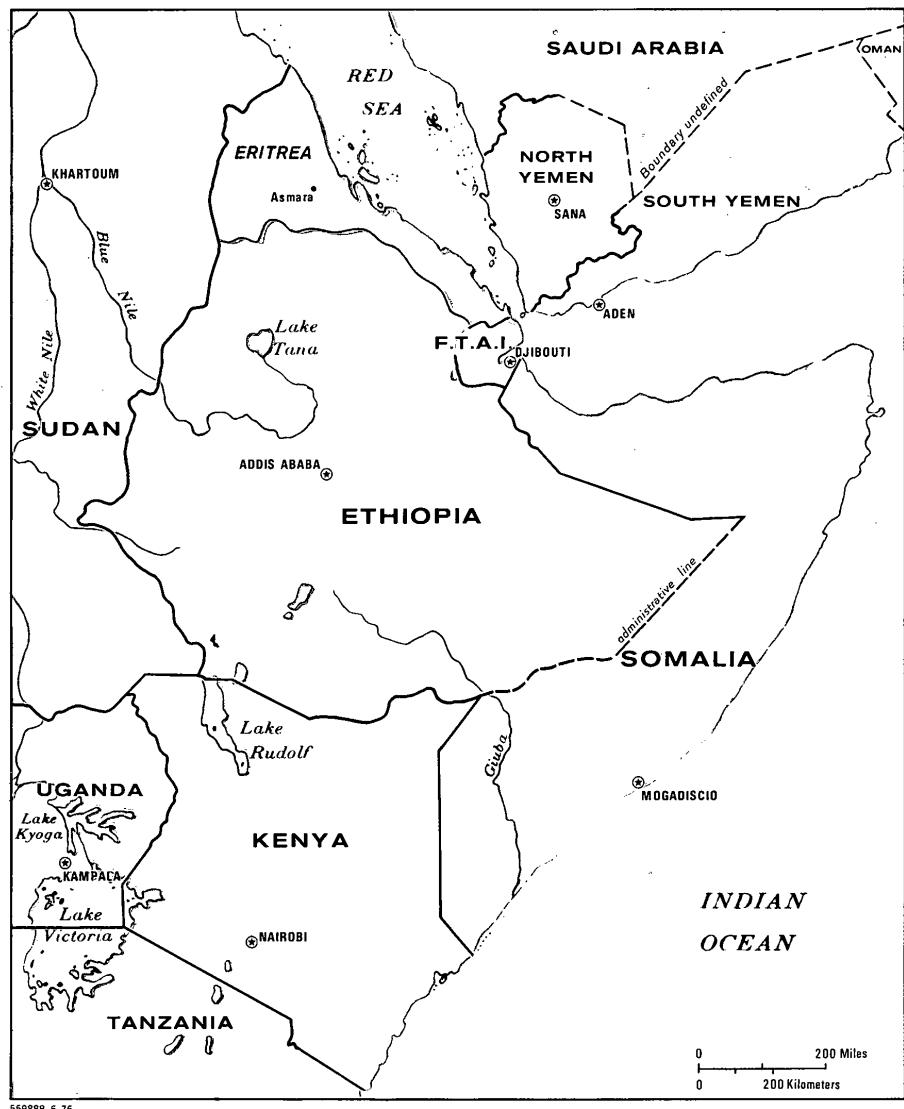
25X1

*

*

*

The Horn of Africa



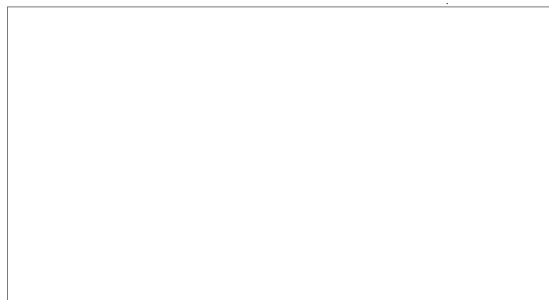
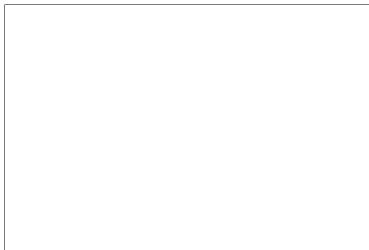
ETHIOPIA-SUDAN: Peasant forces recruited to fight separatist guerrillas in Eritrea Province continue to gather, but they have not yet been ordered into the province.

About 20,000 peasants are now camping on Eritrea's southern border, and up to another 30,000 reportedly are being assembled at various other points in Ethiopia.

The delay in starting military operations probably is due in part to shortages of arms, ammunition, and food for the peasants. These logistic problems--on top of insurgent attacks--have prompted large numbers of peasants to desert.

The ruling military council also may be holding up the peasants in order to allow more time for its latest effort to get peace negotiations started. Last month the council again offered some autonomy to the province, and a delegation led by a council member is now touring Arab capitals in an attempt to put pressure on rebel leaders to engage in peace talks.

25X1 25X1



25X1

25X1

NOTES

The Cuban convoy from Angola arrived in Mariel, the country's main military port, at mid-day yesterday apparently without fanfare.

A ban on air traffic was put into effect as the convoy approached the port. We have not yet determined the mission of the convoy.

* * *

Angola evidently has decided to reactivate its application for UN membership within the next few weeks, even if a Security Council veto seems likely.

Angola's representative in New York says he has orders to bring the matter to a head.

When Angola first applied for membership on April 29, the Security Council deferred action because some of its members strongly opposed the application as long as Cuban troops remained in Angola. The Angolan government now argues that the Cuban troop presence is an internal matter and has no bearing on the question of UN membership.

* * *

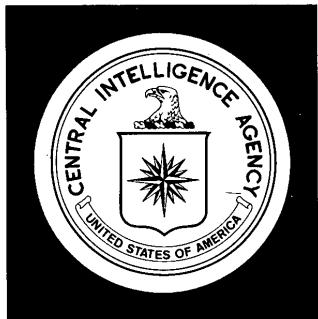
The "joint statement" that concluded Philippine President Marcos' first state visit to the USSR indicates that the two governments found relatively little on which to agree.

They did nevertheless establish^{25X1} diplomatic relations and sign a trade agreement.

The Soviets gave Mrs. Marcos prominent coverage. She apparently did not participate in the official round of talks



Top Secret



✓

The President's Daily Brief

June 11, 1976

~~Top Secret~~ 25X1

2



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

June 11, 1976

Table of Contents

Lebanon: The Syrians are reportedly continuing an armor and infantry assault begun last night against a Palestinian position near Beirut. (Page 1)

An Iraqi task force of some 13,000 troops is now in western Iraq. Jordan is concerned that the Iraqi force may try to enter Syria without permission. (Page 1)

The secretary general of the Arab League was in Damascus yesterday to lay the groundwork for the introduction of an Arab security force into Lebanon. (Page 3)

Israeli officials have denied reports that Tel Aviv was revising its hands-off policy toward Lebanon. (Page 4) 25X1

Egypt-Syria: [redacted]

Italy: With ten days to go before the election, debate is centering on the Christian Democrats' record and the future role of the Communist Party. (Page 4)

USSR: In the force reduction negotiations, the Soviets have furnished some incomplete data on the strength of Warsaw Pact forces. (Page 5) 25X1

Turkey: [redacted]
[redacted] (Page 7)

USSR: [redacted] (Page 8) 25X1

Notes: Romania; Uganda; Cuba-Angola (Pages 9 and 10)

At Annex we discuss Cuban troop withdrawals from Angola. 25X1
25X1

FOR THE PRESIDENT ONLY



559887 6-76

LEBANON: Syrian forces are continuing an armor and infantry assault begun last night against a Palestinian position on the outskirts of Beirut, according to press reports. Prior to the assault, fighting yesterday had been at a relatively low level.

Some clashes between Syrian and leftist forces were reported in Sidon, but little military activity was noted in Beirut and Tripoli. Military authorities in Tel Aviv have reported that a mechanized brigade of the Syrian 7th Infantry Division has entered Lebanon and is moving toward Sidon. Support vehicles of the division were seen entering Lebanon yesterday by the US defense attache in Syria. This is the first firm indication that Syria has begun to draw directly upon its forces confronting Israel on the Golan Heights.

The introduction of the new unit brings the total number of regular Syrian troops in Lebanon to some 12,000, with another 5,000 or so in support roles in adjacent border areas.

Heavy fighting, desertions, and poor morale are taking their toll on Syrian-controlled Palestinian forces in Lebanon, and Damascus has been forced to pull some of them back to Syria. The Syrians will have to replace these troops with some of their own in order to fill the void.

Iraq now has a task force of about 13,000 men in western Iraq.

An armored division, reinforced by units from at least two other divisions, is in position along the Euphrates River between the capital and the Syrian border. It is not clear whether the task force was formed specifically as a contingency for intervention in Lebanon, or whether it has been scheduled to participate in maneuvers in the border area.

Syrian President Asad has acknowledged that he does not know whether

--continued

FOR THE PRESIDENT ONLY

the Iraqi build-up is intended as a threat to Syria or as a peacekeeping force for use in Lebanon. Foreign Minister Khaddam yesterday informed Arab ambassadors in Damascus that Syria will take "suitable measures" to counter any Iraqi troop movements.

25X1

Jordan also is showing increasing concern about the possibility that the Iraqi forces may try to enter Syria without permission, ostensibly as part of the pan-Arab peacekeeping force for Lebanon.

King Husayn told the US ambassador in Amman Wednesday that he has been in close contact with Asad, and that he has sent a high-level military delegation to Damascus to coordinate contingency plans for Jordanian assistance if Iraq attacks Syria.

Asad told the delegation, which included Prime Minister Rifai, that Syria is moving its troops to counter the Iraqi threat. Both Asad and the Jordanians apparently are also worried that Israel will try to take advantage of Asad's current problems with Lebanon and Iraq.

Jordanian aircraft have begun reconnaissance flights over western Iraq, but, as of last night, were unable to detect any Iraqi troop movements.

Libyan Prime Minister Jallud continued his efforts yesterday to work out acceptable terms for a cease-fire in Beirut. After conferring in Beirut with Palestinian and leftist leaders, Jallud reportedly returned to Damascus for further discussions with Asad.

On Wednesday, Fatah officials reportedly rejected a Syrian proposal,

--continued

Arab League Secretary General Riyad also visited Damascus yesterday to make preliminary arrangements for the introduction of the six-party Arab security force into Lebanon. After talks with President Asad, Riyad announced that an Arab League military mission will proceed to Damascus within the next two days for detailed talks with Syrian officials.

conveyed by Jallud, for a cease-fire in place. The Palestinians and leftists are said to be insisting on an immediate Syrian pull-back.

The mission presumably will be led by Egyptian Chief of Staff Fahmi, who is Riyad's assistant for military affairs. Riyad yesterday instructed Fahmi to begin forming the Arab force.

Actions taken by Riyad and Fahmi are likely to reflect the wishes of Egyptian President Sadat, who, to counter Syria's involvement in Lebanon, probably will push for the early commitment of a substantial force. This will be opposed by Damascus. Asad has agreed to accept a symbolic force, but will try to prevent the Arab unit from replacing or interfering with Syrian forces already in Lebanon.

Asad preempted the Arab League by arranging before its session on Tuesday for a Libyan-Algerian force to proceed immediately to Syria. According to press reports, some Libyan and Algerian troops may have already moved from Syria into Lebanon.

The conservative Arab states and Palestine Liberation Organization chairman Yasir Arafat apparently decided that their best strategy was simply to add other Arab countries to the Algerian-Libyan team.

Lebanese President Franjiyah, who recently has been cooperating closely with Damascus, has denounced the Arab League resolutions, and leaders of the major Christian militias apparently are following his lead. President-elect Sarkis, who is more immediately responsive to Damascus, has said nothing.

--continued

Israeli defense and Foreign Ministry officials denied reports yesterday that the Rabin government was revising its hands-off policy toward Lebanon.

Syrian spokesmen have insisted publicly that Lebanese approval is necessary before any joint Arab force can be used.

According to one press report, government sources have indicated that Israel could accept a "symbolic" Arab peacekeeping force in Lebanon provided, as usual, that it does not threaten Israel's security.

*

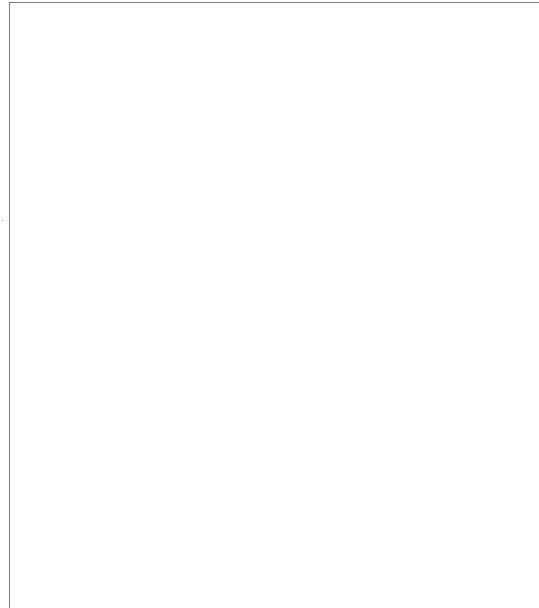
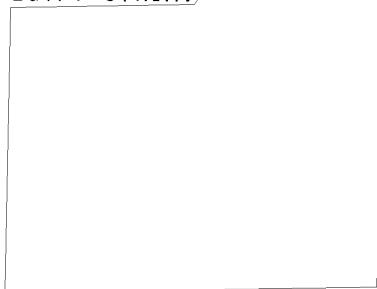
*

*

25X1

25X1

EGYPT-SYRIA:



*

*

*

ITALY: Election debate is centering on the Christian Democrats' record in government, the Communist Party's future role, and the sharp increase in politically motivated violence.

With ten days to go until the election, the Christian Democrats are under attack from all sides. The Communists are coupling their demand for participation in the government with the charge that Italy's problems stem from 30 years of

--continued

"bad government." Rather than defending their record, the Christian Democrats have responded by emphasizing the uncertainties that would accompany Communist entry into the government. They seem to have set aside their differences in an all-out effort to remain Italy's largest party.

Despite the Communists' rhetorical insistence that no effective government can be formed without them, there are some signs that the party will not press the issue immediately unless it achieves massive gains.

25X1

[redacted]
for tactical reasons the Communists would prefer to stay out of the government at least until after the US and West German elections.

Berlinguer reportedly is open to a deal by which the Communists would merely support a new government on specific programs--an idea pushed by the Socialists and favored by some Christian Democrats.

Meanwhile, the assassination in Genoa this week of the city's public prosecutor, presumably by left-wing extremists, ensures that political violence will remain a hot issue. The director of Italy's principal public opinion organization has concluded from his research that this issue now favors the Communists, a finding consistent with other evidence that some in the middle class see the Communists as better guarantors of public order.

* * *

USSR: For the first time in the force reduction negotiations, the Soviets have provided some data on the strength of the Warsaw Pact forces.

Their information appears to be incomplete. Moreover, the figures were presented even though agreement had not been reached on which categories of forces should be

--continued

counted and on how ground and air force manpower in the Warsaw Pact and NATO should be defined.

The Soviet ambassador to the negotiations stated yesterday at a formal plenary session that the overall strength of the Warsaw Pact force in the NATO Guidelines Area, which includes East Germany, Poland, and Czechoslovakia, is 987,300 men. He also said that this total included 805,000 men in the ground forces--a figure that is 144,000 lower than the NATO estimate.

In deriving their lower figures, the Soviets apparently have counted the manning of Soviet units at less than the strength level that NATO claims they have. They also have excluded non-combat uniformed support personnel, which are included in the Western figures. In addition, they have defined ground and air force units by function rather than by service designation.

According to NATO estimates, the Pact's ground forces in the NATO Guidelines Area have about 160,000 more troops than does NATO. Although the Soviets have not yet presented their estimate of NATO strength, it is likely that their data will show a smaller disparity between Warsaw Pact and NATO ground forces than do Western figures.

BALANCE OF FORCES IN THE MBFR NEGOTIATIONS

	NATO Force Strength (NATO estimate)	WARSAW PACT Force Strength	
		(Soviet statement)	(NATO estimate)
Ground Forces	791,000	805,000	949,000
Air Forces	193,500	182,300*	198,000
Total Forces	984,500	987,300	1,147,000

**This figure was not provided by the Soviets. It was derived by subtracting their ground force figure from their overall force strength.*

25X1

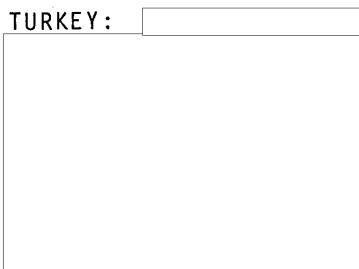
25X1

*

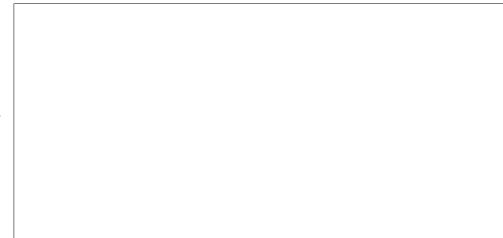
25X1

25X1

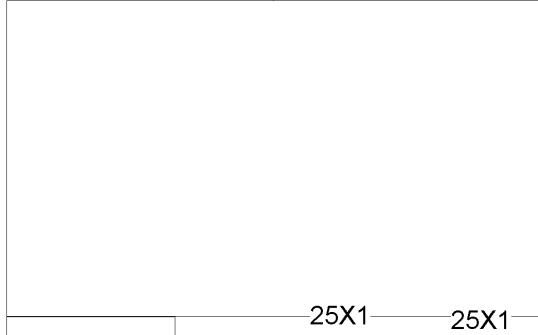
TURKEY:



25X1

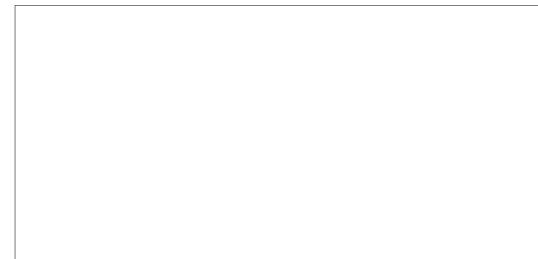


25X1



25X1

25X1

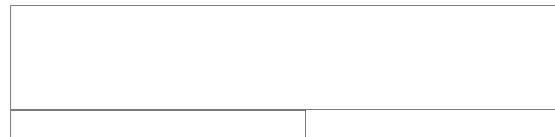


25X1



--continued

25X1



25X1

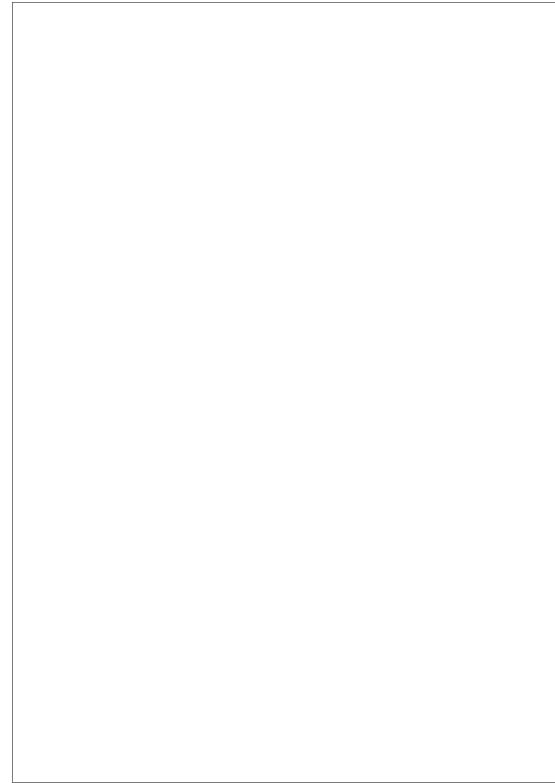
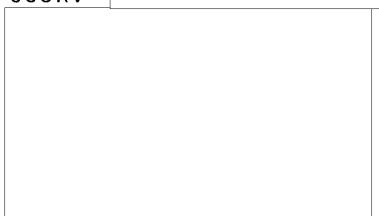
* * *

25X1

25X1

25X1

USSR: [redacted]



* * *

--continued

NOTES

Romanian party secretary for foreign affairs Stefan Andrei, who will arrive in the US on Sunday for a visit of about ten days, has told US diplomats that President Ceausescu wants him to seek your views on "one or two issues of major interest."



Andrei almost certainly will want to talk about Soviet-Romanian relations, including what the Romanians consider to be a Soviet ideological-historical attack that questions--and thereby threatens--the legitimacy of the Romanian nation and its rights to its present territory. Since some Romanians fear that Moscow will try to sabotage the Helsinki follow-on conference scheduled for Belgrade next year, Andrei may outline Romania's plans to press for guarantees safeguarding its independence and sovereignty.

Andrei, age 45, is the youngest member of the party's Political Executive Committee and is second only to Ceausescu in the formulation of Romania's delicately balanced foreign policy.

--continued

25X1

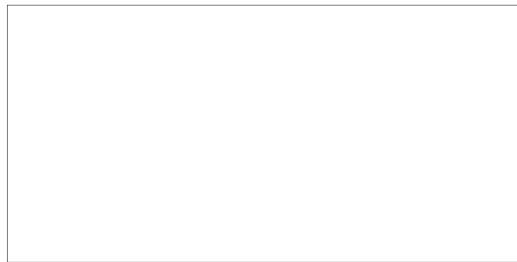
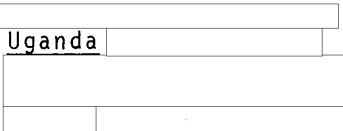
25X1

* * * 25X1

25X1

25X1

Uganda



* * *

A contingent of Cuban troops arrived in Havana from Angola on Wednesday, according to a Yugoslav press report. Although Havana has not officially confirmed the report, it probably is accurate.

The troops could have come from the convoy that arrived on the same day in Mariel, just west of Havana. The number of troops was not given.

One ship in the convoy has made several trips to Angola as a troop carrier and can accommodate about 700 men. The convoy probably consisted of only one or two other ships, each of which could carry from 400 to 700 men.

--continued

A
N
N
E

X

CUBA-ANGOLA

The talk that has been emanating from Havana since late April about plans for a withdrawal of Cuban troops from Angola has several aims. It is intended to:

- Meet Soviet concerns.
- Check international criticism of Cuba's military intervention.
- Deflate Angola as an excuse for direct US retaliation against Cuba.
- Undercut the justification for any criticism of Cuba at the meeting of the General Assembly of the Organization of American States.
- Smooth the way for a resolution approving Cuba's role in Angola at the non-aligned summit in Sri Lanka in August.
- Reverse the unfavorable trend in Cuba's bilateral relations with countries in Western Europe, Japan, and Latin America.

Havana has deliberately left vague the nature of the planned withdrawal in order to retain as many options as possible while gaining maximum propaganda advantage.

25X1

The Cubans can be expected to keep details of the withdrawals as obscure as possible. President Doricos, for example, has told foreign journalists that Havana will not permit the withdrawal to be monitored. He said he expects Cuban statements on the subject to be taken at face value.

At the same time, Havana appears concerned that its position might be misrepresented and that world public opinion might then be led to expect more than the Cubans intend to deliver. This probably explains why Fidel Castro chose to address the issue publicly on Sunday, once the contents of his message to Swedish Prime Minister Palme were released to the media.

--continued

A1

FOR THE PRESIDENT ONLY

Castro said that a withdrawal had begun in accordance with a plan worked out with the Angolan government, but he gave no specifics and strongly underscored the long-term nature of the program. There was no corresponding announcement from Luanda, suggesting that the Cuban force reduction was not universally popular in official circles there.

The Size of the Cuban Presence

US estimates of the Cuban presence in Angola have stood at 13,000 to 15,000--mostly military--for several months. They were computed without benefit of continuous, comprehensive information during the buildup, particularly with regard to the number of troops arriving by ship.

Havana may have decided that substantial and continuous withdrawals at present are out of the question, especially in light of the recent increase in guerrilla warfare in several areas of Angola. By inflating the figure for the Cuban presence far beyond the US estimates, the Cubans could claim to be pulling men out for months without changing the composition of their actual forces and thus reducing their capability to secure the countryside and maintain order.

The Cubans have in fact been spreading the word that the US estimates are too low. Early this month, Fidel Castro gave some visiting diplomats the impression that the true figure is about 20,000, stating that the US estimates were about 8,000 too low.

Troops Sent Home

Some troops have already left Angola. According to Castro, some 100 Interior Ministry troops thrown into battle in early November were present during his speech on Sunday. He indicated, however, that they had been replaced by others from the same ministry. This type of rotation has probably been typical since early this year. As Castro was speaking, a convoy of Cuban merchant ships, including at least one known troop carrier, was moving toward Cuba.

Even if the 20,000 figure is accurate, several thousand Cubans could probably be shipped home without seriously weakening President Neto's regime. The bulk of the fighting is over, and resistance has

--continued

A2

FOR THE PRESIDENT ONLY

been reduced to sporadic--but persistent--guerrilla warfare. The Cubans probably believe that Angolan units, with strong Cuban leadership and technical support, can eventually eliminate the guerrillas. In any event, Havana probably wants its troops withdrawn from combat as much as possible in order to reduce casualties--a source of some discontent at home.

While shipping some troops home, Havana will probably try to give the impression of even greater withdrawals by resorting to subterfuges, such as those suggested by various diplomats in Havana. Several hundred military personnel could be dispersed among other African countries without attracting undue attention, and there is evidence that this is already being done.

[redacted] Cuban military advisers from Angola arrived in Equatorial Guinea in April to help train local forces. Moreover, some of the Cuban military advisers sent to Mozambique this year to assist the Mozambican armed forces and to help train Mozambique-based Rhodesian guerrillas almost certainly came from Angola.

25X1

[redacted] almost all of the 30 Cuban military advisers in Sierra Leone had come from Angola. In addition,

25X1

[redacted] Cuban forces from Angola had recently replaced most of the local military units on Guinea-Bissau's border with Senegal, but there is no information to confirm or support this report.

25X1

The transfer of Cubans in Angola from military to civilian status also could distort the nature of the withdrawal. A large portion of the Cuban military personnel in Angola are reservists. Many of them could be demobilized in place, continuing their military duties as civilians. They also could be re-mobilized on very short notice should the situation in Angola require it.

The Czechoslovak ambassador in Havana stated in late May that perhaps as many as 3,000 Cubans now engaged in support tasks in Angola were demobilized military personnel.

These devices give the Cubans the opportunity to claim plausibly that they are adhering to their pledge to reduce their military presence and at the

--continued

A3

FOR THE PRESIDENT ONLY

same time keep the Angolan veterans handy in the event they are needed again in Angola or elsewhere in Africa. The men chosen for such reassessments, however, probably would be military advisers and technicians.

The Soviet Angle

The withdrawal gambit largely appears to have been a product of Soviet urging. Moscow has become increasingly concerned about the negative impact of Cuban-Soviet activity in Angola and elsewhere in southern Africa on the USSR's relations with the US.

This reportedly was a subject of discussions when Castro, his top foreign affairs official, Carlos Rafael Rodriguez, and his chief adviser for African policy were in Moscow in late February and early March for the Soviets' 25th party congress. Rodriguez has made three additional trips to Moscow since then, presumably in part to iron out differences on Angola.

Cuban Armed Forces Minister Raul Castro evidently went to Angola on April 20 to conduct a personal review of the situation with his field commanders and then went on to Moscow to attend the funeral of Marshal Grechko. After meeting with Brezhnev on May 5, Raul dropped out of sight. He may have been in Moscow later in May when high-ranking delegations from Mozambique and Angola were there.

Raul reportedly reappeared in Angola in early June and then went to Congo and Guinea before returning home.

25X1

Staying On

A very large force of Cuban military advisers and technicians will be needed indefinitely to develop the basis for a professional military establishment and to acquaint the Angolans with the equipment they have inherited. At some point, the Cubans may ask other African countries to offset with their own troops whatever reduction the Cubans are making in their residual force.

--continued

A4

FOR THE PRESIDENT ONLY

Even should assistance be forthcoming from other African countries, the Cubans have no illusions about the ability of the Popular Movement to survive a rapid withdrawal of Cuban military personnel from Angola. Havana has no intention of wasting through a precipitate withdrawal the sacrifice it has already made in Angola and will maintain a substantial military presence there for at least the next year.

Top Secret

✓



The President's Daily Brief

June 12, 1976

2

~~Top Secret~~ 25X1

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

June 12, 1976

Table of Contents

Lebanon: Syrian forces continued their efforts to improve their positions outside Beirut and Sidon. (Page 1)

Syrian President Asad may not be as beleaguered now as he appeared to be when his crackdown on the Palestinians first met heavy resistance. (Page 1)

Syria-Iraq-Iran: Damascus has withdrawn forces from the Golan Heights to deal with the Lebanese crisis and Iraqi pressure on Syria's eastern border. (Page 3)

The Shah of Iran has stressed to Saudi King Khalid that "anything which might hurt President Asad must be blocked." (Page 3)

USSR-Angola: The Soviet Union tried to use the visit of Angolan Prime Minister Nascimento to Moscow late last month to establish close military ties with Angola. (Page 3)

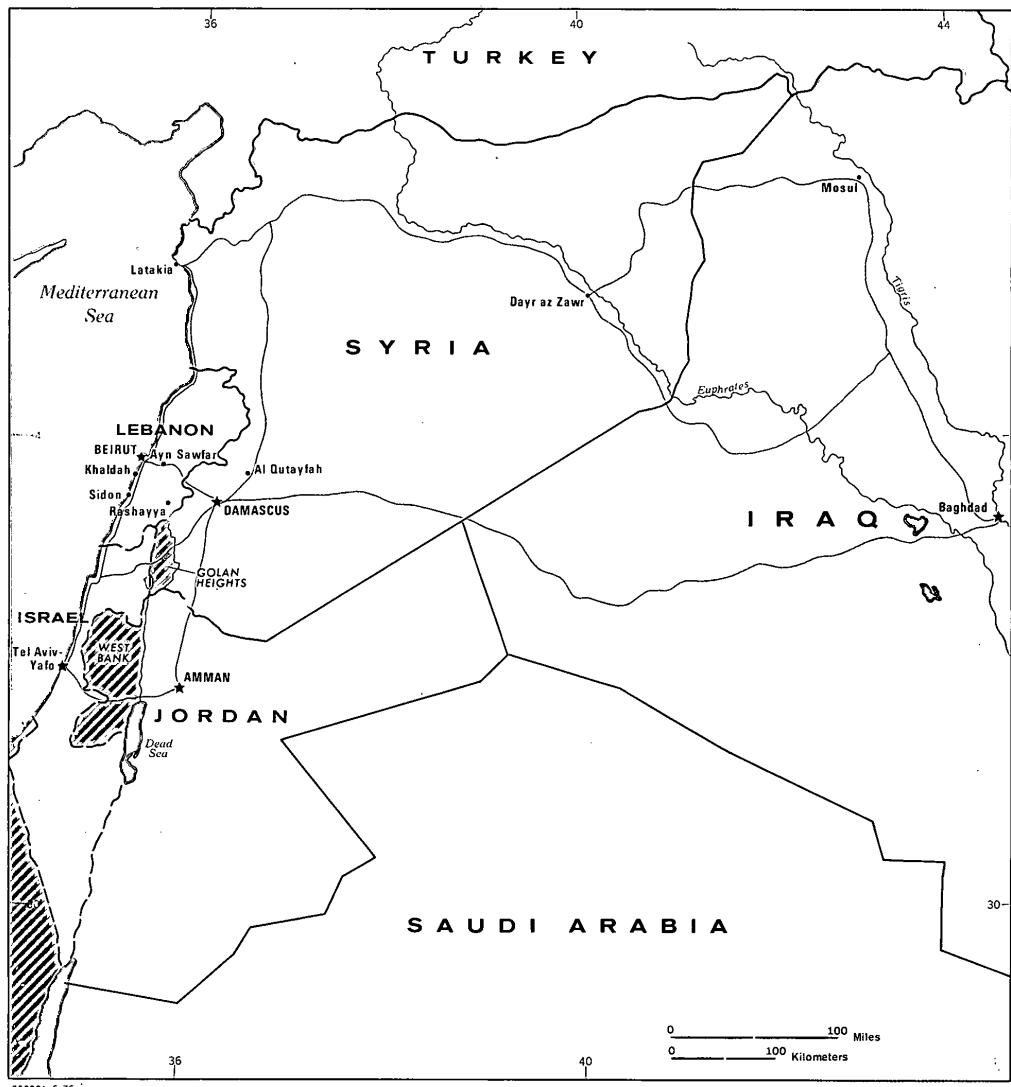
USSR: Moscow is again expressing interest in a Soviet-US understanding on arms control in the Indian Ocean. (Page 5) 25X1

Canada: [redacted] 25²⁵X1
(Page 6)

Rhodesia: [redacted] (Page 7) 25X1

Notes: Romania; Venezuela; USSR; Uganda (Pages 9 and 10)

FOR THE PRESIDENT ONLY



LEBANON: Syrian forces yesterday continued their efforts to reinforce and improve their positions outside Beirut and Sidon. No progress has been made toward implementing the Arab League's proposal for a joint Arab peace-keeping force for Lebanon, and considerable confusion surrounds the status of the force.

