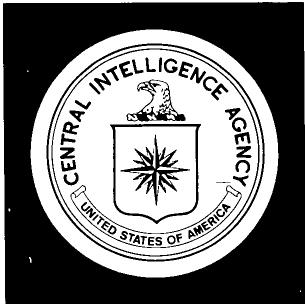


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The President's Daily Brief

October 1, 1976



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FOR THE PRESIDENT ONLY

October 1, 1976

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[Redacted]

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Lebanon: The main Syrian offensive in Mount Lebanon apparently paused yesterday, possibly to give the Palestinians a chance to meet Syrian terms. The "mini summit" scheduled for Saturday may not include Syria. Egyptian Foreign Minister Fahmi has gone to Paris unexpectedly to consult President Giscard about Lebanon. (Page 2)

Japan: Prime Minister Miki's chances for weathering the challenge to his leadership and remaining in office through this year's elections have improved. (Page 4)

China-USSR:

[Redacted]

Notes: Iran-USSR; USSR (Kirilenko); USSR [Redacted]; Cuba
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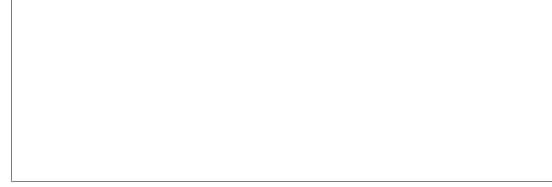
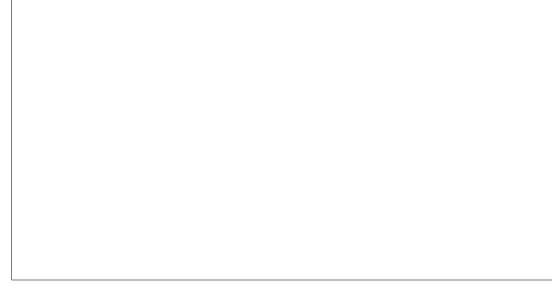
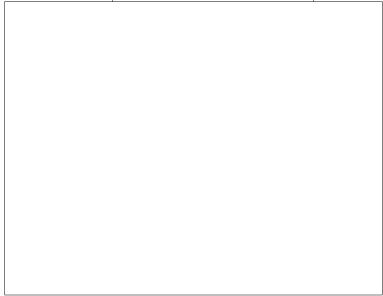
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USSR: [redacted]

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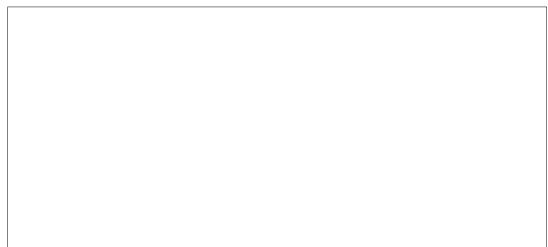
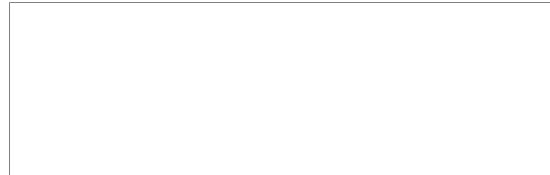


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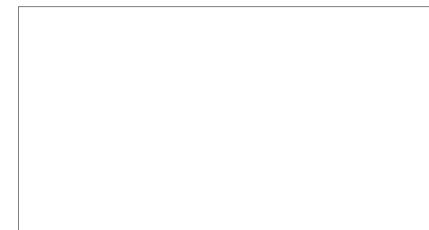
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LEBANON: *The main Syrian offensive in Mount Lebanon apparently paused yesterday, possibly to give the Palestinians a chance to meet Syrian terms.*

The Syrians will be in no mood to compromise

Casualties reportedly are low, indicating that the Palestinians made little effort to resist the Syrian advance.

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FOR THE PRESIDENT ONLY

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The Palestinians clearly are edgy.

Sources of the US embassy in Damascus have reported that several Syrian battalions, including armor and artillery, entered Lebanon earlier this week.

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An Egyptian newspaper reported yesterday that the "mini summit" has been scheduled for Saturday in Jidda.

Arab League mediator Hasan Sabri al-Khuli told moderate leftist leaders yesterday that five Arab states--presumably excluding Syria--have agreed to attend.

We believe that the Saturday date may be an Egyptian attempt to rail-road Syria into cooperating. Syria would be reluctant to attend such a meeting at this juncture, but would probably be unable to hold out against a summit if the Saudis were determined to hold one.

Egyptian Foreign Minister Fahmi arrived unexpectedly in Paris yesterday to consult President Giscard.

The Egyptian Foreign Ministry told the US embassy in Cairo only that the visit involved Lebanon. The press in Cairo has speculated that Lebanese Christians are considering a request for the intervention of French troops as a peacekeeping force. Egypt undoubtedly would fear that the presence of French troops would further tip the military balance toward the Christians and Syrians.

On the other hand, the Egyptians probably would welcome and encourage a French diplomatic effort for which they would share some of the credit.

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FOR THE PRESIDENT ONLY

JAPAN: Prime Minister Miki's chances for weathering the challenge to his leadership and remaining in office through this year's lower house elections have improved.

Since the Diet opened two weeks ago, Miki has clearly gained some breathing room as a result of the political truce with his opponents. Liberal Democratic Party leaders remain united on the need to pass a number of pending fiscal bills during the current session, and Miki has dealt carefully with sensitive issues.

Miki's rivals are increasingly pessimistic over the chances for renewing the challenge to the Prime Minister. That change in mood has resulted in large part from dissatisfaction with the approach of Deputy Prime Minister Fukuda. [redacted]

[redacted] the party leaders' desire to curtail political infighting in an election year and the need of candidates to start campaigning will diminish his opponents' ability to challenge him at the special party convention later this month.

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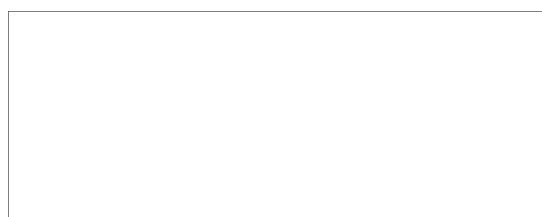
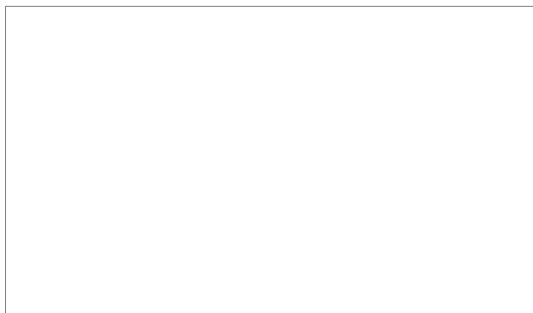
CHINA-USSR: [redacted]

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FOR THE PRESIDENT ONLY

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The USSR [redacted] is still taking a conciliatory approach toward China.

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This morning, the Soviets seized on China's national day to send two additional signals to the Chinese leadership. The USSR's message of greetings emphasizes that the "normalization" of relations would serve those "interested in the building of socialism and communism."

In addition, an article today in Pravda stresses that the USSR is "prepared to normalize relations." The article also points out that there are "no problems" that cannot be solved given the "mutual desire to...take into account each other's interests."

These signals are in line with previous Soviet moves.

The USSR has tailored its media treatment of China to appeal to those Chinese leaders who may favor some normalization in state

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FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

relations. During his speech to the UN General Assembly on Tuesday, Foreign Minister Gromyko also pointed to Moscow's readiness to "normalize" relations.

The USSR is building an effective case that it is striving to improve relations while China continues to be intractable. The frequency of Soviet gestures suggests that Brezhnev does not want to be open to the charge made against Khrushchev in the early 1960s of pursuing an unnecessarily militant policy toward China and of failing to try a more tactful approach.

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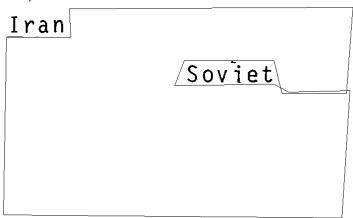
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Soviet party secretary Andrey Kirilenko's 70th birthday last month was saluted with appropriate honors, including the publication of his collected speeches and articles.

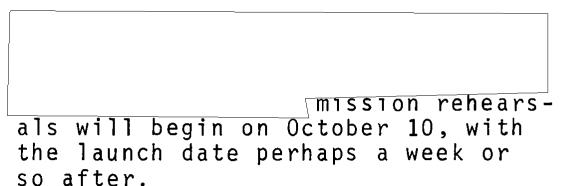
As Brezhnev's unofficial deputy, Kirilenko still seems the most likely interim successor in the event of the General Secretary's sudden death or incapacitation, and these almost obligatory honors serve to draw attention to his favorable position in the hierarchy.

In receiving his second "Hero of Socialist Labor" award and official praise for his speeches, Kirilenko has caught up with the other senior leaders--Brezhnev, President Podgorny, Premier Kosygin, and party secretary Suslov. All except Brezhnev have already celebrated their 70th birthdays. Brezhnev, whose honors came early, will be 70 in December.

* * *

The USSR may be planning to send a new crew to the Salyut 5 space station in mid-October.

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FOR THE PRESIDENT ONLY

The Salyut 5 military space station
has been in orbit since June 22.
Two cosmonauts manned it for 48
days in July and August,

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*The fourth convoy of
Cuban ships returning
from Angola arrived late
yesterday at the mili-
tary port of Mariel,
just west of Havana.*

Photography of the ships, [redacted] does not provide any 25X1 conclusive evidence as to the number of personnel aboard. Although few persons were visible on the ships' decks, many hatches were at least partially open and some draped with canvas awnings, indicating that some passengers were being carried in the holds. The attempt at concealment on the latest convoy suggests that Cuba has tightened security to deny us information about the contents of the convoys.

Ships in this convoy and the previous one were very similar in appearance. They were all riding high in the water, for example, and several carried on deck a type of antiaircraft machinegun usually associated with ground forces. More deck cargo--military trucks and heavy construction equipment--was visible than in the third convoy.

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The President's Daily Brief

October 2, 1976



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FOR THE PRESIDENT ONLY

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Lebanon: Christian forces began their attack yesterday on Alayh, one of two remaining Palestinian-leftist strongholds on the Beirut-Damascus highway. (Page 1)

USSR - Middle East: The USSR's proposal for a resumption this month or next of the Geneva conference on the Middle East may have been prompted both by Secretary Kissinger's diplomatic shuttle in southern Africa and the sudden opening of the Syrian military offensive in Lebanon. (Page 2)

Egypt-Libya: [redacted] Both Egypt and Libya have recently received deliveries of military equipment-- Egypt from China and Libya from the USSR. (Page 3) 25X1

USSR-Egypt: A Soviet naval tug has returned to the Gulf of Sollum anchorage, just outside Egyptian territorial waters. (Page 5)

Angola: The Angolan government is conducting a major military operation against National Union insurgents near the Namibian border. (Page 5)

Notes: France; USSR-Uganda (Page ?)

FOR THE PRESIDENT ONLY



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FOR THE PRESIDENT ONLY

LEBANON: Christian forces yesterday began their attack on Alayh, one of two remaining Palestinian-leftist strongholds on the Beirut-Damascus highway.

The Christians are now moving on Alayh from the north. Syrian forces that moved south from their operations in the mountains have limited their support for the Alayh operation to artillery attacks on the town. They have also encircled Bhamdun, the second leftist stronghold on the highway.

Operations against both Alayh and Bhamdun will probably be more difficult than the two-day mountain offensive. Both towns are similar in size to Sidon, where the Syrians suffered costly losses earlier this year before abandoning their attempt to take it.

The mountain towns seized this week were largely empty, whereas Alayh and Bhamdun are still inhabited. Most of the Palestinian forces driven from the mountains have moved into Alayh and apparently intend to put up stiff resistance.

25X1

The Palestine Liberation Organization rejected Syria's terms for a cease-fire late on Thursday and vowed to fight on.

There are growing indications of frayed relations between Palestinian and leftist forces over the leftists' conduct during the Syrian offensive this week. 25X1

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FOR THE PRESIDENT ONLY

Syria is apparently trying to associate President Sarkis with its offensive, although Sarkis has tried privately to make clear that he had nothing to do with it.

Damascus radio yesterday broadcast a press conference given by a commander of the Syrian-sponsored "Vanguards of the Lebanese Army" who asserted that his forces had taken the town of Aynturah on the explicit orders of Sarkis. Actually, Syrian forces had captured the town.

The direct association of Sarkis with the mountain offensive will further embarrass the President. He is already under pressure from leftists to take a stand against the Syrian presence in Lebanon, and this latest development will reinforce the Palestinians' suspicion that he is merely a tool of Syria.

USSR - MIDDLE EAST:

The USSR's proposal yesterday for a resumption this month or next of the Geneva conference on the Middle East culminates several weeks of Soviet diplomatic activity.

Arab press sources also say that the USSR will surface an initiative in the next few days for the arrangement of a cease-fire in Lebanon.

The proposal at this time for a return to Geneva may have been prompted both by Secretary Kissinger's diplomatic shuttle in southern Africa and the sudden opening of the Syrian military offensive in Lebanon on Tuesday. A Soviet embassy officer in Cairo commented privately on Thursday that the Syrian move took Moscow by surprise.

The USSR's Geneva exercise has been a sterile one in the past, and there is no reason to believe the Soviets have any hope of greater success this time. Similarly, judging from recent statements by Syrian President Asad, any Soviet initiative on Lebanon will have trouble getting off the ground.

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FOR THE PRESIDENT ONLY

Asad has never before spoken so openly of his differences with the USSR.

In the course of a press interview, he acknowledged that General Secretary Brezhnev had asked for a Syrian withdrawal in July but dismissed the request as nothing more than an "expression of a point of view." He implied that the Soviets were ignorant of the real factors in Lebanon, and indicated that Syrian forces would remain there until their job was done.

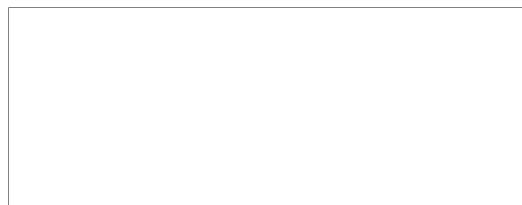
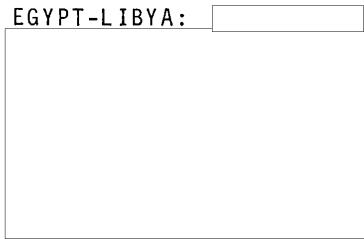
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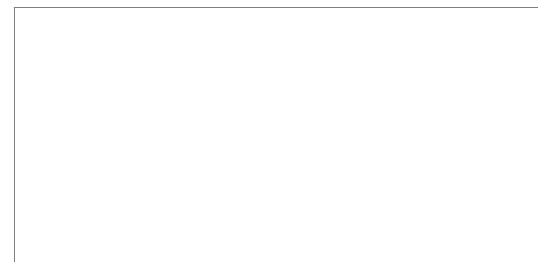
EGYPT-LIBYA: [redacted]



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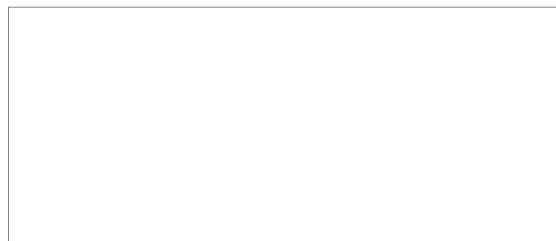
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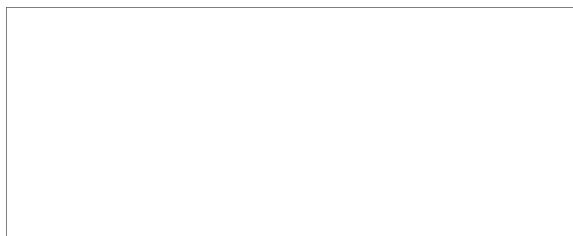
The Egyptians apparently are conducting minor military provocations along the Libyan border and possibly some sabotage within Libya.

These activities may be intended to test the Libyan reaction as well as the capabilities of Egyptian assets in Libya, in anticipation of a future larger scale operation. The Libyans are not rising to the bait, however. 25X1



Both Egypt and Libya have recently received deliveries of military equipment--Egypt from China and Libya from the USSR.

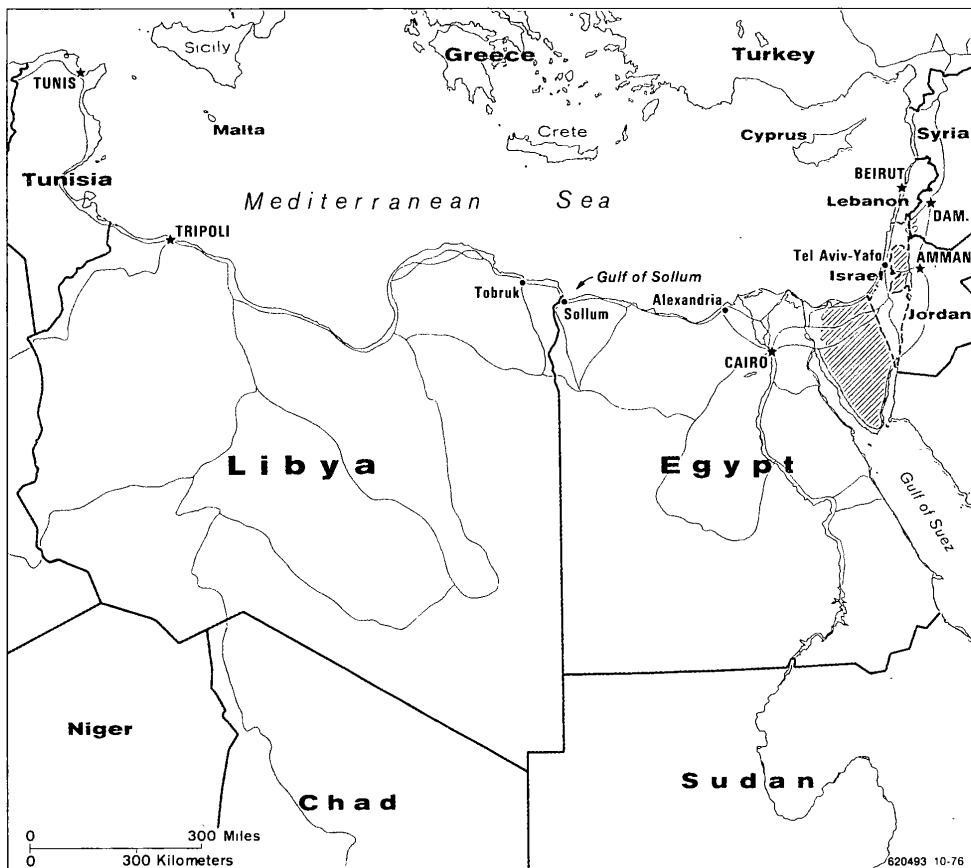
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Under agreements reached in January and March, China will deliver 30 MIG-17 engines to Egypt this year and will provide aircraft and tank engines, naval missiles, and submarine battery systems in 1977. This equipment will be used for repair and maintenance of Egypt's aging Soviet equipment.

Libya received on Wednesday the first of at least six Osa II guided-missile patrol boats from the USSR. The missile boats are part of a \$730-million military aid agreement concluded in 1974. More than half of the equipment involved in that agreement has now

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FOR THE PRESIDENT ONLY

been delivered. Earlier deliveries included over 50 MIG-23s, tanks, SAM and Scud missiles, and 6 TU-22 medium bombers.

USSR-EGYPT: A Soviet naval tug has returned to the Gulf of Sollum anchorage, just outside Egyptian territorial waters near the Libyan border.

The last previous Soviet ship in the anchorage had left on Sunday, presumably because Egyptian military exercises were being held in the area.

Several days later Egyptian naval ships fired on two Soviet mooring buoys in the gulf. The attacks apparently damaged but did not sink the buoys,

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The damage will be apparent to the Soviets but will not dissuade them from continuing to use the anchorage.