League Secretary General Riyad took delegations with him from Sudan, Lebanon, and Saudi Arabia to Damascus yesterday to discuss details of the force. He announced that the size and disposition of the Arab contingents are still to be negotiated with Syria and the Lebanese parties.

There is no indication that Libyan and Algerian forces entered eastern Lebanon from Syria on Thursday as reported in the press. We have detected no signs that Algerian forces have yet left home. [redacted] 25X1

[redacted] 25X1

[redacted] 25X1

Jallud is continuing his efforts to arrange a truce in Lebanon and late yesterday had reportedly gained Syrian approval of a proposal for at least the partial withdrawal of Syrian troops from their current positions. It is not clear, however, whether the Syrians intend to honor their agreement or are using Jallud's mission to gain a tactical advantage.

Syrian President Asad has done some rapid fence mending on both his right and left and may not be as beleaguered now as he appeared to be when his crackdown on the Palestinians first met heavy resistance.

Asad is making progress on both military and diplomatic fronts despite his admitted miscalculation of reaction to Syria's military moves and the need to commit more forces to Lebanon than he had expected.

Palestinian and leftist forces in Sidon and Beirut are under attack, and their principal forces in the mountains east of Beirut have been driven back to defensive positions.

--continued

Syria continues to make gains in northern Lebanon. Damascus is attempting to create a new "Arab Lebanese Army" that may add to Syria's leverage during eventual negotiations over a reconstituted Lebanese security force.

Asad has managed so far to finesse both the Arab League mediation effort and the more narrow Libyan ploy to draw Syria into a radical coalition with Algeria, Libya, and Iraq. Asad's quick agreement to accept Algerian and Libyan mediators was an acknowledgment that he could not act with complete independence, but it also served to split Algeria and Libya from Iraq.

Algerian and Libyan involvement has not prevented Asad from pursuing his goal of consolidating Syria's military position. The difficulties Libyan mediator Jallud has been having with the Palestinians probably have already reduced his ability to press Asad to be more flexible.

Asad is genuinely concerned by Iraq's latest military moves, but may benefit indirectly from Baghdad's actions.

Iraq's obvious eagerness to take advantage of any unrest in Syria is likely to prompt the conservative Arab states--notably Saudi Arabia--to reduce pressure on Asad. These states are now more alarmed at the possibility that the Syrian President may be in jeopardy than by his actions in Lebanon.

Asad at various times has played on the theme of his vulnerability in order to secure political and financial support from the conservative Arabs who regard him as a moderate leader. He is likely to do so again in order to get the Saudis to resume their financial

--continued

aid and to reduce Egyptian criticism. The outcome of the Syrian-Egyptian reconciliation meeting may well turn out to be more than cosmetic.

SYRIA-IRAQ-IRAN: The Lebanese crisis and Iraqi pressure along Syria's eastern border have forced Damascus to withdraw forces from the Golan Heights.

President Asad told Jordanian officials early this week that he intended to reinforce the Iraqi border area. The US defense attache in Syria saw an SA-6 missile brigade and an armored brigade moving north between Damascus and Al-Qutayfah yesterday and presumes they are destined for the border. Syria dispatched fighter aircraft to the eastern part of the country on Thursday.

Baghdad has reinforced its task force in western Iraq. There are now at least two armored divisions as well as some armor, infantry, and support units from other divisions there.

The Shah of Iran told the US ambassador on Thursday that he had discussed the Iraqi-Syrian problem with Saudi King Khalid during the latter's recent visit to Tehran.

The Shah had stressed to the King that "anything which might hurt President Asad must be blocked." He told Ambassador Helms he would shortly send a message to Riyadh urging that Saudi Arabia do all it can to support both Syria and Jordan at the expense of Iraq.

The Shah indicated that he would strongly advise Egyptian President Sadat to support Asad. Sadat is scheduled to visit Tehran on Tuesday.

* * *

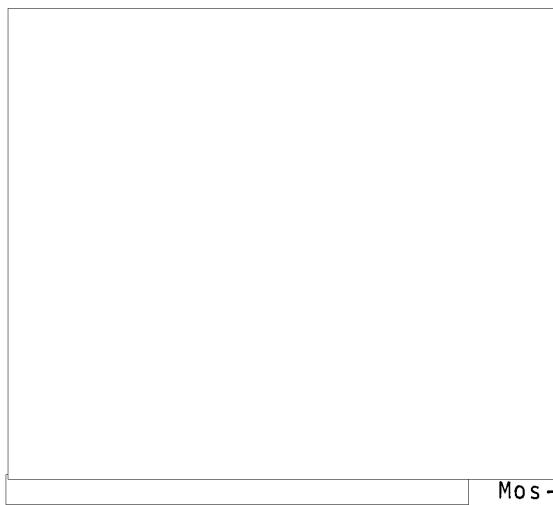
25X1

USSR-ANGOLA: The USSR tried to use the visit of Angolan Prime Minister Nascimento to Moscow late last month to establish close military ties with Angola.



--continued

25X1



25X1

Moscow may hope that it could eventually obtain use of Angolan ports and airfields as staging areas for long-range naval and air operations.

The Neto regime probably would be willing to agree to normal port-call and bunkering rights. It might, however, be reluctant to provide "access" which would entail the establishment of permanent facilities in Angola.

The joint communique issued at the close of Nascimento's week-long visit emphasized that a wide-ranging, comprehensive series of agreements in the economic, commercial, cultural, and diplomatic fields had been concluded and that a declaration on the "fundamentals of friendly relations and cooperation" had been signed. As for military assistance, the communique noted only that agreement had been reached on certain unspecified measures aimed at strengthening Angola's "defense capabilities."

* * *

--continued

USSR: Moscow is again expressing interest in a Soviet-US understanding on arms control in the Indian Ocean.

In the most forthright statement on arms control in the Indian Ocean ever to appear in the Soviet media, Yury Zhukov in *Pravda* recently stressed the potential importance of talks between the USSR and the US on "ways to liquidate military bases and limit naval forces in the Indian Ocean." Subsequently a staff member of the USA Institute told a US embassy officer in Moscow that the Soviets were especially interested in discussing mutual restraint in constructing shore installations.

Moscow may feel that its prospects for matching US shore facilities are very poor. The USA Institute staffer suggested as much when he commented that Moscow's access to the facilities it now has in Somalia is not as secure as US rights to Diego Garcia, and the facilities themselves nowhere near as extensive as those planned by the US.

Renewed Soviet expressions of interest in arms control in the Indian Ocean is in keeping with the effort the Soviets have been making since the 25th party congress to portray themselves as the great power most interested in disarmament.

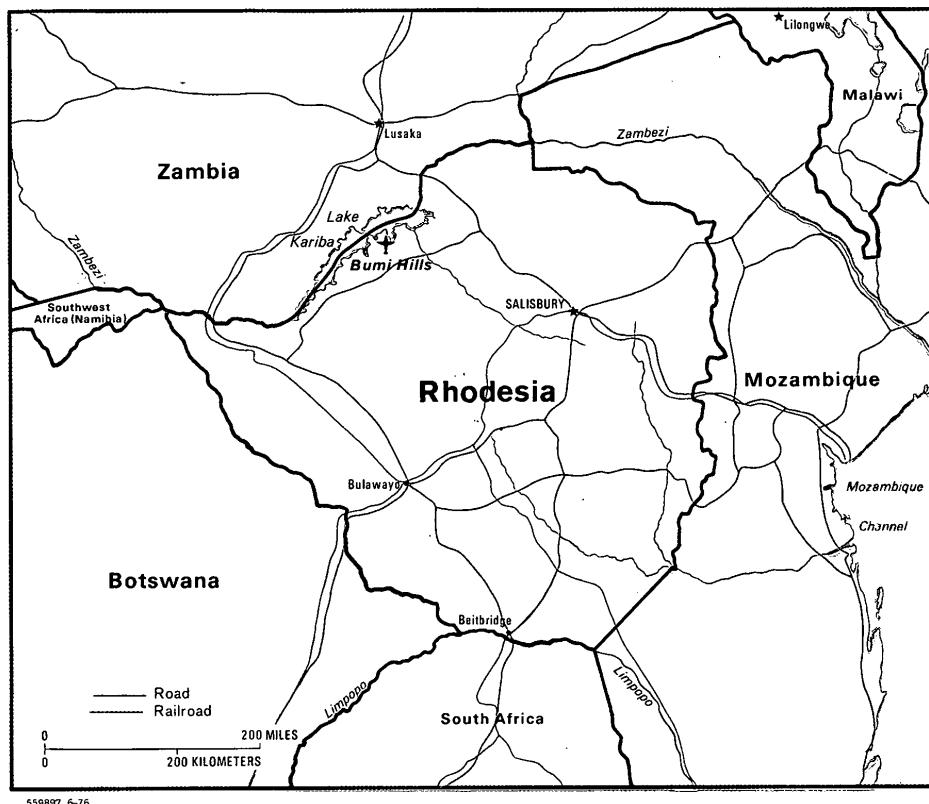
* * *

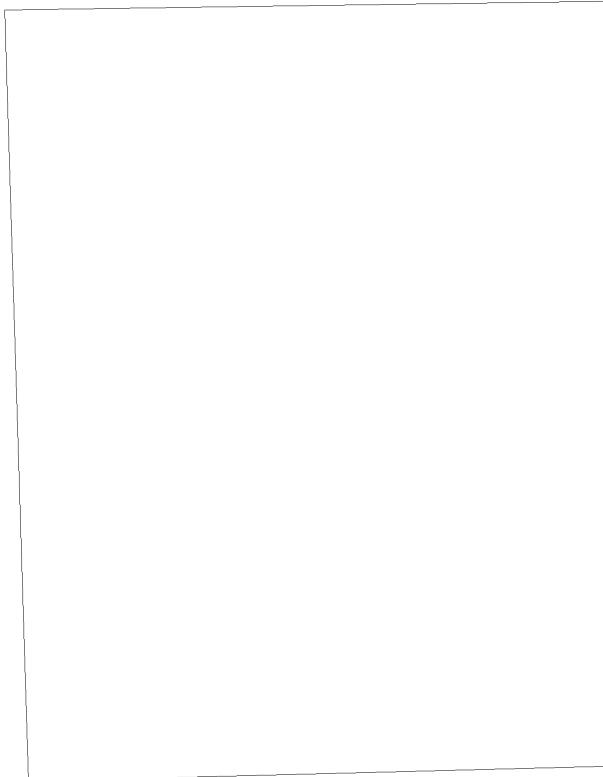
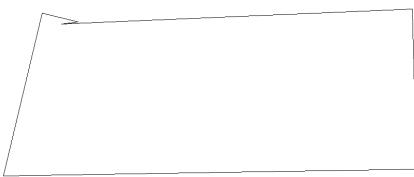
--continued

25X1

CANADA:

25X1





25X1

25X1

*

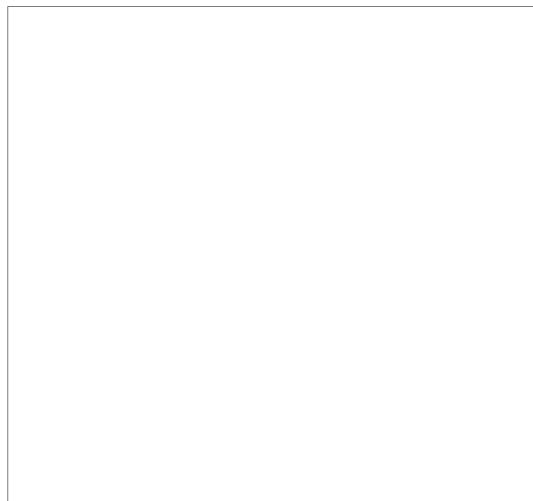
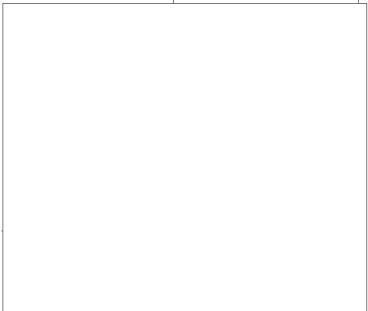
*

*

25X1

25X1

RHODESIA: [redacted]



25X1

--continued

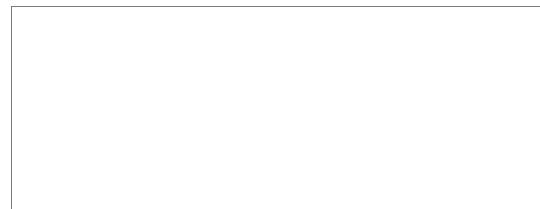
25X1



25X1



25X1



25X1

* * *

--continued

NOTES

Romanian party secretary
Stefan Andrei has postponed his arrival in
the US until June 15

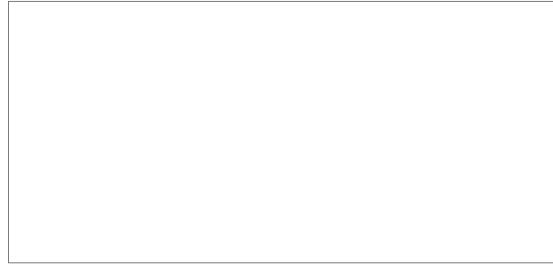


25X1

25X1

25X1

25X1



25X1



25X1

*

*

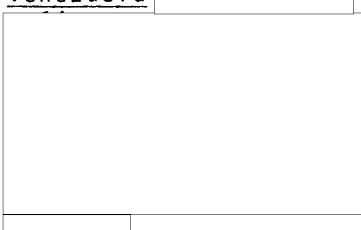
*

25X1

25X1

25X1

Venezuela



25X1

25X1

*

*

*

-- continued

* * *

The Soviets appear to be developing a large naval ballistic missile for installation aboard a new submarine considerably larger than any other Soviet submarine built so far. The new missile and the first of the new Soviet submarines could be operational by about 1980.

Photography taken in May suggests that the Soviets are building a test platform for the new missile at the Nikolayev shipyard. The size of the openings in the new test platform suggests that the missile will have a much larger diameter than any other Soviet submarine-launched ballistic missile.

A missile that large would not fit into any of the existing Soviet submarines, but a submarine large enough to carry it may be under construction. Last year, what may have been hull sections for a very large submarine were photographed at the Severodvinsk shipyard in the north-western USSR.

The Soviets have said that they would build an advanced missile submarine--called the Typhoon--if the US proceeds with plans to build the Trident.

* * *

Ugandan President Amin reportedly suffered only minor wounds in the assassination attempt Thursday night. According to a press report, Amin was seen in Kampala yesterday, apparently none the worse for the attempt on his life.

Amin will take revenge against whomever he believes responsible for the incident. These persons could include members of his bodyguard and of tribes that have opposed him.

Amin may also make threatening moves against neighboring Tanzania and Kenya. Both governments have given aid and sanctuary to dissident Ugandan exiles.

Ugandan radio is saying the grenades used in the assassination attempt were "American and Israeli types."

Top Secret

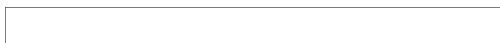
✓



The President's Daily Brief

June 14, 1976

2



— Top Secret — 25X1

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

June 14, 1976

Table of Contents

Lebanon-Syria: Syria shows no sign of easing its military pressure on the Palestinian and Lebanese leftists, despite its agreement in principle to a withdrawal plan worked out by Libyan Prime Minister Jallud. (Page 1)

Arab League Secretary Riyad continues to play out the pan-Arab mediation charade. (Page 1) 25X1

[redacted] (Page 2) 25X1

Syria-Iraq: The Syrian Baath Party newspaper published Damascus' version of the proposed political agreement Syria has been negotiating with Libya, Algeria, and Iraq. (Page 2)

Damascus will attempt to continue its talks with the Libyans in the hope that it can win some financial assistance. (Page 3)

Major elements of at least five Iraqi divisions have now moved into the border region. (Page 3)

Rhodesia: Government forces have again attacked guerrillas across the border in Mozambique. (Page 4)

Notes: France-FTAI; India-USSR; Egypt-Syria (Pages 5 and 6)

At Annex we present the key points of an interagency intelligence memorandum on communist military assistance to the Rhodesian insurgent groups and their supporters in Tanzania and Mozambique.

FOR THE PRESIDENT ONLY



559887 6-76

~~TOP SECRET~~ FOR THE PRESIDENT ONLY

LEBANON-SYRIA: Syria shows no sign of easing its military pressure on the Palestinian and Lebanese leftists, despite its agreement in principle on Saturday to a withdrawal plan worked out by Libyan Prime Minister Jallud. The Syrians apparently are playing along with the Jallud effort to gain time to resupply their forces in the Beirut area.

The Jallud plan calls for total Syrian withdrawal within 10 days and, as a first step, Syria's agreement to lift its siege of Beirut. Some Syrian and Saqiya forces were pulled out of the city on Saturday, but these were regrouped around the Beirut airport. The city remains under effective Syrian siege.

No major Syrian withdrawals occurred elsewhere, and Syrian forces stepped up their attacks in the mountains east of Beirut and in the vicinity of Rashayya, where they overran two fedayeen camps used for staging raids on Israel. Syrian troops were also fighting in the town of Rashayya yesterday.

[redacted] the Syrians are continuing to consolidate their control in the Bekaa Valley by arresting both Palestinian and Lebanese Arab Army elements and transporting them to Damascus.

The Syrian navy apparently has resumed searching ships off the Lebanese coast.

25X1

Arab League Secretary Riyad continues to play out the pan-Arab mediation charade. Riyad has admitted, however, that no action has been taken to determine even the size of an Arab peace-keeping force. Riyad also stipulated that no Arab force would be allowed to enter Lebanon without the approval of the Lebanese president and until there was an effective cease-fire.

Both conditions are tantamount to admitting that the Arab League can do nothing but allow Syria a free hand in Lebanon. Lebanese President Franjiyah has repeatedly denounced the Arab League effort, and president-elect Sarkis has no authority to call in the force.

--continued

FOR THE PRESIDENT ONLY

25X1

25X1

[redacted]
no
Libyan, Algerian, or
Sudanese peace-keeping
contingents have en-
tered Lebanon.

SYRIA-IRAQ: The Syrian Baath Party newspaper yesterday published Damascus' version of the proposed political agreement Syria has been negotiating for a month with Libya, Algeria, and Iraq. The disclosure was intended to counter Iraq's charge on Friday that Damascus has reneged on a commitment to allow Iraqi forces to enter Syria.

[redacted] 25X1
Syria's account of the agreement makes clear that Damascus told Libyan leaders that Syria would under certain conditions accept Iraqi forces on Syrian territory and declare Syria's "noncommitment" to two UN Security Council resolutions that are the basis for the Geneva Middle East peace talks. The Syrian statement also makes clear, however, what the Libyan intermediaries probably did not tell Bagh-dad: that Damascus was demanding prior political coordination, financial support, and a unified military command to include all four states.

According to the Syrian account, even these preliminary steps would be implemented only after they had been considered and approved by a joint political-military-economic committee that would meet in Tripoli, endorsed at a four-party summit conference of the states involved, and presented to a summit conference of all Arab heads of state.

Damascus obviously hoped to elicit immediate and badly needed political and economic support from the radical Arabs, but at the same time avoid making any real concessions. Syria's conditions would have taken years to implement even if Damascus intended to follow

--continued

Damascus will attempt to continue its talks with the Libyans in the hope that it can still win some financial assistance and protect against the possibility that Tripoli or Algiers might adopt a pro-Palestinian stand in the Lebanese negotiations.

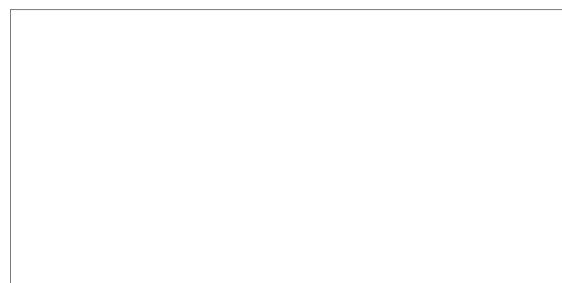
through. Given its current political and security interests, Syria is not prepared either to allow Iraqi forces to enter Syria or to reject the two UN resolutions.

Unlike the Libyans, the Iraqis appear to be convinced that Syria will make no concessions, and Baghdad is intensifying its propaganda attacks on Damascus. Iraq is condemning Syria for backing out of its agreement with the radical Arab states and for abandoning the struggle against Israel to attack the Palestinians.

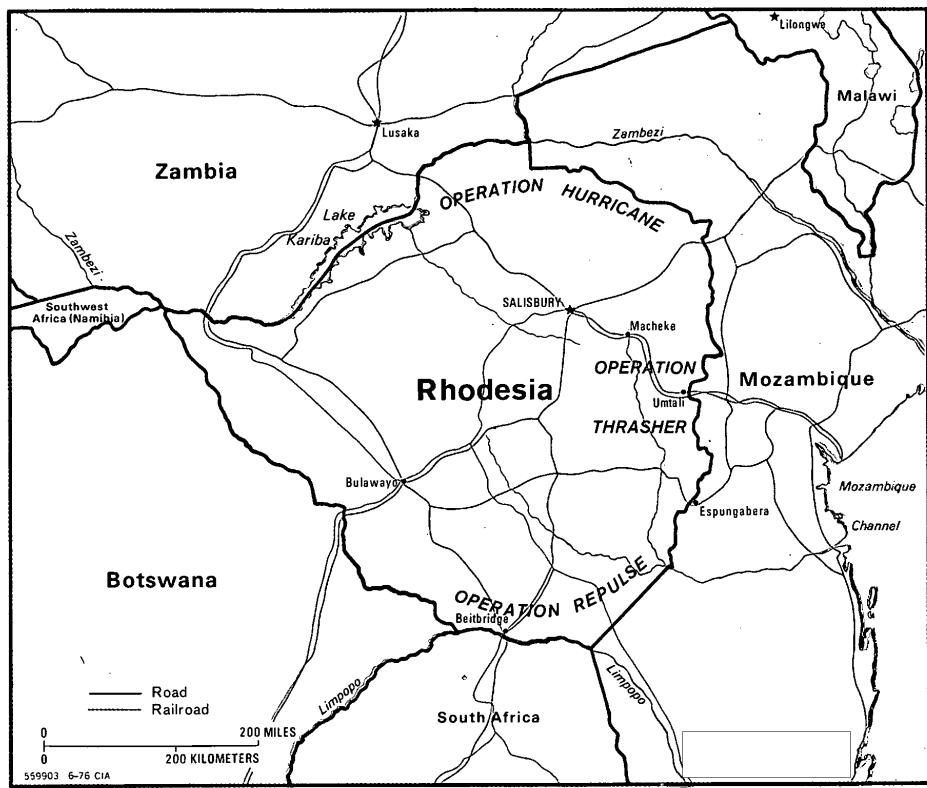
Iraqi officials insist, however, that if Syria does not give approval for Iraq's forces to enter Syria, Baghdad will consider the current buildup a training maneuver and will later return the units to their permanent locations. The Iraqis' equivocal statements tend to confirm that Baghdad has massed its forces in the border area primarily to force Syria into withdrawing its troops from Lebanon.

[redacted]
[redacted] indicate that major elements of at least five Iraqi divisions, in addition to a surface-to-air missile brigade, have now moved into the border region. We do not yet know the actual size of the Iraqi force, but it probably totals at least 20,000 to 30,000 men.

In response to the Iraqi moves, ^{25X1} Syrians apparently have sent at least two brigades--one of them ^{25X1} armored--an SA-6 missile unit, and some aircraft to the border area. The aircraft have already begun to fly reconnaissance missions along ^{25X1} the border.



--continued



25X1

The US defense attache in Amman reports that Jordanian aircraft are flying daily reconnaissance missions over southwestern Iraq.

25X1

* * *

RHODESIA: *Government forces have again attacked guerrillas across the border in Mozambique.*

A government statement issued over the weekend provided no details, but the Salisbury press reports that the air force attacked the Mozambican border town of Espungabera on Thursday. The government acted after mortar and rocket fire hit a tea plantation near the border in southeastern Rhodesia.

Both the air force and Rhodesian irregular force units have occasionally crossed into Mozambique to attack guerrillas and Mozambican forces stationed with them in the border area.

Most of the new government troops mobilized in recent weeks have been sent to the southernmost of three operational areas. Officials hope to "clean up" the southern zone first and then move additional forces into the central sector.

Small insurgent groups are active in widely scattered areas of eastern Rhodesia. One group reportedly clashed with security forces over the weekend at Macheke, 100 kilometers (60 miles) from Salisbury.

--continued

NOTES

France has reached agreement on government reorganization with the three principal political groups in the French Territory of the Afars and the Issas. Paris hopes this will lead to formation of a broadly-based government better able to resist Somali efforts to annex the territory.

The agreement, reached after two weeks of talks in Paris, is designed to give a predominant political role to the Issas and greater representation to other ethnic Somali groups. The French are gambling that under such an arrangement, the Issas would be less likely to seek aid from Somalia than if their present limited role were to continue. As presently administered, the Afars-- who constitute only a minority of the population--dominate territorial politics.

The newly agreed arrangement will probably ease political unrest temporarily but is unlikely to ensure a peaceful transition to independence. Somali President Siad will doubtless continue subversive efforts to incorporate FTAI into a "greater Somalia." Ethiopia, for its part, will see the Paris agreement as paving the way for Somali domination of the territory and will probably support the Afars against the Issas.

* * *

Indian Prime Minister Indira Gandhi's six-day trip to the USSR, which ended yesterday, essentially demonstrated the importance both countries attach to continuing close ties.

The joint declaration issued after Gandhi's departure mentioned no new major agreements. Neither was there any indication as to whether Gandhi obtained satisfaction on India's complaints arising from economic and military assistance arrangements with the Soviet Union.

--continued

* * *

The reconciliation meeting between the prime ministers of Egypt and Syria has been postponed until June 23 in Riyadh, reportedly at Cairo's request.

The Egyptians reportedly wanted the delay to allow a clear determination of whether Damascus will implement the recent Arab League resolutions on Lebanon. We see no evidence that President Asad will, as Cairo apparently believes, drop his demand to discuss the Sinai accord at the meeting. Since Asad is unlikely to accept rapprochement on Egyptian terms, the reconciliation meeting may well be delayed again.

--continued



559905 6-76

A
N
N
E
X

COMMUNIST MILITARY AID TO TANZANIA, MOZAMBIQUE,
AND THE RHODESIAN INSURGENTS

We present below the key points of an interagency intelligence memorandum designed to establish a base for assessing the extent of communist military assistance to the Rhodesian insurgent groups and their supporters in Tanzania and Mozambique.

[redacted]
the totals used in this memorandum should be viewed as orders of magnitude.
We believe that they are conservative in nature.

Communist military assistance to the Rhodesian insurgents has been channeled through Tanzania and Mozambique, where Peking and Moscow have provided substantial military aid over the past decade.

--There are an estimated 11,500 insurgents--3,500 of whom are trained. At present, the military equipment requirements of the insurgents are modest and could easily go undetected among about 8,200 tons of military equipment estimated to have been sent to Tanzania and Mozambique since January 1975.

--The insurgents do not have heavy equipment such as tanks, armored personnel carriers, or aircraft, although they do have recoilless rifles, rocket and grenade launchers, mortars, small caliber artillery, trucks, sapper and communications equipment, and possibly some SA-7 missiles.

Since January 1975, we have identified about 2,200 tons of Chinese military equipment arriving in Tanzania, including small arms and ammunition, rockets, automatic rifles, and armored cars. During this same period we have identified only one Chinese ship, carrying [redacted] military equipment, going directly to Mozambique. In addition, Chinese military equipment has sometimes been unloaded at Dar es Salaam and then sent to Mozambique.

25X1

From January 1975 through April 1976, Soviet military shipments to Tanzania totaled as much as 6,000 tons and included small amounts of ammunition, hand grenades, shotguns, trucks, rockets, armored vehicles, and spare parts for helicopters. In 1975, we identified \$12 million worth of Soviet military equipment sent to Mozambique, including air defense artillery, small arms and ammunition, and support equipment. In addition, several Soviet ships suspected of carrying military equipment called in Mozambique, but we have no evidence on the cargoes.

--continued

A1

FOR THE PRESIDENT ONLY

In recent years we have detected no movement of military equipment from Cuba to Tanzania or Mozambique.

--Military equipment and/or troops could be sent quickly to Mozambique by using Cuban ships which are in Angolan waters. Such movement would be hard to detect, and it is possible that we would not be able to provide complete and timely information on the movement.

We have no evidence that the Communist countries are moving military materiel to Tanzania or Mozambique by air.

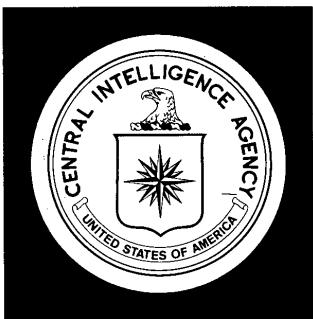
--The chances are good that any long-range airlift operations would be detected, but short-range regional shuttle operations would be very difficult to monitor.