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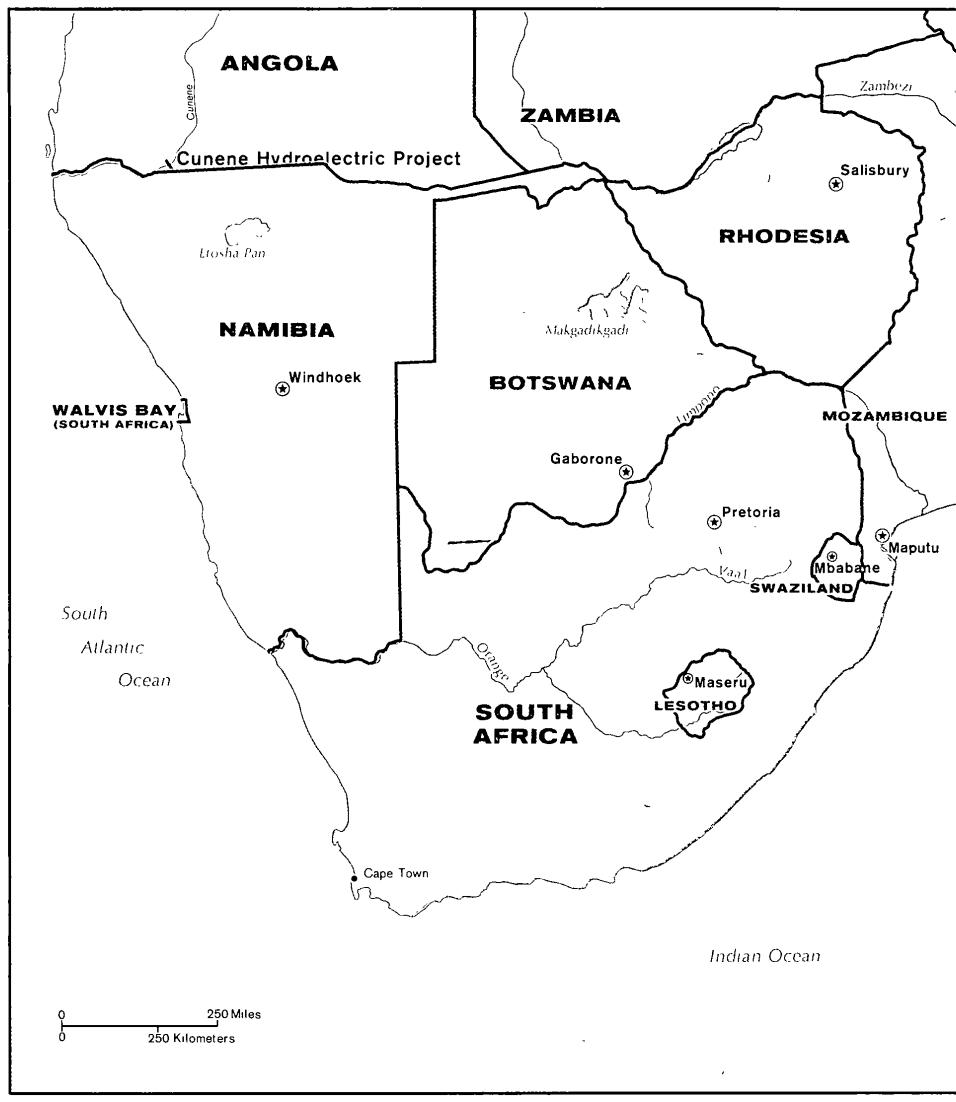
ANGOLA: The Angolan government is conducting a major military operation against National Union insurgents near the Namibian border.

Government forces are being supported by Cubans and apparently also by guerrillas of the South West Africa People's Organization.

Both SWAPO and the National Union draw their basic support from the same tribal group, which inhabits southern Angola and northern Namibia.

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FOR THE PRESIDENT ONLY

South African forces have apparently been carrying on limited operations of their own in southern Angola with the assistance of local tribesmen. Angolan government forces captured a South African soldier and three Angolan associates in the border area in late August. At a press conference in Luanda, the South African acknowledged that the group was engaged in escorting antiregime Angolans to training camps in Namibia.

Pretoria confirmed earlier this week that it has suspended construction at two points on the joint Angolan - South African Cunene hydroelectric project. Work in one area was halted at the request of the Angolan government.

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FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

NOTES

President Giscard has failed to rally popular support for the French government's economic stabilization program.

The Gaullist deputies have reluctantly agreed to support the austerity program, but elements of the center and right as well as the opposition are criticizing the program. The Socialist-Communist coalition, which adamantly opposes the plan, yesterday announced it would support a national strike that three major labor organizations have called for October 7.

President Giscard also faces a challenge from within his own coalition. Former prime minister Chirac has announced that he will lead a personal crusade against the left in the 1978 elections, a move that will undercut Giscard's efforts to attract a broadly based majority. It may also expose the plan presented by Prime Minister Barre to further sniping from the right.

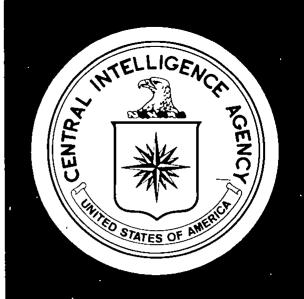
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The USSR reportedly signed a new arms agreement with Uganda on Tuesday, which may provide for the replacement of the MIG-21 fighters destroyed during the Israeli commando raid on Entebbe Airport in early July.

No details are available, but Ugandan President Amin hailed the agreement as "effective and timely."

Amin has wanted to obtain replacement aircraft from the USSR, which provided Uganda's first MIG-21 fighters in 1974. Following one of several meetings between Amin and the Soviet charge in Kampala after the Entebbe episode, the Ugandan media reported that the re-equipment of the Ugandan Armed Forces had been discussed.

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October 4, 1976

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West Germany: Chancellor Schmidt's Social Democrats apparently will renew their coalition government with the Free Democrats following yesterday's parliamentary election, although Christian Democratic leader Helmut Kohl still hopes to entice the Free Democrats to join him in a government.
(Page 1)

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Lebanon: Christian forces temporarily halted their offensive on Friday night and have limited their attack since then to occasional shelling.

(Page 2)

Notes: USSR-Somalia; Greece-Turkey; USSR-Egypt *(Pages 5 and 6)*

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

WEST GERMANY: Chancellor Helmut Schmidt's Social Democrats and Foreign Minister Genscher's Free Democrats apparently intend to renew their coalition government following yesterday's national parliamentary election. Christian Democratic leader Helmut Kohl, however, has not yet conceded defeat and still hopes to entice the Free Democrats to join him in a government.

Unofficial results of yesterday's balloting indicate that the Social Democrats and Free Democrats together polled just over 50 percent of the vote and will receive 252 votes in the Bundestag--a majority of only eight seats. Compared with the 1972 election, the Social Democrats lost considerable ground and the Free Democrats also lost votes.

The Christian Democrats--as expected--again became the plurality party in West Germany. They and their ally, the Christian Social Union in Bavaria, won 48.6 percent of the vote and 244 Bundestag seats. The Christian Democratic showing was the second best any party has ever made in a national election.

Genscher, the Free Democrats' chairman, yesterday publicly repeated the pledge made last May that the Free Democrats would renew the coalition with Schmidt's party. Kohl, buoyed by his Christian Democrats' showing at the polls, said he will formally propose coalition talks with the Free Democrats on the ground that a six-to-ten seat majority is not enough to guarantee a stable government.

How stable a Social Democratic - Free Democratic coalition government will be and whether it will last a full term until 1980 is uncertain.

Maintaining the ironclad discipline that will be necessary to hold the coalition together for the next four years will probably prove a formidable task for the leaders of both the Social Democrats and the Free Democrats.

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FOR THE PRESIDENT ONLY

Enacting legislation may also prove more difficult than it has been during the past four years. Schmidt apparently was alluding to such possible difficulties when he stated yesterday that he hoped the opposition will not embark on a course of "confrontation" in the Bundestag or a course of "obstruction" in the upper house of Parliament, which the opposition controls.

WEST GERMAN ELECTION RESULTS

	<u>Percentage</u>		<u>Seats</u>
	1972	1976*	1972
			1976*
SDP	45.8	42.6	230
FDP	8.4	7.9	41
	<u>54.2</u>	<u>50.5</u>	<u>271</u>
CDU/CSU	44.9	48.6	225
			244

*Unofficial

* * *

LEBANON: Christian forces advancing on Alayh, one of the last Palestinian-leftist strongholds on the Beirut-Damascus highway, temporarily halted their offensive on Friday night and have limited their attack since then to occasional shelling.

[redacted] In addition, several Alayh inhabitants asked that the offensive cease while they attempt to persuade the Palestinians to withdraw peaceably.

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Such a voluntary withdrawal is unlikely. Alayh is of symbolic and strategic importance to both the Palestinians and the leftists, and

[redacted] their defenses in the town appear adequate to withstand an attack by Christian forces fighting without the Syrians.

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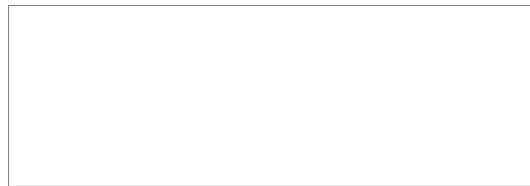
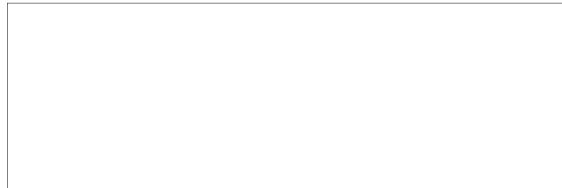
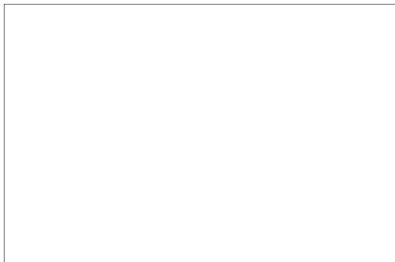
FOR THE PRESIDENT ONLY

Syrian forces have thus far limited their participation to artillery attacks on Alayh and neighboring Bhamdun in support of the Christians.

The Syrians are encamped just east of Bhamdun in positions they took up on Friday.

Fighting elsewhere in Lebanon was generally at a low level. Syrian forces have apparently cleaned out most remaining pockets of Palestinian resistance in the mountains just north of the Beirut-Damascus highway. Farther north, there are continuing reports that Christian and Syrian forces are fortifying their positions around Tripoli, but action has thus far been limited to artillery attacks on the city.

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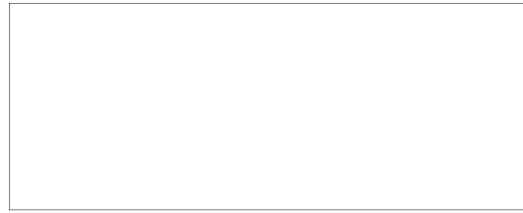
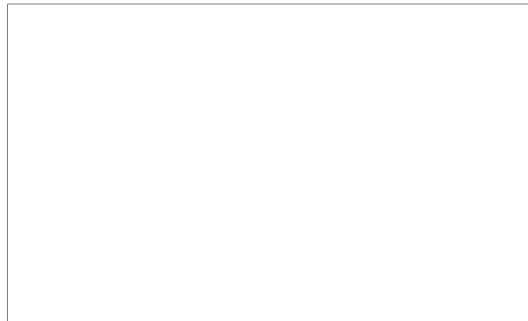


Christian leaders are said to have 25X1 been considering asking for French troop involvement. It is highly unlikely, however, that any Christian party, much less the Syrians themselves, would accede to the Syrians' replacement by French forces.

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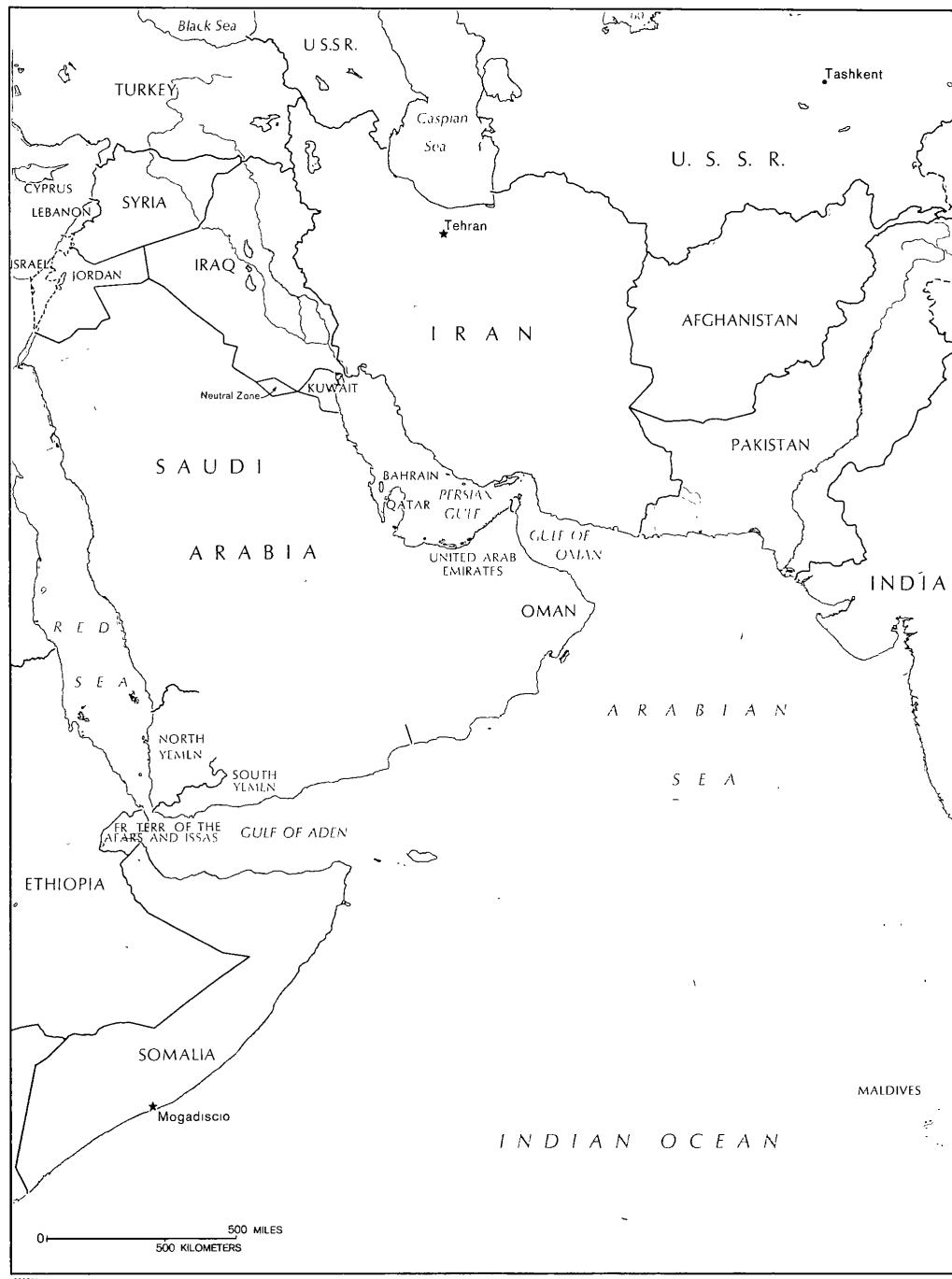


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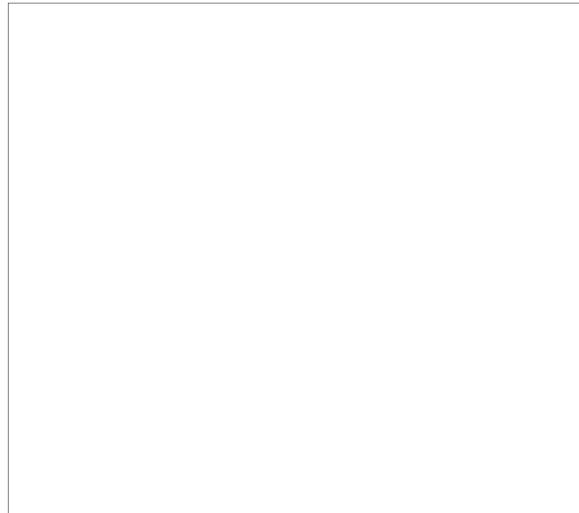
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The Greek and Turkish foreign ministers agreed in New York last Friday to a resumption of negotiations on the Aegean continental shelf and control of Aegean air space.

Representatives of the two sides will meet to consider both issues on November 2, probably in Switzerland.

After the meeting Turkish Foreign Minister Caglayangil expressed satisfaction that the Greeks were no longer insisting on discussing only the legal aspects of the dispute and were now willing to discuss other points such as the security requirements of the two countries.

Despite the positive atmosphere emerging from the New York meeting, the approaching Turkish election campaign and the concern in Athens about alienating the Greek military by too conciliatory a policy appear to preclude any major breakthrough in the coming months.

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FOR THE PRESIDENT ONLY



FOR THE PRESIDENT ONLY

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The Soviets have increased their naval presence in the Gulf of Sollum, probably in reaction to recent Egyptian activity in the area.

Yesterday a Soviet frigate was rushed to the Soviet anchorage in the gulf to join a naval tug already there. The tug arrived back at the anchorage last week.

[REDACTED]

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The Egyptians are continuing to conduct exercises using live ammunition in the gulf despite the presence of the Soviet ships. Egypt announced in August that a large area--including the Soviet anchorage--in the Gulf of Sollum would be closed to foreign shipping for four 10-day periods this fall. The fourth and final period is scheduled to begin on October 15.

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October 5, 1976

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tains east of Beirut continues while efforts are under way
to work out some kind of agreement. (Page 2)

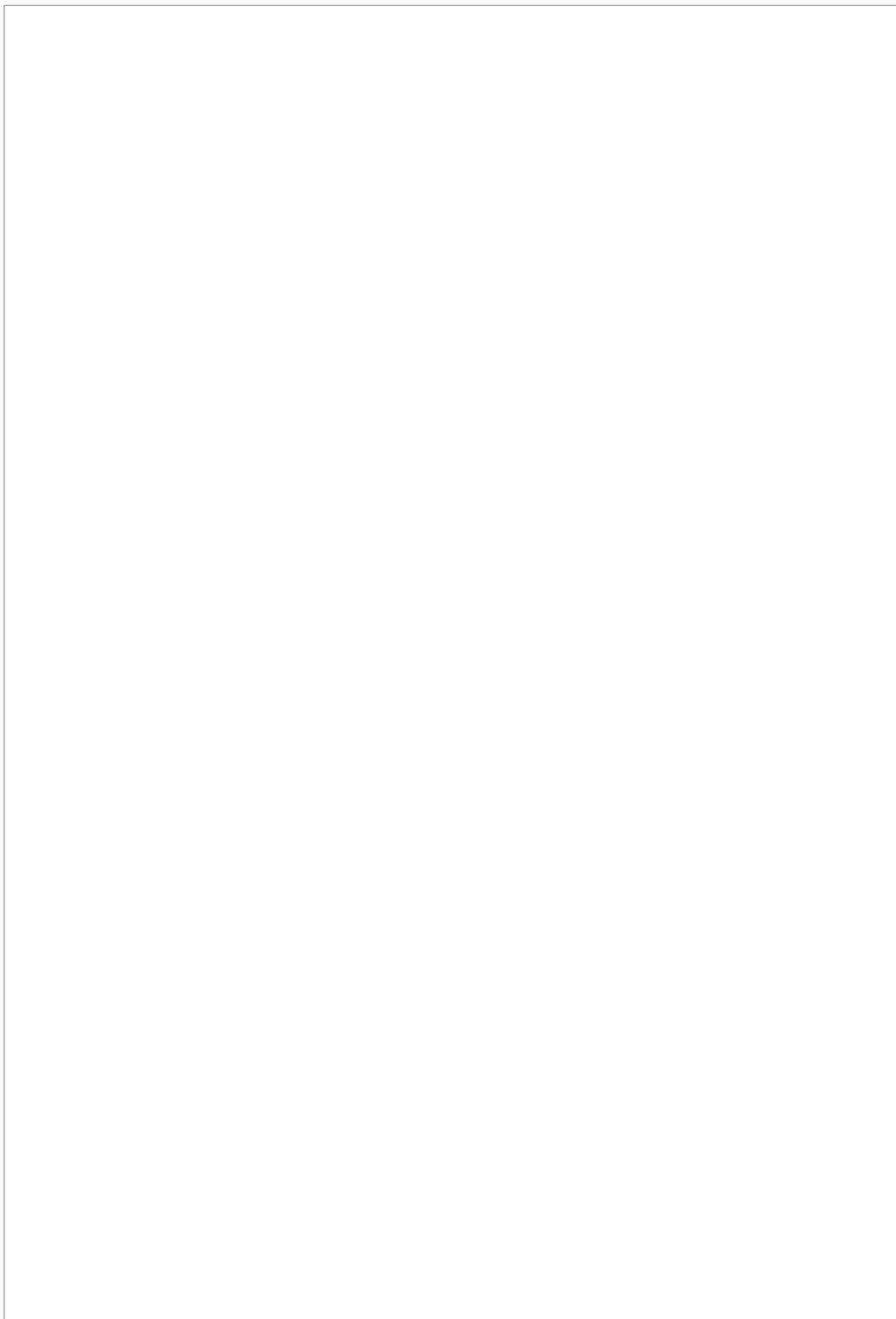
Notes: Ethiopia; Sweden; Spain (Pages 5 and 6)

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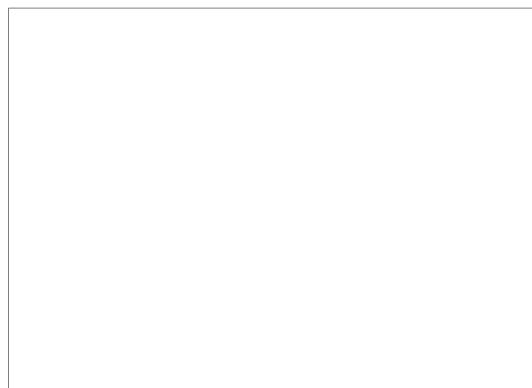


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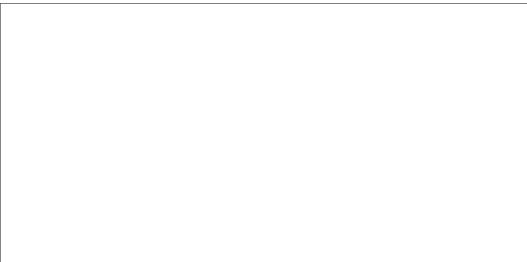
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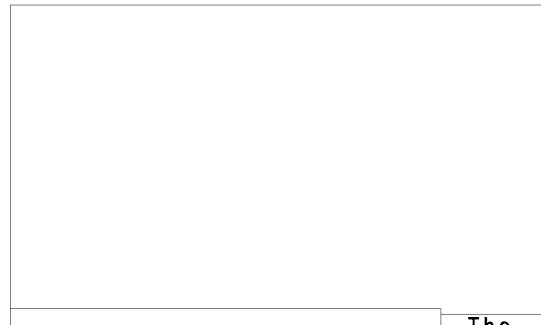
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LEBANON: *The lull in Christian and Syrian operations in the mountains east of Beirut continues while efforts are under way to work out some kind of agreement.*



The

Palestinians are unlikely to agree to withdraw now that they have blunted the Christian offensive.

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FOR THE PRESIDENT ONLY

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The Syrians may have had a number of reasons for backing off from a showdown in Alayh. They probably knew that the engagement would be bloody, and they have consistently held back from taking heavy casualties, which could stir up domestic unrest. They may also have calculated that a slowdown at this juncture would take the steam out of Egyptian efforts to convene an Arab summit that might feel forced to condemn Syria's intervention. Damascus could also have wanted to head off possible Soviet or French diplomatic pressure.

Arab League mediator Hasan Sabri al-Khuli has announced that talks are under way to secure Palestinian withdrawal to the refugee camps, their bases before the war.

In the talks, which involve the Christians, Syrians, and Palestinians, the Christians seem to be demanding that the Palestinians not only return to their camps and adhere to previous accords regulating their activity, but also agree to hand over all their heavy weapons--a demand that all Palestinian leaders, including moderates, have rejected.

The Syrians may not be willing to support the Christian demands in all respects, but they are not likely to agree to a settlement that allows the Palestinians to retain any significant autonomy except under Syrian supervision. There are mounting signs that a key Syrian goal has become the ouster of Yasir Arafat from the Palestinian leadership.

Leftist leader Kamal Jumblatt, who met with the French foreign minister in Paris over the weekend, made it clear that he wants any meeting hosted by the French to be restricted to Lebanese only. Palestinian and Syrian representatives would not be welcome.

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FOR THE PRESIDENT ONLY

Camille Shamun has already branded Jumblatt's efforts in Paris as a "waste of time," saying categorically that "we are not prepared to respond to any invitation if it is made."

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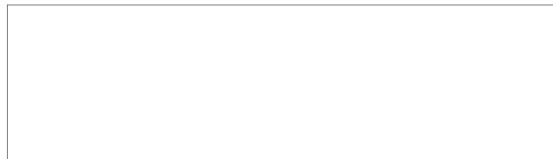
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FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

NOTES

The ruling military council in Ethiopia is facing another outbreak of dissidence among government troops serving in Eritrea Province.



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[Redacted] The troops' morale has deteriorated recently as rebel harassment actions have become increasingly effective. A delegation consisting of council members and senior military officers reportedly flew from Addis Ababa to Asmara to discuss the troops' grievances.

In Addis Ababa the government has announced the arrest of two persons in connection with the assassination on Friday of an influential civilian adviser to the council. The killing probably was carried out by the Ethiopian People's Revolutionary Party, an underground Marxist organization opposed to continued military rule.

* * *

A compromise on the nuclear energy issue has cleared the way for formation of a three-party, nonsocialist coalition government in Sweden.

The compromise on this divisive issue reportedly calls for delaying the commissioning of two new plants until 1978 and stopping construction on the rest. A royal commission will then review the subject and report to the parliament in 1978. The parties have agreed that a referendum may be held at that time.

There have been hints of a shift in emphasis in Sweden's foreign policy under the new government. According to a Swedish diplomat in Stockholm, the foreign affairs

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FOR THE PRESIDENT ONLY

priorities, in descending importance, are: Sweden's Scandinavian neighbors, its friends in Europe and North America, and all other countries--including the USSR and Cuba. Under the previous government, a list of priorities would have included support for liberation and antifascist movements around the world.

* * *

The assassination yesterday of a high Basque official, who was also a member of the Council of the Realm in Spain, may impede some of the government's efforts to be more forthcoming on Basque grievances.

The killing of Juan Maria de Araluce, a supporter of the late General Franco, is unlikely to provoke a nationwide rightist reaction against the government's political reform program. The victim's position on the Council of the Realm, the country's highest consultative body, however, may give his death a nationwide psychological impact that will make further relaxation of police restrictions difficult.

A government statement issued after the emergency cabinet meeting last night pledged strong action against terrorists.

[redacted] 25X1

Araluce had received death threats from a terrorist group, Basque Fatherland and Liberty. Although recently the Basque terrorists announced that they would form a political party to use legal channels to pursue complete independence, the killing of Araluce seems to be an indication that at least one faction of the group has not given up its terrorist inclinations.

Top Secret

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Exempt from general
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exemption category 5B(1),(2),(3)
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FOR THE PRESIDENT ONLY

October 6, 1976

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USSR:

[Redacted]

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USSR-China: The return to Peking last week of the deputy chief of the Soviet team at the Sino-Soviet border talks is designed to probe for any sign of softening in China's attitude toward the USSR. (Page 2)

Lebanon: The Syrians reportedly intend to resume their offensive against Palestinian and leftist strongholds, possibly as early as tomorrow. (Page 2)

Rhodesia:

[Redacted] (Page 4)

25X1

Kenya-Uganda: Kenya still considers President Amin a threat to its security even though relations between the two countries have taken on a more friendly tone. (Page 5)

West Germany:

[Redacted]

Notes: USSR-Somalia; USSR (Page 8)

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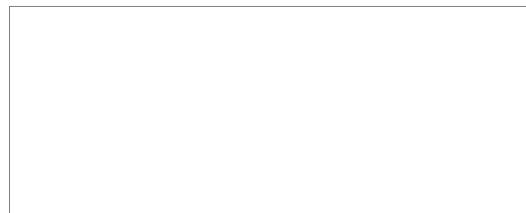
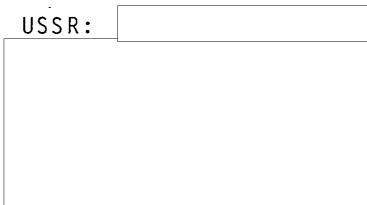
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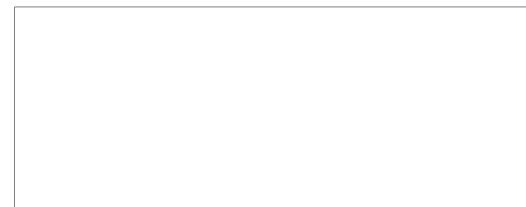
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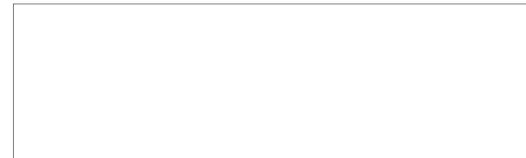
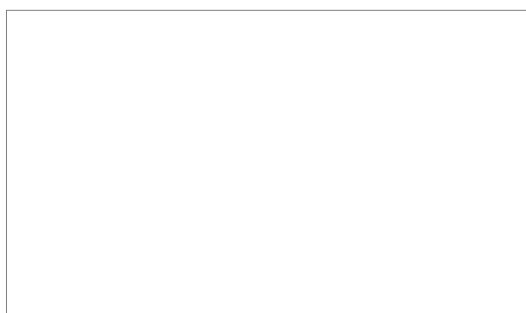
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FOR THE PRESIDENT ONLY



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USSR-CHINA: [redacted]

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Gankovsky, deputy chief of the Soviet team at the Sino-Soviet border talks, is normally posted in Peking but had not been there for six months. Moscow's chief negotiator at the talks, Deputy Foreign Minister Ilichev, has not been in Peking since May 1975.

The Sino-Soviet border talks have made little progress since they began in 1969, and almost none over the last two years. If the Chinese are even moderately civil to Gankovsky, the Soviets are likely to be encouraged. As of September 29, he apparently had not yet had any meetings with the Chinese.

* * *

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LEBANON: *The Syrians reportedly intend to resume their offensive against Palestinian and leftist strongholds, possibly as early as tomorrow.*

[redacted]
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[redacted]

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FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

The Syrians may be bargaining with the Palestinians for concessions that could head off the offensive, but the reported Syrian demands seem to represent more an ultimatum than a bargaining position, and Damascus undoubtedly has no hope that they will be accepted.

The Syrians reportedly have indicated that they will demand that the Palestinians agree to:

- Withdraw immediately from Alayh and the Shuf.
- Return to the refugee camps (and presumably abide by other provisions of the Cairo accord).
- Change their present leadership (meaning apparently the removal of Yasir Arafat as head of Fatah and the Palestine Liberation Organization).

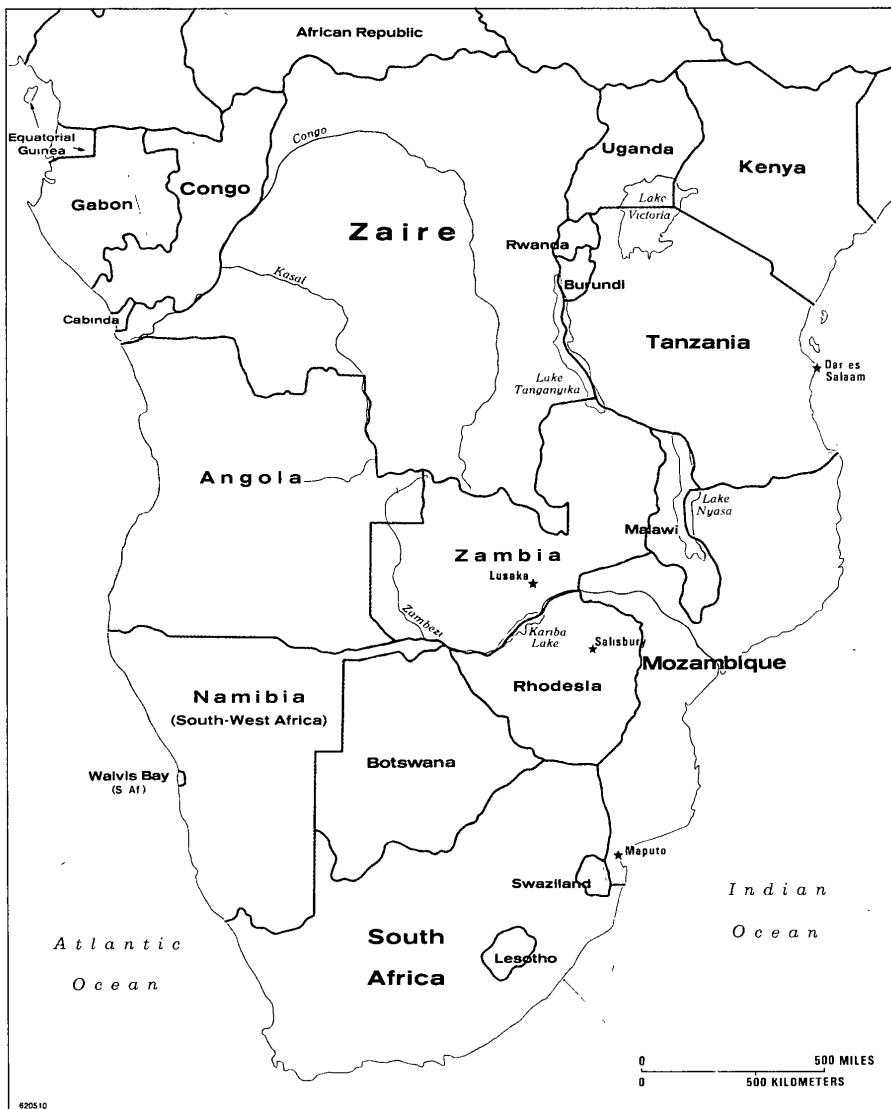
Damascus has stepped up its propaganda attacks on Arafat's leadership, but probably does not believe it can engineer his ouster at present. By proposing such extreme terms and calling more openly for a change in PLO leadership, the Syrians probably hope to erode Arafat's base of support.

Although rumors are rife in Beirut that the offensive will be mounted against Alayh and the Shuf, Syria may have decided that these areas should be bypassed. An assault on Alayh, where the Palestinians appear well dug in, would encounter strong resistance, as occurred when Christian forces tried to attack the town last Friday.

Damascus also is apparently sensitive about the reactions of Druze inhabitants of Alayh and the Shuf to military operations in their areas, primarily because anti-Syrian sentiment among the Lebanese Druze could spill over into the Druze community in Syria.

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FOR THE PRESIDENT ONLY

RHODESIA: *Unity talks between two Rhodesian black nationalist factions apparently have made little progress.*

The talks between the Zimbabwe African National Union and the Zimbabwe African People's Union are now taking place in Maputo, Mozambique, and are expected to shift to Dar es Salaam in Tanzania soon.

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[redacted] ZAPU representatives are insisting that political unity must be achieved before the respective military forces can be united. ZANU, which includes most of the guerrillas, refuses to enter into anything but a loose political alliance. ZANU leaders fear that unity would only benefit ZAPU leader Joshua Nkomo, whom they distrust.

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ZANU representatives also met last week in Lusaka with representatives of the third faction led by Bishop Abel Muzorewa [redacted]

Muzorewa had been left out of the original unity talks by the other factions and the "front line" African presidents. Muzorewa's welcome home to Rhodesia last Sunday by a large and enthusiastic crowd, after more than a year of self-imposed exile, suggests that he hopes to exploit his political following there to become again a key figure in settlement talks.

The guerrilla leaders, as distinct from the nationalist politicians, continue to take a hard line in public on a settlement.

At a press conference in Maputo last week, a guerrilla leader asserted that the fighting would continue until the Smith government

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FOR THE PRESIDENT ONLY

was prepared to surrender unconditionally. The guerrillas nevertheless are said to have decided that at any conference to set up an interim government, they will be represented by a delegation likely to be headed by ZANU spokesman Robert Mugabe. [redacted] 25X1

[redacted] 25X1

guerrillas and Mozambican forces are strengthening their positions along the Rhodesia-Mozambique border in preparation for new attacks into Rhodesia after the rainy season begins later this month.

* * *

KENYA-UGANDA: Relations between Kenya and Uganda have taken on a more friendly tone in recent weeks, but Kenya still considers the erratic President Amin a threat to its security.

In a meeting between Kenyan and Ugandan officials in Nairobi late last month, the two sides agreed to "minimize problems" in the delivery of petroleum to landlocked Uganda--a reference to Kenya's almost two-month-long slowdown on petroleum deliveries following the Entebbe operation. The Kenyan representative to the talks told a US embassy official that his government will not allow arms shipments for Uganda to transit Kenya until it is sure Amin is living up to the August agreement to ease tensions.

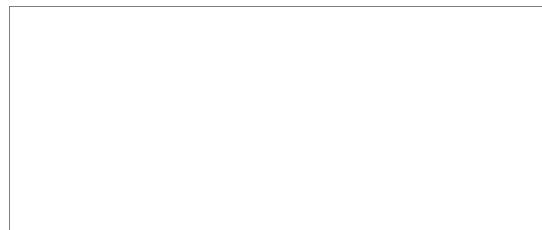
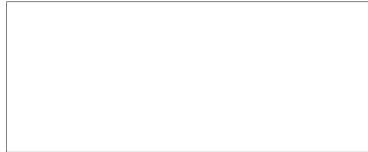
The Kenyans apparently still fear that Amin might attempt to retaliate for Nairobi's involvement in the Entebbe operation--especially in light of recent reports of a new Soviet-Uganda arms agreement and Amin's close ties to Palestinian representatives in Kampala.

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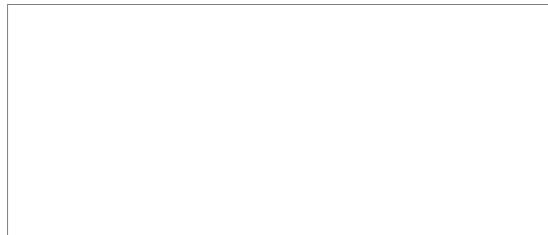
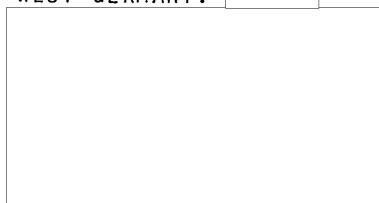


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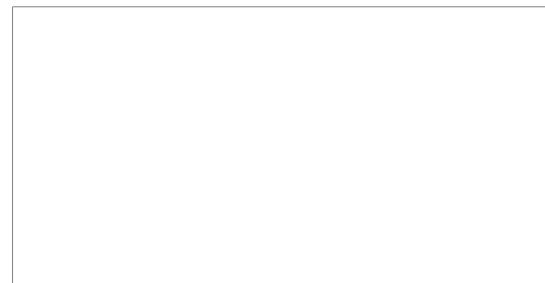
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NOTES

Two Soviet naval TU-95 reconnaissance aircraft arrived in Somalia yesterday morning, the first visit by this type of Soviet aircraft to that country.

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[redacted] Operations by TU-95s from Somalia would greatly increase Soviet reconnaissance coverage of the Indian Ocean area.

The two naval TU-95s that have been operating out of Cuba for the past 18 days returned to the USSR on Monday. It was the sixth time this year that TU-95s have been in Cuba. Two additional TU-95s remain at Conakry, Guinea.

* * *

The Soviets have apparently ended salvage operations at the site of the TU-95 crash southeast of Newfoundland in early August.

The four ships involved in the operation all left the area during the past few days. The Soviets recovered some large pieces of aircraft wreckage.

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[redacted]

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October 7, 1976

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exemption category SB(1),(2),(3)
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FOR THE PRESIDENT ONLY

October 7, 1976

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Thailand: It is not yet clear whether the Thai military's assumption of power on October 6 was an outright coup or a move invited by a frustrated and weary prime minister.
(Page 1)

Lebanon: Syrian military activity over the past several days strongly suggests that Christian and Syrian forces are planning to use Jazzin as the staging area for their next assault on the Palestinians. (Page 2)

Egypt: The equivalent of some four to five Egyptian combat brigades are not at their normal locations along the Suez Canal. Egyptian President Sadat yesterday denied that Egypt has plans to invade Libya. (Page 3)

Notes: Iraq-Egypt; France - South Africa; Yugoslavia; USSR - West Germany; South Korea; Cuba (Pages 5, 6, and 7)

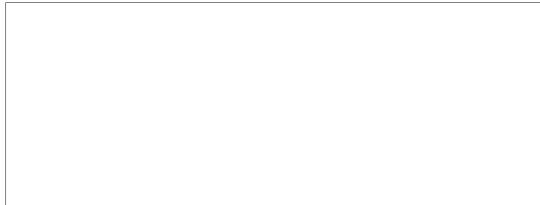
At Annex we take a closer look at Thailand's shaky political system.

FOR THE PRESIDENT ONLY

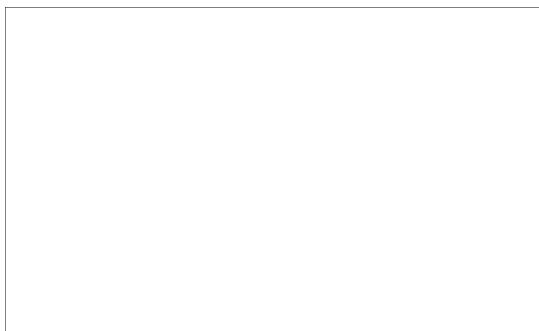
FOR THE PRESIDENT ONLY

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THAILAND: *It is not yet clear whether the Thai military's assumption of power on October 6 was an outright coup or a move invited by a frustrated and weary prime minister.*



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The military leaders are taking pains to convey an impression of an orderly change in the government.

They reportedly have agreed that the Supreme Commander of the armed forces, Air Chief Marshal Kamon, will head an internal security force that will administer the country under the guidance of a military council led by Sa-ngat for a month or so until a "reform civilian government" can be established. This reform government will administer the nation's affairs until a new constitution is drafted.

By the evening of October 6, Bangkok was quiet and Seni reportedly was cooperating with Sa-ngat in selecting members of the new military council.

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FOR THE PRESIDENT ONLY



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The military administrators already have announced that all treaty commitments will be respected and that good relations with all countries will be a prime goal.

Both Sa-ngat and Kamon had favored close Thai-US military relations and were troubled by the recent US withdrawals. The military leaders may play down, if not reverse, the Seni government's desire to work out an accommodation with Vietnam.

Both Sa-ngat and Kamon have been regarded as nonpolitical, highly professional military officers with standards for personal honesty [redacted]

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[redacted] Their reputations will lend credence to Sa-ngat's public statement that he and his colleagues are not ambitious to hold power for an extended period.

* * *

LEBANON: Syrian military activity over the past several days strongly suggests that Christian and Syrian forces are planning to use Jazzin in southern Lebanon as the staging area for their next assault on the Palestinians.