A2

FOR THE PRESIDENT ONLY

Top Secret

✓



The President's Daily Brief

June 15, 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

June 15, 1976

Table of Contents

Lebanon: Palestinian and Lebanese leftists yesterday made more appeals for outside help in countering Syrian military pressure. (Page 1)

Lebanese politicians are doing little to help achieve a negotiated solution to the conflict. (Page 2)

The Syrians are keeping up their sieges of Beirut and other key cities. (Page 2)

Iraq-Syria: There are indications that Iraqi leaders believe that the massing of their forces on the Syrian border has achieved their objective. (Page 3)

No further Iraqi troop movements have been detected since Saturday. (Page 3)

Syria is still shifting troops from the Golan Heights to positions near the Iraqi border. (Page 4)

USSR: The Soviets may be delaying a reduction in the size of their Mediterranean fleet. (Page 5)

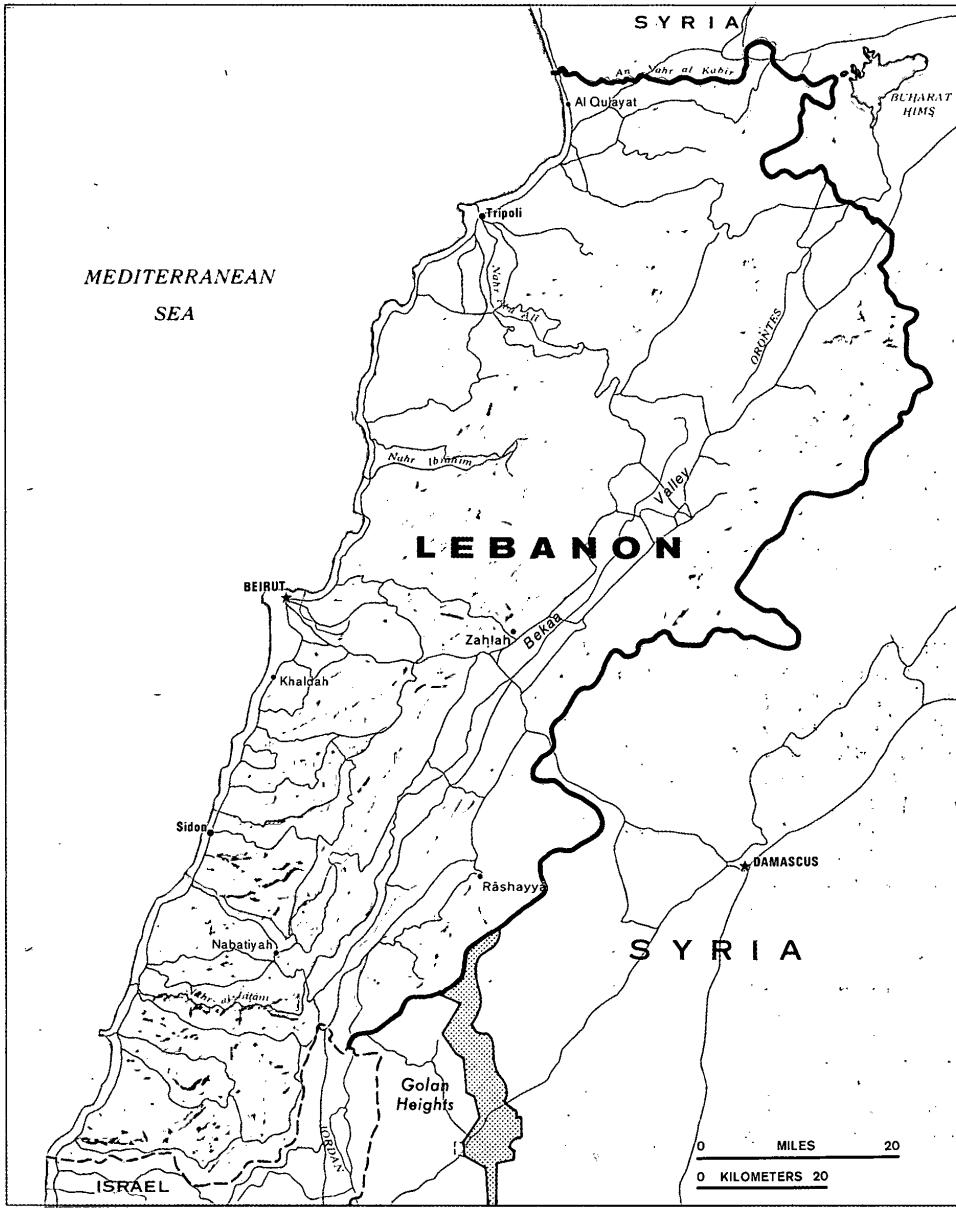
25X1

China: Chairman Mao's health evidently has declined to the point where he may no longer receive foreigners. (Page 6)

Ethiopia: Addis Ababa has called off the armed peasant offensive against Eritrean rebels. (Page 6)

Notes: China-Philippines; EC (foreign ministers); EC-Portugal (Pages 8 and 9)

FOR THE PRESIDENT ONLY



559908 6-76

LEBANON: Palestinian and Lebanese leftist leaders yesterday appealed to Egypt, Iraq, and Tunisia to send military forces to Lebanon to counter continuing Syrian initiatives. These forces apparently would supplement the security force approved last week by the Arab League foreign ministers.

Palestine Liberation Organization chairman Yasir Arafat met yesterday with President Sadat in Cairo, presumably to make a personal plea for help. Arafat reportedly is very discouraged, and probably fears that resupplied Syrian forces will launch a major new offensive.

Arafat's appeal will put Cairo on the spot. The Egyptians had already announced that they had decided against a joint intervention with Iraq, and it is unlikely that they would commit troops under any circumstances in which they might be drawn into combat with Syria. At the same time, Cairo will find it embarrassing and politically costly to reject Arafat's request outright.

The feud with Syria seems to be blurring Cairo's perspective on Lebanon and--faced with the dilemma posed by Arafat's appeal--the Egyptians might decide that an Egyptian-Iraqi landing at a port such as Tyre in Southern Lebanon is in order. Tyre is the only major Lebanese city not under Syrian siege. Iraq probably would join such a venture. Egypt, meanwhile, reportedly is assisting Iraq in shipping arms to leftist forces in Lebanon.

The Palestinians and leftists yesterday also appealed to political and material support from the USSR, China, and various third world states and international organizations.

They appear to have lost all hope that the Arab League will be able to forestall Syria's military occupation of Lebanon. Arab League Secretary General Riyad yesterday denied in Damascus that the joint Arab force's entry into Lebanon has been postponed indefinitely. He acknowledged, however, that it may be another 10 days before the force will be formed and committed.

--continued

According to press reports, Riyad will visit Beirut today. Libyan Prime Minister Jallud reportedly traveled from Damascus to Beirut yesterday with new Syrian proposals to present to the various factions. The Palestinians, however, are not likely to be encouraged either by Jallud's return or by any new proposals. Syrian spokesmen this week have reinforced the Palestinians' fears that Damascus will not ease the military pressure.

Lebanese politicians are doing almost nothing to negotiate an end to the crisis.

Extremist Christians are applauding what they consider Damascus' determination to crush the Palestinians. Their more conciliatory colleagues despair of doing anything while the military confrontation continues. The Christians have acknowledged privately, however, that their denunciation of the Arab League is designed primarily to buttress Syria's position.

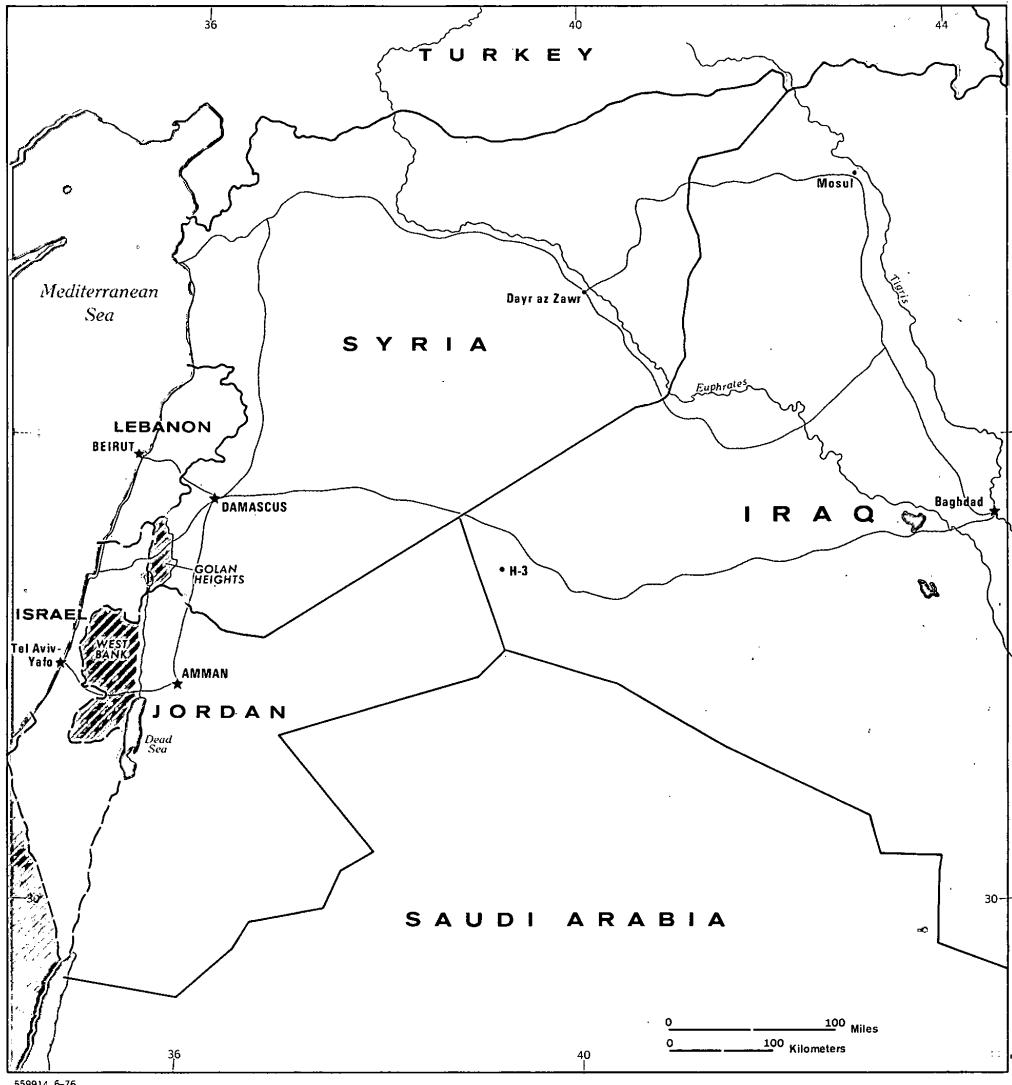
Syrian forces continue to press their Palestinian and leftist adversaries by maintaining the sieges of Beirut, Sidon, and Tripoli.

Syrian and Saiqa units at Khaldah control the southern approaches to Beirut, including the airport. The road between Beirut and Sidon is closed again.

The main Syrian military advance yesterday was in southern Lebanon, where Syrian forces occupied the town of Rashayya. Syrian units reportedly also were trying to secure control of Nabatiyah, site of a Palestinian refugee camp and fedayeen staging area.

Damascus apparently is continuing to withdraw Syrian-controlled Palestine Liberation Army forces from Lebanon because they have become increasingly ineffective and unreliable. Some PLA units in the Tripoli area evidently have resisted the withdrawal effort.

--continued



Christian forces are taking advantage of the Syrian drive to mount an effort to retake key towns that they lost in March. The Christians attacked Palestinian-leftist positions north of Zahlah, where the latter have made their deepest penetration of the traditional Christian area. Clashes also occurred in Tripoli, the Beirut area, and the mountains east of the capital.

IRAQ-SYRIA: Baghdad's shrill anti-Syria propaganda continued yesterday, but there are signs that Iraqi leaders believe the massing of their forces on the border has already achieved their purpose of embarrassing Damascus.

Iraqi leaders' stated willingness to view their military moves as "training" suggests that they may now be taking steps to prevent the situation from deteriorating into a military conflict. Iraqi chief Saddam Husayn probably is aware of the risks of a military foray into Syria. He undoubtedly realizes that such a move would prompt immediate Syrian air attacks against vulnerable Iraqi supply lines.

Saddam Husayn also may well be aware of Jordan's commitment to assist Syria. In addition, the Saudi Arabians are putting pressure on Baghdad to refrain from going into Syria.

Despite these considerations, the Iraqis apparently hope that their posturing along the border will ease Syrian pressure in Lebanon and will encourage Syrian President Asad's domestic opponents to move against him. It may thus be some time before the Iraqis pull back from the Syrian border.

We have not detected any Iraqi troop movements since Saturday.

We now count some 30,000 Iraqi troops near the Syrian border, with additional support units en route. At least two of Iraq's three armored divisions are close to the

--continued

border, along with major elements of the other armored division and units of Iraq's five infantry divisions.

One of the armored divisions and parts of an infantry division are near the Iraqi-Jordanian-Syrian border. Baghdad also has at least an armored division, an air defense brigade, and some support units along the Euphrates River.

Iraqi fighter aircraft now based in the west are conducting reconnaissance missions along the Syrian and Jordanian borders. All Iraqi air bases have been placed on increased alert.

Syria continues to move troops off the Golan Heights, apparently to strengthen its positions in eastern Syria near the Iraqi border.

On Sunday the US defense attache in Damascus saw an estimated brigade-size unit of tanks, artillery, and armored personnel carriers heading north through Damascus.

The equivalent of between one and two Syrian divisions has been sent to the Iraqi border within the past four days. We believe that the force consists of individual units from several divisions. Damascus apparently has chosen this course to try to preserve the effectiveness of its ground forces opposite Israel on the Heights.

Damascus also has deployed an SA-6 surface-to-air missile brigade to Dayr az Zawr near the border, as well as some fighter and reconnaissance aircraft to bases in eastern Syria.

Syrian officials still do not seem unduly alarmed at the possibility of a military confrontation with Iraq. President Asad so far is planning to depart on schedule on Thursday on his visit to France and Eastern Europe.

--continued



USSR: *The Soviets may be delaying a reduction in the size of their Mediterranean fleet because of the Lebanese crisis and the movement of some US naval ships to the eastern Mediterranean.*

There are still about 70 Soviet naval units--15 more than normal--in the Mediterranean.

25X1

Other types of Soviet reaction to the arrival on Sunday of a US amphibious force southeast of Crete have been routine. A Soviet frigate is continuing to monitor the group. The US carrier America, which has been operating in the area for some time, also remains under surveillance.

Two small Soviet warships in the Strait of Sicily may be waiting for indications of an eastern movement by another US carrier in the Mediterranean--the Saratoga, which left Cannes, France, yesterday.

* * *

25X1

* * *

--continued

25X1 25X1

CHINA: Chairman Mao's health apparently has deteriorated to the point where he may no longer see foreign visitors.

[redacted] 25X1

[redacted] Since March, Mao's meetings with foreigners have been limited to 15 or 20 minutes. [redacted] 25X1

[redacted]

25X1

[redacted]
Political infighting within the divided leadership is almost certain to intensify in the coming months, especially if--as could well be the case--Mao himself was not able to function in a decision-making role.

Both sides in the current political campaign, which has been marking time in recent weeks, probably will try to claim Mao's support. In this case, access to the Chairman becomes increasingly important.

* * *

ETHIOPIA: The Ethiopian government reportedly has ordered the withdrawal of the armed peasant units that were to have been used against insurgents in Eritrea Province.

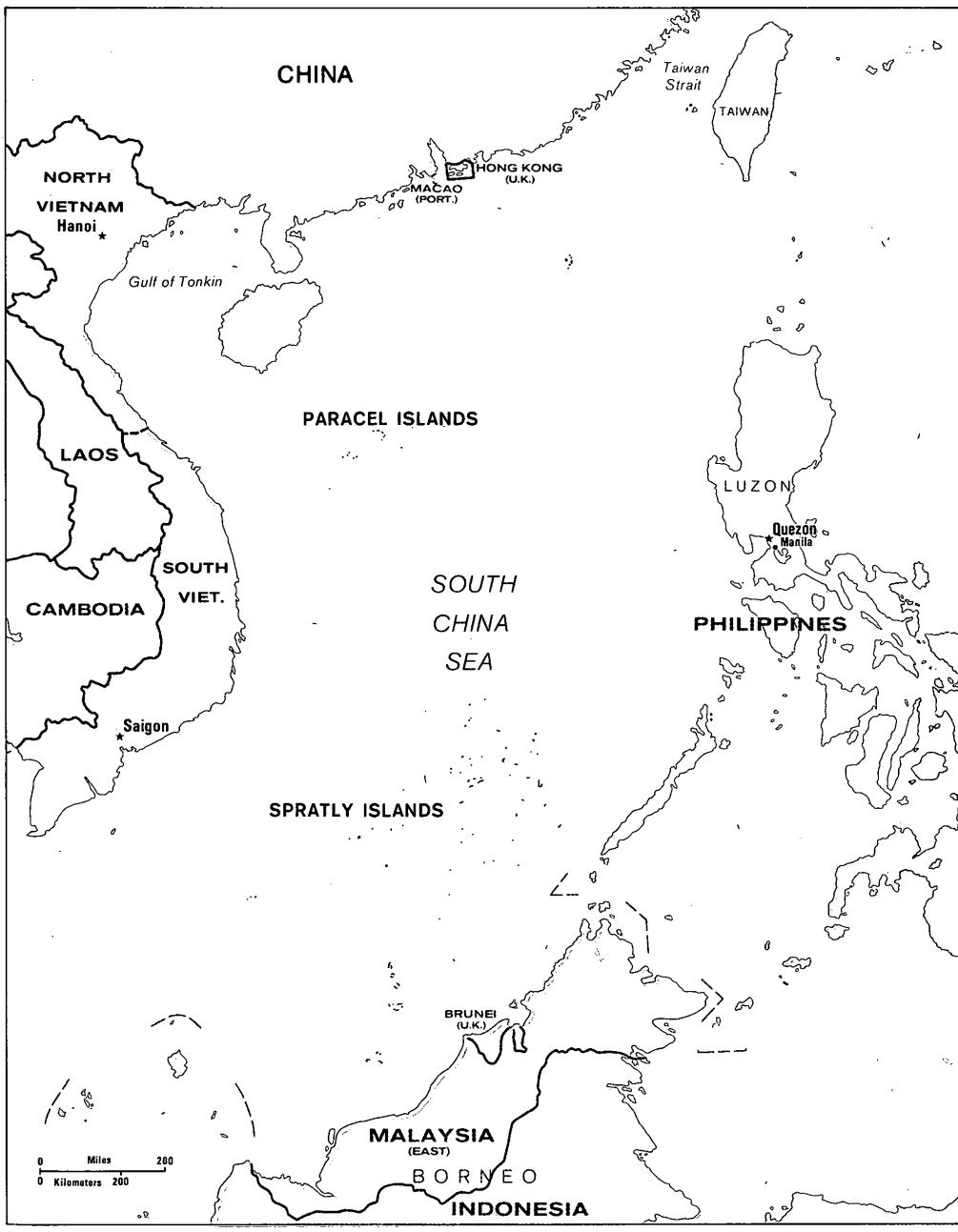
The cancellation of the planned operation comes amid signs that the ruling military council has had some success in establishing contact with the Eritrean guerrillas. A committee of traditional provincial leaders--formed in May at the council's request to act as intermediary between Addis Ababa and the guerrillas--met last week with representatives of the Popular Liberation Forces.

--continued

The PLF representatives, although reportedly encouraged by government proposals to grant Eritrea a measure of autonomy, are unlikely to begin direct talks until the council defines more precisely the degree of self-government it is willing to grant.

The PLF representatives also insisted that discussions would have to include the rival rebel faction--the Eritrean Liberation Front. This is the first evidence that the two groups are attempting to work together in dealing with the government. Divisions within the rebel movement may still hinder peace negotiations.

--continued



559912 6-76

NOTES

China yesterday took formal note of Philip- pine-sponsored oil exploration in the Spratly Islands.

In a statement reiterating China's long-standing claim to the South China Sea island group, the Foreign Ministry said that Peking views the dispatch of foreign troops to the Spratlys or prospecting and exploiting petroleum and other resources as "an encroachment on China's territorial sovereignty."

The Chinese pronouncement appears to be essentially a statement of principle. It may, in fact, be directed primarily at the Vietnamese, who earlier this year publicized a rotation of Vietnamese units occupying some of the islands. The Vietnamese issued a protest of their own on June 6, and also reiterated their own claim to the Spratlys.

* * *

The EC foreign ministers in Luxembourg last weekend failed to agree on EC representation at this month's economic summit in Puerto Rico.

They did clear away some of the bad feeling caused when the larger members failed to consult the other EC governments about going to the summit. The odds now favor an EC bid for attendance at Puerto Rico by Luxembourg Prime Minister Thorn--currently the EC President--and possibly EC Commission President Ortoli. Denmark was the only holdout on this arrangement but seems likely to agree tomorrow.

--continued

* * *

The EC-Portuguese agreement, negotiated last week, provides Lisbon long-term financial assistance and trade concessions and serves to reinforce Portugal's turn toward Western Europe.

The EC will provide Lisbon with about \$220 million in loans over five years. These funds will be available in January 1978--when an earlier protocol expires that provided about \$175 million. EC tariffs on industrial imports from Portugal will be eliminated in July, and benefits for Portuguese workers residing in the EC were increased substantially.

Portuguese Socialist leaders have stated they may apply for full membership in the Community when they form a new government next month; they assume a prolonged transition period toward EC membership will be necessary.

Top Secret

✓



The President's Daily Brief

June 16, 1976

2

~~Top Secret~~ 25X1

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

June 16, 1976

Table of Contents

Syria-Lebanon: Syrian forces yesterday pushed deeper into Palestinian-controlled areas of southern Lebanon and continued to consolidate their positions in the Bekaa Valley in the east.
(Page 1)

Syria-Iraq-Jordan: Iraq reportedly is still moving forces toward the Syrian border; Jordanian forces remain on alert. (Page 2) 25X1

USSR - Middle East: The USSR has reacted to continued Syrian military activity in Lebanon by appearing more responsive to the Palestine Liberation Organization. (Page 3)

[redacted] (Page 3) 25X1

Italy: Exchanges between the major parties are becoming increasingly bitter as the election campaign enters its final days.
(Page 4)

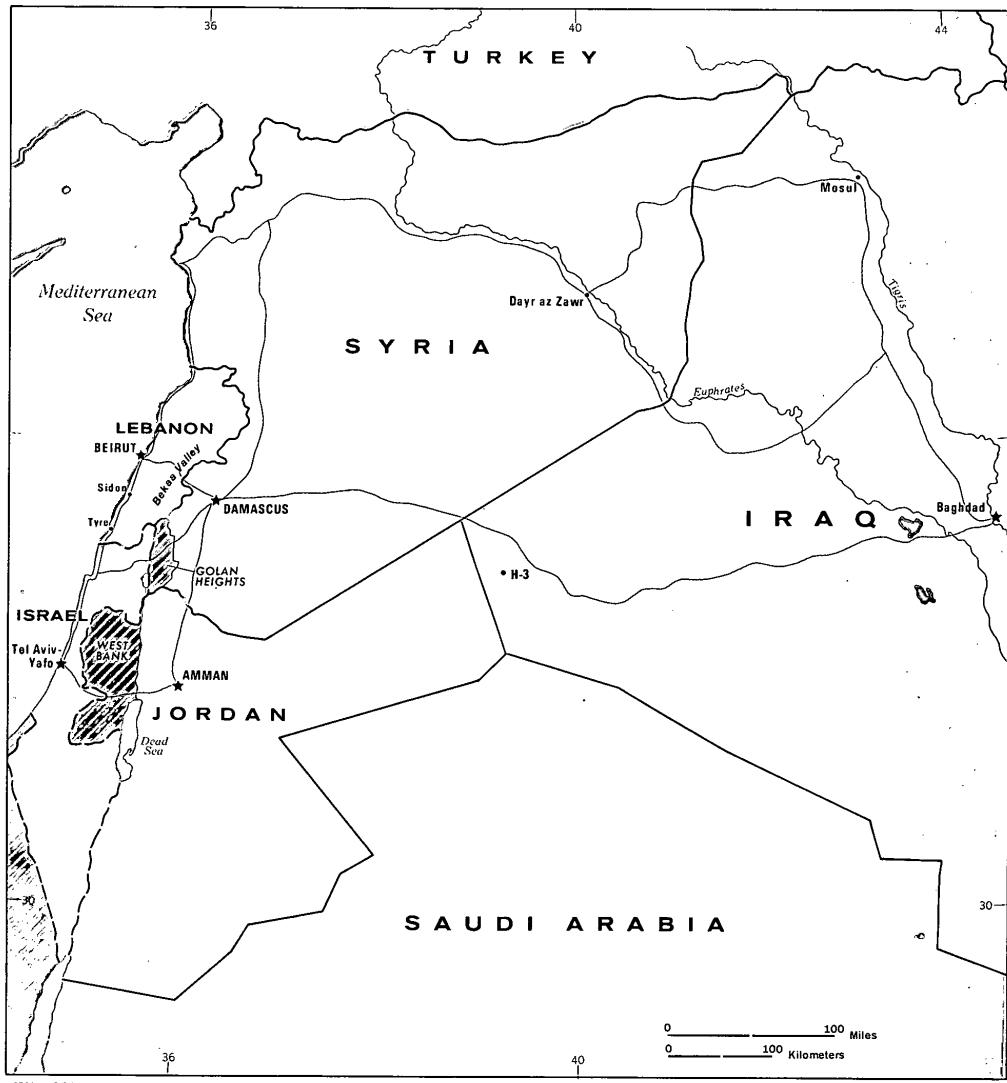
Rhodesia: Morale has fallen among the black members of the security forces because of increased casualties. (Page 5)

Jamaica: The country's ailing economy received a boost last week when Trinidad and Tobago promised generous financial support.
(Page 6)

Notes: Cuba-Angola; Greece-Turkey; Uruguay (Page 7)

At Annex we discuss the recovery of the Canadian economy from a year of stagnation.

FOR THE PRESIDENT ONLY



559914 6-76

SYRIA-LEBANON: Syrian forces yesterday pushed deeper into Palestinian-controlled areas of southern Lebanon and continued to consolidate their positions in the Bekaa Valley in the east.

The Syrians' drive into southern Lebanon is consistent with their apparent strategy of isolating the Palestinians in Sidon and Beirut and obstructing the resupply of the Palestinians through Tyre, now the only uncontested Lebanese port. The Syrians almost certainly will push on to the coast and probably block access routes to Tyre from the north.

In penetrating the south, where the Palestinians have been operating freely for years, Syria hopes to neutralize Palestinian and Lebanese Arab Army forces through control of the major towns and the securing of supply depots and arms caches. Damascus may also be anxious to prevent Palestinian units in the area from launching raids on Israel--a course which the Palestinians might adopt with the expectation of provoking an Israeli reaction against the Syrians.

Syria's operations further demonstrate to PLO leader Arafat that President Asad is determined to weaken the Palestinians and their allies and eliminate prospects of their receiving substantial aid from other Arab sources. Syria's action appears to reduce chances that Egypt or Iraq would see any utility in landing token forces in Tyre.

25X1

We have received no official Israeli reaction as yet to the latest Syrian actions.

[Redacted]
[Redacted] 25X1

--continued

On the diplomatic front, Libyan Prime Minister Jallud is again claiming to have secured Syria's agreement to a plan for a phased withdrawal from Lebanon.

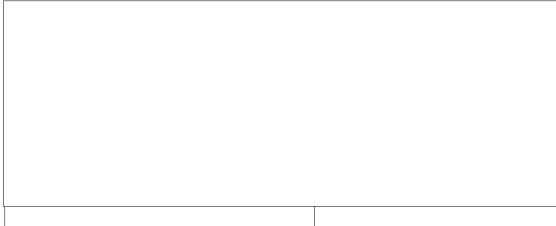
Jallud has promised to establish a timetable for the withdrawal and to return to Beirut today.

Despite the publicity given Jallud's announcement, the Syrians show no signs of easing their offensive in Lebanon and are probably still playing along with Jallud to gain time. Damascus reportedly has reassured the Lebanese Christians that it has no intention of withdrawing its forces until after president-elect Sarkis is installed in office.

Close coordination between the Christians and Syrians apparently prompted Lebanese President Franjiyah and Interior Minister Shamun to agree in principle yesterday to the Arab League's plan to send a joint Arab peace-keeping force to Lebanon. The Syrians and Christians probably calculate that this endorsement will make for further delay while the League dickers to meet Christian conditions on the size and disposition of the force.

SYRIA-IRAQ-JORDAN:
Iraq reportedly is still moving forces toward the Syrian border. Jordanian forces remain on alert as Amman watches the situation in western Iraq.

Amman reportedly believes that Baghdad's moves are military posturing and has discontinued its reconnaissance flights along the Iraqi border.



25X1

--continued

25X1

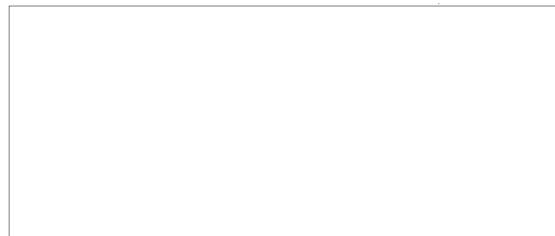


25X1

USSR - MIDDLE EAST: *The USSR has reacted to continued Syrian military activity in Lebanon by appearing more responsive to the Palestine Liberation Organization. It also may be trying to put indirect pressure on the Syrians to disengage.*

Last Friday the USSR announced that a permanent representative of the PLO had arrived in Moscow. The establishment of a PLO office in Moscow had been pending for almost two years, and the Soviet decision to permit its opening at this time seems to be a calculated move toward the Palestinians. The Soviets also are now siding more openly with the PLO in their media coverage of the fighting in Lebanon.

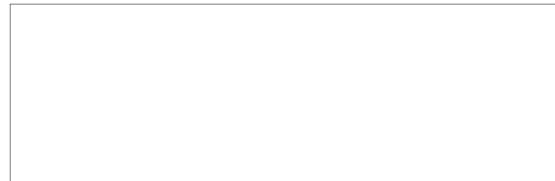
25X1



25X1

25X1

25X1

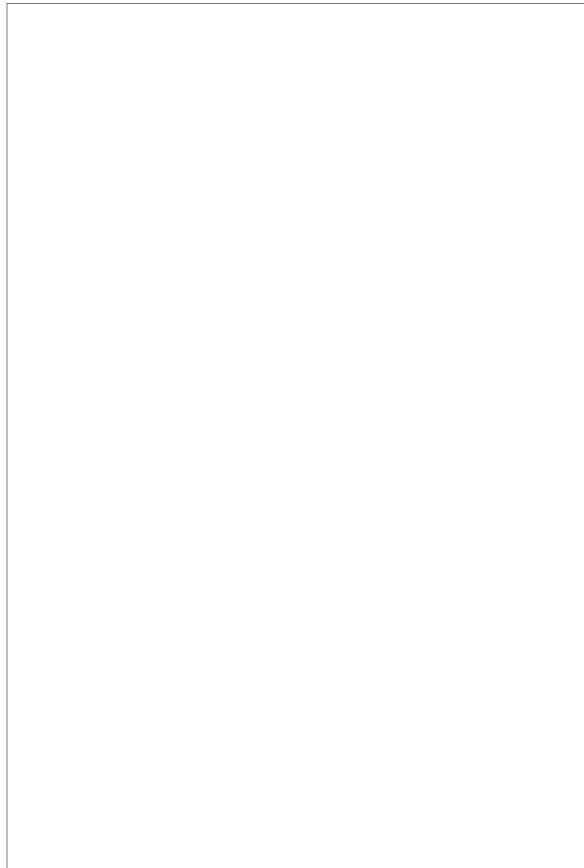


25X1



--continued

25X1



* * *

ITALY: Exchanges between Italy's major political parties are becoming increasingly bitter as the campaign for the election on June 20 and 21 enters its final days.

The Christian Democrats are hammering harder than ever on their basic campaign theme that Communist accession to power would damage Italy's relationship with other Western governments and erode the country's democratic system. The Communists are attacking the entire Christian Democratic Party rather than concentrating, as they have earlier, on party right-wingers such as party president Fanfani.

--continued

Communist chief Berlin-guer, in an interview with the country's leading newspaper yesterday, implied that he sees NATO as a way of protecting the Italian Communists from Soviet interference.

He said he felt "safer" in NATO than he would outside of it and suggested that his party would not be able to pursue an independent path if Italy were aligned with the Soviet bloc.

The Communists have previously explained their acceptance of Italian membership in NATO by saying that they favor the eventual dissolution of both NATO and the Warsaw Pact. They say that in the meantime, however, they do not want to upset the European balance of power by pulling Italy out of NATO.

Berlinguer's latest effort to emphasize the Italian party's differences with Moscow seems to signal his concern that the Christian Democrats may be making headway in arousing fear among Italians about the consequences of voting for the Communists.

25X1

* * *

RHODESIA: Morale has fallen among the black members of Rhodesia's security forces as a result of increasing casualties, [redacted]

25X1

Racial tensions also are surfacing within the security forces as black casualties exceed white losses.

[redacted]

25X1

The government's effort to control the insurgents depends heavily on the black troops, who make up almost two thirds of the police and about half of the army. Most blacks evidently joined the military to obtain a job, and some are uneasy about fighting against the insurgents.

--continued

~~FOR THE PRESIDENT ONLY~~

Black morale may well have been what Prime Minister Smith had in mind when he announced plans on Monday to promote some blacks in both the army and police force to officer rank. Previously only whites could be commissioned as officers.

* * *

JAMAICA: The country's ailing economy received a boost last week at a meeting of Commonwealth Caribbean leaders when Prime Minister Eric Williams of Trinidad and Tobago promised generous financial support of Kingston.