Syrian MIG-21 reconnaissance aircraft have been scouring the area and Syrian forces have been adjusting, and possibly reinforcing, their positions there. [redacted]

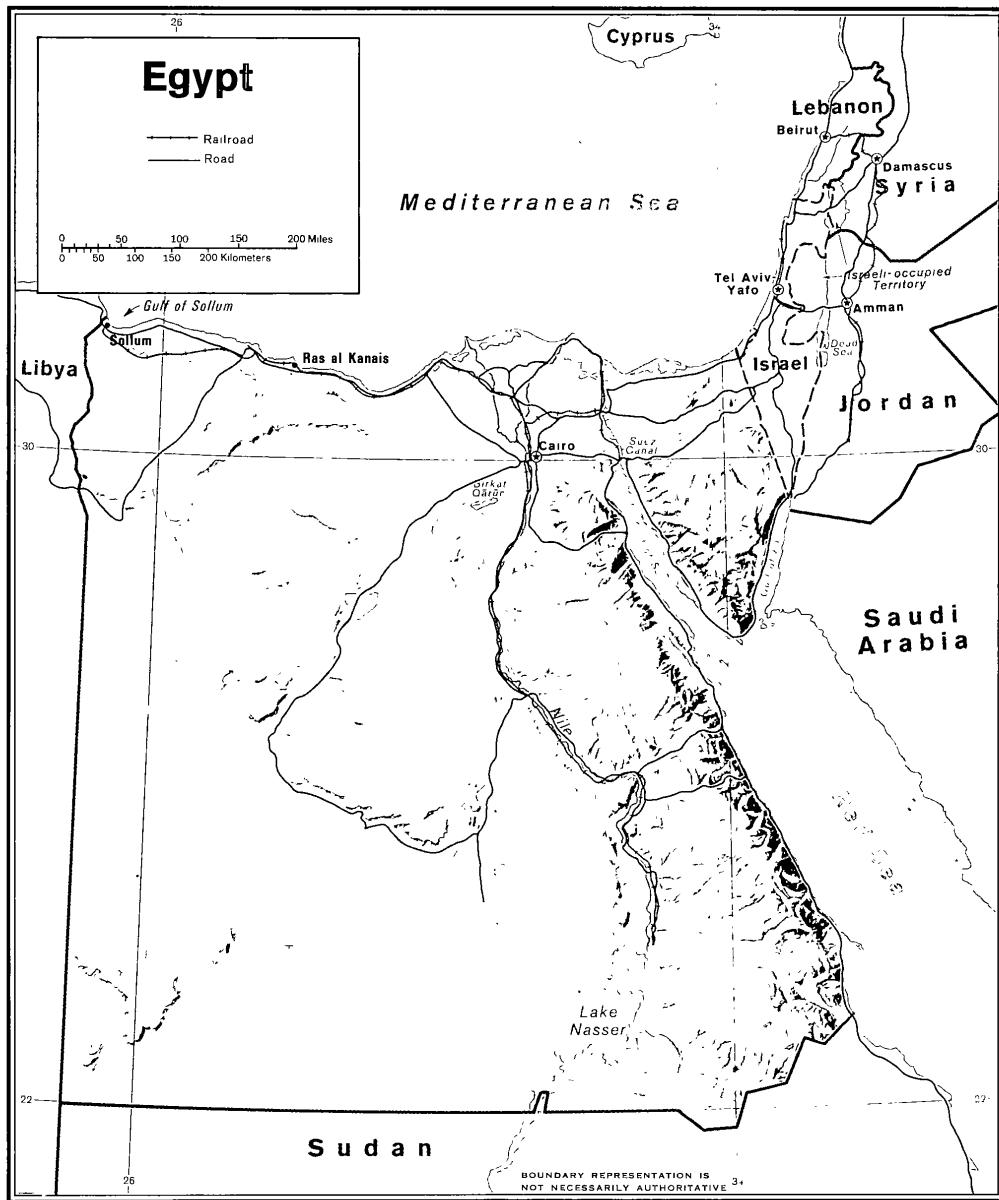
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FOR THE PRESIDENT ONLY



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FOR THE PRESIDENT ONLY

Leftist leader Kamal Jumblatt announced yesterday that leftist-held territory surrounding Alayh has been declared a military zone.

No one is to be allowed to enter or leave the area. Jumblatt, who apparently fears that the Christians and Syrians may yet decide to attack his Druze stronghold at Alayh, probably has the forces to execute the order. This action will sever one of the few remaining access routes to Beirut.

Druze leaders reportedly have been discussing with Christian Phalangist and Palestinian representatives a proposal to bar all combatants from Alayh. Other Druze leaders traveled to Damascus earlier this week to appeal for restraint from Syrian and Christian leaders.

Many Druze chieftains and their conservative followers have long opposed Jumblatt's militancy, but have continued their allegiance to him because he was able to limit their direct involvement in the fighting. Now that the war is at their doorstep, some may be won over by Jumblatt's rivals, who have created the impression that they want to save the Druze community.

* * *

EGYPT: The equivalent of some four to five Egyptian combat brigades are not at their normal locations along the Suez Canal.

We have learned this from preliminary analysis of U-2 photography [redacted] Many of these units were already missing [redacted]

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One entire brigade is missing, but in all other cases only elements of brigades have departed. This suggests that the missing Egyptian units were selected to participate

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FOR THE PRESIDENT ONLY

in the parade yesterday commemorating the start of the 1973 war, and that after the parade they will return to their normal locations.

Egyptian armed forces were on alert yesterday, presumably because of the holiday.

The movement of ground units from the canal area to Cairo for the parade could provide cover for marshaling forces to be transferred to the Libyan border.

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Egyptian President Sadat, in a speech yesterday commemorating the anniversary of the 1973 war, denied that Egypt has plans to invade Libya.

On the other hand, Sadat and War Minister Gamasy in a separate speech put considerable stress on the danger from Qadhafi's subversive activities and on Egypt's right to protect itself. By stating such concerns Sadat could be laying the groundwork that would enable him to label an attack against Libya as one of self-defense.

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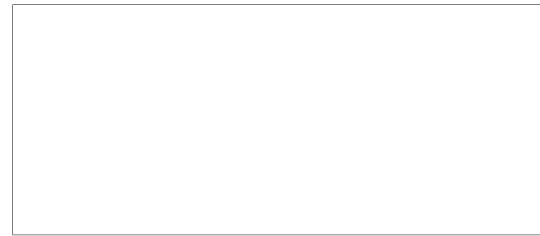
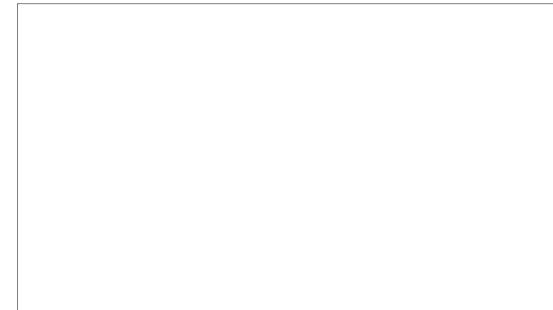
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Egypt

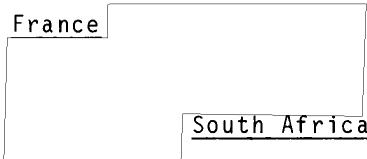


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France

South Africa



Faced with mounting criticism of its failure to honor the arms embargo against South Africa,

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However, France is likely to continue its lucrative arms relationship with South Africa, its third largest arms customer. Paris will probably eliminate direct sales of weapons that could be used against insurgents, but will go ahead with the recent sale of two submarines and two destroyer escorts and with negotiations for the sale of naval missile systems.

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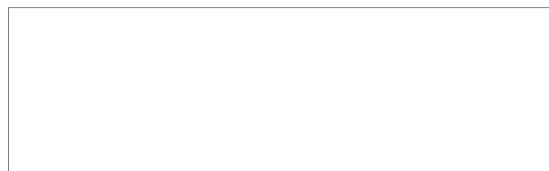
FOR THE PRESIDENT ONLY

South Africa probably will go forward with its plans to produce nearly 100 Mirage F-1s under license with some French technical assistance.

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Yugoslav President Tito's recuperation from his reported "acute liver disease" may extend well into December.



Since his illness was first announced on September 10, official estimates of the duration of Tito's recuperation have gradually increased. Should Tito remain out of circulation through December, a rumored visit by Brezhnev this fall might have to be postponed.

* * *

Soviet media are interpreting the outcome of the West German election as not simply a Social Democratic - Free Democratic victory, but as a victory for the policy of European detente.

Yet, the Soviets have reason to be unhappy with the narrowness of the coalition's victory. Before the election Soviet diplomats expressed concern that a shift to the right resulting in a razor-thin majority for the coalition would increase the leverage of the Free Democrats and their leader, Foreign Minister Genscher, whom Moscow does not like. They are also worried about the durability of the coalition and are well aware of the Free Democrats' long history of cooperation with the Christian Democrats.

To appeal to the business interests that traditionally back the Free Democrats, the Soviets have stressed the "mutually beneficial" business cooperation that has marked the

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FOR THE PRESIDENT ONLY

coalition's tenure. The Soviets have returned to their theme that they will do "everything" to deepen detente and implement co-operation with the West Germans.

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South Korea's export-led recovery is surpassing all earlier forecasts. GNP is now projected to grow by 14 percent in 1976.

South Korean exporters have taken advantage of the economic recovery in the US and have successfully penetrated the lucrative Middle East market. Import growth has been more moderate, which should permit South Korea's current-account deficit this year to be reduced to \$0.5 billion compared with \$2 billion in 1975.

* * *

Havana is likely to blame militant Cuban exiles, and possibly the US, for the crash yesterday of a Cuban airliner shortly after takeoff from Barbados.

Cuban exile terrorists have been linked to several bombings of Cuban facilities abroad in the past several months, including unsuccessful attempts to blow up aircraft in flight.

Cuban Prime Minister Castro last June warned that Havana might respond in kind to anti-Cuban terrorist activity. Unless there is convincing evidence that the crash was indeed an accident, Castro is likely to interpret the pilot's message that the plane had experienced an on-board explosion as proof that the crash was caused by an exile bomb.

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FOR THE PRESIDENT ONLY

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THAILAND

The return to martial law in Thailand--whether it proves to be temporary or drawn out--is yet another indication of basic weaknesses in the nation's three-year-old system of parliamentary democracy. These weaknesses are reinforced by cultural patterns and are not susceptible to easy elimination. The instability and vacillation that have marked government performance can only reduce the already tenuous commitment to democratic rule in Thailand.

The multitude of parties competing for power--19 of the 41 that ran in the last election were represented in the parliament--so spread the vote as to make coalition government unavoidable. Yet the coalitions that have attempted to govern since the promulgation of the constitution in 1974 did not represent common political purposes so much as associations of convenience among party leaders who saw cabinet membership as the best way to protect and advance their personal interests.

Divided as these coalitions were by conflicting personal ambitions and interests, the development of coherent government policies has been virtually impossible until a near-crisis compelled some temporary consensus.

Party Politics

Political parties--now suspended at least temporarily--are basically alien to the Thai culture. Only the Democrat Party has a semblance of permanence (it has existed since 1946), while other parties have made fleeting appearances. The civilian elite tended to shy away from the risks and futility of party politics, preferring the real power and influence of the bureaucracy.

The Democrat Party comes closest to being a political party in the Western sense. Once regarded as the best organized and least corrupt of the Thai parties, it has become deeply divided along regional and generational lines, divisions that have clearly weakened the position of former prime minister Seni and dissipated the strength that should have accrued from the party's large plurality in the just-disolved Assembly.

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The Thai Nation Party, the second largest, is more typical of Thai political bodies; it is a coalition of conservative businessmen, many of them retired military officers, and civilian bureaucrats held together by a web of personal and business relations. The party is descended from a powerful military clique of the 1950s that was ousted from power by Field Marshal Sarit in 1957. The overthrow of Sarit's heirs, Thanom and Praphat, gave the old clique new life.

Political Cliques

Most of the political parties are composites of such cliques, or, in the case of many of the small ones, temporary vehicles to further one person's ambition. The Thai clique system is a reflection of the patron-client phenomenon that pervades Thai society--a natural falling into place of a superior-inferior relationship with attendant obligations on each side.

These patron-client relations are transitory--clients are constantly reassessing the advantages of existing arrangements and seeking more beneficial patrons. In the parliamentary context, parties were unstable, continually shifting in relative strength as individual members offered their allegiance to the highest bidder.

The 1974 constitution corrected some of the more glaring deficiencies that contributed to the failure of earlier experiments in representative government. Members of the legislature could no longer change parties without losing their seats, a provision that contributed to some stability in the most recent Assembly. [redacted]

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Protest and Polarization

Fractious and vacillating government clearly endangered the long-range prospects for democracy in Thailand. The Thai are a conservative people, comfortable with forms of paternalistic authoritarianism and uncertain that free-wheeling Western democracy is really compatible with their society and their needs.

The growth of protest politics and its attendant violence contributed to public skepticism and reduced the tolerance level of right-wing civilian and military groups. In the past few years,

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students, workers, and farmers, traditionally passive elements of society, were increasingly drawn into active politics--but their impact was sporadic.

The students remain the cutting edge of protest politics. They have lost much of the glamor they once enjoyed for their role in bringing down the military regime in 1973. Since then, the more visible activists have grown increasingly leftist and now form the core of a nascent radical movement.

The radicalism of a few student leaders and the public's impatience with their activities encouraged repressive measures by right-wing forces. The extremism of both rightists and leftists has contributed to a growing polarization in Thai politics, which has been reflected in the increasing violence of recent months.

This growing tendency to violence may abate somewhat under martial law, at least initially, since leftist activists are likely to go into hiding to avoid arrest--and worse--at the hands of the military.

The King

The King has little formal political authority, but he commands considerable moral influence and has been an important stabilizing factor.

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In moving on October 6 to take charge, the military was doubtless convinced that the King supported the declaration of martial law.

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The Army

The key factor in Thailand's political future is, as always, the army. With strong leadership, the army could be the most disciplined and effective

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political force in the country--ready to be used as a voting bloc to influence a parliamentary election or as the muscle for a coup.

The First Division of the First Army--the Bangkok garrison--is the traditional coup force, and the political proclivities of the First Army commander are of utmost importance to the government. The minister of defense holds another crucial post; he can place his allies in key military assignments when the annual retirements and rotations take place. The supreme military commander, as head of all the armed forces, is also in an influential position, as indicated by his selection on October 6 to run the new interim military council.

Until called upon to take over in the wake of the new student violence this week, most senior army officers seemed disinclined to think in terms of a return to military rule. There was growing dissatisfaction within the military with the government's weak and ineffectual performance, but most [redacted] apparently felt that the army should not be directly responsible for the collapse of Thailand's fragile democracy.

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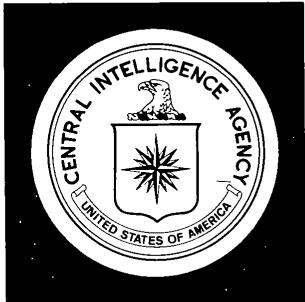
Their basic interests were not seriously threatened by the conservative civilians in power, and the military's links to the political parties enabled them to manipulate the political system. The outbreak of serious violence together with Seni's manifestly weak leadership, however, set the stage for the declaration of martial law.

Disunity and Indecision

Thailand's parliamentary government has always been sustained more by negative factors than by positive ones. The parliamentary government's underpinnings have been weak, and the commitment to its conceptual foundation fragile. The majority of the Thai people had become increasingly disenchanted with the weak performance of their government under former prime ministers Seni and Khukrit, and, while not pleased at the prospect, are probably resigned to living for a period under the martial law regime established on October 6.

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The President's Daily Brief

October 8, 1976

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FOR THE PRESIDENT ONLY

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Thailand: The new military regime in Bangkok appears firmly in control. (Page 1)

Rhodesia: Leaders of Bishop Muzorewa's black nationalist faction will meet tomorrow in Salisbury to consider various settlement proposals. Many white Rhodesians appear to have accepted the likelihood of a black Rhodesian government within two years. (Page 2)

Cuba:

(Page 3)

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Notes: Lebanon; Namibia-Cuba; USSR-Angola; UK; Somalia-FTAI; Colombia (Pages 4, 5, and 6)

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THAILAND: *The new military regime in Bangkok appears firmly in control.*

[redacted]

The curfew that was imposed on the first night of martial law has been lifted.

Admiral Sa-ngat and his colleagues continue to take pains to convey the impression that they intend to pave the way for an eventual return to representative government. Twenty-four generals have been appointed to the new ruling body--the National Administrative Reform Council--but the military leaders are having difficulty identifying and persuading prestigious and compatible civilians to serve on the council with them.

Sa-ngat has indicated that the new council should expect to manage Thailand's affairs for only a few months until an interim civilian government backed by the military can be formed, but council members differ widely on their probable term in office. A national assembly is being envisioned to rewrite portions of the constitution, presumably to increase the prime minister's power and to assure that the new government will be more stable.

The strongly anticommunist posture of the new regime has provoked sharp comment from Hanoi.

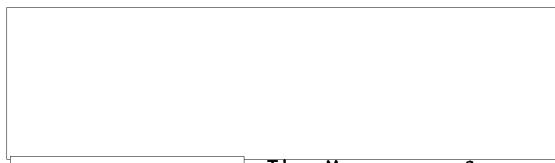
Vietnam accuses the Thai military of collaborating with the US in arranging the return of exiled dictators in a deliberate scheme to provoke the downfall of parliamentary government. Hanoi warns that if the new government follows a pro-US policy it will face serious consequences.

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FOR THE PRESIDENT ONLY

RHODESIA: *The leadership of Bishop Muzorewa's nationalist faction will meet tomorrow in Salisbury to consider various settlement proposals.*



[redacted] The Muzorewa faction is against allowing whites to remain in control of the defense and security forces during the transitional period, a view

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[redacted] shared by other nationalist groups.

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Many white Rhodesians appear to have accepted the likelihood of a black Rhodesian government within two years.

Few businessmen in Salisbury are preparing to leave the country. Those with moderate views hope to remain indefinitely in a black-ruled Rhodesia, while some conservatives still do not fully believe that Prime Minister Smith will acquiesce in majority rule.

The intention of many whites to remain in the country could change quickly if the blacks succeed in gaining control of the defense and law and order portfolios under an interim government. The whites fear that this would lead to widespread violence by the unruly guerrilla forces and that continuing disunity among the black groups may also lead to violence.

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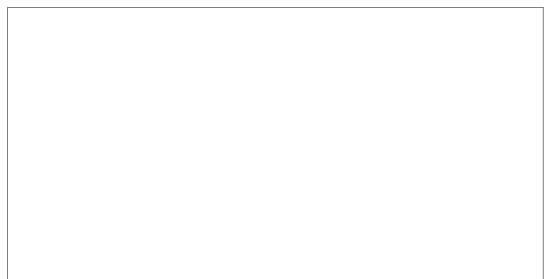
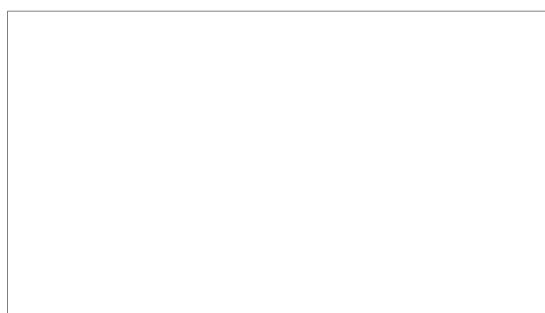
Many whites favor Joshua Nkomo, who is widely regarded as the most moderate black leader, to become the first black head of government.

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CUBA: [redacted]



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Since June, Cuban exile organizations have claimed responsibility for attacks against Cuban officials and installations and pro-Castro organizations in Barbados, Colombia, Costa Rica, Jamaica, and Trinidad and Tobago, in addition to those in Panama and Mexico.

A spokesman for what presumably is a Cuban exile group claims his organization placed a bomb aboard the Cuban airlines plane that crashed Wednesday in Barbados.

Havana has sent a team to Barbados, and if further investigation confirms sabotage, the Cubans can be expected to use the incident to dramatize the threat from Cuban exile terrorists.

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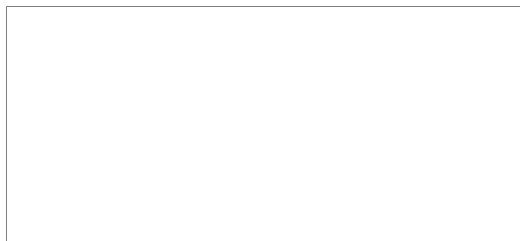
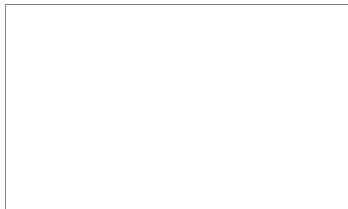
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Recent US efforts to arrange a peaceful transition to independence in Namibia have prompted Cuba to underscore its continuing commitment to the "liberation" of Namibia.

Sam Nujoma, president of the South-West Africa People's Organization is being accorded all the courtesies and fanfare usually reserved for friendly chiefs of state during his current visit to Cuba.

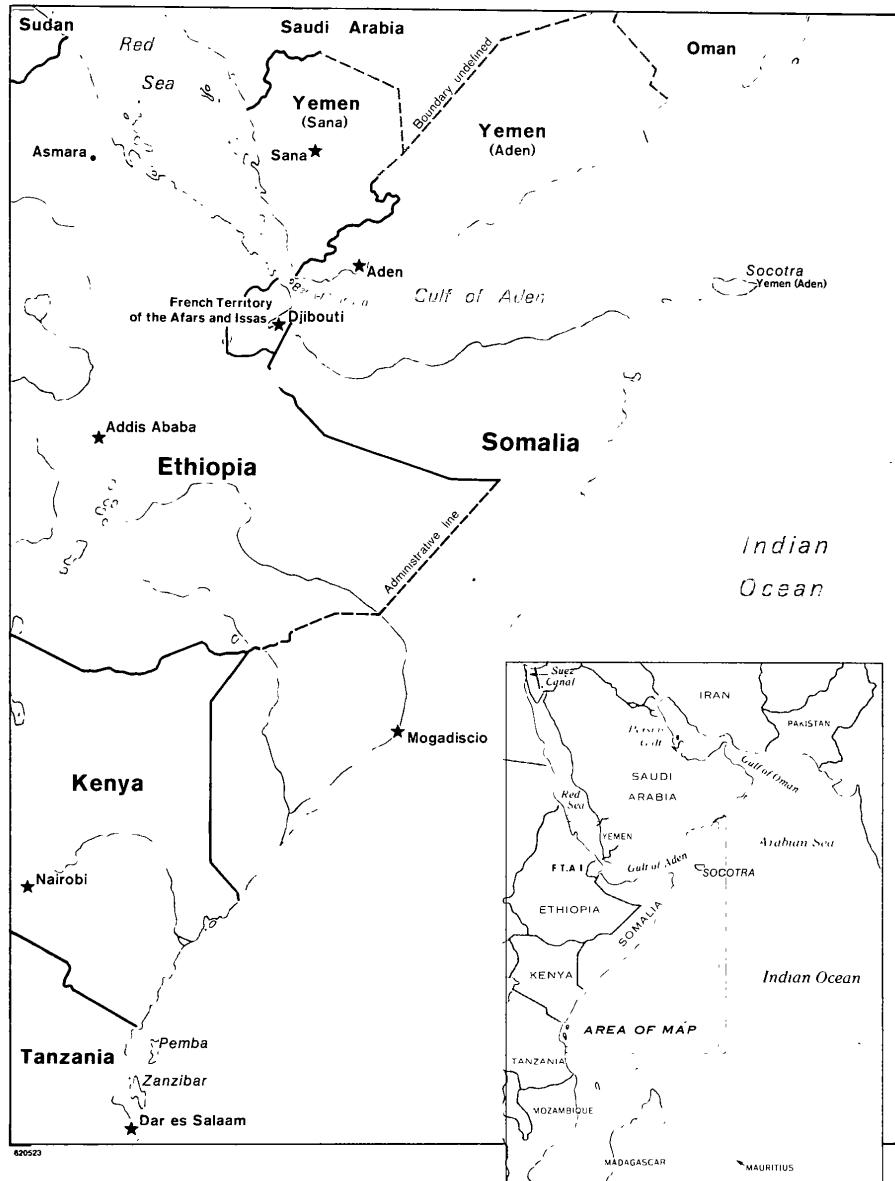
The Cuban party daily carried a lengthy editorial denouncing the plan for Namibia's independence as a joint neocolonialist concoction of Washington and Pretoria that is doomed to failure. Nujoma was quoted as saying that SWAPO, "as the vanguard of the Namibian people, will have no alternative except to continue and intensify the armed struggle for liberation as the only effective road that will lead the people to power."

* * *

In the Soviet Union, visiting Angolan President Agostinho Neto also is getting high-level treatment.

When he arrived in Moscow yesterday, Neto was greeted by President Podgorny, Foreign Minister Gromyko, and First Deputy Premier Tikhonov, who probably is filling in for ailing Premier Kosygin. Later in the day General Secretary Brezhnev hosted a dinner for Neto.

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FOR THE PRESIDENT ONLY

In addition to developments in southern Africa, Soviet assistance will be high on the agenda during the visit. Neto brought with him officials responsible for economic and military affairs. The value of Soviet assistance will be limited, however, since what Angola needs to revive its economy quickly is Western technology and markets.

* * *

The British government yesterday took drastic steps to slow the growth in the money supply and cut inflation.

In a surprise move, the Bank of England's minimum lending rate was boosted by two percentage points to a record 15 percent. Chancellor of the Exchequer Healey also instructed the Bank of England to call up special deposits from commercial banks equivalent to 2 percent of most deposit liabilities. In reaction to the announcement, the pound rallied somewhat from the day's low of \$1.6380, closing at \$1.6670 in London.

The minimum lending rate has now been hiked 6 percentage points since mid-April. The government also increased the special deposit requirement by 1 percent in September.

The announcement yesterday was aimed at least partly at the International Monetary Fund, to which London has applied for a \$3.9-billion loan.

* * *

We estimate that the Somalis could now have up to 8,000 troops--at least one quarter of their army--near Somalia's border with the French Territory of the Afars and Issas.

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[Somalia may have moved one motorized infantry and one field artillery battalion to the border area, where two infantry battalions already have been stationed.]

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FOR THE PRESIDENT ONLY

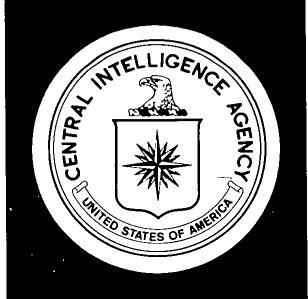
According to current French plans, the FTAI will become independent following a referendum early next year. Somalia would like to incorporate the territory--a majority of whose population is ethnic Somali--and has formed guerrilla units to undertake subversive activity against the territory if it is dissatisfied with the government that comes to power in Djibouti after independence.

* * *

Colombian President Lopez has again imposed a nationwide state of siege.

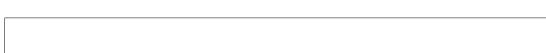
Government spokesmen said the action was necessary to counter a wave of labor unrest and kidnappings. It may also be timed to guarantee optimum security conditions during the official visit next week of Spanish King Juan Carlos. Colombia has a long tradition of student and labor problems, as well as urban and rural violence. The previous state of siege, lifted in June, lasted a year.

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LATE ITEM

Wall posters appeared in Peking today saying that Hua Kuo-feng had been appointed Chairman of the Communist Party, according to a press report.

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Rhodesia: [redacted]



Lebanon: Palestinians and leftists are continuing to brace for a Syrian-Christian offensive, despite talk of a possible renewal of negotiations. Saudi Arabia has begun withdrawal of its combat forces from Syria, probably in part to prevent them from being drawn into the Lebanese fighting. (Page 2)

China: A reference in Chinese media to the Politburo "headed by Comrade Hua Kuo-feng" tends to boost Hua's public stature but probably does not mean that an official decision has been made to name him the new head of the party. (Page 4)

USSR-Angola: General Secretary Brezhnev and President Neto have signed a treaty of friendship and cooperation. (Page 5)

Notes: USSR; Italy; France; France; Jamaica. (Pages 6, 7, and 8)

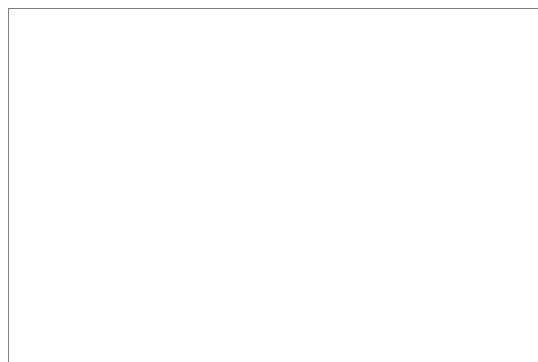
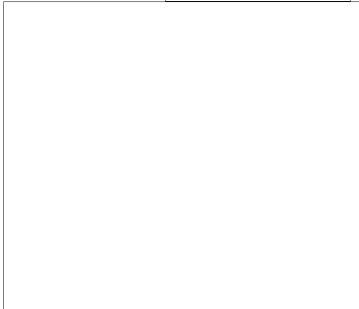
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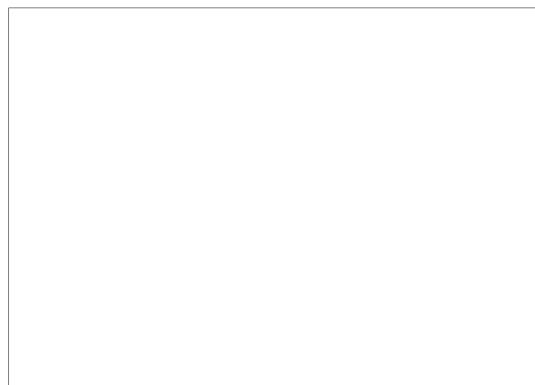
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RHODESIA: [redacted]

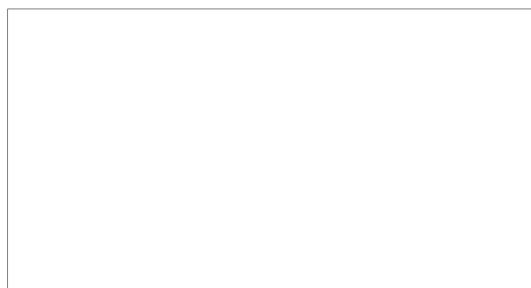
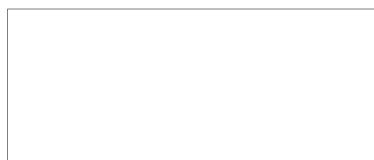


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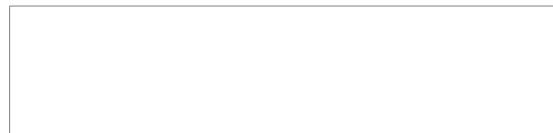


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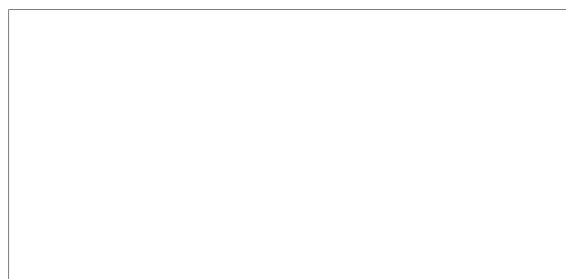
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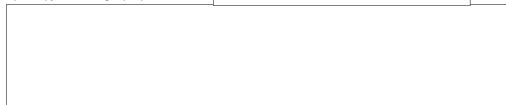


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LEBANON: Palestinians and leftists are continuing to brace for a Syrian-Christian offensive, despite talk of a possible renewal of negotiations between representatives of the Syrians, the Palestinians, and Lebanese President Sarkis.

Arab League mediator Hasan Sabri al-Khuli announced yesterday that Damascus had agreed to attend another round of talks today. The Syrians have not yet named a delegate to the conference, however, and it is possible that they have no intention of attending.

Most reports indicate that the Syrians expect nothing to come of continued contacts with the Palestinians, and are planning to resume military operations in the near future.



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Although the Syrians could agree to attend a new round of talks as a public relations exercise--they have typically been careful to place the onus for stalemated negotiations on the Palestinians--new discussions are unlikely to produce a breakthrough.

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Saudi Arabia has begun the withdrawal of its combat forces from Syria, a move that has been under consideration since early this year.

About 6,000 Saudi troops have been in Syria since the October 1973 war. According to the US defense attache in Damascus, about 200 troops will remain in Syria to support the small Saudi peacekeeping force in Lebanon.

The US embassy believes that Saudi Arabia, whose wealth and prestige have increased significantly since 1973, may no longer see a need to station a token force in the confrontation area in order to demonstrate its leadership in the Arab world.

The Saudis may also be concerned that they would be drawn into the Lebanese fighting. Saudi troops are already serving with the Arab peacekeeping forces in Lebanon, and it would be difficult for Riyadh to refuse requests for additional troops so long as it had units stationed nearby in Syria.

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FOR THE PRESIDENT ONLY

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CHINA: A reference in Chinese media to the Politburo "headed by Comrade Hua Kuo-feng" tends to boost Hua's public stature but probably does not mean that an official decision has been made to name him the new head of the party.

Until the use of this terminology yesterday, the media had been scrupulous in referring to Hua by his official title as first vice chairman of the party. Hua has headed the party since Mao's death on September 9, and the use of this new formulation only confirms a situation that has existed for the last month.

The decision to refer to Hua as heading the Politburo, in pronouncements aimed at both domestic and foreign audiences, raises somewhat his political stock and could prove useful when the party meets formally to name a new leader.

The Politburo, which apparently met for a few weeks following Mao's death, seems to have resolved some of the immediate questions posed by that event. Peking announced yesterday that Mao's body will be put on public display in a memorial hall in Peking. The delay in making this announcement suggests the disposition of his body may have been a contentious issue.

Peking also announced yesterday preparations for the publication of the collected works of Mao. Mao's works have never been compiled and published in their entirety, and this undertaking may prove to be politically sensitive. There is undoubtedly much in Mao's as yet unpublished works that various party leaders may prefer to keep out of the public eye.

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FOR THE PRESIDENT ONLY

USSR-ANGOLA: General Secretary Brezhnev and Angolan President Neto signed a treaty of friendship and cooperation yesterday in Moscow.

The USSR has concluded such treaties with only a few third-world countries--India, Egypt, Iraq, and Somalia. The text of the new treaty has not yet been published, but a Tass summary indicates that it generally follows the format and substance of the other treaties with third-world states, outlining a commitment to cooperation in a wide variety of fields.

Neto's talks in Moscow have apparently focused on strengthening party ties and on the needs of Angola's economy. The Angolans seem anxious to see Moscow play a greater role in their country's post-war development, but Neto has also been making efforts to expand ties with the West--most recently exchanging ambassadors with Sweden and resuming diplomatic relations with Portugal.

The treaty apparently provides for strengthening military cooperation--implying continued Soviet military aid. It is possible that under this clause the Soviets will try to gain access to military facilities in Angola, but there are indications that Neto will resist.

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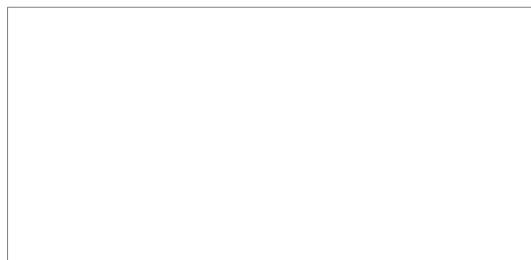
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The leadership of Italy's Christian Democratic Party will convene this weekend for its first full-scale strategy session since the parliamentary election in June.

Debate is certain to center on the question of how to manage relations between Prime Minister Andreotti's Christian Democratic minority government and the Communist Party, whose parliamentary cooperation is essential to Andreotti's survival.

Many Christian Democrats believe that Andreotti is leaving too many important details of his economic program to parliament, which is leading to Christian Democratic - Communist collusion in the legislature.

Some party members are concerned that the precedents being set by the Prime Minister could lay the basis for Communist chief Berlinguer's "historic compromise"--a governing partnership between the two parties. [redacted]

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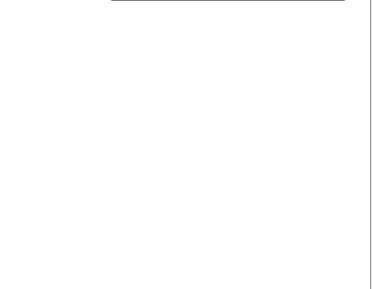
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The nationwide strike in France on Thursday, called to protest Prime Minister Barre's economic stabilization program, failed to elicit the massive labor support the strike organizers had anticipated.

The US embassy estimates that some 75,000 demonstrators participated in a protest march in Paris. Although the turnout was greater than that of similar demonstrations over the past few years, the crowds appeared dispirited and poorly organized.

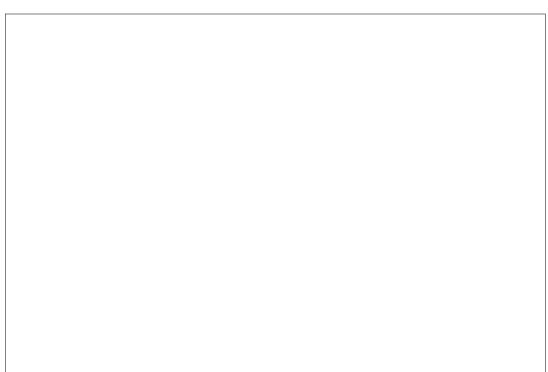
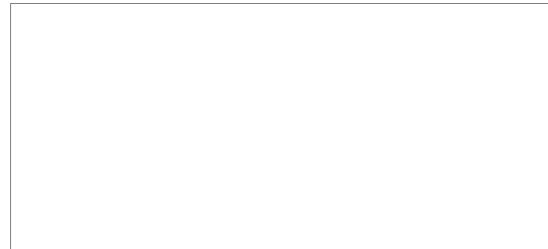
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FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

Settlement of Jamaica's two-year contract dispute with Alcoa earlier this week brings the country's bauxite and alumina operations under closer government control.

Under the agreement, Jamaica will:

--purchase a 6-percent share-- worth about \$10 million--in a new joint company that will operate Alcoa's Jamaican bauxite and aluminum properties;

--buy all of Alcoa's mining and non-operating lands, worth about \$2.5 million;

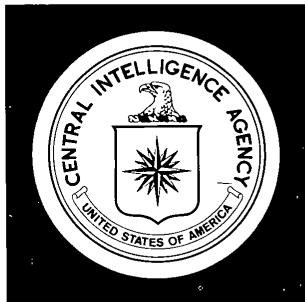
--settle disputes through private international arbitration.

The agreement also brings Jamaica closer to settlements with Kaiser and Reynolds, which probably will be completed by the end of this year.

The government's agreement to reduce the bauxite production tax-- which could cost it as much as \$13 million in revenues next year-- reflects a desire to encourage companies to increase their Jamaican operations, which now account for nearly two fifths of US bauxite and alumina supplies.

The companies are disturbed by past moves to boost taxes, which have doubled the cost of imported bauxite to the United States to \$20 to \$25 per ton, and are also disturbed by mounting civil unrest to which they see no end. Instead, they are diversifying their supply sources by investing in Australia, Brazil, and Indonesia.

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FOR THE PRESIDENT ONLY

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China: Evidence is strong that Hua Kuo-feng has been named chairman of the Chinese Communist Party and chairman of the Military Affairs Commission. The official announcement of the promotion could have been delayed because of the reported purges of the four leading leftists on the Politburo.
(Page 1)

Thailand: The military leaders of the National Administrative Reform Council are trying to move quickly to establish a caretaker civilian administration. *(Page 3)*

Lebanon: Little progress was made during the tripartite Syrian-Palestinian-Lebanese talks on Saturday. The outlook for the meeting today likewise appears bleak. *(Page 4)*

USSR: A bumper grain harvest is still expected. *(Page 5)*

Notes: UK; West Germany *(Pages 7 and 8)*

At Annex we discuss the impact of the new constitutional amendment on Indian Prime Minister Indira Gandhi's government.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

CHINA: *The evidence is strong that Hua Kuo-feng has been named chairman of the Chinese Communist Party and chairman of the important Military Affairs Commission to succeed Mao Tse-tung.*

The US Liaison Office has observed posters specifically stating that Hua is now party chairman. Politburo member Li Hsien-nien told Senator Mansfield yesterday that Hua had "succeeded" Mao. Taken together with official media references to Hua as "head" of the party central committee, this seems to be conclusive evidence that a decision to promote Hua had been taken, presumably by the Politburo, during its continuous session from Mao's death until late last month.

Several events suggest that some sort of problem has developed:

--An official announcement of the promotion has been delayed.

--A major editorial published yesterday called for "resolute struggle" against words or actions leading to "revisionism, splitism, intrigues, and conspiracy."

--A hurried leadership meeting apparently took place on October 9.

The Liaison Office believes that serious resistance to Hua's elevation has surfaced. Li Hsien-nien's comments to Senator Mansfield on October 10, however, suggest that whatever problems have arisen have delayed rather than permanently blocked public acknowledgement of Hua's promotion.

The problem could stem from the reported purge of the four leading leftists on the Politburo.

Lower level cadre in Peking have been told that the four leftists have been arrested for alleged complicity in a coup d'etat--presumably against Hua. If cadre have been briefed, the arrests very likely have taken place.

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FOR THE PRESIDENT ONLY

There are no signs of heightened security precautions in Peking, nor have we any indications as yet of military alerts in the Peking area or elsewhere in China.

In the event of a purge of this magnitude, the surviving central leaders would need to inform members of the central committee of the charges against the "leftists" and there would be an obvious need to hammer out new leadership arrangements at the levels immediately below Hua. This could account for the delay in making an official announcement about Hua's promotion.

If the four leading leftists--one of whom is Mao's widow, Chiang Ching--have indeed been purged, a major realignment of political forces has occurred.

Centrist and "rightist" civilians, together with important military leaders, would now be dominant, and a source of friction in the Chinese leadership would have been removed.

Other major appointments which have been delayed for some time might now be made. Wu Te, the "rightist" party boss of Peking, would likely become chairman of the National People's Council--the equivalent of head of state. Rumors are circulating that Hua will relinquish his job as premier. If the leftist stalwart First Deputy Premier Chang Chun-chiao has fallen, Li Hsien-nien would be a logical candidate for that important post. Li is a "rightist" and close associate of the late Chou En-lai.

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FOR THE PRESIDENT ONLY

If the decision to elevate Hua to the chairmanship of the party and of the Military Affairs Commission sticks, it indicates that he has secured the strong backing of the military establishment.

Assuming Hua weathers the immediate crisis, his future relationship with the powerful commander of the Peking Military Region could prove to be the key as to whether leadership stability can be achieved.

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THAILAND: *The military leaders of the National Administrative Reform Council are trying to move quickly to establish a caretaker civilian administration.*

Thanin Kraiwichian, a Supreme Court justice known for conservative but not extreme right-wing views, was appointed prime minister on October 8, and a cabinet is expected to be formed within two weeks. NARC Chairman Admiral Sa-

ngat [redacted]

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Sa-ngat apparently hopes that the rapid formation of a civilian government will defuse the growing ambitions of some military elements for a greater political role. The expansion of the NARC to include several more army officers has soothed the army's initial disgruntlement, but some army officers on the military council are arguing for extending the longevity of that council.