Trinidad pledged budgetary and balance-of-payments aid amounting to \$77 million over the next five months. The aid will do much to alleviate Jamaica's problems and will give Prime Minister Michael Manley room for maneuver as he prepares for national elections, which apparently will be held late this summer.

Manley, however, was less successful in achieving his political goals. He was unable to persuade Williams to endorse charges that the US is engaging in a campaign of "destabilization" in the Caribbean. Manley and other government officials, however, continue to claim to home audiences that the CIA is interfering in Jamaica's internal affairs.

--continued

NOTES

Conversations between Cuban radio operators in Angola and Congo suggest that another Cuban convoy returning troops to Cuba may have left Angola in the past several days.

A previous convoy that included at least one troop transport arrived in the Cuban military port of Mariel from Angola on June 9. Shortly thereafter, busloads of soldiers, presumably from the convoy, were seen in Havana. A Western press correspondent put the number of troops at "about 600." We have no other information on how many troops were involved. The Cuban government has so far failed to comment on the convoy's arrival.

* * *

The Greek ambassador to NATO has expressed concern about the two-day Turkish air exercise that began yesterday over the Aegean.

Turkey has asserted its version of the limits of Greek airspace in previous exercises--the most recent from June 2 to 5. No incidents have occurred during these earlier exercises despite strident statements by both governments.

* * *

The Uruguayan armed forces high command is moving quickly to re-structure the government in the wake of former president Bordaberry's ouster last weekend.

Interim President Demichelli will serve only a few months. A newly formed "Council of the Nation"--composed of senior military officers, cabinet ministers, and conservative civilians--will then elect a new chief executive.

Whoever is picked will be another figurehead. Armed forces leaders will still rule and will continue Uruguay's conservative policies. Relations with the US will remain good.

--continued

A
N
N
E
X

CANADA--MODERATE RECOVERY

25X1

[redacted] the Canadian economy is recovering from a year of stagnation. We believe the economy will grow 4.5 to 5 percent this year.

25X1

Ottawa is now concentrating on controlling inflation. The current expansion, however, will do little to cut the present 7.1 percent unemployment rate before the end of 1976. Feeling the brunt of anti-inflation policies, organized labor has grown more outspoken in its opposition to Trudeau.

Industrial output jumped 2.5 percent in the first quarter of this year--the strongest gain since late 1972. Since consumer demand is slowing, the pace of industrial recovery in the coming months will depend largely upon the strength of Canada's export markets.

Ottawa hopes to achieve moderate growth this year through increased foreign demand, especially in the US. Total exports rose 13 percent in value and 8 percent in volume during the first quarter of 1976 over the first quarter of last year--the sharpest increase in two years. Increased overseas demand is now reinforcing the spillover effects from the US economic recovery.

Export growth and improved terms of trade will probably lead to a small trade surplus in 1976, compared with a trade deficit last year of \$800 million. Despite the surplus, Canada will still register at least a \$4-billion current account deficit compared with \$5 billion in 1975. The deficit probably will put downward pressure on the Canadian dollar later this year.

The wage and price controls program, implemented last October, is dampening consumer spending. The controls have had small impact on price rises thus far, but Ottawa should be able to limit increases to 8 percent by year end.

Any improvement in economic conditions will help to bolster the government's sagging political fortunes, although the Tories claim some credit since they originally suggested wage and price controls.

[redacted] 25X1

A1

FOR THE PRESIDENT ONLY

Top Secret

✓



The President's Daily Brief

June 17, 1976

2

~~Top Secret~~ 25X1



Exempt from general
declassification schedule of E.O. 14176
exemption category SRK1(2)(2)(3)
declassified only on approval of
the Director of Central Intelligence

June 17, 1976

Table of Contents

Lebanon-Syria: Damascus has remained silent on the murders yesterday of US officials in Beirut. (Page 1)

Libyan Prime Minister Jallud has made little headway with his plan for a withdrawal of Syrian forces. (Page 1)

Syria: President Asad's visit to Europe this weekend will be cut short. (Page 1)

USSR: The Soviets have made some changes in the disposition of their Mediterranean Squadron. (Page 2)

25X1

Jordan-USSR: [redacted]

25X1

[redacted] (Page 3)

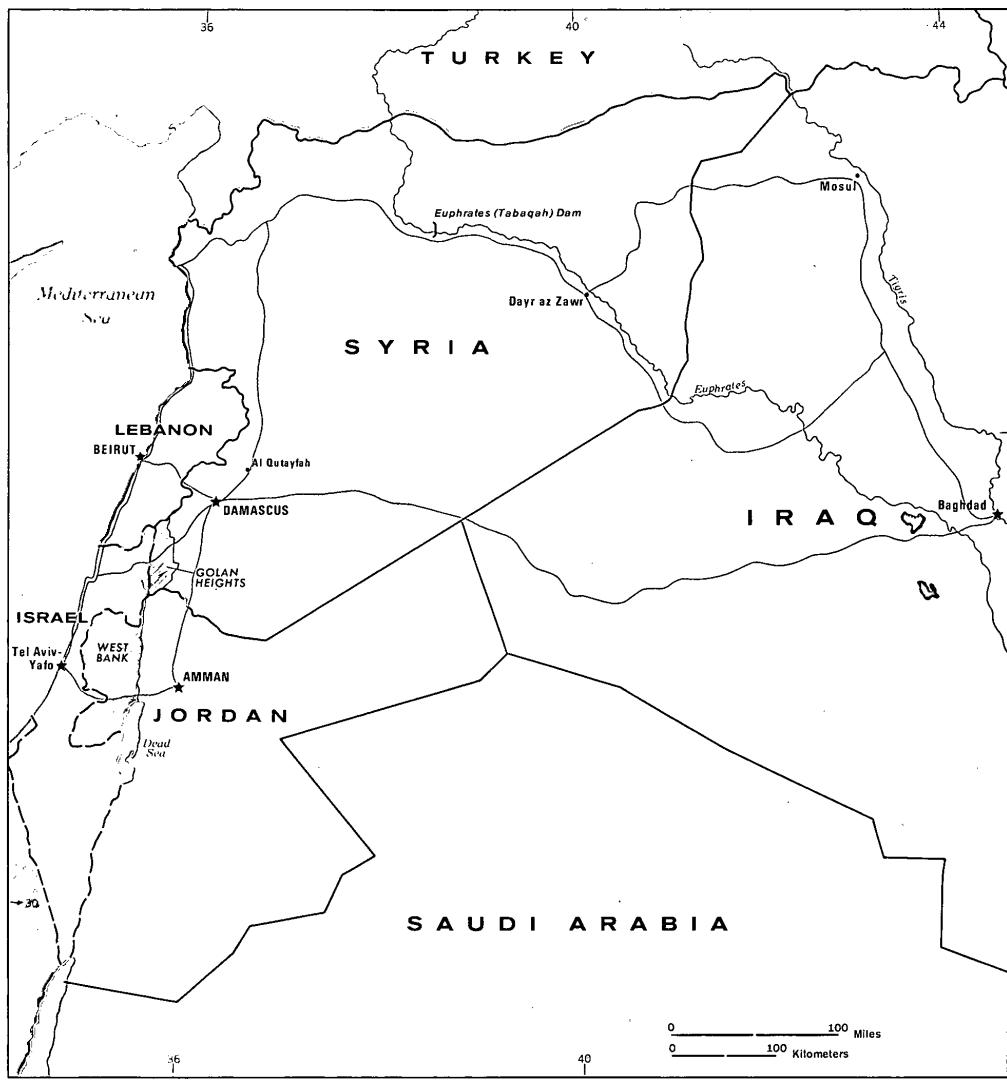
25X1

France: President Giscard hopes to obtain US backing for a new multilateral aid fund for Africa. (Page 4)

Notes: Jamaica; China-Pakistan; USSR; Romania; South Africa (Pages 5, 6, and 7)

At Annex we assess the forthcoming Italian election.

FOR THE PRESIDENT ONLY



559921 6-76

LEBANON-SYRIA: *Damascus has not commented on the murders of US Ambassador Meloy and Economic Counselor Waring, and may be studying whether and how to take action in response.*

Jallud, meanwhile, has made no apparent progress on the Syrian withdrawal plan he announced on Tuesday.

SYRIA: *President Asad, who will arrive in Paris today for a two-day visit, has canceled his scheduled visit to Eastern Europe. He wants to be back in Damascus to deal with Lebanon and related problems.*

If Syria concludes that Libyan Prime Minister Jallud's efforts to arrange a truce with Palestinian and leftist forces are likely to go nowhere, it could use the murders as an excuse for a major military push. The Syrians, however, seem interested in a truce that would at least give them time to resupply their forces.

The Syrians have been playing along with Jallud in order to win political credit for seeming to be conciliatory.

Although no major fighting occurred yesterday, there has been no sign that Syria intends to implement the plan.

The separate efforts of Arab League Secretary General Riyad to secure agreement on the size and composition of the joint Arab peacekeeping force have been no more successful.

Christian leaders yesterday endorsed the force, but their acceptance contained conditions that would be virtually impossible for the Palestinians or Syrians to accept.

Iraq's military moves demand Asad's close attention. Baghdad's display of force has already tied down several thousand Syrian troops and presumably has provided additional encouragement to Asad's domestic opponents.

--continued

FOR THE PRESIDENT ONLY

Syrian officials trying to use the threat from Iraq to elicit greater popular support for Asad and his policies appear to have made little progress. There continue to be signs of dissatisfaction among civilians and within the armed forces. We have no information, however, to confirm Palestinian and leftist claims that a Syrian army unit protesting its assignment to Lebanon mutinied on June 14.

USSR: The Soviets have made some changes in the disposition of their Mediterranean Squadron in response to actual or anticipated moves by US naval forces.

25X1

25X1

--continued

FOR THE PRESIDENT ONLY



25X1

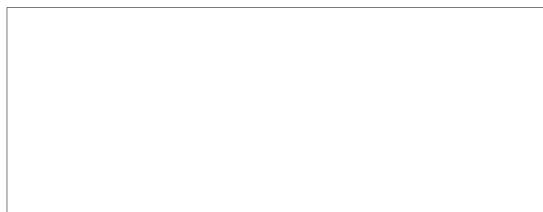
* * *

JORDAN-USSR: King Husayn, who arrives in Moscow today, probably will avoid making any firm commitment to acquire a Soviet air defense system.

25X1

Husayn and Prime Minister Rifai, the chief proponent of a Soviet system, are anxious about the possible consequences of a turn to the Soviets. 25X1

[redacted] Amman will re-examine possible alternatives after the Moscow visit 25X1

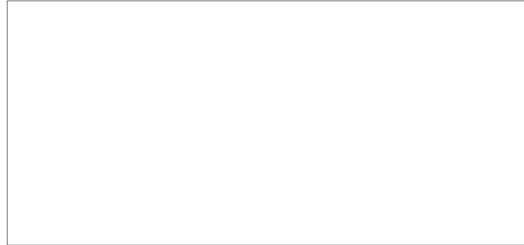


The Jordanians reconsidered their decision to deal with the Soviets primarily as a result of warnings from the US, the UK, Saudi Arabia, and Iran. In addition, Husayn is increasingly apprehensive about Soviet activities in the Middle East.

--continued

FOR THE PRESIDENT ONLY

25X1



* * *

FRANCE: President Giscard will probably push his proposal for a new multilateral aid fund for Africa at the Puerto Rico summit. Paris hopes to gain US support for the fund before the summit.

The French proposal closely resembles a suggestion made by Secretary Kissinger during his recent African tour. While both plans envisage a multibillion dollar program to help the drought-stricken nations of Sub-Saharan Africa, the French plan also would extend aid to other African areas that Paris wishes to favor.

The political objectives of the French plan are:

--to preserve close ties with francophone Africa while expanding relations with other African countries and promoting new aid schemes to improve North-South relations;

--to overcome black African ill will incited by the recent French agreement to provide South Africa with major new nuclear power plants;

--to counter growing Soviet influence in Africa.

Giscard has indicated that he is thinking of a fund of \$1 to \$2 billion. The French anticipate that their European neighbors may balk at the proposal because of large existing commitments to Africa. Paris, however, hopes that this obstruction can be overcome by making public and private contributions voluntary.

--continued

FOR THE PRESIDENT ONLY

25X1

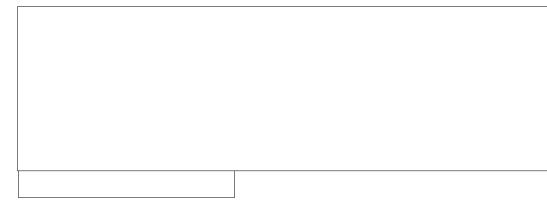
NOTES

Jamaica

25X1



25X1



25X1



25X1

* * *

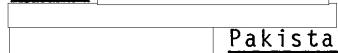
25X1

25X1

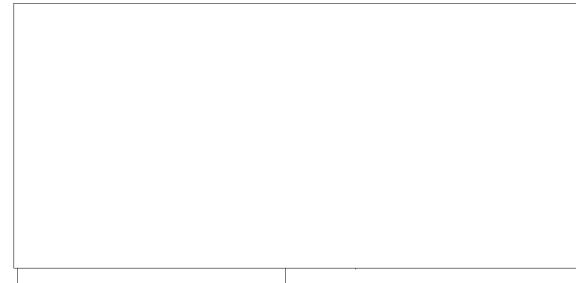
25X1

25X1

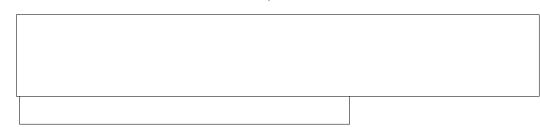
China



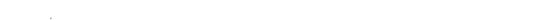
Pakistan.



25X1



25X1



25X1

--continued

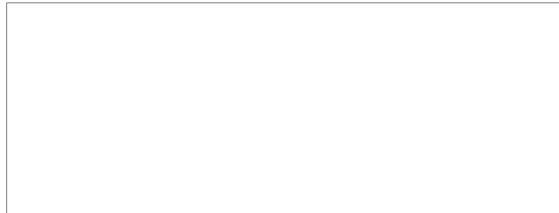
FOR THE PRESIDENT ONLY

* * * 25X1

25X1

25X1

Soviet



* * *

*The first major shuffle
in Romania's Council of
Ministers since 1974
reflects President
Ceausescu's increasing
concern over possible
consumer dissatisfaction
and economic inefficiency.*

Ceausescu's grip on the reins of power is strong, but he apparently recognizes that the economy is his greatest vulnerability. He has now moved trusted supporters with proven administrative abilities into key positions in the consumer welfare sector in order to upgrade the performance of the economy.

Changes also were made in the military sector. The new defense minister, Colonel General Ion Coman, reportedly is favorably disposed toward the US. His highly successful trip to this country last summer was the first visit by the chief of staff of a Warsaw Pact army.

--continued

* * *

South African police have sealed off Soweto Township, the all-black suburb of Johannesburg, following yesterday's rioting by thousands of secondary students.

The riots, which left many persons dead or wounded, capped a strike that began in mid-May when black students rebelled against the government's insistence that certain courses be taught in the Afrikaans language.

The authorities seem to be in control of the situation and should be able to keep the disturbances from spreading. If, however, the government reverses its stand on the language requirement it would be regarded by some blacks as a political victory--and could lead to other demands for change.

--continued

A
N
N
E
X

ITALY

The Italian election on Sunday and Monday is essentially a referendum on Communist participation in the government.

Precise prediction of the outcome is impossible. The Communists could fall short of the 33 percent they scored in regional elections last year, but they will almost certainly exceed the 27 percent they won in the 1972 parliamentary contest.

Even if a non-Communist government can be formed after the election, there will be heavy pressure for some kind of accommodation with the Communist Party. Communist restraint will be a prerequisite for political stability and Communist intervention with organized labor will be necessary if labor is to cooperate in an economic recovery effort.

There is no question that disgust with the Christian Democrats has deepened in the past year or that the Communists are seen as the major force for change. The Christian Democrats, however, have waged a vigorous campaign designed to arouse fear that the Communists would lead Italy into an authoritarian society linked to Moscow.

The Communists have done everything short of announcing a break with the Soviets to convince the public otherwise. The outcome will be determined by wavering voters who must resolve what Communist chief Berlinguer has called the "conflict between the need for change and the fear of novelty."

The Socialists

The polarization of the campaign around the Christian Democrats and Communists has tended to obscure the essential role the Socialists will play after the election. It is virtually certain that neither of the larger parties will receive enough support to form a majority without the Socialist Party.

--continued

A1

FOR THE PRESIDENT ONLY

Seeing themselves in a pivotal position, the Socialists have kept nearly all of their post-election options open. These include:

--First, an interim emergency government, proposed by the Communists, in which all parties except the neo-fascists would participate.

--A government with the Communists should the election result in a Socialist-Communist majority and if the Christian Democrats refused to participate.

--A coalition with the Christian Democrats, on condition that the latter agree to involve the Communists formally in the formulation of government programs and seek Communist support in parliament.

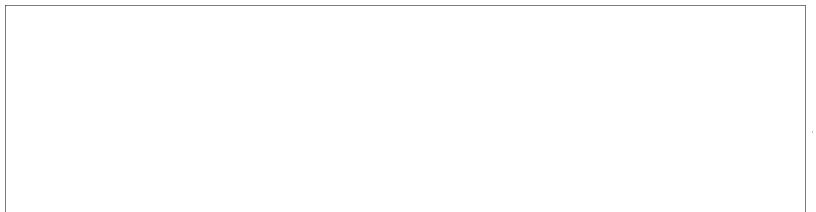
Despite the Socialists' stated preference for an emergency government including the Communists, a majority of Socialist leaders privately hope it will be possible to form a cabinet with the Christian Democrats with the Communists relegated to an indirect role. They believe this would give the Socialist Party maximum influence, while involving the Communists sufficiently to make them share public responsibility for the tough decisions the post-election government will face.

The Communists

There is considerable evidence that Communist chief Berlinguer is willing to settle for less than the full government membership he is calling for in the campaign.



25X1



25X1

--continued

A2

FOR THE PRESIDENT ONLY

Berlinguer hopes to avoid a leftist coalition with only the Socialists. The Communists reportedly fear that such a government would provoke a hostile reaction abroad and lead to unrealistic expectations among the Communist rank and file. Berlinguer may even think it would be more difficult for the party to resist pressure from Moscow in such circumstances.

An indirect consultative role would give Berlinguer the best of two worlds. It would give the Communists more influence on government policy and amount to an implicit recognition of their potential as a governing party. At the same time, the Communists would be in the enviable position of being able to disclaim responsibility when things went wrong.

The Christian Democrats

The unequivocal anti-Communist posture of the Christian Democrats during the campaign makes it unlikely that the party could agree to form a government with the Communists immediately after the vote. Language in the party platform, however, clearly signals a willingness to accept a limited accord with the Communists on specific government programs. A debate is apparently already under way among Christian Democrats over how far to bend on the question of indirect Communist participation.

Indirect Participation

In sum, there appears to be a degree of willingness in each of the three major parties to move toward a government based on Christian Democratic - Socialist collaboration but open to some form of indirect participation by the Communists.

Agreement on the indirect participation formula would not come easily, however. In addition to disagreements between the Christian Democrats and Socialists over the role to be played by the Communists, there are substantial differences within each party on the advisability of such an agreement. Some Communists for instance would view acceptance of such a role as a gift to the Christian Democrats. Berlinguer is reportedly being criticized already by some Communist leaders for being too easy on the Christian Democrats.

--continued

The evolution toward compromise could be cut short by a sharp swing toward the Communists at the polls. If the Communists score a decisive plurality it will be very difficult to deny them cabinet status. Such a development could lead to an expanded leftist coalition that would leave the Christian Democrats in the opposition.

Election Outcome

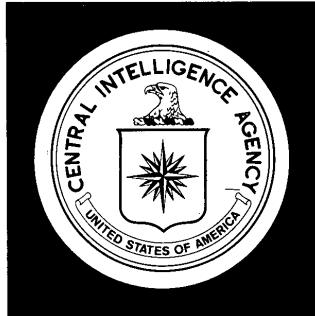
On balance, the election is unlikely to produce a clearcut result that would allow a relatively compatible combination of parties to deal decisively with Italy's mounting economic and social problems.

If the election fails to give any party a marked advantage, a caretaker government might be installed to preside until the dust settles and until party leaders have had time to digest the results. In that event, efforts to form a coalition might be postponed until the fall.

Unless the parties can find a way to resolve the fundamental differences that led them to hold the election ahead of schedule, the prospect is for continued instability and immobility. The current contest may well turn out to have been but a prelude to another election, fought on the same issues in the not-too-distant future.

Top Secret

✓



The President's Daily Brief

June 18, 1976

2

~~Top Secret~~

25X1

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

June 18, 1976

Table of Contents

Lebanon: The suspected assassins of Ambassador Meloy and Coun-selor Waring have been arrested, presumably by Palestinian security forces. (Page 1)

Syrian Chief of Staff Shihabi has expressed confidence to US officials in Damascus' control over the military situation in Lebanon. (Page 1)

Iraq-Syria: Iraq continues to move forces to the western part of the country. (Page 2)

25X1

Philippines-US: Manila's opening proposals for renegotiating US use of military bases are highly restrictive. (Page 3)

Notes: Poland; Cuba; Greece-Turkey; Portugal; OPEC (Pages 5, 6, and 7)

FOR THE PRESIDENT ONLY

LEBANON: The suspected assassins of Ambassador Meloy and Counselor Waring have been arrested, presumably by Palestinian security forces, according to an announcement issued by the joint leadership of the major Palestinian and Lebanese leftist groups.

The statement did not identify the killers but said they would be turned over to the joint Arab security force that the Arab League decided to create to help police a cease-fire in Lebanon.

Several reports have suggested that the assassins may have been members of the extreme leftist Lebanese Revolutionary Socialist Organization. We believe this group has worked with the radical fedayeen Popular Front for the Liberation of Palestine and with small Lebanese communist groups in mounting criminal and terrorist operations.

These groups have on several occasions attacked US installations and personnel in Beirut and Damascus. They are rabid opponents of Syria, and they operate outside the control and often against the interests of the major Palestinian and leftist organizations.

Because these extremists are at odds with Palestinian and leftist groups willing to negotiate a settlement of the Lebanese crisis, they are eager to derail even the limited progress that has been made toward ending the current Palestinian-Syrian confrontation.

Syrian Chief of Staff Shihabi recently expressed confidence in Syria's control over the military situation.

He confirmed to US officials that Syrian troops have secured virtually the entire Bekaa Valley, and that Syrian and Christian forces have surrounded Tripoli. The Syrian blockade of Sidon is apparently not complete, but Syrian troops can interdict movement in the port and control traffic along the coastal road. Shihabi said there are no plans to move any closer to Beirut.

--continued

We have no clear reading
on the intentions of the
Palestinians and left-
ists.

The Arab League has
reached no decisions on
the composition, mission,
and command structure
of the proposed security
force

Yasir Arafat has not been in Lebanon
since late May. He is seeking aid
from a number of Arab governments
and will probably not decide on
further moves until he determines
the amount of outside assistance
he can muster. His subordinates
have been generally more eager tha25X1
he to confront the Syrians.

25X1



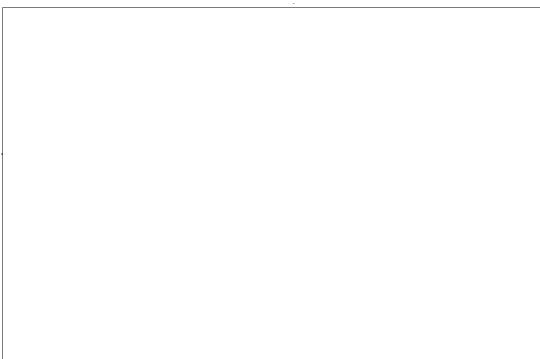
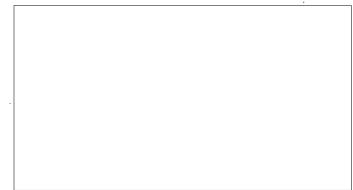
25X1

IRAQ-SYRIA: Baghdad
continues to move forces
to the western part of
the country.



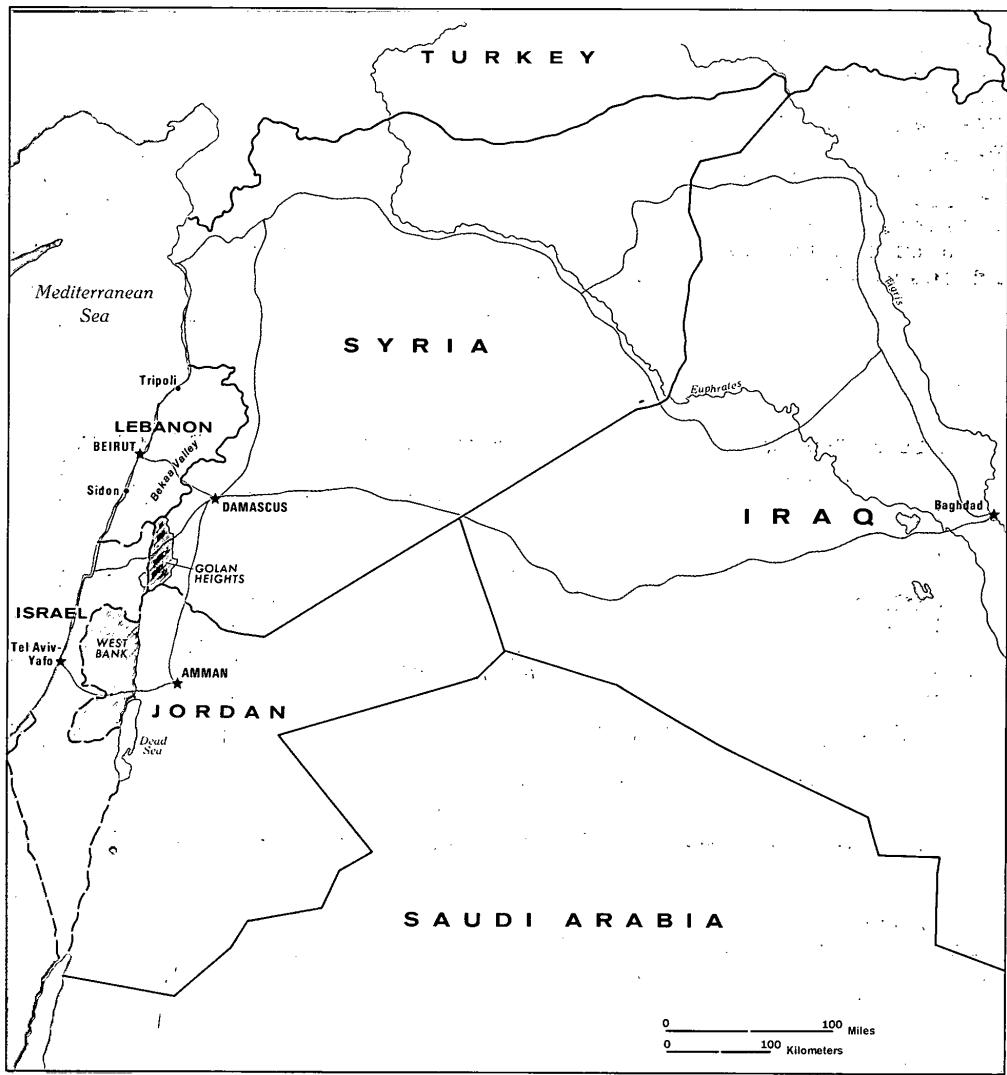
We estimate that there are more
than 40,000 Iraqi troops in western
Iraq, and we believe other combat 25X1
and support units continue to move
westward.

25X1



25X1

--continued



559933 6-76

25X1



It is possible, but we believe less likely, that Iraq is planning imminent military action against Syria.

Approximate Strength of Major Troop Deployments

	Syrian	PLA/Saiqa	Iraqi
Lebanon	12,000	8,000*	---
Lebanon border area	5,000	---	---
Syrian-Iraqi border area	12,000	---	45,000
Golan Heights	75,000	---	---

*An unknown number of troops have been withdrawn to Syria in recent days.

(CIA estimates)

* * *

PHILIPPINES-US: Manila's opening proposals in renegotiating US use of military bases reflect President Marcos' more nationalistic posture in foreign policy.

The Philippine draft agreement presented on June 14 would impose highly restrictive limitations. It would confine US forces to the use of Clark Air Base and Subic Bay naval station and require the US to relinquish all other installations. Prior approval of Philippine base commanders would be required for most US flights, routine exercises, and port calls.

US combat operations also would need prior approval, and nuclear and toxic chemical warfare weapons would be prohibited. Moreover, the draft agreement circumscribes the authority of US commanders over American military and civilian

--continued

personnel and equipment by requiring that US activities conform to Philippine laws and regulations.

Philippine negotiators have not yet specified the total amount of US security assistance they will demand, but the draft agreement calls for defense support to be distributed over five years--including an unprecedented cash payment. In addition, the Philippines proposals would limit the new base agreement to a five-year term, with provision for extension for only one additional term of five years. Either party could terminate the agreement upon written notice of one year.

Some of the limitations undoubtedly were inserted for bargaining purposes. Marcos probably will be prepared eventually to ease some of his tougher demands in exchange for a higher level of US defense support. He is likely to insist, however, that the final agreement contain language that will validate his claim to complete sovereignty and jurisdiction over military bases used by US forces.

--continued

NOTES

The Polish parliamentary delegation that will visit the White House on Monday will be led by Ryszard Frelek, one of party chief Gierek's closest advisers. He is the highest ranking figure Warsaw will send to the US during the bicentennial year.

Frelek, aged 47, is the party secretary for foreign affairs and chairman of the parliamentary commission on foreign relations. He is probably Gierek's right-hand man in foreign policy matters. Frelek often has acted as the advance man for Gierek's trips, including the Polish leader's visit to the US in October 1974.

Frelek has demonstrated on frequent occasions his willingness to talk candidly and factually with Americans about Polish domestic and foreign policies. He does not take a doctrinaire position on issues.

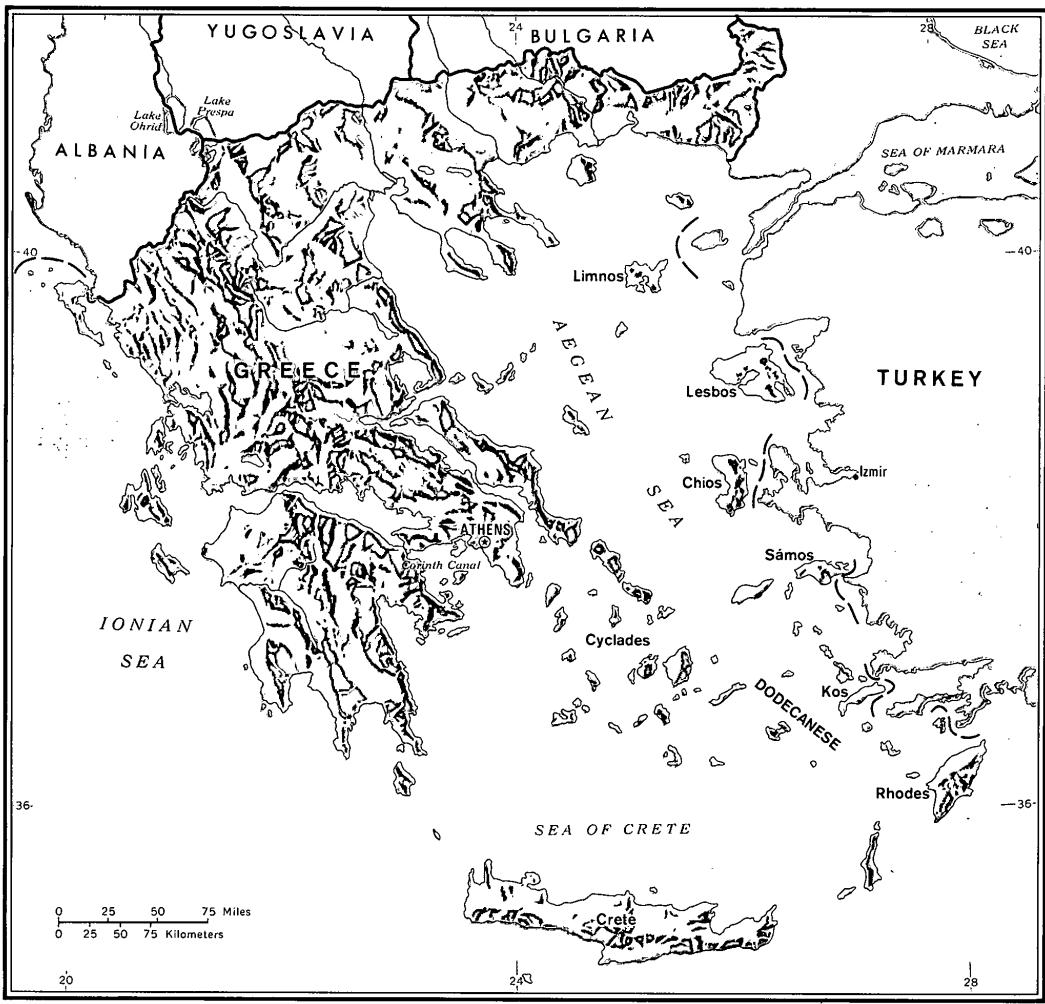
* * *

Cuba plans to begin regular air service between Havana and Luanda on June 29. Intermediate stops will be Barbados, Guinea, and Sierra Leone.