Sa-ngat is also concerned about plotting by the former Thai Nation Party leaders and their allies in the military who have been deliberately excluded from the council. None of these figures hold troop commands and their chances of pulling off a successful counter-coup are highly questionable.

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FOR THE PRESIDENT ONLY

Nonetheless, Sa-ngat's concerns were apparently sufficient to call a full police alert in the Bangkok area yesterday [redacted]

[redacted] Furthermore, yesterday three high-ranking military officers were summoned by the NARC to answer questions about possible plots against the council.

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Bangkok remains quiet and the students arrested last week are beginning to be released on bail. The left is in disarray and going underground. The most serious threat to the formation of a new government would seem to lie in the ambitions of army officers who may be reluctant to give up the power that they recently received.

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LEBANON: Little, if any, progress was made during the tripartite Syrian-Palestinian-Lebanese talks on Saturday. The outlook for the meeting today likewise appears bleak.

Arab League mediator Hasan Sabri al-Khuli's characterization of the talks as "frank" and "objective" and the apparent lack of agreement [redacted]

[redacted] suggest that the parties continue to differ on major negotiating issues.

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Opposition to the talks by Lebanese leftist leaders, radical Palestinian commando groups, and Phalangist leader Jumayyil--all excluded from the negotiations-- would appear to cast an additional doubt on prospects for success.

Late last week leftist leaders reportedly rejected in advance any settlement reached without their participation. Leftist radio broadcasts have denounced the talks as an attempt by the Syrians and Christians to split the leftist-Palestinian alliance.

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USSR: A bumper grain harvest is still expected.

Our current estimate of Soviet grain production, based on all-source information on weather and crop conditions, is 205 million metric tons, up 5 million tons from our early September estimate.

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FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

The US Department of Agriculture puts the Soviet crop at 215 million tons. Statements made by Soviet officials concerning the prospect for this year's harvest range from 195 million tons to a new record of 222.5 million tons.

We still believe that the USSR this year will purchase abroad about 14 million tons of grain, a little more than half the amount bought in 1975. This would cost roughly \$2 to \$2.5 billion compared with the nearly \$4 billion spent for last year's purchases. Of this amount, the US probably will supply about 10 million tons.

The USSR has bought 6.3 million tons under the first year of the US-USSR grain agreement and must buy about 500,000 tons more wheat to satisfy the provision that the first 6 million tons be equally divided between wheat and corn.

With a grain crop of 205 million tons and expected imports, Soviet grain supplies will be sufficient to maintain the momentum to rebuild livestock herds, improve the quality of bread and other consumer products, and start restocking depleted grain reserves.

So far, the Soviets have promised little grain to their traditional customers. We expect probably 2 to 3 million tons of grain will be shipped to Eastern Europe. Should the Soviet harvest exceed our current expectations, Eastern Europe might well press for additional amounts of grain from the Soviets but will remain dependent on Western suppliers during the 1976/77 marketing year.

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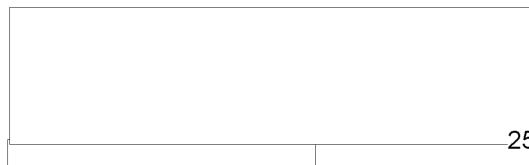
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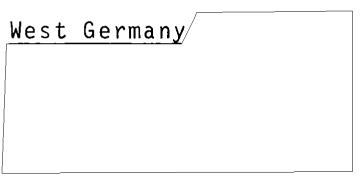


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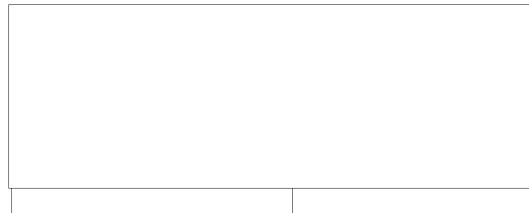


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INDIA

The increasingly authoritarian trend that has marked Prime Minister Indira Gandhi's decade in office will reach a new benchmark this fall when parliament approves, as it surely will, a constitutional amendment that will institutionalize unprecedented power in the executive branch.

The most important provisions of the omnibus amendment:

- Uequivocally establish the prime minister as the supreme authority in government.
- Institutionalize many repressive measures in effect since Gandhi imposed a national emergency in June 1975.
- Sharply curtail the judiciary's power to challenge legislation and to safeguard civil liberties.

Beyond this, Gandhi will have carte blanche during the next two years to amend the constitution further under the pretext of removing "difficulties" that stand in the way of implementing the new amendment.

Gandhi's Leadership Style

Gandhi's intolerance of criticism and her reluctance to compromise made it almost inevitable that her administration would grow progressively more authoritarian. She has repeatedly sought full freedom of action.

The Prime Minister delegates little authority. She consults with a small circle of relatives and aides rather than the cabinet but makes all important decisions herself. There is little opportunity for policy debate or innovative ideas.

Revising the System

Gandhi charges that the judiciary represents the elite and that the Supreme Court's "narrow" interpretation of the constitution has blocked social justice. The pending amendment will bar the Supreme Court from challenging the substance of any

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new amendments and will substantially limit the purview of the state courts. It will enable the executive to tighten its control over the selection and assignment of judges at all levels. Nonetheless, the judiciary probably will retain a fair degree of independence and continue to rule against the government in some cases involving civil or corporate matters.

The constitution, as it now stands, vests wide powers in India's indirectly elected presidents although they have traditionally refrained from using these powers and assumed titular roles. The new amendment will clearly subordinate the president to the prime minister. An addition to the constitution of 10 "fundamental duties of citizens" exemplifies the shift in emphasis from individual rights to one's obligations to the state.

Democratic Facade

Gandhi is highly sensitive to foreign criticism about her political crackdown and manipulation of the constitution. This may at least partially account for her decision to preserve a facade of democratic procedures.

Parliament will continue to be elected by universal suffrage. New procedural rules establish shorter sessions and limited debate. Parliament's principal task has clearly become that of approving Gandhi's decisions.

Following parliamentary approval of the amendment, endorsement by at least half the 22 state governments is required before it can take effect. This will be easy as the Congress Party or one of its allies controls all elected state governments; the federal authority administers several troublesome states where elected governments have been temporarily suspended.

Public Support

Gandhi's actions since June 1975 have stirred little negative public reaction, largely because of economic improvements since then. Gandhi's supporters credit the emergency action for the economic upturn, but two beneficent monsoons are at least responsible.

The educated middle class generally supports the emphasis on discipline and resulting improvements

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in bureaucratic performance. The military also backs Gandhi, and she usually honors their desire not to be drawn into internal security matters. The masses are mostly apathetic or unaware of changes in the system.

Some intellectuals, particularly those educated in the West, are despondent over the loss of traditional democratic rights. Gandhi has used economic pressures and other threats to force the once lively free press to conform and abide by rules that restrict criticism of the government or exposure of problems that would embarrass the government.

State governments tend to resent the concentration of power in New Delhi, but local leaders realize the futility of bucking the prime minister. The handful of opposition parties are divided and demoralized, with some of their leaders still in jail.

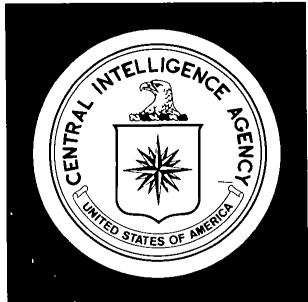
India is not in the same category with repressive dictatorships that exist in some third world countries. While tens of thousands of Indians have been arrested for political and economic offenses since June 1975, many were released after short jail terms. Only extremist political parties have been proscribed. Police brutality, while not unknown, is uncommon. Except for those arrested for emergency-related offenses, Indian citizens continue to enjoy most of the internationally recognized human rights. The security forces are ubiquitous, but no attempt has been made to transform them into a personalized force dedicated to preserving Gandhi's rule.

Prospects

Gandhi is not likely to use her enhanced power to implement important social and economic changes. She recently stated that reform in the countryside must come from education and persuasion rather than by force. She seems unwilling to face the serious political problems that would accompany an attempt to upset the status quo through far-reaching policies aimed at redressing basic inequities in Indian society.

As she faces each new crisis, Gandhi's sense of mission and self-righteousness seems to grow stronger. Her assumption of full responsibility for government performance and the certainty of future economic crises could bode ill for Gandhi's future popularity and eventually for political stability in India.

Top Secret



The President's Daily Brief

October 12, 1976

[Redacted]

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FOR THE PRESIDENT ONLY

October 12, 1976

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China:

[redacted] members of the Central Committee
are being brought to the capital, presumably to ratify the
selection of Hua Kuo-feng as new chairman of the party.
(Page 1)

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France: Paris announced changes yesterday in its nuclear export
policy. (Page 1)

Lebanon: Arab mediator Hussan al-Khuli claims that a "tentative
agreement" has been reached at the Syrian-Palestinian-Leba-
nese talks, but the official Syrian news agency has noted
only that the negotiators will meet again tomorrow to dis-
cuss "disputed points." (Page 3)

Notes: Panama; Tunisia (Page 4)

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CHINA:

[redacted]
members of the Central Committee are being brought to the capital for a major meeting.

The meeting is likely to ratify the selection of Hua Kuo-feng as new chairman of the party.

If reports are true that the party's four leading leftists are under arrest for an alleged coup plot, charges against these four would also have to be discussed. Their removal would require decisions on a new leadership lineup on the Politburo.

There are a number of other appointments that would seem to need the approval of the Central Committee. The length of the current meeting will depend on how many of these questions the Central Committee decides to consider at this time.

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FRANCE: Paris announced changes yesterday in its nuclear export policy. Although these changes are being undertaken to support more stringent guidelines

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[redacted]
France at the same time is intent on maintaining or increasing its nuclear trade and in retaining final authority over French export policy.

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[redacted]

[redacted]

[redacted]

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*The changes announced
yesterday generally
follow these lines.*

France is willing to discuss the "problems" of nuclear exports, i.e., potential weapons proliferation, with both "supplier countries" and recipient countries "engaged in substantial nuclear energy programs." As a substitute for sensitive materials and facilities, France would guarantee the necessary enrichment and reprocessing services to countries that purchase French nuclear power plants. France may also promote the involvement of its nuclear industry in the construction of multinationally owned and operated plants.



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*LEBANON: Arab media-
tor Hasan al-Khuli
claims that a "tentative
agreement" has
been reached by Syrian,
Palestinian, and Leba-
nese representatives.*

The official Syrian news agency
has ignored al-Khuli's remarks,
however, and has noted only that
the negotiators will meet again
tomorrow to discuss "disputed
points."

Camille Shamun, the most intransi-
gent of major Christian leaders,
has now joined Lebanese leftists,
radical Palestinian groups, and
Phalangist leader Jumayyil in re-
fusing to be bound by any deci-
sions that might be reached at
the talks.

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FOR THE PRESIDENT ONLY

NOTES

Panamaian leader Torrijos took a relatively mild line on the canal issue in his traditional speech yesterday marking the anniversary of the 1968 coup.

He delivered his standard warning of possible recourse to force should canal talks fail, but he reaffirmed his commitment to the negotiations scheduled to resume later this month. He even noted that rash action by Panama could erode the hemispheric support he claims to have on the issue.

Torrijos devoted the major portion of his speech to the domestic economy. He admitted that difficult months lie ahead but denied the existence of a crisis and promised new measures to combat rising unemployment and urban problems.

* * *

Tunisian President Habib Bourguiba flew to Geneva yesterday for treatment and rest, according to an official communique.



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The President's Daily Brief

October 13, 1976

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FOR THE PRESIDENT ONLY

October 13, 1976

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China: The government has made no official announcement about the elevation of Hua Kuo-feng or the arrest of the four "leftist" members of the Politburo. (Page 1)

Lebanon: The resumption of the Syrian offensive has thoroughly discredited the Arab League's mediation effort, damaged the credibility of Lebanese President Sarkis, and could scuttle plans for a summit meeting. (Page 3)

Egypt: Egypt is trying to get an additional \$1 billion in balance-of-payments support to prevent a marked cutback in imports. (Page 4)

Notes: USSR; Cuba; Philippines (Pages 6 and 7)

FOR THE PRESIDENT ONLY



Chiang Ching



Wang Hung-wen



Chang Chun-chiao



Yao Wen-yuan

FOR THE PRESIDENT ONLY

CHINA: The government has made no official announcement about the elevation of Hua Kuo-feng or the arrest of the four "leftist" members of the Politburo.

Announcements on these and other subjects are likely to be made only at the conclusion of the Central Committee plenum, which is apparently now in session. A Chinese official, however, has confirmed to Western newsmen that Hua Kuo-feng has been promoted to the posts of chairman of the party and of the military affairs commission. Another official's response of "no comment" to journalists' questions about the "leftists" is tantamount to acknowledgment that the arrests have occurred. The four Politburo members involved are:

- Chiang Ching, Mao's widow;
- Wang Hung-wen, vice chairman of the party;
- Chang Chun-chiao, fourth-ranked member of the leadership;
- Yao Wen-yuan, party propagandist.

One Western news report, citing "sources close to the Chinese government" claims that over 30 persons have been arrested, including Mao's nephew, Mao Yuan-hsin, who probably acted as head of Mao's personal secretariat in the final days of the late chairman's life.

This report claims that those arrested have been charged with forging Mao's will. There is no direct evidence supporting this claim, but it seems fairly plausible. Several Western embassies in Peking have heard that one of the charges against the leftists is that they "distorted" Mao's

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FOR THE PRESIDENT ONLY

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writings and had concocted a slogan, "act according to the instructions laid down," which has been widely used in Chinese propaganda since Mao's death and which could be considered a "will."

The Central Committee probably is now considering and reviewing the charges against the leftists. The case of Li Te-sheng, the one regional military commander who has unequivocally espoused leftist positions in the months since the fall of Teng Hsiao-ping, probably is especially delicate because he too is a member of the Politburo and, in addition, has troops at his disposal.

The plenum is likely also to be considering the appointment of a reconstituted Politburo, now further depleted by the recent purge, the earlier purge of Teng Hsiao-ping, and five deaths.

In a conversation on Saturday with Senator Mansfield, Li Hsien-nien, now China's ranking vice premier and a likely candidate for the premier's post, emphasized that Chinese foreign policy would remain on its present course. Li vehemently denounced the USSR, but his treatment of US relations was positive and relatively gentle.

Li took a comparatively soft line on the sensitive Taiwan issue, emphasizing Chinese "patience."

The approach contrasts not only with harsh comments made by Chinese officials--particularly the now fallen Chang Chun-chiao--last summer, but also with the tune adopted by Vice Foreign Minister Wang Hai-jung, who is Mao's niece, in conversation with Senator Mansfield only two days earlier.

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FOR THE PRESIDENT ONLY

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LEBANON: *The resumption of the Syrian offensive has thoroughly discredited the Arab League's mediation effort, damaged the credibility of Lebanese President Sarkis, and could scuttle plans for a summit meeting now scheduled for October 18.*

Sarkis and Arab League mediator Hasan Sabri al-Khuli appear to have been misled--if not intentionally deceived--by Syrian representatives to the tripartite talks over the weekend. The Syrian attacks came only hours after al-Khuli had announced a new agreement between Palestinian and Syrian representatives to halt the fighting.

The Palestinian leaders apparently were expecting the Syrians to resume their offensive and are assuming that Damascus is determined to seek a military solution to its dispute with PLO leaders. Yasir Arafat and the moderate Palestinians reportedly feel that they submitted their "final" position during the recent negotiations and that any further compromise would, in effect, destroy the independence and the current leadership of the PLO.

Palestinian leaders have little confidence that they can hold their positions outside the major coastal cities, and they believe

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FOR THE PRESIDENT ONLY



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that their positions in Tripoli will fall if the Syrians and Christians press their advantage in that area. The Palestinians concede that they could not hold out against a prolonged Syrian blockade of Beirut and Sidon, but they are hoping that, should this occur, they would be rescued by international intervention. Yesterday they requested an emergency meeting of the Arab League foreign ministers and they probably will also appeal to the Egyptians and Soviets for help.

The two-pronged attack launched by the Syrian forces in Jazzin early yesterday appears to be the first phase of their strategy to subdue Palestinian forces in southern Lebanon.

There is no evidence yet that the Christian forces south of Jazzin have assumed a major role in the renewed offensive. The Christian Phalanges yesterday did instruct its forces that their major task would be to protect Syrian troops from possible Palestinian attacks in the area north of Jazzin.

* * *

EGYPT: Egypt is trying to get an additional \$1 billion in balance-of-payments support to prevent a marked cut-back in imports.

Last year Arab cash aid covered about two thirds of Egypt's recurring \$3-billion shortfall in annual balance-of-payments and debt repayments. Only about \$1 billion in Arab aid has been disbursed so far this year, but Egypt has maintained last year's levels of production and consumption. It cannot continue to do so unless more cash is forthcoming within the next 60 days.

Egypt is postponing a number of debt repayments to free cash for needed imports. Heretofore, Egypt's creditors have tolerated

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FOR THE PRESIDENT ONLY

delays in repayment on the assumption that Cairo would receive Arab aid. Now, as both Saudi Arabia and Kuwait are advertising their dissatisfaction with Egyptian financial practices, creditor patience is waning.

The newly established Gulf Organization for Development in Egypt (Arab Fund) may provide half the sum that is needed this year. Egypt hopes that Iran will provide \$250 million in loan guarantees in addition to a \$1 billion credit/investment package to be drawn down in the next several years. Should all these funds materialize, Egypt would be left with a \$240-million shortfall, which could be financed with a rollover of short-term debt or continued deferment of repayments.

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FOR THE PRESIDENT ONLY

NOTES

Soviet Colonel General Anatoly Gribkov has been appointed First Deputy Commander in Chief and Chief of Staff of the Warsaw Pact forces.

Gribkov will fill the position left vacant by the death of Army General Shtemenko last April.

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[redacted] Gribkov will also be a First Deputy Chief of the General Staff of the Soviet Armed Forces. [redacted]

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The hiatus in naming a replacement for Shtemenko may indicate difficulty finding someone who had the proper military qualifications and was also politically acceptable.

* * *

Cuba will try to link the US with last week's crash of a Cuban airliner, according to Guyanese Foreign Minister Wills.

Wills told the US charge on Monday that the Cubans had seen the diary of one of the two men arrested in Trinidad in connection with the bombing. Havana is almost certain to insist that mention of the US Legal Attaché in Caracas in the diary is proof of US complicity.

Cuban Prime Minister Castro reportedly will speak today at a mass rally in Havana. His treatment of the crash should indicate whether Cuba does plan to mount a major propaganda attack on the US.

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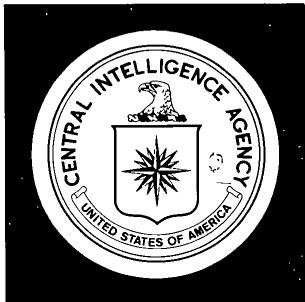
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Philippine President Marcos has scheduled a referendum for October 16 that will allow him to go through the motions of re-establishing a legislative branch in his government without actually reducing his authoritarian powers.

The public poll, the fourth since martial law was imposed four years ago, will ask Philippine voters whether martial law should be continued and whether a partially elected but carefully controlled legislature should be created. Marcos expects a strongly favorable response to each question.

The new legislature would be firmly under control of the executive, who would determine what subjects it could discuss and how long it could remain in session.

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October 14, 1976

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FOR THE PRESIDENT ONLY

October 14, 1976

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Lebanon: The Syrian offensive continues. Israel probably welcomes Syria's move both as a further blow to Palestinian-leftist prospects and as an aid to Israeli efforts to eliminate Palestinian commando units from southern Lebanon.
(Page 1)

China: Party cadre have been informed of the Politburo's "unanimous" recommendation that Hua Kuo-feng be promoted to posts formerly held by Mao Tse-tung, and formal action by the Central Committee plenum presumably has been taken.
(Page 3)

Thailand: Prime Minister Thanin has ruled out an early return to Western-style democracy. *(Page 6)*

Notes: Egypt-Libya; USSR *(Page 8)*

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LEBANON: The Syrian advance south and west of Jazzin continued yesterday, while artillery barrages and ground movements in the mountains east of Beirut could indicate the development of another offensive there.

Syrian forces are proceeding slowly toward Sidon, using tanks under cover of an artillery barrage. The Syrians probably plan to cut the city off from its sources of supply rather than take it outright, a move that would prove costly.

The Syrian drive south of Jazzin toward Nabatiyah has apparently reached Saydun. Other Syrian forces have not yet reached Aramta, which is defended by a contingent of Iraqi-dominated fedayeen.

It is not clear how far south the Syrians are prepared to go. They are narrowing the gap between their positions and the Israeli border, and are presumably wary of triggering some kind of overt Israeli reaction.

Syria has announced that it will attend the Arab summit conference scheduled for October 18.

Its delegation will be headed by Foreign Minister Khaddam, not President Asad--a move presumably designed to undercut the summit's effectiveness without appearing obviously obstructive.

The Israeli government will monitor Syrian troop movements closely, but it probably welcomes the new offensive as a further blow to Palestinian-leftist prospects and as an aid to its own efforts to eliminate Palestinian commando units from southern Lebanon.

Israeli military authorities continue to provide tactical guidance and limited military aid to Christian forces near the Israeli-Lebanon border. The Israelis are likely to increase this assistance should Palestinian units put up stiff resistance to the Syrians.

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FOR THE PRESIDENT ONLY

Last weekend, Israeli artillery units located along the border reportedly shelled Palestinian strongholds around Marj Uyun in support of Christian attacks against these positions. Several weeks ago, the Israelis apparently provided similar support for Christian forces fighting Palestinian units in the southern Lebanese village of Ayn Ibil.

Israeli troops have for some time conducted patrols along principal Palestinian access routes along both sides of the border. Unconfirmed press reports state that night patrols are now sent as far north as the Litani River.

Israeli troops also continue to occupy observation posts established several months ago inside Lebanon and recently set up a new observation post just south of Marj Uyun that reportedly enables them to monitor Palestinian movements throughout much of southern Lebanon.

The border patrols and observation posts permit the Israelis to give southern Christian villages warning of Palestinian attacks.

[REDACTED]

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Israeli naval patrols along the southern and central coast of Lebanon have increased since early October, probably to interdict foreign ships suspected of carrying munitions to Palestinian forces. Guided missile attack boats now regularly maintain close surveillance of foreign merchantmen off the Lebanese coast between the Israeli border and Beirut.

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FOR THE PRESIDENT ONLY

CHINA: Announcement of the elevation of Hua Kuo-feng to posts formerly held by Mao Tsetung presumably will be made at the conclusion of the Central Committee plenum which now seems to be in session in Peking.

Party cadre were informed of the Politburo's "unanimous" recommendation of the promotions last Friday. Private confirmation of Hua's change in status, which was made to Western newsmen Tuesday evening by Chinese officials, presumably followed formal action by the plenum.

It is possible that no public statement will be made on the fate of the four discredited leftist leaders even after the meeting in Peking ends. Party leaders may wish the charges against them to circulate internally, preferring that the bill of particulars leak out only after some time has passed.

The confidence of the leadership, from Hua on down, and the undisguised glee and relief evidenced by many officials at lower levels suggest that the dominant group in Peking believes it has a convincing case against the leftist faction. These officials may also believe that the leaderless but still significant minority of leftist followers in the capital and the provinces will not react to the arrests with uncontrollable violence. The fate of the leftist leaders is probably no longer in doubt. Communist propaganda outlets in Hong Kong have removed from sale photographs in which these individuals appear.

So far as can be ascertained, the country is calm.

There is no evidence thus far of special troop alerts in Peking or in the provinces--including both the sensitive Manchurian area

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FOR THE PRESIDENT ONLY

which has been a hotbed of radical sentiment in the past year and Shanghai, the home of three of the four leftist leaders. Regular troops apparently have been used to occupy Tsinghua and Peking universities, centers of agitation that have been closely associated with leftist leaders Chiang Ching and Yao Wen-yuan.

In the absence of any official announcements, rumors continue to circulate in Peking regarding the number of persons arrested last week. The US Liaison Office reports that the account now receiving most credence places the number at over 50. In addition to high officials in the ministries of education and culture who were closely associated with Chiang Ching, there have been persistent reports that Politburo member Wang Tung-hsing has also been arrested.

This story is plausible although there is no direct confirmation. Most accounts of the past several days claim that Hua used his own personal bodyguard, rather than the normal Peking security force which has been under Wang's direction, to make the arrests. Wang has long been suspected of leftist sympathies although he is not as clearly identified with the leftist cause as Chiang Ching, Yao Wen-yuan, Chang Chun-chiao, and Wang Hung-wen.

If Wang has been arrested along with the four prominent leftists, there are presently only ten full members of the Politburo remaining out of 21 elected at the 10th Party Congress in 1973.

Of these ten, one is bedridden and wholly inactive, and another, the left-leaning commander of the Shenyang Military Region, may also be in trouble. There is thus ample reason for the Central Committee plenum to replenish this leading policy-making organ. With the

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FOR THE PRESIDENT ONLY

left-right political deadlock now broken, this should prove less troublesome than previously.

Although the outline of the dramatic events of the past week is relatively clear, many details remain in shadow.

It seems likely that the decision to name Hua party chairman could only have been made after the leftists were taken out of the picture. The leftists were almost certainly resisting not only Hua's promotion but also a decision to place in his hands operative control of the Maoist legacy--publication of the Chairman's selected and collected works.

The record of dissension evident in the public media during the month following Mao's death makes it virtually certain that the leading leftists were somehow intriguing either to retain the shreds of power they still possessed or to turn the tables on their "rightist" enemies with the help of Wang Tung-hsing's Peking security unit.

The current Peking rumors suggest that, in addition to "forging Mao's will," the leftists attempted to usurp control, forcing Hua Kuo-feng's hand. But it is equally possible that important military leaders, impatient with continued leftist intransigence and agitation, urged Hua to make a pre-emptive move.

It is clear that when Hua acted he had strong military support.

In particular, he was backed by Defense Minister Yeh Chien-ying, Su Yu--a leading member of the important military affairs commission--and Chen Hsi-lien, the commander of the Peking Military

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FOR THE PRESIDENT ONLY

Region. This military support strengthens Hua's hand during the immediate crisis but also makes him more dependent on the military over the longer term.

* * *

THAILAND: Prime Minister Thanin has ruled out an early return to Western-style democracy.

In a speech to the nation yesterday, Thanin outlined a prolonged period of political reform that would gradually restore democratic processes in three stages over a 12-year period.

--The first four-year stage would be a period of "national reconstruction" in which an appointed unicameral legislature would ensure political stability.

--During the second four years, the legislature would be broadened into two houses with equal powers--the upper house appointed and the lower house elected.

--The third stage would see the "development of the democratic system."

It seems clear that the appointed legislature--which the military leaders hope to have in place by the end of the month--will be little more than a rubber stamp for the decisions of a strong executive. But it is not clear how much latitude the civilian cabinet will be permitted.



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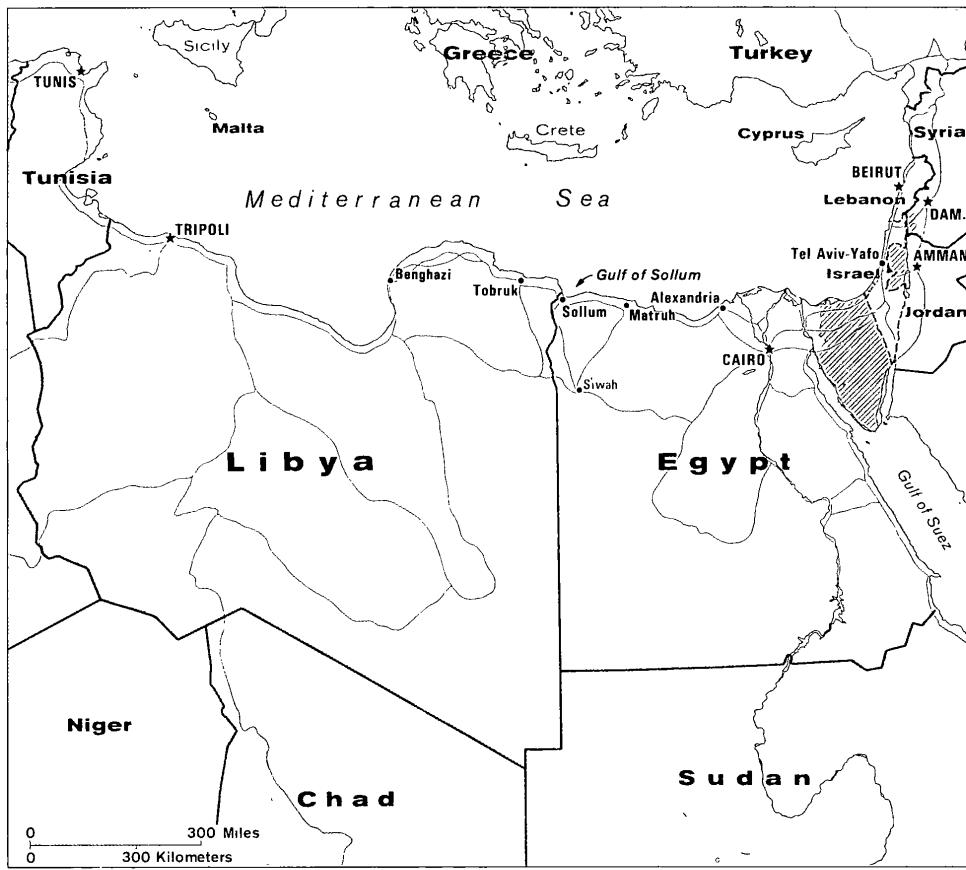


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FOR THE PRESIDENT ONLY



FOR THE PRESIDENT ONLY

NOTES

Egypt is preparing to conduct a large para-troop exercise in the western part of the country near the Libyan border, [redacted]

At least 22 helicopters were to fly to the Matruh area yesterday, which would be the largest helicopter movement ever noted in the western border area.

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We have no indications of any new Egyptian troop movements toward the Libyan border or of any forces going on alert. The Egyptians do not appear to have the necessary ground forces in position to launch a major military operation into Libya, but the movement of large numbers of helicopters to the area would give Cairo the capability to launch sizable commando raids at any time.

Operations staged from Matruh would probably be limited to the immediate Libyan border area. Targets as far west as Tobruk would be within range of the Egyptian helicopters provided they could be refueled at a forward area such as Sollum.

* * *

The Soviets are preparing to send a second crew to the Salyut 5 space station, probably today.

Launch preparations and the positioning of space support ships appear to be complete.

Salyut 5, a military intelligence collector, has been in orbit since June 22, but has been manned for only part of that time. Current preparations suggest that the Soviets have devised corrective procedures for dealing with the atmospheric contaminant in the cabin that required curtailment of the 48-day mission in July and August.

Assuming that the cosmonauts can correct the contamination problem, they probably will remain aboard Salyut 5 from four to eight weeks.

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The President's Daily Brief

October 16, 1976

[Redacted]

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FOR THE PRESIDENT ONLY

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China: Word is out to the Chinese people on the arrest of the four leading leftists in the Politburo. (Page 1)

Lebanon: The Syrian advance toward Beirut slowed yesterday. Saudi Arabia has obtained President Asad's agreement to attend a six-member "mini-summit" in Riyadh. (Page 2)

USSR: There are indications of possible impending changes among top Soviet leaders that could include the replacement of ailing Premier Kosygin by party secretary Kirilenko. (Page 4)

Cuba: Prime Minister Castro condemned the CIA yesterday for "direct participation" in last week's bombing of a Cuban airliner but offered to discuss with Washington a solution to the problem of terrorism. (Page 5)

USSR-Yugoslavia: The Soviet Mediterranean naval squadron is increasingly using Yugoslavia's naval repair facilities. (Page 6) 25X1

Rhodesia: [redacted] (Page 7)

North Korea: [redacted] (Page 8)

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Notes: Cuba-USSR; USSR (Page 9)

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

CHINA: Word is out to the Chinese people on the arrest of the four leading leftists in the Politburo.

Wall posters have appeared in at least three major Chinese cities, including Shanghai, calling for harsh measures to be taken against the quartet, now dubbed the "four dogs." The tone of the posters suggests that rumors of their execution are false.

The roundup of other leftists has extended to those sectors in which the left was most influential--the fields of propaganda, culture, and education.

The dragnet does not appear to have extended widely into the provinces, where leftist supporters are keeping a low profile. There is one report, however, that a leftist newspaper in Shanghai, which carried an article in March attacking Chou En-lai, has been closed. A poster in Shanghai reportedly called for one local leftist official to explain his relationship to those arrested in Peking.

The anti-left blitz has prompted other Chinese officials to act with growing confidence.

The minister of foreign trade reportedly apologized to foreigners that trade had come to a standstill but promised that the situation would change for the better and trade would progress. The trade policy had been under attack since the campaign to oust Teng Hsiao-ping. A Chinese vice-premier told foreigners that the Chinese will "crush" any attempts to distort Mao's line, an accusation that has been raised against the left.

Some foreign observers have noted an increased number of police, militia, and military men on the

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FOR THE PRESIDENT ONLY

streets of Peking. These heightened security measures are undoubtedly related to the move against the left and possibly also to the fact that a Central Committee meeting is still in progress in the capital. There have been no reported signs elsewhere in China of heightened security.

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LEBANON: *The Syrian advance toward Beirut slowed yesterday as Syrian forces engaged in stiff fighting in the Bhamdun area.*

Units attempting to pass north and south of the town also ran into fierce resistance.

In the south, advance Syrian units have apparently reached heights overlooking the port of Sidon. The Christian militias have largely stayed out of major fighting during the past few days, but they have been moving against leftists and Palestinians in villages north of the Jazzin-Sidon road.

The Arab League peacekeeping force in Lebanon has been ineffectual in the face of the Syrian offensive and could be on the verge of disintegrating. Arab League mediator Hasan Sabri al-Khuli, who is now in Cairo, has reportedly ordered the commander of the League forces to return to Egypt. The Lebanese press, citing Egyptian sources, states that Khuli himself may submit his resignation from the peace mission.

Saudi Arabia has obtained Syrian President Asad's agreement to attend a six-member "mini-summit" in Riyadh.



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FOR THE PRESIDENT ONLY

[redacted] | Riyadh 25X1

has announced that presidents Sadat, Asad, and Sarkis, Saudi King Khalid, Kuwaiti Amir Sabah, and Palestine Liberation Organization chief Arafat will attend.

Asad's agreement to attend reverses his earlier refusal to go to any limited summit that would include both Arafat and Sarkis and would focus on the situation in Lebanon. He may have decided that, in view of recent Syrian military successes, he risks little by acquiescing in the Saudi desire to hold a summit. Asad may also assume that nothing but rhetoric will emerge from the meeting.

Since his intervention in Lebanon, Asad has followed a pattern of pursuing a military option for only short periods of time, broken by long pauses during which negotiations were conducted and Syria could give an impression of willingness to compromise--without, however, conceding anything of value. Asad may calculate that such a pause is in order again.

The Arab League summit, scheduled to begin Monday, presumably has been pre-empted by the Riyadh meeting and may well be postponed.

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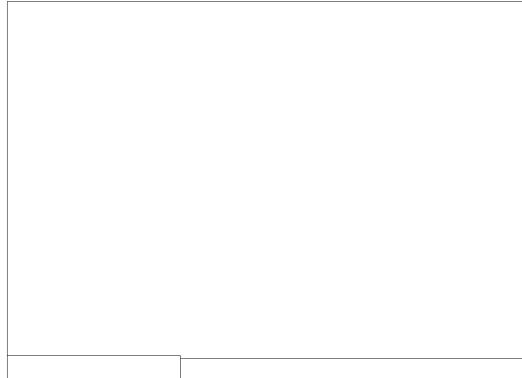
FOR THE PRESIDENT ONLY

USSR: There are indications of possible impending changes among top Soviet leaders that could include the replacement of ailing Premier Kosygin by party secretary Kirilenko. Such a transfer would remove Kirilenko from future consideration as a successor to General Secretary Brezhnev.

In a Kremlin ceremony yesterday, Kirilenko was presented with the Order of Lenin, an honor that is appropriate for his position in the leadership. The ceremony was attended by Brezhnev and most of the other party leaders.

Kirilenko's acceptance speech seemed to go to far greater lengths than would seem necessary--or even appropriate--to heap praise on Brezhnev and demonstrate his own loyalty to the party boss. His remarks may reflect a growing concern about his credentials as a successor to Brezhnev.

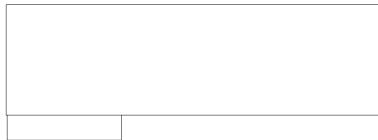
Kirilenko has been one of Brezhnev's oldest and closest associates and has been regarded as his most likely successor. Despite this, and even though he has served as Brezhnev's unofficial deputy in the party secretariat, he has never been recognized publicly as the number two man in the secretariat. Moreover, his age--he was 70 in September--becomes an increasing liability with the passage of time.



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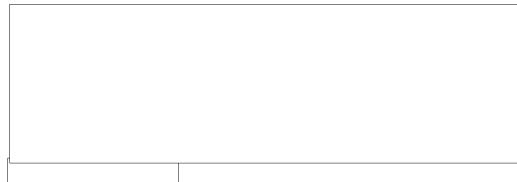
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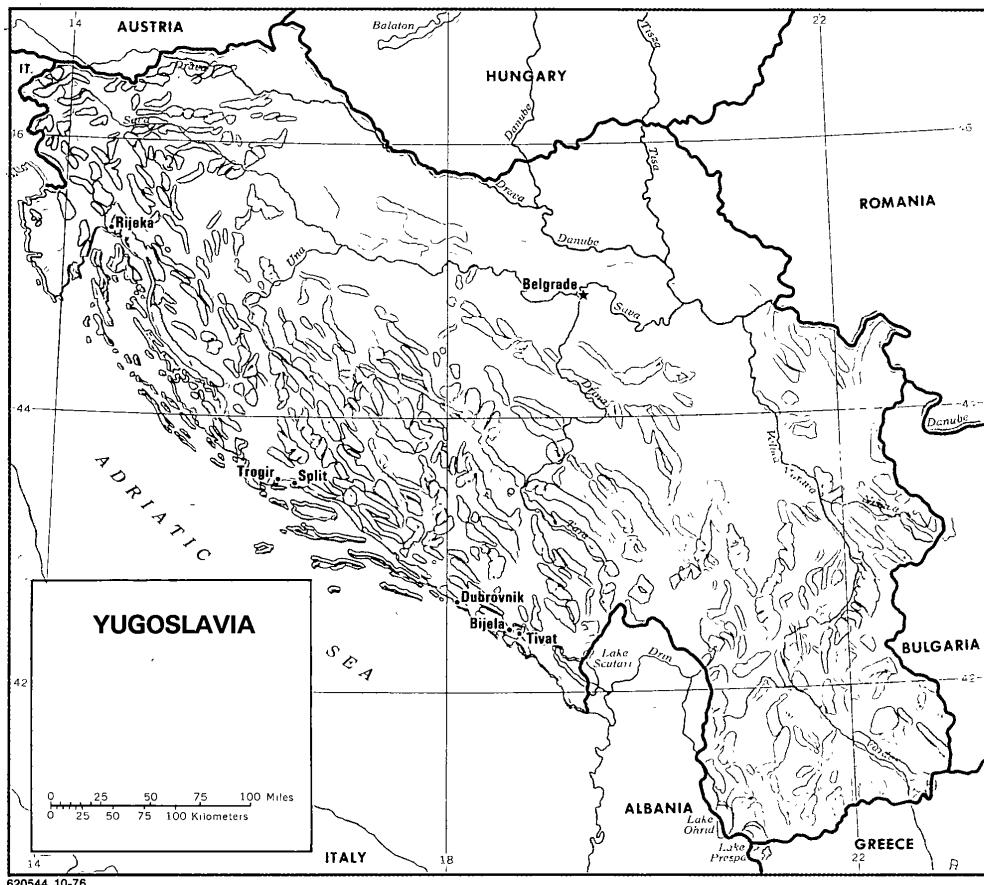
CUBA: Prime Minister Fidel Castro condemned the CIA yesterday for "direct participation" in last week's bombing of a Cuban airliner but offered to discuss with Washington a solution to the problem of terrorism.

He conditioned such discussions only on "a definitive end to all acts of hostility and aggression" against Cuba.

Speaking at a mass rally in Havana's Revolutionary Square to pay tribute to the victims of the crash, Castro announced his decision to terminate, effective April 15, 1977, the 1973 agreement with the US on hijacking. He pledged, however, that if a US commercial plane should be hijacked to Cuba after the agreement expires, Cuba would return the aircraft, crew, and passengers to the US and would

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FOR THE PRESIDENT ONLY



FOR THE PRESIDENT ONLY

not "put up with" the perpetrators of the air piracy. He said Cuba would continue to honor similar bilateral agreements now in force with Canada, Mexico, Colombia, and Venezuela.

Castro's renunciation of the agreement with the US appears to be little more than a gesture designed to mollify the Cuban people and to press the US to take action against Cuban exile terrorists. The charge of CIA complicity seems to be intended as another way of exerting leverage on the US.

Although Castro absolved the Venezuelan government of blame in the bombing, he referred in some detail to the role Venezuelans and exiles in Venezuela played in the crash and the access some exiles have to "certain political circles" in Venezuela.

Castro left the impression that, frustrated by a series of terrorist incidents, he is earnestly seeking a means to stop them even if this must include talks with Washington.

* * *

USSR-YUGOSLAVIA: *The Soviet Mediterranean naval squadron is increasingly using Yugoslavia's naval repair facilities.*

Yugoslav facilities available to the Soviets are no real substitute, however, for those at Alexandria, Egypt, from which the USSR was evicted in April. 25X1

[redacted] the Soviets are quietly being permitted greater use of Yugoslav ship repair facilities because of the lack of necessary bases in the Mediterranean. Observations by the US defense attache in Belgrade and by other NATO attaches there tend to confirm the report.

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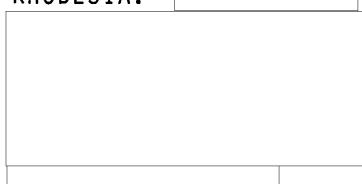
FOR THE PRESIDENT ONLY

Yugoslav laws are circumvented by falsely declaring the Soviet naval ships as merchant ships. Yugoslav maritime law prohibits the repair of naval ships at commercial ports, stipulates that not more than two naval ships from the same country may be repaired at the naval shipyard at Tivat at the same time, restricts visits by foreign naval units to the ports of Split, Rijeka, and Dubrovnik, and limits such visits to ten days.