According to a recent Barbados press account, Cuba will run two flights per week. These may replace the unscheduled flights now being made by Aeroflot IL-62s twice weekly, although there has been no official announcement to that effect.

We do not know Prime Minister Errol Barrow's reasons for permitting use of Barbados as a stopover. Barrow came under opposition criticism last year when Cuba's use of Barbados as a refueling stop for flights carrying troops to Angola became public. This latest arrangement will give the Prime Minister and his party additional problems later this year when they face a national election.

--continued



559927 6-76

* * *

Little progress is likely when Greek and Turkish representatives meet this weekend in Bern to discuss their conflicting claims of sovereignty in the Aegean.

Athens contends that each of the Greek islands in the Aegean has a continental shelf, which gives Greece control of the undersea mineral resources of nearly all of the basin. Ankara claims that the Aegean seabed is a natural extension of the Anatolian landmass, and argues that--for purposes of mineral exploitation--the Aegean should be divided along a line midway between the two mainlands.

The Turks have used periodic air-sea military exercises and seismic exploration to press their claim. Another scientific expedition is tentatively scheduled for July or August, again raising the possibility of an armed clash should the Turkish vessel carry out activities in disputed waters. A Turkish diplomat, however, has told US officials that the vessel will move cautiously.

* * *

The increasing momentum of General Ramalho Eanes' campaign for the Portuguese presidency appears to be forcing his chief rival, Prime Minister Jose Azevedo, to adopt more desperate campaign tactics.

A recent poll showed Eanes with a wide lead. In public, Azevedo has resorted to harsh personal attacks on Eanes,

25X1

25X1

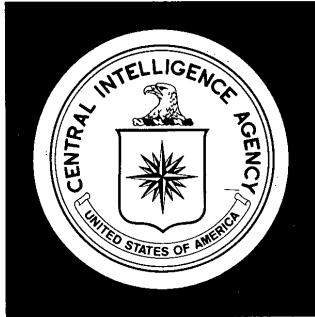
--continued

* * *

*Foreign official assets
of OPEC countries
amounted to \$101 bil-
lion at the end of 1975,
a \$29 billion increase
over 1974. Saudi Ara-
bia, Kuwait, and the
United Arab Emirates
accounted for more than
90 percent of the new
holdings.*

The US, continental Europe, Canada, and Japan received an increased share of OPEC placements in 1975, primarily at the UK's expense. Despite the desire of OPEC states to diversify their investments, placements in the US increased, accounting for nearly a quarter of total placements. This policy reflects the view of the wealthier OPEC countries that only the US market offers the depth and variety necessary to absorb the bulk of OPEC investment.

Top Secret

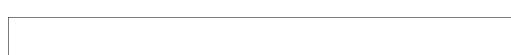


✓

The President's Daily Brief

June 19, 1976

2



~~Top Secret~~^{25X1}

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

June 19, 1976

Table of Contents

Lebanon: We have no independent evidence to support Palestinian contentions that security conditions have deteriorated to such an extent that the Palestinians cannot guarantee the safety of the US evacuation convoy. (Page 1)

There have been additional Syrian and Iraqi troop movements. (Page 1)

Egypt is boosting Iraq's attempt to intimidate Syria. (Page 1)

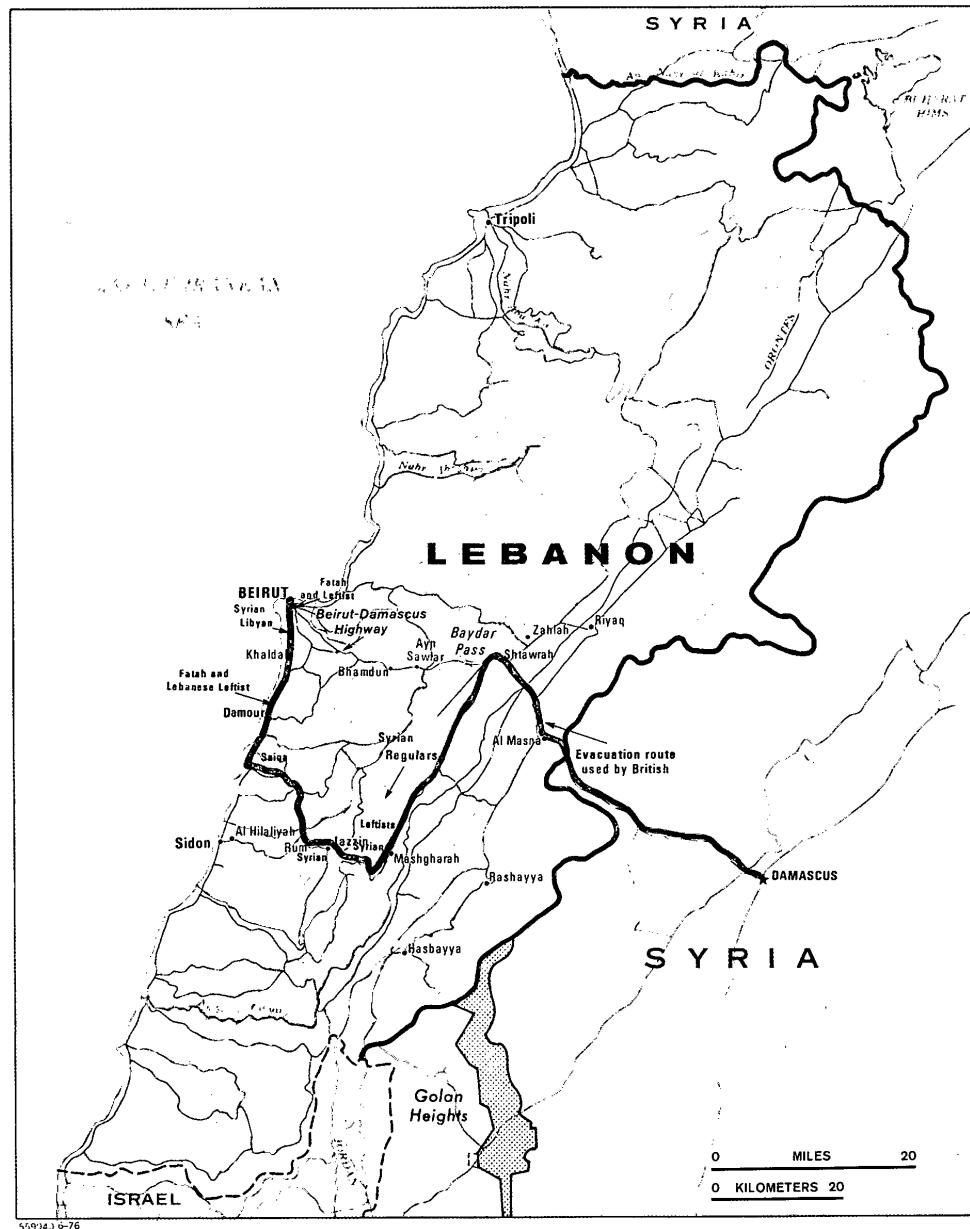
The Soviets are still keeping close watch over US naval units in the Mediterranean. (Page 2)

Italy: The recent volatility of the electorate and the large numbers of undecided voters place in doubt all projections for the national election on Sunday and Monday. The final vote may not be known until Tuesday morning, Washington time. (Page 2)

Notes: USSR (Brezhnev); USSR (Salyut 5); Cuba-Congo; Argentina (Pages 5 and 6)

At Annex we review the performance of Prime Minister Vorster of South Africa.

FOR THE PRESIDENT ONLY



559343 6-76

LEBANON: We have no independent evidence to support the Palestinian contention that security conditions have deteriorated to such an extent that the Palestinians could not guarantee the safety of the evacuation convoy from Beirut.

The Palestinians are probably trying to make political gains for themselves by drawing out the negotiations on the convoy's departure.

Palestinian leaders presumably hope they can prompt the US to abandon plans for a land convoy and instead use Beirut airport. They might think this would lead to a dilution of Syrian control of the airport and permit an early introduction of the Arab League security force.

Further Syrian and Iraqi troop movements occurred yesterday.

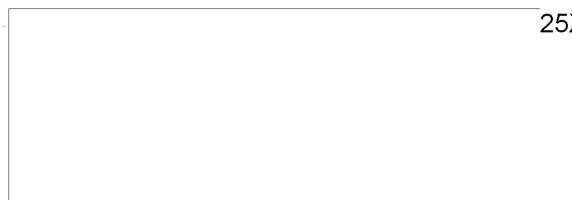
The US embassy reports that additional Syrian troops have entered Lebanon. The troops probably came from units that have been deployed along the Lebanese border.

Press reports state that the Iraqi armed forces chief of staff bade farewell in Baghdad to Iraqi units advancing west "to perform their national duty." This is the third time the Iraqis have staged a public ceremony to dramatize the movement of forces toward the Syrian border.

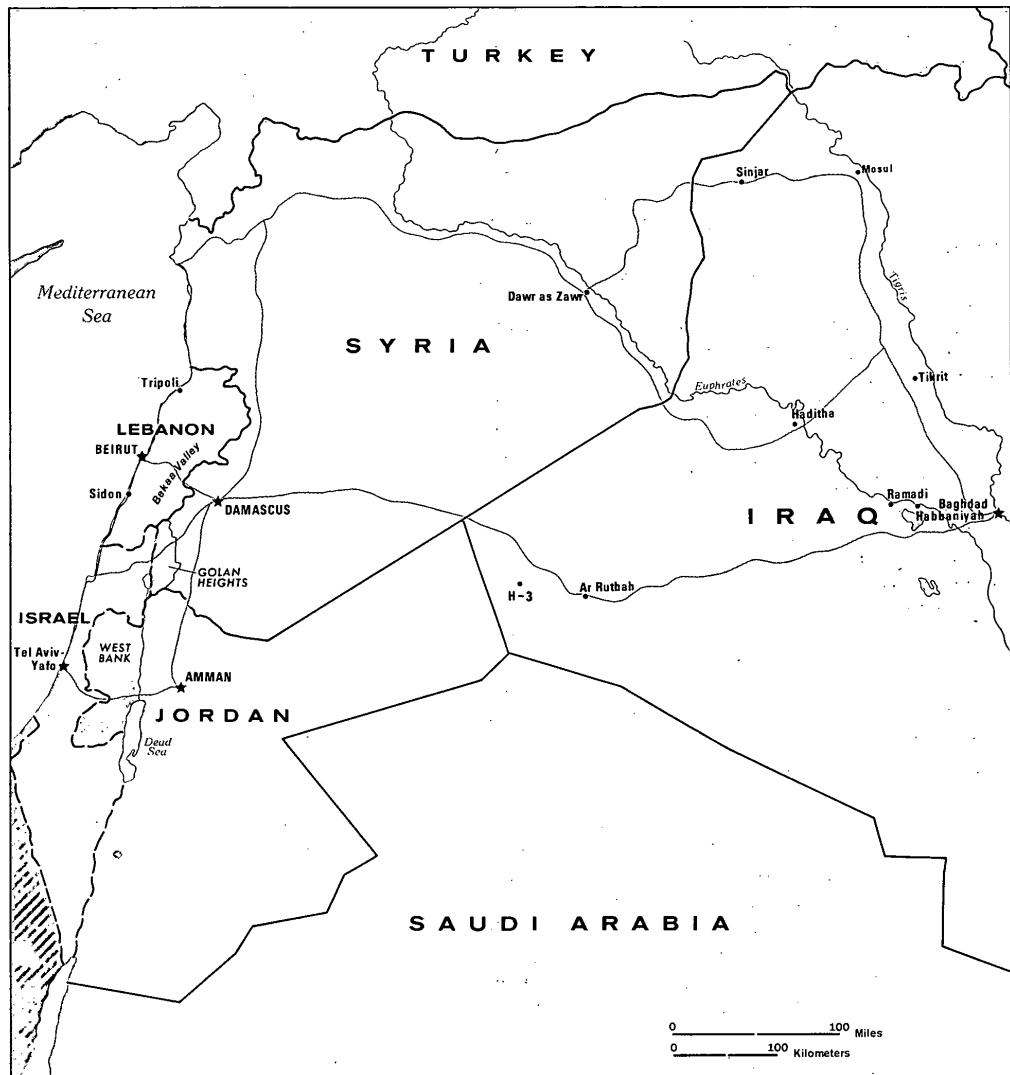
We now estimate that more than 50,000 troops are in western Iraq. Additional units continue to move westward.

We now have firm evidence that Egypt is encouraging Iraq's current effort to intimidate Syria.

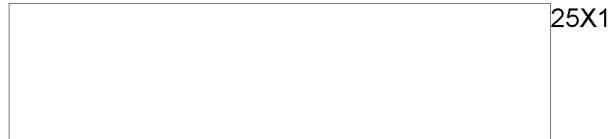
25X1



--continued



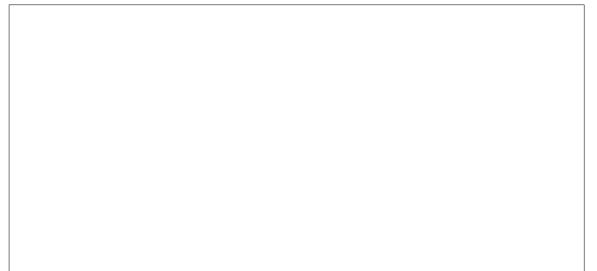
559935 6-76 CIA



Sadat appears to have been prompted by his feud with Damascus and by the need to respond to appeals this week from Palestinian and Lebanese leftists for help in countering Syria's military operations. Cairo had already announced that it would not intervene directly.

The Soviets are continuing to monitor the movement of US naval units in the Mediterranean.

The US amphibious task group southwest of Cyprus is being followed by a frigate. Southeast of Crete, the USS America carrier task group is under surveillance by five Soviet surface ships and a cruise-missile submarine. The commander of the Soviet Mediterranean Squadron is aboard a cruiser with this group. There are now about 63 Soviet submarines and ships of all types in the Mediterranean.



* * *

ITALY: The election campaign ended yesterday, and voters are observing the traditional one-day "pause for reflection" before casting ballots tomorrow or on Monday.

Voters who have not made up their minds--polls suggest that 10 to 20 percent were still undecided near the end of the campaign--will be reflecting mainly on the conflicting arguments advanced during the campaign about what it would mean to give the Communists a larger role in national politics.

--continued

There are indications that Communist leader Berlinguer provoked considerable criticism within his party by saying earlier in the week that he felt "more secure" in NATO than he would outside of the alliance. He implied that Italia's membership in NATO protected his party from Soviet interference.



25X1

The formation of a government after the election, which promises to be difficult in any event, could be complicated by an election technicality that raises the possibility of a stronger showing for the left in the Chamber than in the Senate. Approximately 5 million voters between the ages of 18 and 25 are eligible to vote only for the Chamber and are likely to give strong support to the left.

Most observers expect a result similar to that of the regional elections a year ago, in which the Christian Democrats, with just over 35 percent, got a narrow margin over the Communists--while the Socialists placed third with 12 percent. The recent volatility of the electorate, however, and the large numbers of undecided voters place all projections in doubt.

--continued

Fragmentary returns should be available by noon on Monday, Washington time. The final vote and seat distribution may not be known until Tuesday morning.

The voters will be electing 630 deputies and 315 senators. Eligible voters cast ballots for both races during a single visit to the polls on Sunday or Monday. Slightly more than 40 million citizens are eligible to vote in the Chamber election and about 35 million for the Senate.

Participation has only once fallen below 90 percent in the six preceding postwar parliamentary elections. There is no provision for absentee ballot.

The government subsidizes travel to the town of official residence if a voter is working elsewhere in Italy and, in the case of Italians residing overseas, travel from the Italian border to their official residence. The West German government is making it possible for several hundred thousand Italian workers resident in West Germany to return free-of-charge to Italy to vote.

--continued

NOTES

Soviet leader Brezhnev has been maintaining a busy schedule. In his most recent public appearances, he has seemed in better form than when he first returned to work in late April after a lengthy absence.

In the last month, Brezhnev generally has worked seven or more hours a day. During the same period he apparently conducted all three Politburo meetings, including an unusual four-hour session on June 3 that was attended by full and candidate members who reside outside Moscow.

Brezhnev appeared in good spirits and fully relaxed during Indian Prime Minister Gandhi's recent visit. Television coverage of Brezhnev's public activities has resumed.

* * *

The Soviets apparently are preparing to launch a military version of the Salyut space station, Salyut 5, possibly early next week. A Soyuz spacecraft probably will be launched within two weeks to carry cosmonauts to the space station.

Salyut 5 is likely to function as an operational intelligence collector and as a test vehicle for various experimental systems. Soviet cosmonauts recently stated that it will have two docking ports and will be able to support as many as six cosmonauts simultaneously.

These features would enable the Soviets to send up replacement crews and supplies in ferry vehicles, and thereby extend the space station's life. This would be a major step toward Moscow's goal of establishing large, long-term manned space stations.

Salyut 5 probably will be manned initially by a two-man crew for about 90 days. The present manned space record is 84 days, set by the US Skylab 3 in 1974. The Soviet record of 63 days was set last year.

--continued

25X1

25X1

25X1

25X1

* * *

Cuba

Congo

25X1

25X1

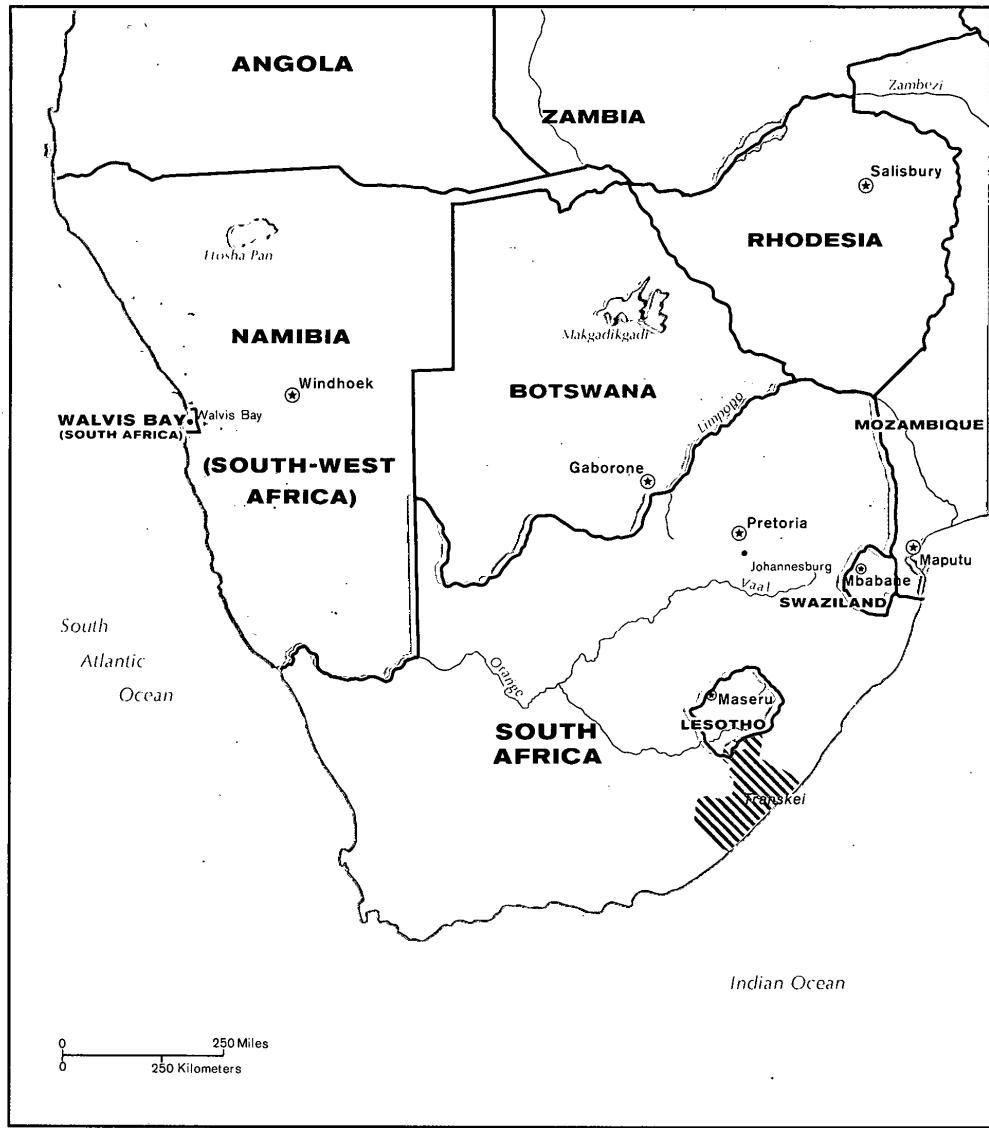
25X1

* * *

The killing yesterday of Argentina's federal police chief General Cardozo was the fourth attack on a military man by leftist terrorists in the past week.

The terrorists hope their violence will provoke such a harsh response from the security forces that the public will turn against the government. Although President Videla thus far has resisted calls from "hard-line" officers for the use of stronger measures against the terrorists, each additional act of violence gives greater weight to the officers' arguments.

--continued



559936 6-76

A
N
N
E
X

SOUTH AFRICA

Prime Minister John Vorster, who is to meet with Secretary Kissinger in Germany on June 23, is the unrivaled leader of South Africa's ruling National Party. The party represents the bulk of the Afrikaners--descendants of the 17th century European settlers who now comprise some 60 percent of the white population.

During the past two years Vorster has intensified his efforts to open discreet dialogues with leaders of black African states. Having talked at length with the presidents of Ivory Coast, Senegal, Liberia, and Zambia, he is aware that none of the important black leaders are likely to collaborate openly with his government unless it stops supporting white rule in Rhodesia, starts to prepare Namibia (South-West Africa) for early independence, and begins to make some basic changes in South Africa itself.

25X1

[redacted] He has promised some softening of living conditions for urban blacks, but only within the context of apartheid.

Vorster's collaboration with four black African presidents in efforts to mediate the Rhodesian problem was the most promising breakthrough for his informal diplomacy, but the collapse of the settlement talks clearly showed its limitations. So long as a political solution seemed possible, Vorster was willing to press Prime Minister Smith, and his prodding held the Rhodesian leader to grudging negotiations with the black nationalists from late 1974 to early 1976.

Now that the talks have failed and a full-blown insurgency is developing, however, Vorster is unlikely to take the steps that would bring Smith to his knees, such as an embargo on economic support. Any move that suggests compliance with the UN sanctions program against Rhodesia would be anathema to white South Africans.

--continued

A1

FOR THE PRESIDENT ONLY

The adverse international reactions to the South African intervention in Angola have at least temporarily discouraged moderate African leaders from further dealings with Vorster. At home, however, the Angolan venture apparently has not seriously affected Vorster's political influence. In late January, in the midst of the Angolan involvement, Vorster won a parliamentary vote of confidence.

Namibia

Vorster is pushing a program of self-determination for Namibia that is unacceptable to the UN and the Organization of African Unity. Pretoria's goal for the territory appears to be independence under a loose federal system that would maintain control by whites of the territory's principal resources.

The Namibian constitutional conference that was convened last year consists of delegates representing nine indigenous tribes, two mulatto groups, and the white settlers. The South-West African People's Organization, the only Namibian nationalist group recognized by the UN and the OAU, is not participating. Vorster himself has shown no inclination to nudge the white delegates toward broadening non-white participation.

Bantustans

In his dialogues with African presidents, Vorster has pointed out that Transkei, one of the eight self-governing Bantustans--tribal homelands--in South Africa proper, is to become fully independent next October 26. The remainder of South African blacks eventually are supposed to attain independence in their own Bantustans. Official publicity glosses over the facts that Transkei is the only homeland to have a consolidated territorial base, that all tribal homelands amount to only 13.7 percent of South Africa's territory, and that planned consolidation programs are mere reassortments of land fragments within the overall quota.

The Bantustan program is intended to remove the bulk of the black population from the urban areas to the homelands. Pretoria has heavily subsidized "border industries" and other projects designed to create jobs for blacks in or near the homelands. Nevertheless, the extensive industrial growth since the Nationalists came to power in 1948 has accelerated the aggregation of blacks in the major urban areas.

--continued

A2

FOR THE PRESIDENT ONLY

Urban Blacks

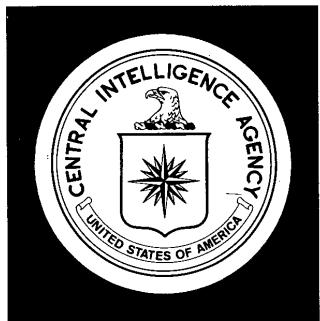
The net result of the gap between apartheid doctrine and economic realities is that most urban blacks lead a precarious squatter's existence. Vorster has not proposed any basic change in the controls that are intended to restrict blacks to their tribal homelands unless they are regularly employed. He also has not shown readiness to repeal the labor codes that reserve skilled industrial jobs for whites and exclude black trade unions from legally sanctioned collective bargaining.

The continual tightening of repressive measures against all spontaneous non-white activities that might have political potential contrasts sharply with Vorster's toleration of some carping from authorized spokesmen, such as the homeland chiefs or the Colored Persons Representative Council. Although relatively few non-white groups have been banned outright, they have been rendered impotent by detaining or banning individual activists as soon as they show their heads.

The absence of genuinely representative organizations among urban blacks and the lack of open channels for expressing their aspirations or grievances breeds tensions that sometimes erupt in demonstrations and riots, such as the events of this week.

Top Secret

✓



The President's Daily Brief

June 21, 1976

2

~~Top Secret~~ 25X1

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

June 21, 1976

Table of Contents

25X1

Lebanon: [redacted]

25X1
25X1

[redacted]
(Page 1)

25X1

Fighting picked up over the weekend near Beirut and elsewhere. (Page 2)

Iraq-Syria: [redacted]

25X1

[redacted] (Page 2)

25X1
25X1

Saudi Arabia - Egypt - Syria: [redacted]

25X1
25X1

[redacted] (Page 3)

25X1

Jamaica: Prime Minister Manley's imposition of a state of emergency will probably be aimed chiefly at his political opposition. (Page 4)

Notes: Vietnam; South Africa; Italy (Pages 6 and 7)

At Annex we review the serious economic problems in Italy.

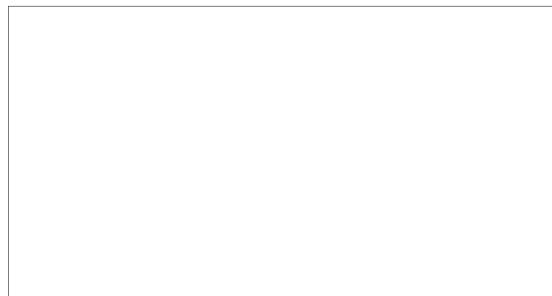
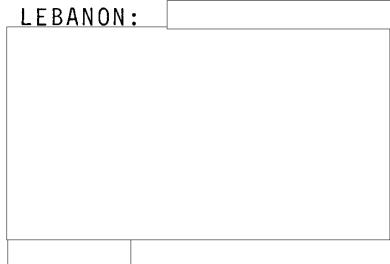
FOR THE PRESIDENT ONLY

25X1

25X1

25X1

LEBANON:



25X1



25X1

25X1



25X1

25X1

25X1

25X1



25X1

25X1

25X1

--continued



559942 6-76

Fighting intensified yesterday as Syrian forces attacked Palestinian and leftist positions near Beirut and in central and southern Lebanon.



25X1

25X1

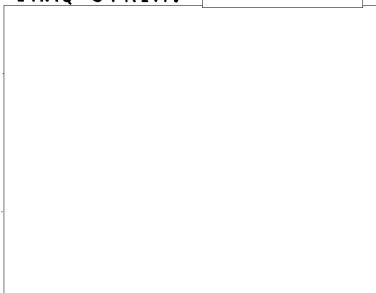
According to the US embassy in Beirut, the current situation suggests both sides are preparing for increased fighting. The Syrians are said to be expanding their positions south of Ayn Sawfar on the road to Damascus. The Palestinians reportedly are mining roads in the Syrian path.

25X1

25X1

25X1

IRAQ-SYRIA:



25X1



25X1

25X1

--continued

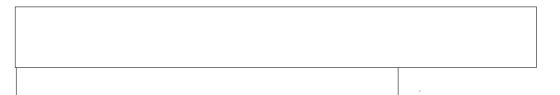
25X1



25X1



25X1



25X1

25X1

25X1

* * *

25X1

25X1

SAUDI ARABIA - EGYPT -
SYRIA: A small rectangular box used for redacting sensitive information.

25X1



25X1



25X1

25X1

25X1

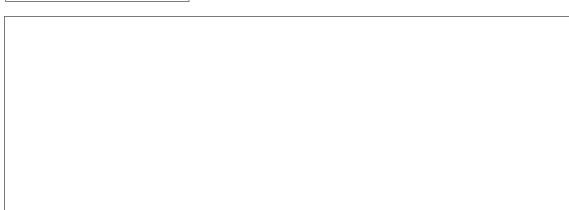
25X1

--continued

25X1



25X1



25X1

25X1 25X1



25X1

* * *

JAMAICA: The state of emergency imposed by Prime Minister Manley on Saturday will probably be directed primarily against the opposition Jamaica Labor Party. Press reports indicate that several opposition leaders have already been arrested.

Manley attributed his action to the need to combat spiraling violence and resulting economic decline. Gang warfare between armed supporters of the two political parties has turned the slums of Kingston into a battle zone, and crime is rampant. Last week, the Peruvian ambassador was killed in an apparent robbery attempt.

--continued

Manley's reference in a brief statement to "false allegations" and "rumor mongering" detrimental to the government may have been directed at the US. He has charged repeatedly in recent weeks that the US is engaging in a campaign to "destabilize" Jamaica.

Manley asserted that the state of emergency will not interfere with the national elections that must be held before next spring. He seemed to imply, however, that it will remain in force at least until then. He made little effort to allay fears that it will be enforced in a partisan manner.

--continued

NOTES

New measures decreed in South Vietnam since the national elections on April 25 strongly suggest that the relatively lenient treatment of uncooperative elements will soon end. Most foreign observers have left Saigon.

The new measures provide for severe punishment, including the death penalty, for persons who have violated the regime's economic and security regulations, served as "lackeys" of the US, or deliberately fled to foreign countries.

A debate has developed within Vietnam as to the pace at which the Communists should consolidate their hold on the south. Public commentaries indicate that the issue remains contentious, with Communist authorities from the south tending to advocate the gradual approach. For the time being, those favoring a faster pace clearly hold the upper hand.

* * *

The South African government's country-wide ban on demonstrations expressing sympathy for those killed and injured in last week's riots seems to be effective.

No serious clashes have been reported in the black residential areas around Johannesburg since Friday. Casualties--mostly black--probably have exceeded 100 dead and 1,000 injured.

The UN Security Council on Saturday passed a resolution by consensus condemning the South African government's use of violence and calling upon Pretoria to move quickly to end racial demonstration.

--continued

* * *

Voting for the new Italian parliament will end today at 8 a.m. EDT.

In the first day of voting yesterday, 76.3 percent of the electorate--including an estimated 400,000 emigrant workers who returned to Italy to vote--cast ballots. Although fragmentary returns may be available this morning, the final official tally, including the distribution of seats among the parties, will not be known until tonight or tomorrow morning.

--continued

A
N
N
E
X
X

ITALY

The post-election government will inherit an economic situation worsened by years of neglect. In Italy's fragmented political system, no party has had the power or the determination to impose the austerity needed to deal with the country's economic ills.

Center-left governments largely have ignored the major structural and institutional defects that underlie Italy's economic difficulties and magnify cyclical downturns. These defects, which defy short-term solutions, include:

- Chronic underuse of labor.
- Inadequate social services.
- Limited financial markets, handicapped by regulations designed to accommodate the financing of the public debt.
- Persistent regional income gaps between North and South.
- The increasing dependence of investment and production on debt-ridden state enterprises.
- A cumbersome and inefficient fiscal system.

Because of the political power acquired by Italian labor unions, the proportion of national income accruing to wage earners rose from 56 percent in the late 1960s to more than 70 percent last year. Since 1970, unit labor costs have climbed 16 percent annually, the highest rate among major industrial countries.

The sliding scale--Italy's mechanism for linking wages to prices--makes it practically impossible to reduce the real earnings of workers. Instead, prices and wages have been locked in an inflationary spiral.

The Lira and Inflation

The fruits of Italy's patchwork policies have been a weak lira and rampant inflation. Following the

--continued

A1

FOR THE PRESIDENT ONLY

imposition of the import deposit scheme in early May, the lira has hovered in the 840-860 range against the dollar, holding the trade-weighted depreciation of the lira since mid-January to 20 percent.

As a legacy of the vain battle to save the lira, the new government will inherit an estimated foreign debt of \$16 billion. New lines of credit established through the European Community and the Bank of International Settlements in May will raise that figure \$1.1 billion.

This year alone, Rome is scheduled to repay \$3.5 billion in interest and principal. The largest repayment due is \$2 billion to West Germany on a 1974 gold-backed loan.

Although lira depreciation has restored the competitiveness of Italian exports to 1973 levels, it has so far done little to benefit the trade account. The seasonally adjusted deficit for the first four months of 1976 totaled \$1.3 billion, compared with \$1.2 billion in September-December 1975.

Inflation, which averaged 17 percent in 1975, has accelerated to a 30-percent annual rate, as lira devaluation has boosted costs of imported fuels and foods. Monthly jumps in the February-April wholesale price index are the largest changes since the 1973-1974 oil price hikes.

On the positive side, the recession apparently is over. After dropping 9.7 percent last year, industrial output has risen 10 percent (seasonally adjusted) since December. Italian exporters are seeking new orders, eager to sell now before the rising costs of labor and imported raw materials can erode the benefits of the lira's fall.

Unemployment

Despite the rise in production, unemployment continues to creep up. Because union strength and labor legislation have made it difficult to lay off workers, unemployment officially is only 3.5 percent. The total number of workers employed less than full time, however, increased 27.6 percent in 1975. These workers comprise 5.6 percent of the labor force.

--continued

A2

FOR THE PRESIDENT ONLY

The large number of young people among the unemployed--wooed successfully by the nondemocratic parties--represents a dangerous element of social discontent.

The Post-election Period

Economic events after the elections cannot be predicted with any certainty. The key to economic development will be the reactions of Italian businessmen and foreign creditors, both of whom will be jittery. The longer it takes to form a government and the greater the role given the Communists in that government, the larger the outflow of capital.

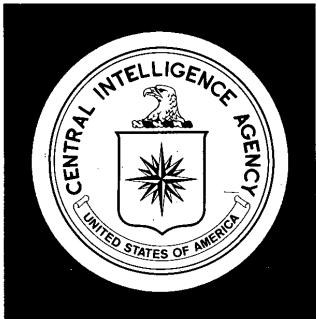
If the election results in a new center-left government with indirect Communist participation, only a marginal shift in Italy's social and economic orientation would occur.

With Communists excluded from key ministerial posts, foreign and local businessmen would feel assured that nationalizations or stringent planning guidelines would be unlikely. Many would view Communist support from outside the government as a means of enhancing the ruling coalition's credibility. Under these circumstances capital flight probably would be short-lived.

With the Communists sharing at least partial responsibility for government actions, the Socialists would be more inclined to join with the Christian Democrats in an effective austerity program. The Communists, moreover, might convince the unions to accept some type of voluntary wage restraint. The price of Communist support for such a program probably would involve revision of spending priorities in favor of improved social services, tougher taxation of income, and a greater say for labor unions in private investment decision.

Whatever the election outcome, economic recovery will have to proceed slowly. Public investment in social services and export demand seem likely to provide the main impetus for growth. Precautionary saving patterns, newly imposed taxes, and high unemployment will restrain consumer spending, while public operating expenditures are expected to rise only slightly. Political uncertainty, substantial spare capacity, and tight credit should keep private fixed investment depressed.

Top Secret



The President's Daily Brief

June 22, 1976

2

Top Secret^{25X1}

Exempt from general
declassification schedule of E.O. 14176
exemption category SR(1)(2)(13),
declassified only on approval of
the Director of Central Intelligence

FOR THE PRESIDENT ONLY

June 22, 1976

Table of Contents

Italy: Communist election gains strengthen the party's bid for a role in national government. (Page 1)

Forming a new government will be very difficult, with protracted negotiations likely. (Page 2)

Lebanon: A cease-fire arranged by Libyan mediator Prime Minister Jallud went into effect in parts of Beirut early yesterday morning. (Page 3).

The Soviet ships that monitored the US evacuation from Lebanon are still in the eastern Mediterranean. (Page 4) 25X1

Syria: [redacted] (Page 4)

USSR: If normal weather prevails during the balance of the growing and harvesting season, we estimate Soviet grain production will be 195 million tons. (Page 5) 25X1

China: Barring a marked improvement in the weather, China will be hard pressed to equal last year's estimated grain output of 260 million tons. (Page 7)

South Africa: The government's readiness to blame continuing rioting on subversive elements suggests it will tighten controls on non-white activities. (Page 8)

Notes: USSR - South Africa; Japan; South Vietnam; Kenya (Pages 9 and 10)

FOR THE PRESIDENT ONLY

ITALY: The Communist Party made a major advance in the Italian parliamentary election but fell short of overtaking the Christian Democrats as Italy's largest party. The results strengthen the Communists' bid for some role in the national government, but provide no clear-cut solution to Italy's political deadlock.

The Communists were the only party to advance significantly in either the senate or the chamber of deputies, compared to the previous parliamentary election in 1972. The final count for the senate gave the Communists 33.8 percent, an increase of more than 6 percent over 1972. In the chamber, with 96 percent of the ballots counted, the Communist vote of 34.7 percent is an increase of more than 7 percent over the party's 1972 showing--the largest gain the Communists have registered in any postwar election.

The Christian Democratic totals of 38.9 percent in the senate and 38.7 percent in the chamber are only fractionally different from the party's performance in 1972, although they represent a gain of about 3 percent with respect to the Christian Democrats' performance in the regional elections last year. The Christian Democrats appear to have held their own mainly by offsetting losses on their left--apparently to the Communists--by drawing support away from smaller parties, such as the neo-fascists, Liberals, and Social Democrats.

The Socialists, who pushed hardest for an election, remain in third place but will be bitterly disappointed by their showing--10.2 percent in the senate and 9.7 percent in the chamber--which does not differ significantly from the party's vote in 1972 and represents a drop of about 2 percent compared to the Socialist vote in the regional elections.

--continued

FOR THE PRESIDENT ONLY

The election results will make it very difficult to form a new government, and protracted negotiations are likely.

The election was called mainly as a result of the Christian Democrats' refusal to yield to a long-standing Socialist demand that the Communists be given at least an indirect role in the government. The election has now strengthened the Communists' influence, leaving the question of their future role at the center of political debate.

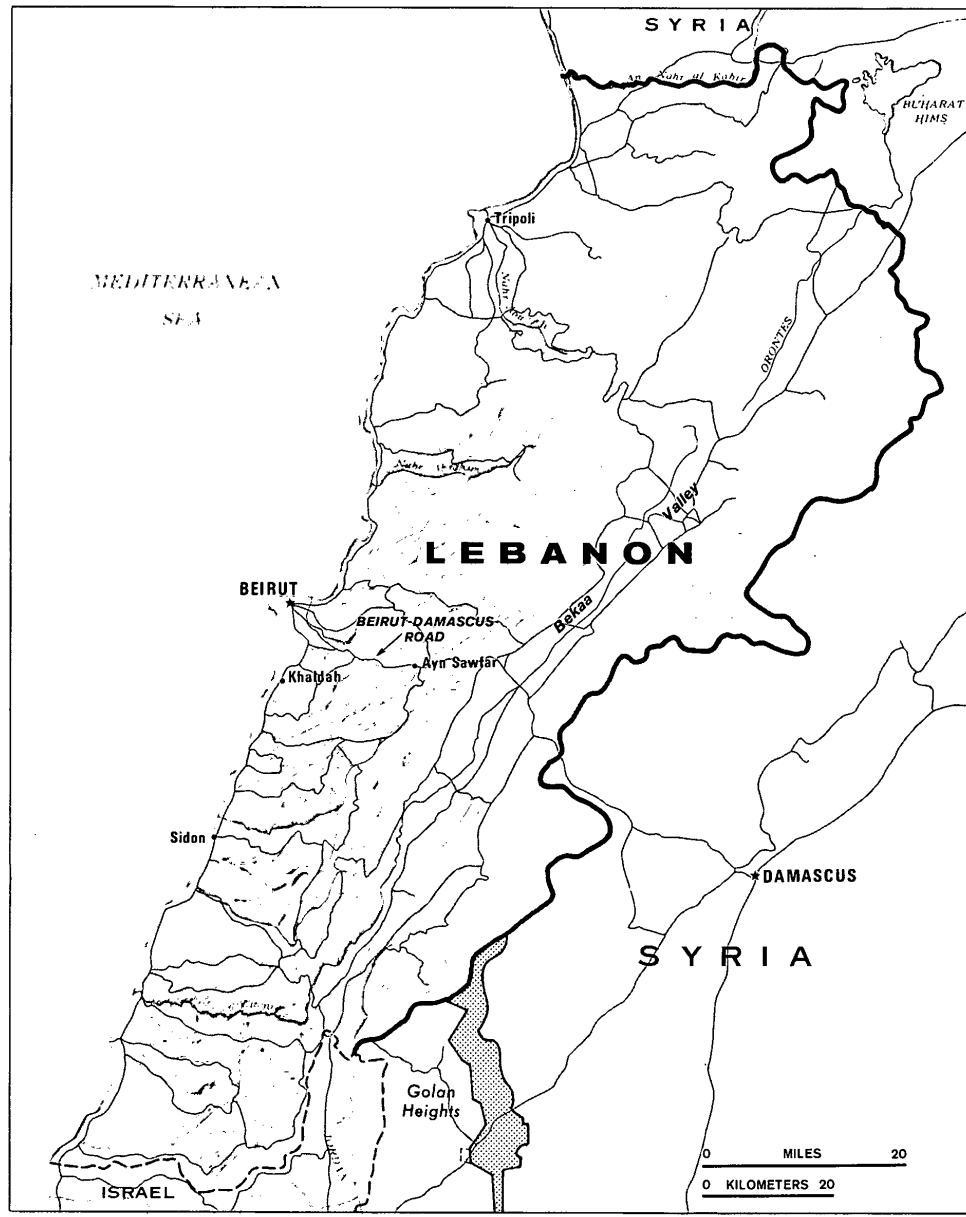
Despite the Socialists' lackluster showing, they remain in a pivotal position. The Christian Democrats will not be able to put together a non-Communist parliamentary majority without them. Any negotiations between the Christian Democrats and Socialists on the terms of a new coalition may thus be reduced to a tug of war between the two parties over the degree of influence to give the Communists in national policy making. The Christian Democrats' ability to make concessions will be limited by the fact that their base of support has shifted even further to the right as a result of their tough anti-Communist campaign.

While it is too early to draw firm conclusions, it is likely to be difficult, if not impossible, to isolate the Communists entirely from the national governing process. With their position in parliament vastly strengthened, their cooperation would be needed more than ever to pass and implement any major programs proposed by a government in which they do not participate directly.

* * *

--continued

FOR THE PRESIDENT ONLY



559945 6-76

FOR THE PRESIDENT ONLY

LEBANON: A cease-fire arranged by Libyan mediator Prime Minister Jallud early Monday morning has been partially effective. Although there is still some heavy fighting, the truce has allowed an advance contingent of the Arab League security force, made up primarily of Syrian troops, to take up positions around the Beirut airport.

25X1

The terms of the cease-fire clearly favor Syria and are a measure of the Palestinians' near-desperate desire to open up at least one supply route to the capital. [redacted]

[redacted] Syrian troops have begun to withdraw from the airport area; we have no evidence as yet, however, that other provisions of the truce are being carried out.

The US embassy has learned that the League security force hopes to have the airport open by today or tomorrow so that additional League troops can be brought in by air. Other Arab countries contributing to the force continue to stall, and apparently none has any immediate plans to send its participants.

[redacted] Jordan [redacted]

25X1

25X1
25X1

25X1
25X1

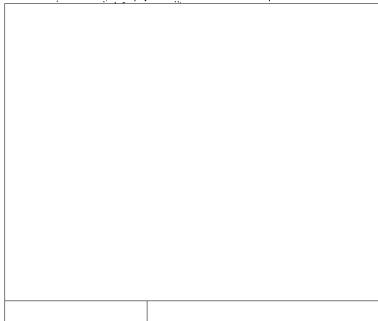
--continued

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

25X1

25X1



25X1



25X1

25X1

25X1

The Soviet ships that monitored the US evacuation from Lebanon are still in the eastern Mediterranean.

Nine Soviet warships and a few naval auxiliaries are continuing surveillance of US forces near the Lebanese coast. The nearest US unit to Lebanon is some 50 miles off Beirut.

There are now 66 Soviet naval units in the Mediterranean.

25X1

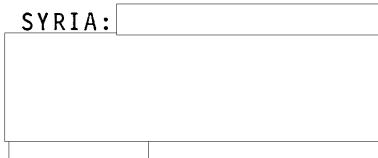
*

* *

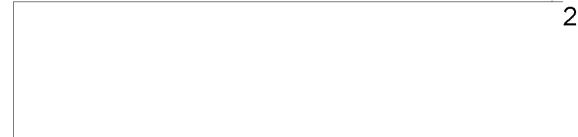
25X1

25X1

SYRIA:



25X1



25X1

--continued

FOR THE PRESIDENT ONLY

USSR: Major Grain Growing Regions



559944 6-76

FOR THE PRESIDENT ONLY

25X1

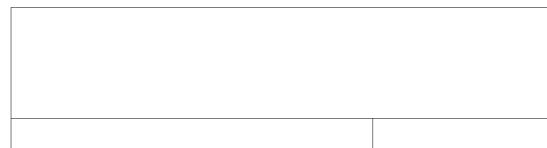
25X1



25X1



25X1



25X1



25X1

25X1

25X1

* * *

USSR: Growing conditions in the Soviet Union have improved, and prospects are favorable for a grain harvest well above last year's disastrous crop of 140 million tons.

If normal weather prevails during the balance of the growing and harvesting season, we estimate Soviet grain production will be 195 million tons. Unfavorable weather conditions could substantially reduce the size of the harvest, and under optimum weather conditions output could be as high as 215 million tons.

--continued

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY
Later today the USDA will release an estimate of 190 million tons, based on a different methodology.

Crop conditions in much of European Russia, the major winter grain area, are now good, and the main harvest will begin early next month. Almost one third of the area sown last fall, however, was lost.

Prospects for spring grains have improved during the past month. Soil moisture problems apparently are not as critical or widespread as indicated by earlier weather data.

Soviet needs for grain imports this year depend not only on the size of the harvest and on basic grain requirements, but also on the rate at which Moscow chooses to rebuild livestock inventories and replenish grain stocks.

Based on a harvest of 195 million tons, we estimate that Moscow will import about 20 to 25 million tons of grain in the 15-month period beginning on July 1, 1976.

Twenty million tons would be only about two thirds of the amount purchased last year to cover the shortfall in grain. Moscow would welcome such a reduction since record hard-currency deficits are beginning to cause payments problems. World supplies of grain have eased from last year and seem adequate for Soviet needs.

Our grain import forecast would allow 30 million tons of grain for starting an ambitious livestock program--after last year's distress slaughtering--and for rebuilding depleted reserves.

So far this year Moscow has probably bought 12 million tons of grain. Thus, the Soviets would have to import another 8 to 13 million tons if our 20 to 25 million

--continued

ton forecast turns out to be correct. They are obligated to take at least 3.8 million tons more US grain under the US-USSR grain agreement. As in the recent past, a little more than half of total imports probably will be feedgrains.

* * *

CHINA: Barring a marked improvement in the weather, China will be hard pressed to equal last year's estimated grain output of 260 million tons.

Spring- and summer-harvested crops, which account for 40 percent of the annual output of grain, were probably no better than last year, despite a reported acreage increase.

In the northern part of the North China Plain--the major winter wheat growing area--crops were adversely affected by excess rain during fall planting and by drought after sprouting this spring. More favorable conditions in the southern part of the Plain will not compensate for these losses.

The rice crop has suffered repeated setbacks from bad weather this year. The first rice to be harvested from the spring and summer crop will be ready in July.

The rains that brought relief to spring drought areas may have slowed the planting of fall grains, which normally account for 60 percent of the total grain output.

It is still too early to gauge what China's grain import position will be. The leadership has not moved to purchase more than the roughly 2 million tons scheduled for delivery from Canada and Australia in 1976.

* * *

--continued

SOUTH AFRICA: *The readiness of South African leaders to blame the recent rioting on subversive elements suggests they will tighten already stringent controls on non-white activities.*

In a preliminary assessment, the US embassy in Pretoria states that government leaders are unlikely to consider reforms of the apartheid system--the continuation of which is setting the stage for future violence.

The embassy sees no factual basis for the assertion by the minister of justice in parliament last week that the rioting was fomented by white radicals and black subversives. It also discounts Prime Minister Vorster's subsequent intimations that the rioting was intended to scuttle his meeting with Secretary Kissinger.

Although the rioting has not posed an immediate threat to white supremacy, the embassy believes the events have intensified the sense of insecurity among South African whites that became apparent during the Angolan crisis last winter. Fear of racial violence at home probably also will reinforce Pretoria's instincts toward caution rather than innovation in dealing with Rhodesia and Namibia.

--continued

The Soviets

South Africa

NOTES

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

*

*

*

25X1

Japan

25X1

25X1

25X1

25X1

25X1

25X1

--continued

* * *

After a year of relatively moderate rule in South Vietnam, the communists are beginning to tighten their control.

In early June, South Vietnam's Provisional Revolutionary Government announced stern measures, including the death penalty, to punish those who violate economic and security regulations. A special people's tribunal will be set up to try publicly and without appeal entrepreneurs who allegedly worked closely with the US and are still:

--Hoarding and speculating.

--Trying to evade taxes or bribing government officials.

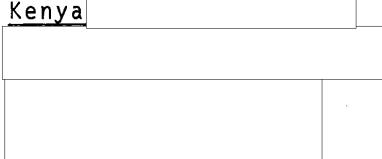
--Storing weapons, "colluding with the reactionaries," or organizing refugee escapes.

During the past year, a debate has developed between those who advocate a gradual consolidation of the communists' position in the south and advocates of rapid and forceful change. Although those favoring a faster pace apparently now hold the upper hand, public commentaries remain contradictory, suggesting that the issue is still unresolved.

Hanoi so far has not acted on what is potentially the most controversial issue--collectivization of agriculture in the south. Some insight into the communists' approach on this matter probably will emerge from the Fourth Party Congress slated for sometime this year.

25X1

* * *

Kenya

25X1

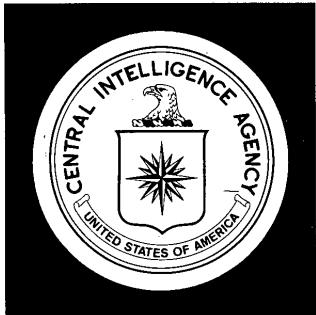


25X1

25X1

25X1

Top Secret

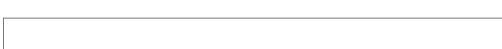


✓

The President's Daily Brief

June 23, 1976

2



~~Top Secret~~ 25X1

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

June 23, 1976

Table of Contents

Lebanon: Christian militias yesterday staged new attacks in Beirut and elsewhere, but there was little fighting between Syrian and Palestinian units in the Beirut area. The various factions have shown some interest in a proposal for roundtable talks in Paris. (Page 1)

Italy: Italy's major parties will begin meetings in t125X1ext f_{25X1} days to assess the election results. (Page 2)

South Africa - Rhodesia: [redacted]

(Page 3)

25X1

[redacted]

Notes: USSR; Argentina; Romania (Pages 5 and 6)

FOR THE PRESIDENT ONLY



59949 6-76

FOR THE PRESIDENT ONLY
LEBANON: Lebanese Christian militias yesterday mounted new attacks on Palestine refugee camps and some Muslim areas in Beirut. They also may have been responsible for new outbreaks of fighting near several coastal towns in central Lebanon.

The Christian forces involved have enjoyed a partial respite during the recent confrontation between the Syrians and the Palestinians and probably have used the time to import substantial quantities of new arms. The Christians--possibly with private Syrian encouragement--may be attempting to demonstrate that a large Syrian force must remain to keep peace in the Beirut area.

Whatever the case, the Christians are trying to push the Palestinians out of some disputed areas in Beirut and to regain territory lost earlier in the northern and central areas. They recognize that this may be their best opportunity as Palestinian and leftist forces have been significantly weakened by their encounters with the Syrian army.

There was almost no fighting yesterday between Syrian and Palestinian forces in the Beirut area as the two sides moved to complete implementation of the first stage of their cease-fire agreement.

Syrian and Saiqa troops in the airport and the Khaldah area have been replaced by the Syrian-Libyan contingent of the Arab Security Force. The Libyan troops reportedly are outside the airport, however, and the airport proper remains under the control of Syrian regulars.

[Redacted]
The Christians had threatened to resume shelling the airport if Syria relaxed its control.

Damascus apparently took advantage of the Arab Security Force's movement into Lebanon to replace its exhausted unit in the Khaldah area. Although the new group of Syrians theoretically is responsible to

--continued

Palestinian and Syrian spokesmen appear far apart on the distance Syrian forces are to pull back from Beirut.

the Arab League rather than to Damascus, the distinction so far means nothing and leaves Syria's presence undiluted.

25X1

The Palestinians say the Syrians must withdraw to the Bekaa Valley, while the Syrians are talking publicly of a pullback to the Baydar Pass and Jazzin.

25X1

Although the latest fighting may delay further any progress toward a political solution, leaders of the various factions have shown some interest in the recent French proposal for roundtable talks in Paris.

* * *

ITALY: Italy's major parties will begin meetings in the next few days to assess the election results.

Debate is likely to be most intense in the Socialist Party, which precipitated the election but failed to win any new parliamentary seats. Paradoxically, the Socialists are now more important than ever to Christian Democratic attempts to govern without the Communists because losses sustained by small centrist parties reduce their value as viable coalition partners.

The Socialists, disappointed that their pivotal position is accidental rather than a result of electoral gains, are likely to undergo

--continued

a full scale strategy review that could eventually lead to a challenge to party leader De Martino.

The major question for the Socialists is whether, or how, to modify their condition that the Communists be associated in some way with any government the Socialists agree to form with the Christian Democrats. If the Socialists stick to their insistence on some Communist involvement, the Christian Democrats will have trouble formulating a unified response.

Communist chief Berlin-guer appeared to interpret the outcome as an affirmation of his "historic compromise" strategy.

He asserted that the strong showing by both the Christian Democrats and Communists means that the two parties can not avoid dealing with each other. At the same time, Berlinguer reiterated that his party is in "no hurry" to join the government. The sharp Communist advance, however, may bring Berlin-guer under increased pressure from party militants to translate the party's gains into tangible results.

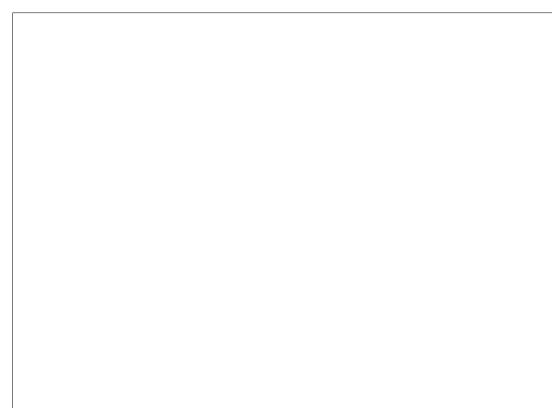
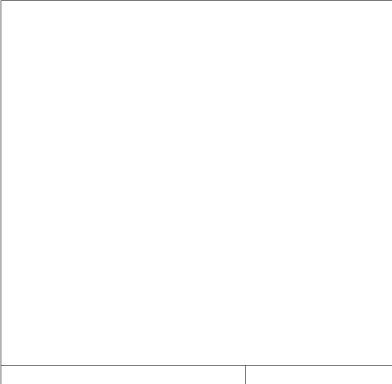
*

* *

25X1

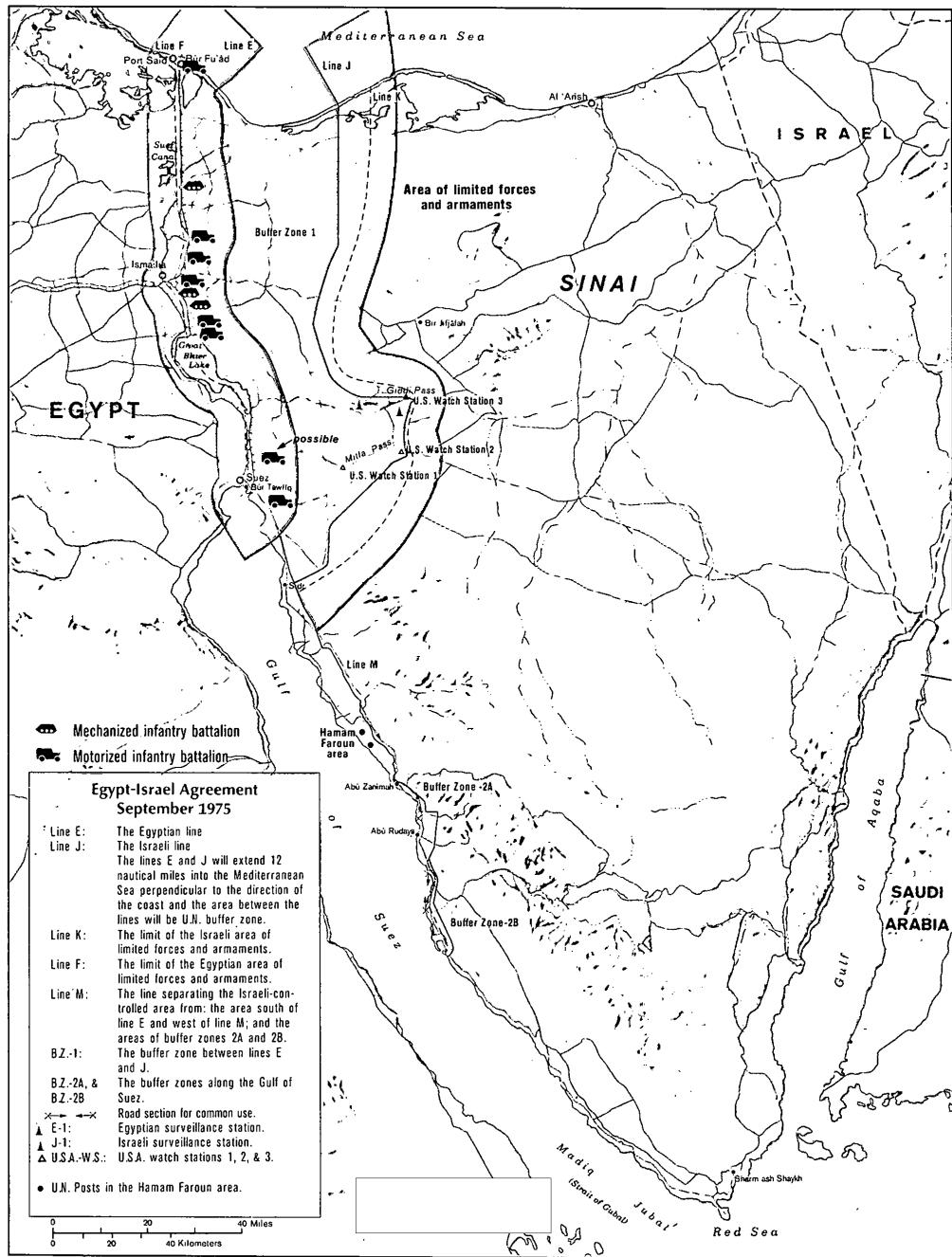
25X1

SOUTH AFRICA - RHODESIA:



25X1

--continued



559950 6-76 CIA

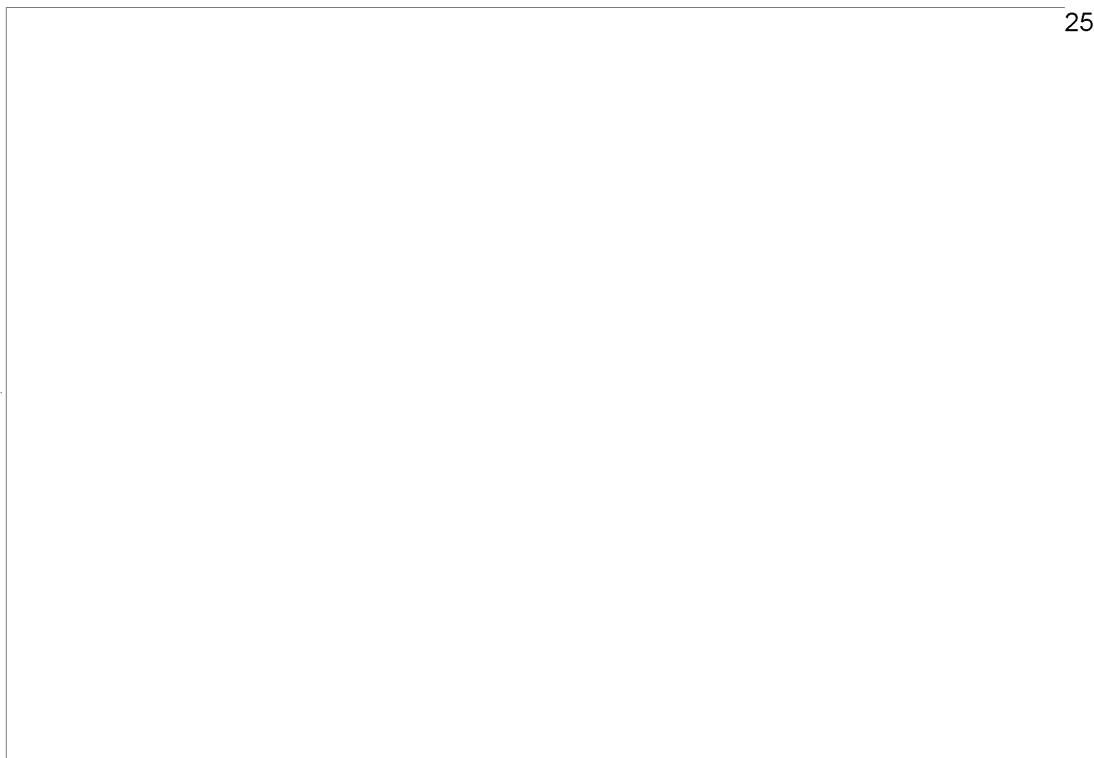
25X1



25X1

* * *

25X1



--continued

NOTES

Salyut 5, apparently a military version of the Soviet Salyut space station, was launched yesterday from the Tyuratam missile test center.

Initial reports indicate that the 19-ton vehicle reached orbit and is functioning properly. The launch of a Soyuz spacecraft probably will follow within two weeks to carry cosmonauts to the space station.

25X1

* *25X1 25X1 25X1



Argentina

25X1

25X1

Several reports assert that a Chilean leftist leader arrested in Argentina was subsequently turned over to the Chileans and is now dead. The Brazilian press, meanwhile, alleges that the Argentine government has handed over to Chilean authorities a Brazilian political exile wanted by Santiago.

Despite disclaimers by Argentine leaders, US embassy officials in Buenos Aires now suspect the acquiescence, and perhaps the direct involvement, of the Argentine security forces in many of these incidents.

--continued

* * *

Romanian President Ceausescu recently instructed the press not to raise controversial questions on the "history of Soviet-Romanian relations."

[redacted] 25X1

Ceausescu apparently intends to tone down his regime's polemics with the Soviets over "falsifications" of Romanian history. In a speech on June 2, he flatly said that Romania has no territorial or other problems with the USSR. Ceausescu, however, has given no indication that Romania will waver from its national communist course.

Top Secret

✓



The President's Daily Brief

June 24, 1976

2



~~Top Secret~~

25X1

Exempt from general
declassification schedule of E.O. 14176
exemption category: SB(1)(c)(3)
declassified only on approval of
the Director of Central Intelligence

June 24, 1976

Table of Contents

Lebanon: The Beirut airport, which opened again yesterday, remains under the control of Syrian troops. (Page 1)

Egypt-Syria: Egyptian and Syrian prime ministers and foreign ministers met in Riyadh last night for the first round of the Saudi effort to reconcile the rift between Cairo and Damascus. (Page 2)

USSR: Most of the warships that monitored US units during the evacuation of civilians from Beirut are following the US ships as they leave the area. (Page 2)

Portugal: The presidential election, scheduled for Sunday, was thrown into doubt yesterday when Prime Minister Azevedo, one of the four candidates, suffered a severe heart attack. (Page 3)

China

[Redacted] (Page 4) 25X1

Notes: Afghanistan; Philippines-China; Ethiopia-Somalia; Poland; Thailand (Pages 5, 6, and 7)

At Annex we discuss some of the complexities involved in Syria's intervention in Lebanon.

FOR THE PRESIDENT ONLY



559952 6-76

LEBANON: Beirut airport, still firmly under the control of Syrian forces, opened yesterday to the first commercial air traffic in over two weeks.

The airport's availability probably will remain a chancy thing. The Palestinians are already charging that Syrian troops yesterday prevented the landing of a Saudi aircraft carrying food and medicine.

Although the Syrian troops at the airport apparently belong to the Syrian contingent of the Libyan-Syrian security force and are not the Syrian regulars who have been occupying the airport, the distinction is academic.

25X1

Heavy fighting continued between Christians and Palestinians and leftists around refugee camps in Beirut and around Palestinian-leftist positions in central Lebanon. There was little evidence of fighting between Syrian and Palestinian forces.

The Palestine Liberation Organization yesterday released the pro-Syrian commander of the Palestine Liberation Army, Musbah Budayri whom Fatah forces kidnaped two weeks ago. Budayri's release was one of Syria's conditions for agreeing to the latest truce plan.

In another example of the continued ill-will between Syria and Fatah, Damascus issued a statement yesterday--through a Palestinian affiliate of the Baath Party--that attacked Fatah for "considering itself a substitute for the PLO command."

The statement accused Fatah of enlarging rather than resolving existing differences among member organizations in the PLO and playing the Arab states off against each other. Without naming Yasir Arafat, the statement urged that the Arabs "put an end to the domination of certain persons" in the Fatah command.

--continued

Syrian officials still publicly declare solidarity with the Palestinians and deny that clashes have occurred between Syrian and Palestinian forces. By attributing yesterday's statement to an ostensibly non-government organization, Damascus can deny association with it. The attack seems designed, however, to test the Arabs' receptivity to a Syrian attempt to remove Fatah from its commanding position within the PLO.

Israeli Prime Minister Rabin told a group of students Tuesday that the entry of the Arab League's security force into Lebanon could, over the long term, encourage political developments threatening to Israel's security.

Rabin's remarks reflect recurring Israeli apprehensions that the Arab League force may prepare the way for an eventual rapprochement between Syria and the Lebanese leftists and to the installation of a Syrian-dominated leftist regime in Beirut--a contingency Israeli leaders have repeatedly stated their government could not tolerate.

EGYPT-SYRIA: *The Egyptian and Syrian prime ministers and foreign ministers met in Riyadh last night for the first round of the much postponed Saudi effort to reconcile the rift between Cairo and Damascus.*

Chances for more than a surface reconciliation are dim. Reports that an Egyptian-Syrian summit is scheduled to follow the Riyadh meeting have not been confirmed. Definite plans probably await the outcome of the Riyadh talks.

USSR: *Most of the Soviet warships that monitored US units during the evacuation of civilians from Beirut are following the US ships as they leave the area.*

Although Soviet naval strength in the Mediterranean--nearly 70 ships of all types--is still high, more than a dozen of these probably will leave within a week. More Soviet warships are entering the Mediterranean from the Atlantic, but these appear to be units transferring to other places.

* * *

--continued

25X1

PORUGAL: The presidential election, scheduled for Sunday, was thrown into doubt yesterday when Prime Minister Azevedo, one of the four candidates, suffered a severe heart attack.



If 25X1

Azevedo should die before the voting begins, the constitution specifies that the President set a new date and that the entire election process begin again. This would require a delay of at least six to eight weeks.

The Prime Minister, whose election campaign has been poorly organized and under financed, has been unable to halt the momentum of the front-runner, army chief Eanes.

During the past week, Azevedo has increased his personal attacks against Eanes. These attempts to discredit the army chief have done little to help Azevedo and have created hostility toward him within the armed forces.

Should the Prime Minister decide to withdraw from the race before the deadline tomorrow, much of his support would probably go to Eanes and would probably improve his chances of winning a majority in the first round of voting. Although Azevedo might encourage his followers to back the far left candidate, former security chief Otelo de Carvalho--whom he has praised in recent campaign statements--it is unlikely that many would act on this advice.

Should Azevedo die before Sunday, the postponement of the election could have far-reaching consequences. Not only could it lead

--continued

to shifting alliances and new candidates entering the race, but it would postpone the formation of a new government based on the parliament elected last April. Any delay would also defer the enactment of badly needed economic measures.

*

*

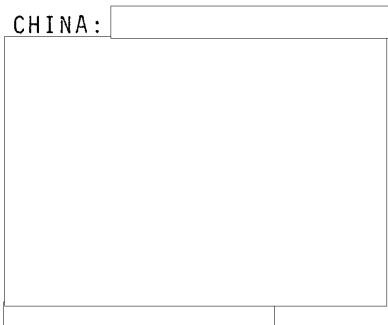
*

25X1

25X1

25X1

CHINA:



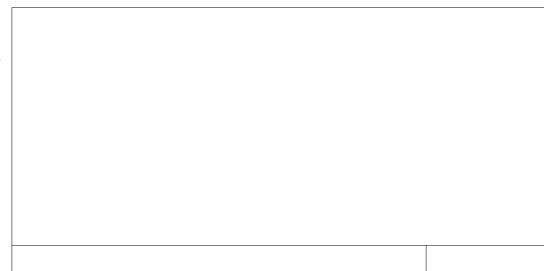
25X1

25X1

25X1

25X1

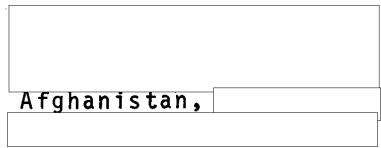
25X1



25X1

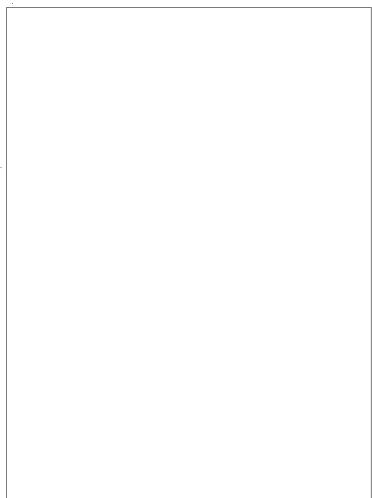
25X1

NOTES



25X1
25X1

25X1



25X1



25X1



25X1

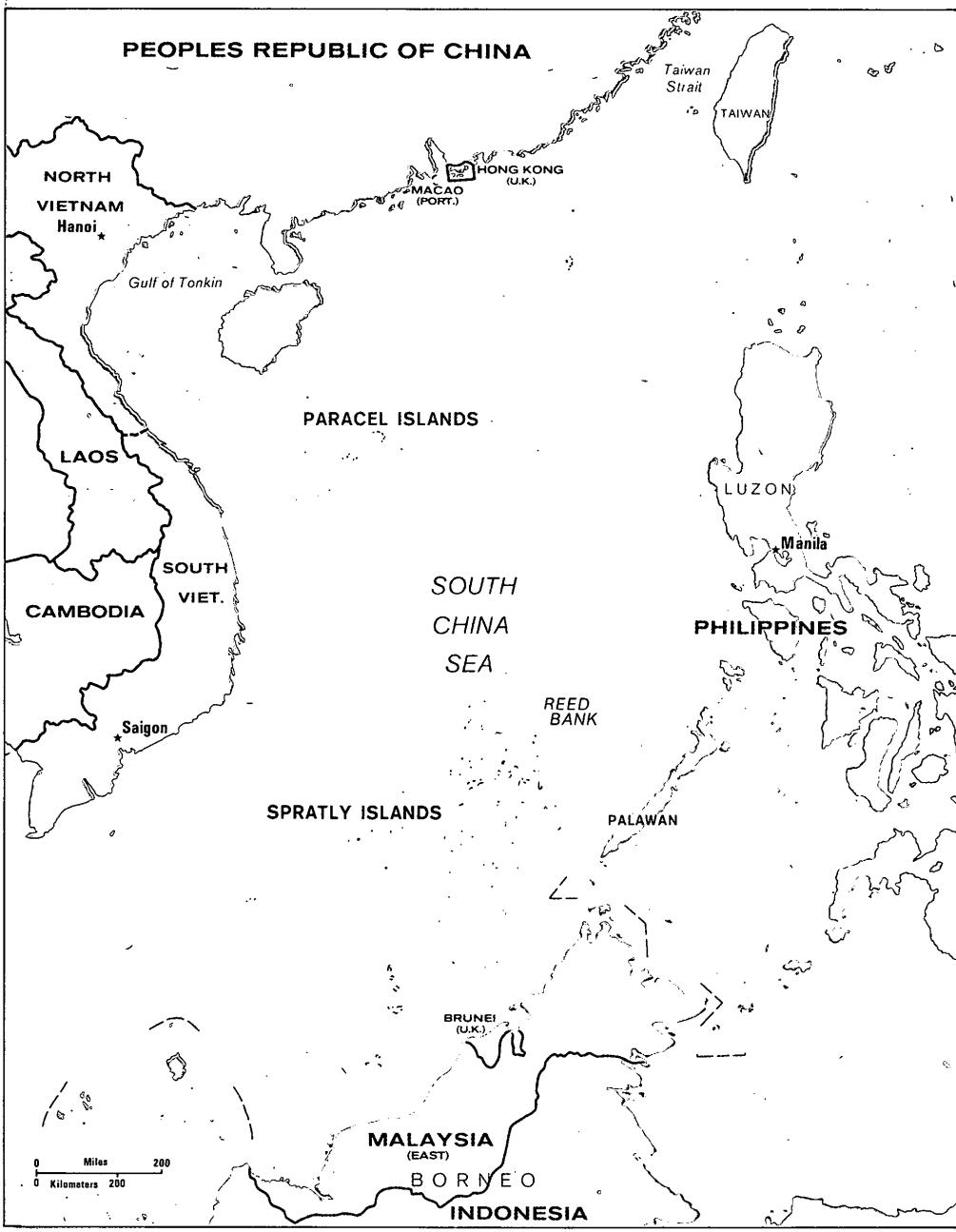


25X1



25X1

--continued



559954 6-76

25X1

25X1

25X1

25X1

25X1

Philippine [redacted]

[redacted]
China

25X1

25X1

25X1

25X1

* * *

Ethiopia reportedly has begun reinforcing its troops along the border with the French Territory of the Afars and Issas as a contingency against Somalian attempts to move into the territory during the Organization of African Unity council of ministers and summit meetings.

The ministers begin meeting today; the summit is scheduled for July 2 through 5.

We believe it is unlikely that Somalia will initiate a military move against the FTAI during the conference. Somalia is committed to eventually annexing the territory, but is unlikely to flagrantly offend African opinion by starting a war while the OAU is meeting.

--continued

* * *

The Polish party daily
yesterday said that
prices of basic food
items must soon be
raised.

Prices on meat, milk, butter, and
flour have been held stable since
1970, when widespread riots and
strikes over a price increase
brought Edward Gierek to power.
During the past year there have
been open complaints about short-
ages of key items such as pork and
the prospect of price hikes.

The regime may already be taking
steps to head off any show of popu-
lar dissatisfaction. According to
Western observers in Warsaw, po-
lice leaves have been canceled and
more than the usual number of po-
lice are on the streets in and
around the capital. These meas-
ures may have been taken, however,
to handle the European youth con-
gress now under way there.

*

* 25X1

25X1 25X1 25X1



25X1



25X1



25X1

25X1

25X1

25X1

--continued

A
N
N
E
X

SYRIA AND LEBANON: A LOOK AHEAD

President Asad's decision to allow the entry of a token Libyan force into the Beirut airport area this week presages no significant reduction of Syria's military or political role in Lebanon. Although growing domestic unrest over his Lebanese policy and the recent threatening military moves by Iraq influenced his decision on the issue of Libyan participation, there are no indications that Asad is relenting in his determination to impose a Syrian settlement on Lebanon's warring factions.

By continuing to consolidate Syria's military position and insisting on substantial Syrian participation in any multilateral operation, Asad appears to have persuaded some of the other Arabs that any pan-Arab force would only be a token one, would have to confine its activities to Beirut, and would enter Lebanon only under a protective Syrian umbrella.

Asad is likely to continue his efforts to blockade the Palestinians in their principal strongholds of Beirut and Sidon. The Syrians still hope to avoid engaging the Palestinians in urban street fighting in the major cities. Damascus probably views the latest Christian assaults as helpful inasmuch as sustained Christian attacks would make the Palestinian position even more precarious. Without external resupply, it seems unlikely that the main Palestinian and Lebanese leftist forces will again be able to gain the initiative over the Christians, who have been rebuilding their military inventory since April.

The Political Complexities

If the Palestinians are forced to accept a ceasefire on Syrian terms, some form of round table political negotiations probably will get under way under the aegis of president-elect Sarkis. Even if political talks resume any of the parties could make new political demands or mount new attacks to derail progress.

--continued

A1

FOR THE PRESIDENT ONLY

The Syrians will continue to pursue a resolution that preserves Christian rights but enhances Muslim political participation and power. Despite Asad's generally adroit maneuvering in recent weeks, however, he seriously misjudged the amount of military pressure he could put on the Palestinians without meeting fierce resistance, and he is constrained by political and financial problems at home and Iraqi intimidations along Syria's eastern border. The longer he is embroiled militarily in Lebanon, the more exposed he is likely to be to unrest within the Syrian military and to the possible deepening of rivalries between Syria's own Alawite, Sunni Muslim, Christian, and Druze sects. His apparent determination to arrogate responsibility for rebuilding a Lebanese security force to Syria will heighten these risks by requiring a sizable Syrian military presence for a long time in selected areas of Lebanon.

Asad and the Palestinians

Asad's most complex problem in the near future will be his relationship with the Palestinians. The Syrian-controlled Saqiya group, badly mauled by Fatah in the intra-Palestinian fighting in Beirut earlier this month, will not easily regain a position from which it can limit Fatah's dominance of the fedayeen.

Asad can be expected to try to restore and regenerate Saqiya, but he also is likely to make a major effort to make Fatah more susceptible to Syrian influence and direction. He will be handicapped in this effort by his distrust of Yasir Arafat, which has deepened in recent weeks. There probably will be a cosmetic reconciliation between Asad and Arafat, but the Syrian President is likely to work more actively than before to undermine and--over the long term--perhaps unseat Arafat. At the same time Arafat probably will seek to capitalize on Palestinian assistance to the US evacuation from Lebanon to embellish his credentials as an internationally accepted Arab leader.

The complexities of the Lebanese crisis make it unlikely that Asad will win an unqualified victory. At present, however, he appears to retain sufficient strength at home and enough support in the Arab world to be able ultimately to force acceptance of a settlement that is largely on Syrian terms.

Top Secret

✓



The President's Daily Brief

June 25, 1976

2

~~Top Secret~~ 25X1

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

June 25, 1976

Table of Contents

Lebanon: Christian forces launched heavy attacks in east Beirut yesterday, and there also was fighting in almost all other sections of the city. Most major Syrian units in Lebanon remain in place. (Page 1) 25X1

[redacted] (Page 2)

25X1

Syrian President Asad is due to arrive in Belgrade today for talks with President Tito, who is attempting to cool the Lebanese crisis. (Page 2)

Egypt-Syria: The results of a meeting between the prime ministers of Egypt and Syria indicate that a lasting reconciliation between their countries is very unlikely. (Page 3)

Egypt-USSR: The Soviets have displayed some willingness to resume limited military aid to Egypt. (Page 4)

Portugal: The Revolutionary Council is anxious to avoid the political problems that would arise if Prime Minister Azevedo should die. (Page 4)

25X1

EC - Puerto Rico: The EC Nine have been unable to agree on Community representation at the economic summit. (Page 6)

[redacted] (Page 6) 25X1

World Grain: Our initial estimate of world grain production for 1976-1977--excluding rice--is a record 1,045 million tons. (Page 7)

25X1

Notes: European Communists; USSR (Page 8)

[redacted]



LEBANON: Extreme right-wing Christian militias yesterday intensified their attacks on two Palestinian refugee camps in east Beirut. In addition to the usual heavy shelling, the offensive included armored assaults and ground fighting.

Fighting spread yesterday to all sections of the capital except the area near the airport.

Libyan Prime Minister Jallud on Wednesday succeeded in arranging a meeting of leaders of all principal fedayeen groups.

The Christians have taken heavy casualties but seem determined to continue the attack until fedayeen and leftist forces in the camps are no longer able to prevent movement from Christian enclaves in Beirut to more secure Christian areas northeast of the city. The Christians are not likely to achieve their full objective, however, unless the larger Phalanges Party militia becomes heavily involved.

In that area, the Palestinians and Syrians are pushing ahead with implementation of the cease-fire negotiated by Libyan Prime Minister Jallud.

25X1

25X1

25X1

25X1

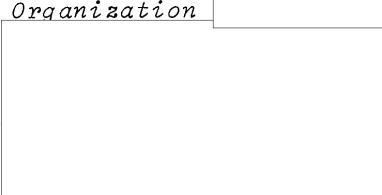
Although nothing concrete was accomplished, the session did represent at least a symbolic reconciliation of the independent and Syrian-controlled organizations.

--continued

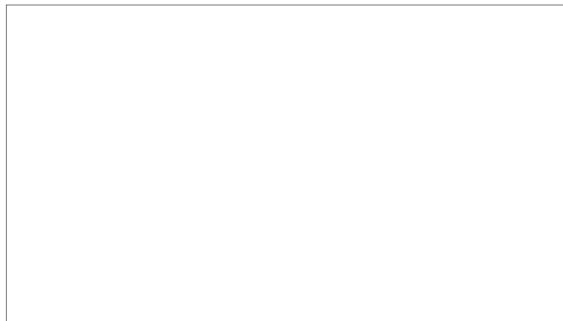
25X1

25X1

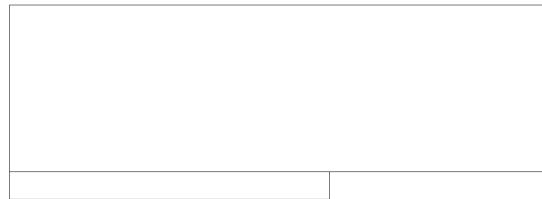
Palestine Liberation
Organization



25X1



25X1

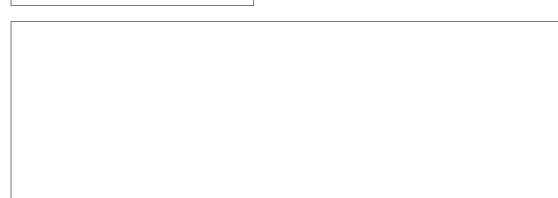


25X1



25X1

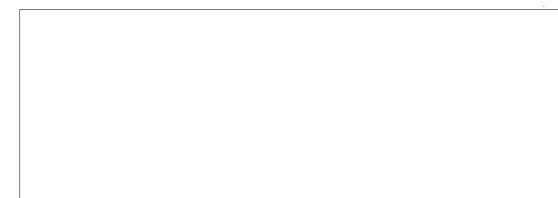
25X1



25X1

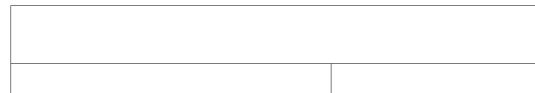
25X1

25X1



25X1

--continued



25X1

25X1

EGYPT-SYRIA: The prime ministers of Egypt and Syria, who met yesterday in Riyadh, appear to have made some progress toward resolving their governments' differences.

Their largely superficial communique indicates a lasting reconciliation is highly unlikely, however. The two sides seem to have skirted fundamental issues, leaving these for later consideration by Foreign Ministers Fahmi and Khaddam.

The communique declared that a joint military-political committee under the foreign ministers' guidance will be formed to define the "strategic requisites" for the liberation of territories under Israeli occupation. This is an implicit recognition that the two sides remain far apart on their basic approach to negotiations with Israel.

The new committee may have trouble even getting off the ground. Vesting the committee's leadership in Fahmi and Khaddam, who are long-time antagonists, is almost a guarantee of failure.

The communique also looks forward to a summit meeting in Riyadh among presidents Sadat and Asad and King Khalid, but this is predicated on prior agreement by the foreign ministers' committee, which first will present its recommendations to the presidents.

The meeting produced a relatively innocuous statement on the situation in Lebanon that contains enough to satisfy both sides without requiring concessions from either.

--continued

25X1

EGYPT-USSR: [redacted]

[redacted] the
Soviets recently have shown a willingness to resume some limited military assistance to Egypt.

25X1

The Soviets reportedly delivered four overhauled Egyptian MIG-21 engines in May [redacted]

25X1

[redacted] Moscow also is reported to be delivering jeeps, trucks, and other light equipment.

This information is in line with recent statements by the Soviet ambassador in Cairo, who has said that Moscow had decided to make sporadic shipments of small quantities of military-related equipment to demonstrate that the door to a resumption of a military relationship is still open.

Another Soviet official in Cairo, who is familiar with the Egyptian spare parts problem, has stated that Moscow has no intention of resuming a regular flow of spare parts.

Although the overhauling of a dozen or so engines will not arrest the general decline in Egyptian air force combat readiness, Moscow's gestures will not go unnoticed by senior Egyptian military officers. They are becoming increasingly dissatisfied with President Sadat's inability to replace deteriorating Soviet hardware with Western equipment.

* * *

PORUGAL: A hospital spokesman said last night that Prime Minister Azevedo--who suffered a severe heart attack on Wednesday--was conscious, but his condition remains critical.

The National Electoral Commission has announced that the election will proceed as scheduled unless Azevedo dies before the polls close.

The all-military Revolutionary Council is anxious to avoid the

--continued

25X1

political problems that would result if the election is put off.



25X1



25X1

The campaign will officially end at midnight tonight, which is also the deadline for candidates to withdraw from the race. An Azevedo aide told the US embassy in Lisbon yesterday that staff assistants were prepared to pull their candidate out of the competition, but they cannot do so unless he personally signs the form.

Interior Minister Almeida e Costa has been named interim prime minister, but the question of who serves in the position might be reopened if the election has to be rescheduled. In that event a move to have Socialist leader Soares form a government could develop.

Both Eanes and Azevedo have stated that, if elected, they would designate Soares to head a Socialist government. For the present, however, the decision belongs to President Costa Gomes who continues to favor a national unity formulation that would include the communists.

* * *

--continued

EC - PUERTO RICO: *The EC Nine failed to agree among themselves on Community representation at the Puerto Rico summit.*

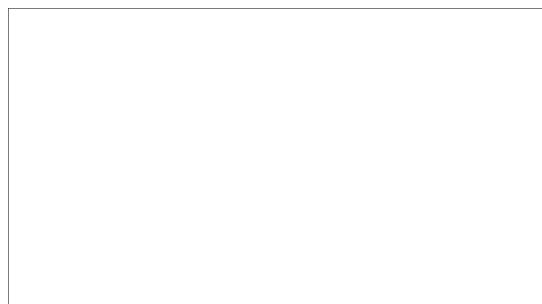
A compromise which would have enabled EC officials to attend the meeting was in the making last week. The proposal specified that unless the Community itself were represented at future summits, those invited could not take an independent position on any matter coming under EC competency unless all Nine were represented at the meeting.

France opposed fixed procedures for future summits--although it would have agreed to EC attendance at Puerto Rico--and the compromise failed. The French probably had some support from other members who are similarly reluctant to have their hands tied in this fashion.

The larger members will make a strong effort to smooth things over at the EC Council which convenes immediately after the summit. They want to retain their maneuverability but will be susceptible to a compromise because they do not want to face this issue each time a summit is proposed. The Dutch--among those most unhappy over this breach in EC solidarity--take over the EC presidency for the remainder of the year on July 1 and will chair the EC summit.

25X1

25X1 25X1

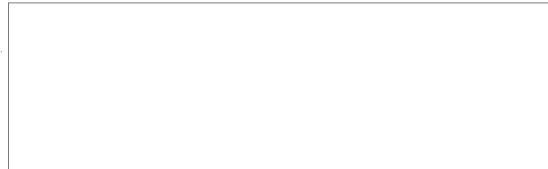


--continued

25X1



25X1



* * *

WORLD GRAIN: Our initial forecast of world grain production for 1976-77 (excluding rice) is a record 1,045 million tons, 6 percent above 1975-76. The US Department of Agriculture's latest estimate is 1,053 million tons.

We estimate world wheat production at 365 million tons, up 7 percent over 1975-76. We are forecasting a decrease in global import demand by 7 million tons from last year. Larger supplies in all the major exporting countries point to keen competition during the coming year.

Foreign demand for US wheat is estimated at 27.7 million tons, the smallest in five years. Such a low level of export volume would allow US carryover stocks to increase 37 percent to more than 20 million tons by July 1, 1977.

We forecast world feedgrain production at 680 million tons--up 7 percent--due to larger US and Soviet harvests.

Global demand for corn imports, we estimate, will be down 8 percent from 1975-76. With this figure foreign demand for US corn would drop 6.8 million tons in 1976-77, to about 35.4 million tons. This export volume in turn would allow a stock addition of 9.9 million tons, raising US carryover stocks to 18.8 million tons by September 30, 1977.

--continued

NOTES

The European Communist Party Conference finally is scheduled to take place in East Berlin next Tuesday and Wednesday, according to an announcement made yesterday by the East Germans.

The announcement came after 20 months of preparatory talks involving representatives of 28 East and West European communist parties. Preparations were prolonged mainly because of differences over the content of the conference document. The announcement did not reveal any details about the document, but the Italian Communist Party's foreign policy chief recently claimed that it acknowledges the autonomy of individual parties--including their right to develop along national lines.

A number of the parties have already indicated they would not be represented in East Berlin by their party leaders. If so, Brezhnev may be reluctant to attend. As matters now stand, additional differences between Moscow and the independent-minded parties could surface at the conference.

* * *

The Soviets may soon assign Backfire bombers to their Baltic Fleet.

On June 18, at least three Backfires from the Soviet navy's only operational Backfire unit near the Black Sea flew to an airfield in the Baltic Sea area. The flight probably was made to familiarize Backfire air crews with conditions at that airfield, where satellite photography shows the runway has been lengthened and where air-to-surface missile equipment associated with the Backfire has been sighted.

The Backfire, capable of high-speed attack at both high and low altitudes, is intended to replace the Soviet navy's standard intermediate range bomber, the aging TU-16. Some 30 Backfires have been delivered to operational military units since series production began in 1973. Of these, 16 have gone to the navy. The Soviets produce about two Backfires a month.

--continued

A
N
E

25X1

25X1
X

25X1

25X1

25X1

25X1

25X1

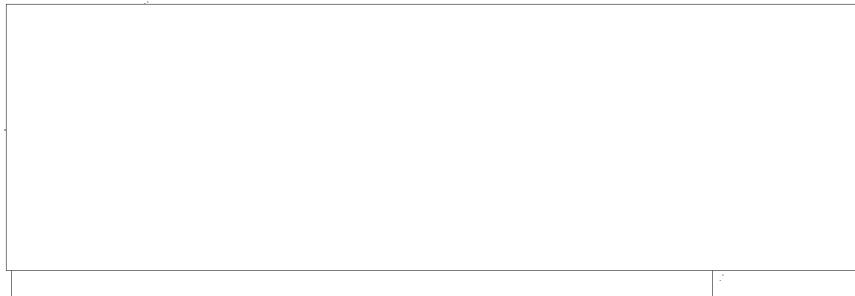
25X1

25X1

--continued

A1

FOR THE PRESIDENT ONLY



25X1

25X1

A2

FOR THE PRESIDENT ONLY

Top Secret

✓



The President's Daily Brief

June 26, 1976

2



~~Top Secret~~ 25X1

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

June 26, 1976

Table of Contents

Lebanon: Christian militiamen pressed their assault yesterday on two Palestinian refugee camps in Beirut for the fourth consecutive day. (Page 1)

The Libyans may be using their new role in Lebanon to rearm the Palestinian and leftist militias. (Page 1)

Egypt [redacted] 25X1
[redacted] (Page 2) 25X1

Portugal: Army chief Ramalho Eanes is the clear favorite in the presidential election scheduled to be held tomorrow. Prime Minister Azevedo is reportedly improving. (Page 3)

Italy: Political leaders are probing cautiously for signs of party flexibility prior to the opening of negotiations on a new government. (Page 4) 25X1

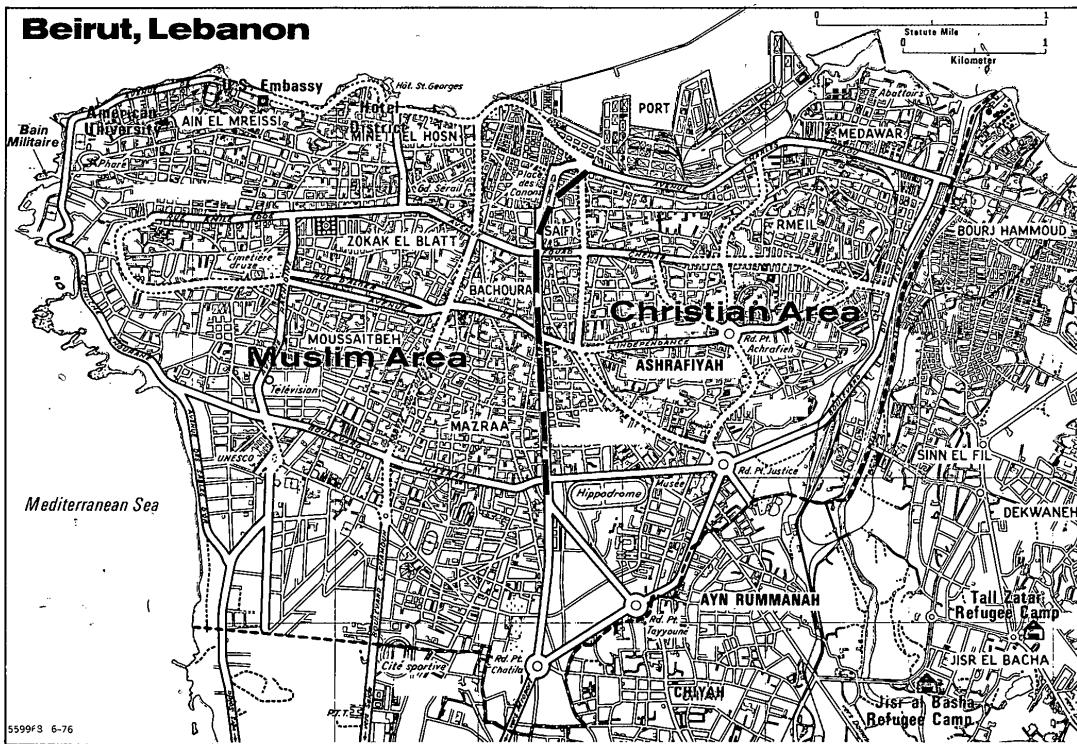
USSR-China: [redacted] 25X1
[redacted] (Page 5) 25X1.1

USSR-Angola: [redacted] 25X1
[redacted] (Page 6) 25X1

Poland: The government capitulated to the demands of striking workers and yesterday withdrew food price increases proposed the preceding day. (Page 7)

Notes: Mozambique-Rhodesia; Kenya (Page 8)

~~FOR THE PRESIDENT ONLY~~



LEBANON: Christian militiamen pressed their assault yesterday on two Palestinian refugee camps in Beirut--Tall Zatar and Jisr al-Basha--for the fourth consecutive day.

The fall of the camps would be the Palestinians' first major defeat at the hands of the Christians. The Palestinians still control most of west Beirut, however, and would not necessarily be more willing to engage in serious negotiations.

Palestinian and leftist forces in the western part of the city stepped up retaliatory attacks yesterday against two Christian residential districts, action that threatens to draw the Phalanges Party militia into the ground fighting.

25X1



25X1

We do have evidence that the Libyans may be using their new role in Lebanon to rearm the Palestinian and leftist militias.

A Libyan ship--presumably carrying arms--was instructed to head for Sidon on June 22 just after Libyan Prime Minister Jallud had arranged for the phased withdrawal of Syrian forces from that southern port.

25X1

Egypt and Iraq are also cooperating in efforts to send arms to the Palestinians through Sidon. One shipment reportedly has already arrived and another is due this weekend.

Libya's suspicious activities and the explosive situation in Beirut will almost certainly preclude any further deployment of the Arab

--continued

League peace-keeping force and may upset what little progress has been made toward implementing Prime Minister Jallud's truce agreement.

The first phase of the agreement involving the exchange of prisoners and the withdrawal of Syrian troops from Beirut is already well behind schedule. The Syrians, moreover, show no willingness to comply fully with the second phase, which calls for their further withdrawal from Beirut and Sidon.

25X1 25X1

EGYPT: [redacted]

[redacted] 25X1

--continued

25X1



25X1

* * *

PORUGAL: Portuguese army chief Ramalho Eanes is the clear favorite in the presidential election scheduled to be held tomorrow. Latest medical reports on the condition of Prime Minister Azevedo describe him as improving.

General Eanes could be hurt by a low voter turnout that would tend to help the two leftist candidates--former security chief Otelo de Carvalho and Communist central committee member Octavio Pato. Eanes expects to pick up some of Azevedo's support, but many of the Prime Minister's backers and lukewarm Eanes supporters may not vote in the belief that the army chief's victory is now assured.

Should Eanes fail to obtain a first ballot majority, he will be forced into a runoff with the candidate who finishes in second place. Azevedo was expected to wage the most effective campaign against Eanes, but his illness is likely to knock him out of the running. Carvalho has emerged as something of a dark horse, often attracting enthusiastic crowds twice as large as those who turned out for Eanes. Some public opinion polls reportedly showed that he had overtaken Azevedo even before the latter's heart attack.

If a runoff is needed, it must be held within 21 days. Even without a runoff, Portuguese officials expect completion of the official

--continued

FOR THE PRESIDENT ONLY

vote count will require a week to ten days. The president will be sworn in eight days later. The new government is unlikely to take over until mid-July.

* * *

ITALY: Political leaders are probing cautiously for signs of party flexibility prior to the opening of negotiations on a new government.

The Socialists are sticking to their campaign position that any new government must at least seek Communist support in parliament. According to one Socialist leader, serious disunity may dissuade the party from reentering the cabinet in the immediate future but it would probably support the formation of a Christian Democratic minority government if agreement can be reached on certain programs.

The Communist directorate said this week that the party is ready to assume responsibility "in accordance with its political weight."

The Communists have been dropping hints, however, that they would be willing to enter into a formal consultative relationship with a government in which they would hold no cabinet posts. At the same time, the Communists are saying that their increased strength in parliament entitles them to the presidency of either the chamber or the senate.

Possibly with the intention of influencing party positions as to the next government, the Secretary General of Italy's largest labor union, himself a Communist, has urged that cost-of-living wage adjustments be applied only to earnings below a fixed level. Any offer to curb cost-of-living adjustments in wages is a sharp break

--continued

FOR THE PRESIDENT ONLY

from previous trade union and Communist policy. The remarks of the labor official come as Italy's trade unions are about to resume their triennial wage negotiations.

Several Christian Democratic leaders have made clear that they will aim for the revival of their alliance with the Socialists.

The party directorate will meet 25X1 Wednesday, and the national council--the party's chief deliberative body--will gather on July 3.

USSR-CHINA: [redacted]

[redacted] 25X1 [redacted] 25X1
* * * [redacted] 25X1
[redacted] 25X1
[redacted] 25X1
[redacted] 25X1
[redacted] 25X1
[redacted] 25X1

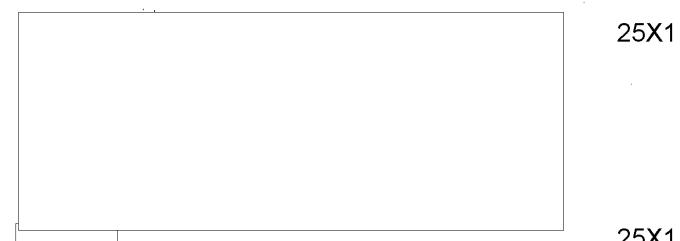
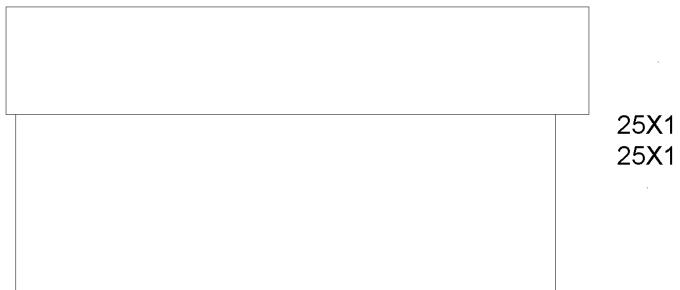
--continued



* * *

25X1 25X1

USSR-ANGOLA: [redacted]



--continued

25X1



25X1

* * *

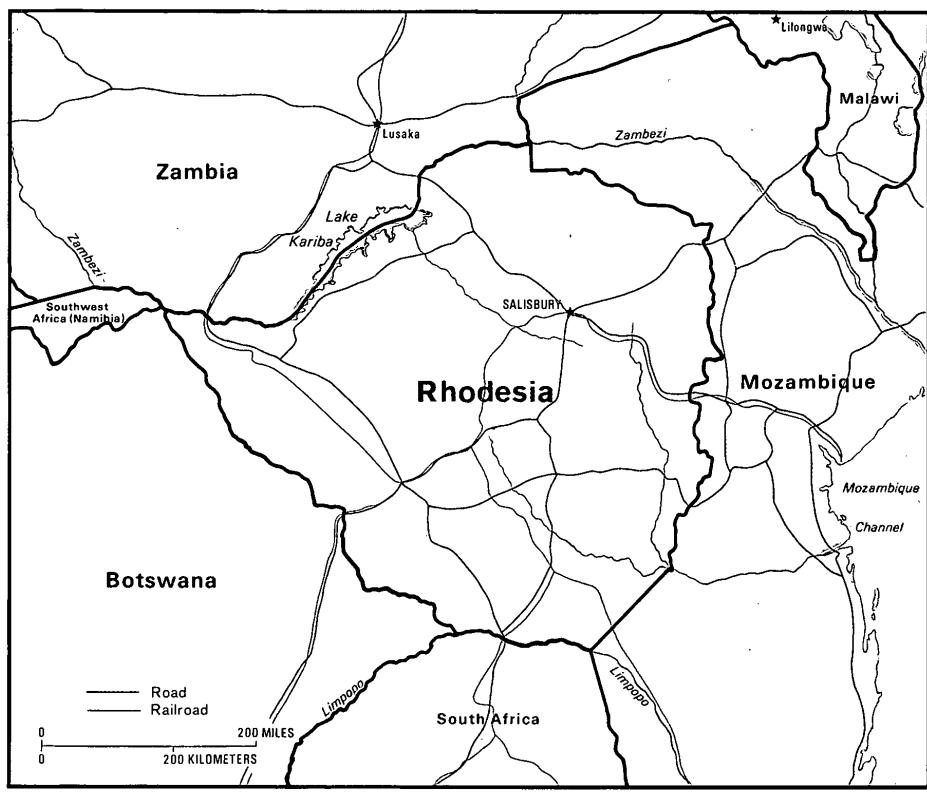
POLAND: Prime Minister Jaroszewicz announced yesterday afternoon the withdrawal of the stiff food price increases that the government proposed Thursday.

The regime caved in to the demands of striking workers. The abrupt cancellation of the price rises suggests that public disturbances were in fact more widespread and serious than initial reporting indicated.

The police reportedly have not yet confronted the strikers. They are undoubtedly under orders to play it cool in order to avoid the over reactions that led to the riots of December 1970. Those riots toppled the Gomulka regime and brought Gierek to power. Even so, the success of the workers in forcing the government to back down could so encourage them that they might make it difficult for the Gierek leadership to restore order.

Warsaw's efforts to regain public confidence will almost certainly include personnel shifts as Gierek seeks to protect his position. He must also make a major effort to tighten social discipline without again sending the workers into the streets. Overall, the regime's actions have made it even more difficult to solve pressing economic problems.

--continued



559965-6-76..

NOTES

Mozambican troops are acting more aggressively against Rhodesian security forces in response to cross-border Rhodesian operations.

[redacted] Mozam 25X1
bicans attacked a camp on the north-east Rhodesian border this week with mortar and artillery fire. Earlier this month, they fired mortars and rockets across the southeastern Rhodesian border on three occasions.

There is further evidence of guerilla operations across the Zambian border into northwestern Rhodesia.

25X1

[redacted] In one incident the guerillas tried to sabotage a Rhodesian air strip near the Zambian border.

25X1

25X1

25X1

25X1

25X1

Kenyan [redacted]

[redacted]

Top Secret

✓



The President's Daily Brief

June 28, 1976

2
~~Top Secret~~ 25X1

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

25X1

June 28, 1976

25X1

Table of Contents

Lebanon: [redacted]

[redacted] (Page 1)

25X1

Portugal: Army chief Eanes won a landslide victory over his three opponents in the presidential election yesterday. (Page 2)

Notes: Egypt; Yugoslavia-ECPC; Peru (Pages 4 and 5)

FOR THE PRESIDENT ONLY



559952 6-76

25X1

25X1

LEBANON: [redacted]

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

*Elsewhere in Lebanon,
Syrian forces show no
sign of giving up stra-
tegic positions.*

*In eastern Lebanon, they are ad-
vancing on the leftist stronghold
in Balabakk, and the Fatah com-
mander in the area believes the
town may fall by tomorrow.*

--continued

The Syrians have not withdrawn from Sidon and Ayn Sawfar as agreed under the truce arranged last week by Libyan Prime Minister Jallud.

25X1

* * *

PORUGAL: Army chief Antonio Ramalho Eanes won a landslide victory over his three opponents in the presidential election yesterday. There will be no need for a run-off election.

Eanes won more than 60 percent of the vote. Far left candidate Otelo de Carvalho placed second with about 17 percent and Prime Minister Azevedo won some 14 percent. Communist Party candidate Octavio Pato was fourth with 8 percent.

Eanes had the backing and organizational assistance of the three major political parties--the Socialist, the centrist Popular Democratic, and the conservative Social Democratic Center. Together, these parties accounted for 75 percent of the vote in the legislative election in April. Eanes received less than that in part because of the lower voter turnout yesterday; about 73 percent of the voters went to the polls as compared with 83 percent in April.

Some voters were unsure of Eanes' political views. The army chief has generally been considered conservative, and much of his campaign rhetoric advocated a return to law and order and solutions for Portugal's serious economic problems through hard work by all citizens.

At the same time, however, Eanes endorsed a Portuguese brand of socialism and agrarian reform policies that raised suspicions among more conservative party and military backers.

--continued

The parties believe Eanes has the best chance to maintain discipline in the military during his five-year term and to ensure the support of the armed forces for Portugal's still fragile democratic institutions.

On the political left, Carvalho apparently picked up as much as half of the votes that had gone to the Communist Party in the election in April. Carvalho reportedly matched Eanes' vote in several leftist strongholds in the south, but Eanes pulled 70 to 90 percent of the votes in many districts in the more conservative north.

--continued

NOTES

The Egyptian air force is having difficulty keeping its MIG-23 jet fighters operational.

[Redacted] 15 of
Egypt's 26 MIG-23s are grounded because of maintenance problems or accidents. 25X1

The Soviets delivered the 26 planes in the first half of 1975 along with spare parts and a team responsible for maintenance and training through December 1976. The Soviets apparently delivered the aircraft with just enough spare parts to keep them flying during the time Moscow is obligated to maintain them with Soviet technicians. Although the technical team has ordered replacements delivered on a "rush" basis, supply of the items probably will stop entirely when the technicians complete their mission in December.

* * *

Yugoslav President Tito's decision to risk his prestige by attending the European communist party conference in East Berlin tomorrow and Wednesday suggests that he believes Moscow will not raise controversial issues.

Soviet concessions on the questions of party equality and autonomy apparently encouraged Tito to believe that the conference would vindicate his once-heretical views on "separate roads" to communism. Several recent reports suggest that Moscow has abandoned its efforts to have its leading role in the movement endorsed at the conference.

Tito and General Secretary Brezhnev yesterday became the first foreign leaders to arrive in East Berlin for the conference. They reportedly will meet today.

--continued

25X1

* * *

Peru

25X1

25X1

25X1

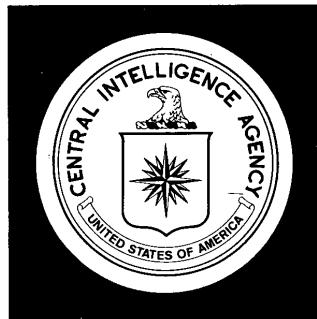
25X1

25X1

25X1

Top Secret

✓



The President's Daily Brief

June 29, 1976

2

~~Top Secret~~^{25X1}

Exempt from general
declassification schedule of E.O. 14176
except pursuant to 50 U.S.C. 403(c)
declassified only on approval of
the Director of Central Intelligence

June 29, 1976

Table of Contents

Lebanon: Attacks by Christian forces on two refugee camps on Beirut's eastern edge have stalled efforts to achieve a cease-fire. (Page 1)

Iraq-Syria: Iraqi forces show no signs of pulling back from their positions near the Syrian border. (Page 2)

25X1

Jordan-USSR: King Husayn evidently did not decide on a Soviet air defense system while he was in Moscow. (Page 3)

South Africa - Rhodesia: [redacted]

[redacted] (Page 4)

25X1

Portugal: President-elect Eanes intends to centralize authority in his own hands. (Page 4)

USSR-Europe: The conference of European communist parties will probably be a noncontroversial gathering. (Page 5)

FOR THE PRESIDENT ONLY



559975 6-76

LEBANON: Christian forces regrouped yesterday and resumed their assault on the Tall Zatar and Jisr al-Basha refugee camps on the eastern edge of Beirut.

The Christians' prospects for a military success in Beirut have heightened Palestinian frustration and despair.

The Christian siege of the refugee camps has stalled Libyan Prime Minister Jallud's efforts to achieve a cease-fire.

The Christians expect the camps to fall by the end of the week at the latest. Muslim and Palestinian forces, meanwhile, continued their diversionary attacks in Beirut's port area and the Christian suburbs, possibly in preparation for a direct attempt to break through and lift the siege of the camps.

The Beirut airport remains closed, but the small Sudanese contingent and the balance of the Saudi contingent of the Arab League force are likely to arrive in Beirut today, presumably overland from Damascus.

Lebanese leftist and fedayeen leaders lashed out at Damascus yesterday in a statement accusing the Syrians of conspiring with the Christians to bring about the camps' destruction and of deliberately delaying their withdrawal from the outskirts of Beirut and Sidon.

A Palestinian spokesman also accused the Syrians of moving 4,000 additional troops, plus armor, into northern Lebanon yesterday. Although we have not yet confirmed any such moves, Syrian forces have tried to tighten their grip on the northern part of the Bekaa Valley over the past few days. Leftist forces in Balabakk are on the verge of giving up.

Jallud conferred with leftist and Palestinian leaders in Beirut yesterday, but later canceled a scheduled meeting with Christian leaders when they refused to break off their attack on Tall Zatar. For

--continued

their part, the Christians have become more skeptical of Libyan mediation. The Christians say they have found several Libyan bodies and taken a Libyan prisoner in recent fighting in Beirut.

25X1

* * *

IRAQ-SYRIA: There are no signs that any of the Iraqi forces in western Iraq are preparing to return to their home garrisons.

Baghdad still has at least 16 combat brigades along key approaches to Syria, and they could move to the border with little or no warning. The Iraqis have stated that unless Damascus permits their troops to cross the border to form a "northern front" against Israel, they will hold training exercises--before they eventually return to their regular bases.

The Iraqis recognize that the buildup on the border has not succeeded in reducing Syrian pressure against the Palestinians and Lebanese leftists. Baghdad's actions, however, have forced the Syrians to move military units toward the Iraqi border. The Iraqis also believe that the continuing threat of a push into Syria will increase domestic criticism of President Asad's Lebanon policy.

* * *

--continued

JORDAN-USSR: King Husayn may have run into difficulties during his visit to the USSR, which ended yesterday.

General Secretary Brezhnev's apparent failure to meet with Husayn suggests that Moscow may have been unhappy that the King was not prepared to decide on a Soviet offer of an air defense system. The joint communique issued yesterday obscures Soviet and Jordanian differences on key Middle East issues and gives no indication of the Soviets' terms for such a system. The Soviets, however, probably did not make a serious offer. 25X1

Husayn apparently followed through with his plan to return home to compare the Soviet proposal with existing or anticipated Western offers.

25X1

If the Saudis do provide \$500 million, Husayn would be able to purchase the first part of a US Hawk system or a joint US-UK system. The US-UK package, however, would provide significantly fewer batteries than the minimum the Jordanians believe they need. In addition, Husayn may consider those systems inferior to the one offered by the Soviets.

* * *

--continued

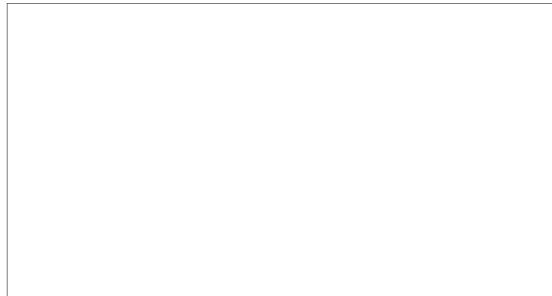
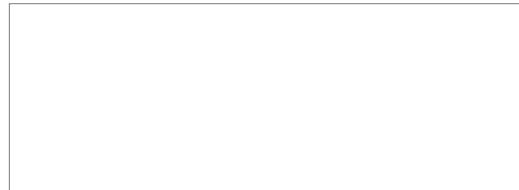
25X1

SOUTH AFRICA - RHODE-SIA:

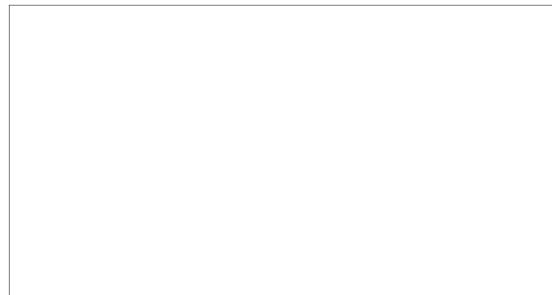
[Redacted]

25X1

25X1



25X1



* * *

PORUTGAL: President-elect Eanes yesterday indicated an intention to centralize power in his own hands by holding the posts of both president and armed forces chief of staff until the political situation "stabilizes."

Eanes has promised that his first priority as president will be to establish a strong government that would not be vulnerable to militant pressure groups. He reiterated his campaign pledge to designate Socialist Party leader Mario Soares to form a government.

The candidate of the far left, Otelo de Carvalho, who finished second with 17 percent of the vote, has announced the formation of a congress of far left groups that supported his campaign.

--continued

The Communist Party--the principal loser in the election with under 8 percent of the count--is likely to maintain a low profile while reviewing party strategy. The Communists retain considerable strength in the labor unions, however, and their losses to activists on the far left may prompt the party to decide on a tough line toward the new government.

* * *

USSR-EUROPE: Most signs point to little or no controversy at the conference of European communist parties in East Berlin today and tomorrow.

General Secretary Brezhnev and President Tito will join representatives of all European communist parties except those of Iceland and Albania. To assure the attendance of independent-minded parties like the Italian, Romanian, Yugoslav, and French ones, the Soviets apparently granted extensive concessions.

25X1

[redacted] the conference document will focus on such non-divisive issues as peace, security, cooperation and social progress in Europe.

25X1

[redacted] the proceedings and the document will strictly observe the full independence and autonomy of the participating parties and call for sharply expanded cooperation among communist parties and all "progressive" forces in Europe, including the Social and Christian Democrats.

25X1

25X1

Top Secret

✓



The President's Daily Brief

June 30, 1976

2

~~Top Secret~~^{25X1}

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

June 30, 1976

Table of Contents

Lebanon: The battle for Tall Zatar refugee camp threatens to set off a major confrontation between the Muslim and Christian sectors of Beirut. (Page 1)

Libyan Prime Minister Jallud, who has been trying to arrange the entry of the Arab security force into Lebanon, yesterday announced the end of his mediation mission. (Page 1)

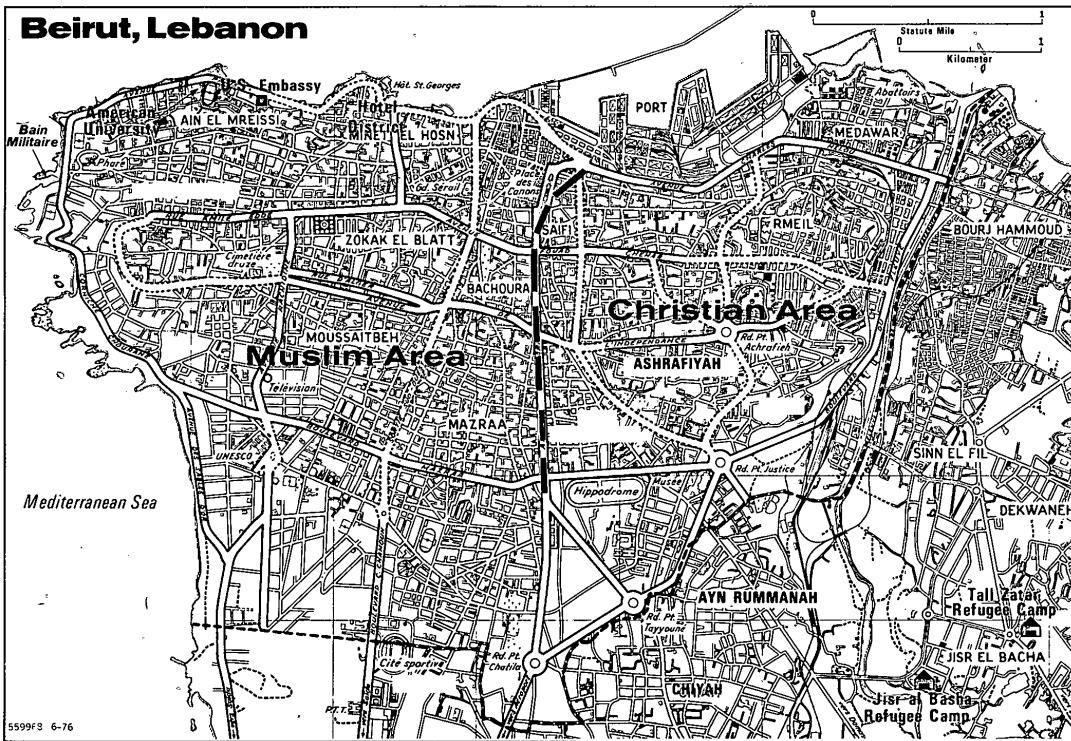
USSR-Jordan: Some details on the air defense package the Soviet Union offered King Husayn are now available. (Page 2)

USSR: General Secretary Brezhnev made no case for Moscow's primacy in his speech at the European communist party conference, but he made clear that the Soviet Union still considers "proletarian internationalism" a concept that should shape relations in the communist world. (Page 3)

Greece-Turkey: Tensions are rising again as the Turks prepare to send a seismic research vessel into the contested Aegean Sea. (Page 5)

Note: Hungary (Page 6)

FOR THE PRESIDENT ONLY



LEBANON: Palestinian and leftist forces that were trying to relieve the defenders of Tall Zatar refugee camp were reportedly driven back yesterday. The Christians have taken over Jisr al-Basha camp, and the leftists have begun shelling the Christian captors.

The Arab League foreign ministers meet today in Cairo--at Egypt's instigation--to consider again ways to halt the fighting in Lebanon.

Libyan Prime Minister Jallud, who has been trying to arrange the entry of the league force, yesterday announced the end of his mediation mission.

The battle for Tall Zatar threatens to set off a major confrontation between the Muslim-controlled western sector of the city and Christian-held east Beirut. The US embassy reported yesterday that the area around the embassy and the American University of Beirut is already under increased artillery shelling and mortar fire.

Egypt wants to demonstrate to the other Arab states that Syria is responsible for preventing talks among the Lebanese parties, and that Syria is responsible for hindering the Arab peacekeeping effort.

The Egyptians may succeed in a closed forum in focusing the blame on Syria, and the forum may be able to promote quiet pressure on Damascus to halt the Christian offensive. It is unlikely, however, that the Arab foreign ministers will directly condemn Syria. They will reiterate the need for an Arab security force in Lebanon, but they will probably be unable to remove the obstacles that have so far hindered its formation.

Jallud blamed virtually all the Arab states for the failure of his efforts, and warned that Libya will now give full support to the Palestinian and leftist cause in

--continued

Lebanon. He also announced without explanation that the arrival of Saudi and Sudanese contingents of the pan-Arab force, originally scheduled for today, had been postponed indefinitely.

Although Jallud accomplished little during three weeks of shuttling between Beirut and Damascus, he was the only channel for bargaining among the Syrians, Christians, and Palestinians.

A special Arab League representative and the recently appointed commander of the league security force arrived in Beirut yesterday and apparently will try to resume the work Jallud was doing. Both men, however, are Egyptians with little standing outside the league organization. Neither is expected to have any influence over the Syrians.

* * *

USSR-JORDAN: Some details on the air defense package the Soviet Union offered King Husayn are now available.

According to the chief of Jordan's air force, Moscow has offered Jordan 40 "regiments"--which we presume to be launch batteries--of SA-2, SA-3, and SA-6 surface-to-air missiles, plus 600 shoulder-fired SA-7 missiles and an unknown quantity of ZSU-23/4 self-propelled antiaircraft guns.

Jordan's commander in chief has said that the Soviets have given the Jordanians a reasonable time to consider the offer.

25X1

[redacted] would be trained initially in the USSR and Syria if the deal goes through, after which the Jordanians would assume responsibility for training. In addition, some Soviet advisers and technicians most likely would have to be stationed in Jordan.

--continued

Compared to the 14 batteries of Hawk missiles Jordan was to receive from the US, the Soviet missiles have more firepower--362 launch rails for the Soviet weapons and 252 launch rails for the Hawks--and offer greater protection at all altitudes. In addition, the SA-6 would give Jordan the mobile battlefield system it has wanted for protecting its troops in combat.

The equipment also would be compatible with Soviet air defense systems provided to other Arab states. This would facilitate coordination on the battlefield and make it easier for Jordan to replenish its stocks during combat.

The Jordanian commander in chief said he still hopes his country's air defense system will be a US and not a Soviet system, but he made clear that Jordan is not interested in any arrangement that includes the British-built Rapier missile system. The general believes that it is now up to the US and not the Saudis to keep Amman from buying from Moscow.

* * *

USSR: General Secretary Brezhnev specifically referred to "proletarian internationalism" in his speech yesterday at the European communist party conference and made clear that Moscow still considers it a relevant concept that should shape relations in the communist world. He made no case, however, for Moscow's primacy.

Brezhnev noted that individual parties were principally responsible to their own working classes, and that relations among the parties should be governed by equality and respect for each other's independence. He said that "no one" had proposed an "organizational center" for the world communist movement.

Although the Soviets have expressed such sentiments before, they will not convince the independents, who will reiterate their own views on interparty relationships.

--continued

Brezhnev made passing swipes at China and Chairman Mao, but made no effort to read the Chinese out of the movement.

He probably wanted to avoid stimulating a defense of the Chinese by any independent-minded party. Moreover, with the prospect of Mao's death very much on their mind, the Soviet leaders may have decided not to push hard on anti-Chinese themes.

In discussing last year's European security conference, Brezhnev argued that the USSR and its allies were doing better than the West in living up to its humanitarian and cultural exchange provisions and that Moscow would insist on its own interpretation of what are appropriate ideas to be exchanged.

Brezhnev was positive on "detente" and said that the parties should help make it "irreversible." Brezhnev indicated that reduced tension had helped promote advances by "progressives" in Europe and setbacks to "fascism" in Portugal, Greece, and Spain. He went out of his way to cite the "outstanding success" of the Italian communists in the recent election.

Brezhnev pledged efforts to improve relations with the US, but expressed irritation with the delay in strategic arms limitation talks caused by "responsible circles" in the US.

He referred to the increase in the US defense budget as evidence of forces working against the relaxation of tension. Although Brezhnev's remarks on SALT were somewhat sharper than heretofore, his overall approach was consistent with his Soviet party congress speeches and subsequent Soviet commentary on a cooling in Soviet-US relations.

* * *

--continued

The Aegean Area



559981 6-76

GREECE-TURKEY: *Tensions between the two countries are rising again as the Turks prepare to send a seismic research vessel into the contested Aegean Sea.*

Turkish officials said last week that the ship, which is now at Istanbul, would enter the Aegean on July 7. Ankara is using the vessel to assert its claim to a share of the potentially mineral-rich seabed and to offset opposition charges that the Demirel government has not vigorously pressed Turkish rights in the Aegean.

Athens will view seriously any Turkish incursions. Last week, for example, the Greeks made a demarche to US officials expressing concern that a Turkish air exercise off Izmir scheduled for July 6 and 7 might be timed to coincide with the ship's activities. Greek Aegean forces reportedly will be in an increased state of readiness when the ship enters contested waters, although they probably will be under orders to avoid a confrontation.

There are indications, meanwhile, that the Turks may choose to make only token thrusts into disputed waters in the hope of minimizing the danger of a Greek reaction. The Turks have assured the US embassy that they do not intend to provoke the Greeks, and that they do not plan to give the vessel a military escort. Nonetheless, it is possible that either side could miscalculate and spark serious trouble.

--continued

NOTE

Last week's riots in Poland present the Hungarian leadership with the difficult decision of whether to implement the price increases on meat products scheduled to take effect tomorrow.

The Hungarian price hikes, which average 33 percent, were announced last November and have since received only occasional public mention. The finance minister indicated last week that planned increases would be put into effect. The leadership may now have second thoughts.

For purely domestic reasons, Budapest may not wish to damage its credibility by retracting a decision that has been on the public record for so long. The economic necessity for such increases is still present, and the measures are mild when compared to the Polish price proposals.

Top Secret