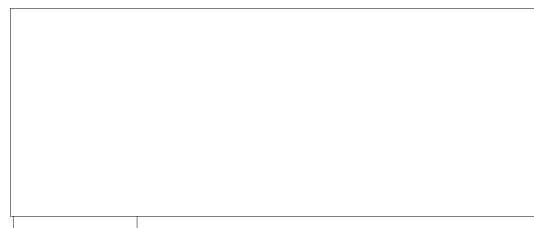
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RHODESIA: [redacted]



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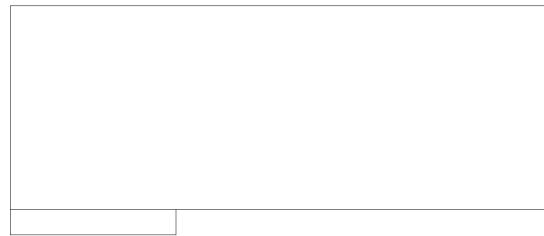


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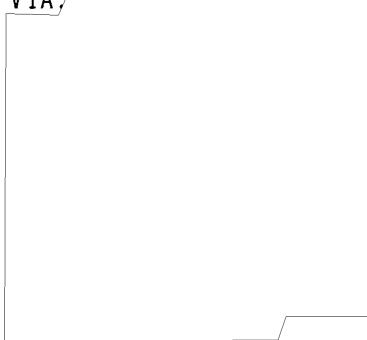


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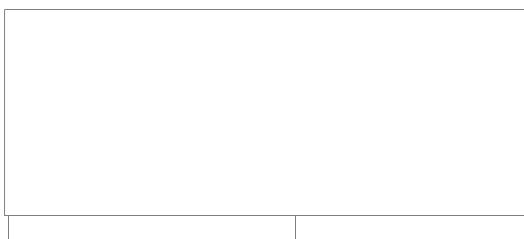
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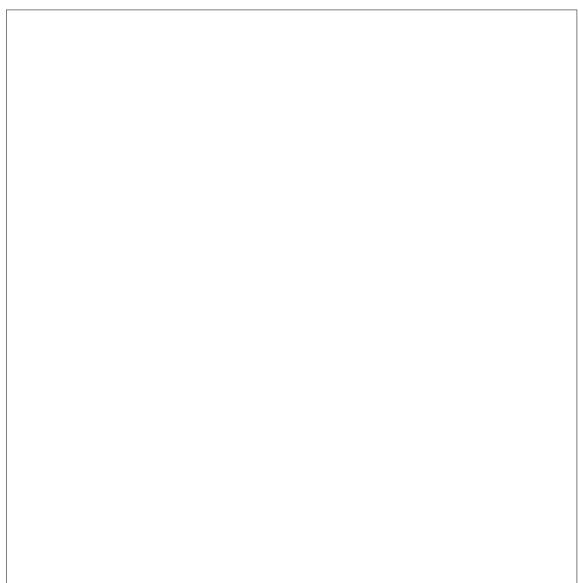
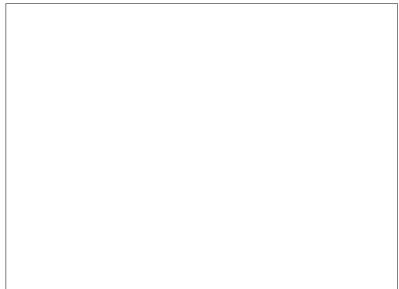
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FOR THE PRESIDENT ONLY

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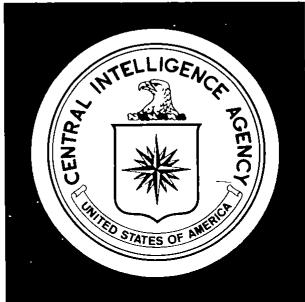
The Soviet spacecraft Soyuz 23 apparently will return to Earth today after unsuccessfully attempting to dock with the Salyut 5 military space station.

Soyuz 23 was launched on Thursday with two cosmonauts aboard. We have no information as yet to indicate why a successful docking was not achieved.

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The President's Daily Brief

October 18, 1976

[Redacted]

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declassified under an approval of
the Director of Central Intelligence

FOR THE PRESIDENT ONLY

October 18, 1976

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China: An announcement of changes in the Chinese leadership decided by the Central Committee seems likely soon.
(Page 1)

Lebanon: The six-member "mini-summit" convened yesterday in Saudi Arabia. [redacted] Syrian President Assad has called a temporary halt in the Syrian offensive [redacted]
[redacted] 25X1
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Angola - South Africa: [redacted] 25X1
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Notes: Western Europe; Rhodesia (Page 4)

At Annex we discuss the origins of the leftist movement in China and trace its fortunes during the last 25 years.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

CHINA: *The Chinese Communist Party Central Committee plenum, which is presumed to have been held last week in Peking, appears to have ended on Friday.*

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A statement on changes in the Chinese leadership decided by the meeting seems likely soon.

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One notice specifically stated that major political actions were imminent.

Peking will probably announce that Hua Kuo-feng is party chairman and may name new members and promotions within the Politburo. The statement may also officially disclose the arrests and fate of the four leading leftists.

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LEBANON: *The six-member "mini-summit" convened in Saudi Arabia yesterday following a round of informal meetings on Saturday. Syrian President Asad, responding to a request from the Saudis, has called a temporary halt to the Syrian offensive in Lebanon, ostensibly to facilitate negotiations at the summit.*

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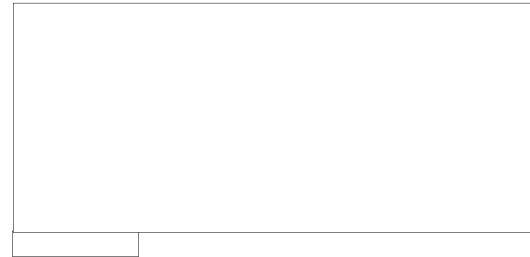
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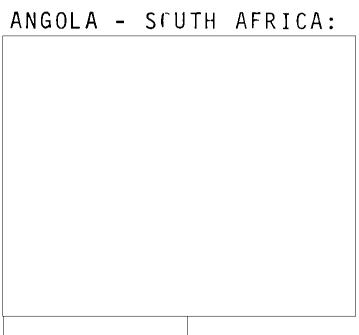


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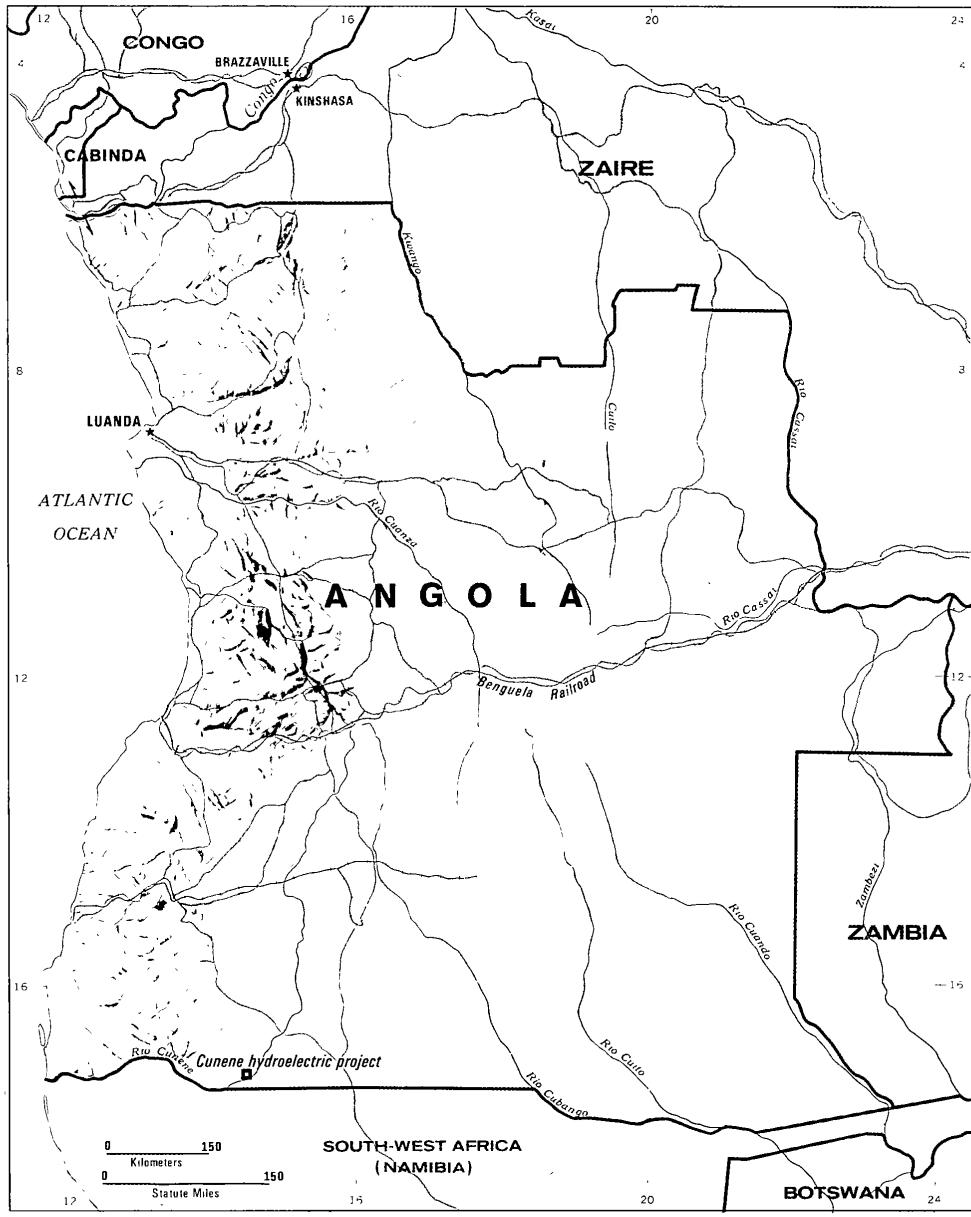
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FOR THE PRESIDENT ONLY



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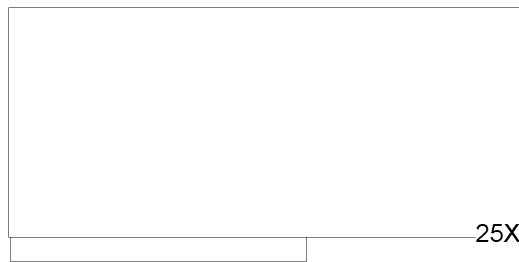
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FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

NOTES

The six members of Western Europe's joint float announced yesterday a realignment of the parities at which their currencies are officially maintained against one another.

At the start of trading today, the German mark will be revalued upward by 2 percent against the Belgian franc and Dutch guilder, 3 percent against the Swedish and Norwegian crowns, and 6 percent against the Dutch crown.

Anticipation of the realignment has caused hectic trading conditions from time to time in recent months in world currency markets. Yesterday's move, however, followed a week of relative calm and apparently took most traders by surprise.

* * *

Robert Mugabe, chief spokesman for the military wing of the Zimbabwe African National Union--which fields most of the insurgents active against the Rhodesian government--is likely to be elected president of ZANU later this week.

Mugabe, rather than the current president of ZANU, Ndabaningi Sithole, was invited by the British to the conference that opens in Geneva next week to prepare Rhodesia for legal independence under black majority rule.

Overshadowing Mugabe in popularity among ZANU's guerrillas is Josiah Tongogara, now on trial in Zambia for assassination of one of his rivals. The Zambian government is said to be considering his release because Tongogara's acceptance of terms reached at Geneva is crucial if a cease-fire or de-escalation of guerrilla operations is to be achieved.

The two other black nationalist leaders who will participate in the Geneva conference are Joshua Nkomo of the Zimbabwe African People's Union and Bishop Abel Muzorewa of the African National Council.

FOR THE PRESIDENT ONLY

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CHINA

Mao Tse-tung, writing some ten years ago about the issue of factionalism within the Chinese Communist Party, implied that whatever the political balance at any given time, neither the left nor right wing of the party could ever be totally eliminated. This judgment was almost certainly correct.

Broadly speaking, those officials who--in the course of the party's growth and conflict with the Kuomintang and the Japanese--tended to emphasize organizational discipline, problem solving, and the practical issues of governing and building a modern economy coalesced into the party's right wing. Those who insisted that the party could not simply develop into a governing class, who believed that the rapid development of a technological elite would undermine ideological purity, and who felt that ideological indoctrination and the nurturing of mass enthusiasm were the keys to the solution of China's numerous economic and other problems formed the core of the party's left wing.

Great Leap Forward

Throughout most of the 1950s and the early 1960s, the right wing was dominant. A marked exception, however, was the Great Leap Forward of 1959. Spurning close party supervision for techniques of mass enthusiasm and introducing a rather hysterical style of leadership, it seemed distinctly "leftist" in orientation. As the campaign progressed, control procedures broke down, the movement ran into difficulty, and in the wake of crop failures China suffered several years of famine and economic dislocation.

As a result of the Great Leap, the bureaucrats in control of the party machine were reinforced in their distrust of mass agitation techniques and of "unreliable" subordinate cadre. Moreover, many senior party officials came to distrust the judgment of Chairman Mao, who had backed the Great Leap experiment. Low-level officials resented the blame placed on them and ideologues chafed at the new emphasis placed on techniques that "would work."

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FOR THE PRESIDENT ONLY

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Cultural Revolution

Over the years, a variety of tensions developed--personal, institutional, and ideological--that Mao exploited when he reasserted his authority over party bureaucrats in the mid-1960s.

To humble the party machine, however, he particularly used two groups. One was composed of idealistic but discontented youth in the institutions of higher learning, who were to form the core of the Red Guard formations. The other included the then defense minister, Lin Piao, and a number of his close associates in the central military establishment who were at that time in open revolt against the party bureaucrats.

The resultant explosion--the Cultural Revolution--tore the party to pieces and deeply rent the social and economic fabric of the country. This chaotic political movement, which ran from the spring of 1966 to the autumn of 1968, is the central reference point of all subsequent political developments in China. Political fissures and personal animosities engendered by the movement have never healed.

The period from the summer of 1966 to the summer of 1967 was the high-water point for the left; it has been in slow but irregular decline ever since.

Leftist attacks on provincial military administrators turned many of these individuals against the ideologues and their allies and also caused a split between Lin Piao and his Peking associates on the one hand and the provincial satraps on the other. Pressure from the military and from Chou En-lai, plus the "objective" fact of increasing chaos throughout the country, led to a closeout of the Cultural Revolution in 1968.

Institutionalism of Left Wing

Despite this major setback to the leftist cause, leftist strength, still considerable, was now institutionalized.

As party committees were reconstituted throughout the country, young "radicals" shared power, although usually in a subordinate position, with military,

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FOR THE PRESIDENT ONLY

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bureaucratic, and party figures. The ninth party congress, meeting in the spring of 1969, elected to the Politburo three civilian leftists who had achieved prominence during the Cultural Revolution--Chiang Ching, Chang Chun-chiao, and Yao Wen-yuan--as well as Lin's military associates. Two other leftists and Lin himself were elected to the Politburo standing committee.

The leftist position, however, was weaker than it seemed. Ironically, the left, which put its faith in the "masses," had in fact alienated much of the populace through its excesses in the Cultural Revolution and its evident inability to manage the country during its period of ascendancy. Moreover, the provincial military remained deeply hostile. A reaction quickly set in, and orthodox management returned to power.

Continuing Decline of the Left

Lin Piao, finding "leftism" a weak reed on which to lean, now attempted to make common cause with his estranged regional military commanders--an effort that led to his attempted "coup" in the autumn of 1971. The elimination from the Politburo of Lin's close military associates in the wake of his death left the remaining top leftists--Chiang Ching, Chang Chun-chiao and Yao Wen-yuan--isolated on that body.

Weakened in the provinces, the leftists retained firm control of the educational and cultural spheres--areas about which they were particularly concerned but which were not nearly such important sources of real power as control of the party and government machinery--and somewhat less firm control over the propaganda apparatus.

The leading leftists still retained a somewhat equivocal relationship to Mao Tse-tung. In 1970 and again after the fall of Lin Piao, the Chairman had dissociated himself from the leftist leaders--particularly his wife, Chiang Ching--but he still found them a useful counterweight to pressures from the military and from the conservative bureaucrats, now led by Chou En-lai. In these circumstances the leftist trio retained veto power over numerous high-level decisions and appointments.

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FOR THE PRESIDENT ONLY

The onset of Chou En-lai's illness--known in the upper echelons of the Chinese leadership by 1973--tended to upset the tentative balance that had been established following the fall of Lin Piao. Officials dependent on Chou were uncertain of their future. The left, in preparation for the inevitable succession and in recognition of its own relative weakness, began a flirtation with the still disgruntled military which, although never very successful, continued until October 6 and 7, 1976.

A Standoff

The tenth party congress, convened in the summer of 1973, was probably primarily designed to deal with the succession problem. The result was largely a standoff. Although Chou and his allies lost little ground, the leftists were able to exclude Teng Hsiao-ping, "rehabilitated" the previous spring, from the Politburo. Wang Hung-wen, a young Shanghai protege of Chang Chun-chiao, was elected to the third position in the party hierarchy. The one remaining military man on the Politburo with leftist sympathies, Li Te-sheng, was elevated to the standing committee.

The congress actually settled nothing and was immediately followed by the so-called anti-Confucius campaign--a feuding between left and right. But by the end of 1974, the left had been turned back.

Teng Hsiao-ping

At a party plenum in late 1974, Teng Hsiao-ping was elected to the Politburo standing committee and was made chief of staff of the People's Liberation Army. Li Te-sheng was dropped from the standing committee.

The ascendancy of Teng Hsiao-ping, however, raised in acute form the issue of the legitimacy of the Cultural Revolution. Teng--the only "rehabilitated" official on the Politburo--was a continuing provocation to the left. Moreover, he made no attempt to disguise his contempt for the Cultural Revolution and all its works. In addition, anticipating Chou's coming death, he pressed ahead at great speed with programs reminiscent of the early 1960s.

In the process, Teng alienated significant military leaders--who stood aside when the left renewed its attack on him after Chou En-lai's death.

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FOR THE PRESIDENT ONLY

Following the fall of Teng Hsiao-ping, leftist leaders opened a general attack on the many party officials "rehabilitated" since 1969--a threatening gesture that merely served to unite the bureaucrats in opposition to the leftists. Further, the leftists attacked Teng's military policy even while seeking alliances with military commanders.

Fall of the Leftist Quartet

The continued leftist agitation from late 1973 probably convinced considerable numbers of influential figures in the party and military establishments that political stability could not be achieved in China unless the leftist leaders were removed from positions of influence. The fall of the leftist quartet was probably inevitable; only the timing was a surprise.

It still is not clear whether the leftist leaders attempted a desperate move in early October or whether the right--above all the military--undertook a pre-emptive one. In either case, the lightning purge of October 6 and 7 clearly revealed the relative weakness of the left in real power terms.

Residual Leftist Strength

At the same time, leftist strength almost certainly has not vanished. Hua Kuo-feng recently claimed that the Chinese Communist Party has 30 million members. If, as a conservative estimate, a quarter of this number is leftist in outlook, such members would total seven and a half million--a sizable pressure group. Even if the arrest of the leftist quartet should be followed by a purge of some 100,000 to 200,000 followers--a number comparable to those purged during the Cultural Revolution--a huge body of leftists would remain to reassert themselves as other pressures build in China.

If a new round of struggle develops in the near future, it is likely to be between civilian party members and a newly confident and assertive military. Over the longer term, if the return to the methods and practices of the 1950s and 1960s continues, pressures will probably build again within the Chinese political system in reaction to the rigid bureaucratic "command style."

Top Secret



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The President's Daily Brief

October 19, 1976

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excluded only by 5 (1), (2), (3)
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FOR THE PRESIDENT ONLY

October 19, 1976

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Rhodesia: [Redacted]

Notes: USSR; Guyana; Ethiopia; West Germany - UK; Norway - North Korea (Pages 4, 5 and 6)

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

LEBANON: Syrian President Asad and Egyptian President Sadat papered over their differences, making it possible for the mini-summit on Lebanon to agree on a formula for ending the Lebanese civil war.

The compromise reached during the summit meeting in Saudi Arabia suggests that Asad acknowledged Sadat's claim to Arab leadership and Sadat recognized Syrian primacy in Lebanon. Moreover, Egypt and Syria agreed to stop their propaganda war and to resume normal diplomatic relations.

The summit resolutions leave several questions open. It is unclear which countries will contribute to the Arab League force, which is to be expanded to 30,000 troops, and whether Syrian troops are to be considered combatants or part of the peace-keeping force. The question of Syrian troop withdrawals is left to the discretion of Lebanese President Sarkis, who is susceptible to Syrian and Christian influence.

At any rate, the call for a complete cease-fire by October 21 and a withdrawal of all combatants from major areas of fighting within five to ten days thereafter cannot possibly be implemented without Syrian cooperation.

Because of the Syrian and Egyptian agreement, the present plan appears to offer the best chance yet of ending the fighting.

The pact could still fall apart as a result of mistrust or the continued opposition of the allies of the Palestinians and Syrians, who were not represented at the summit meeting. The Lebanese Christians are likely to be reluctant to give back any of the territory they recently gained. Nor is PLO leader Arafat likely to have an easy time persuading the Lebanese leftists or more radical fedayeen groups to come around.

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FOR THE PRESIDENT ONLY

Although Arafat got some relief from Syrian military pressure and some room for maneuver between Sadat and Asad, he now knows that Egypt and Syria are willing to compromise at the expense of the Palestinians in order to promote their own national interests.

Meanwhile, Christian forces apparently captured the Palestinian stronghold of Marj Uyun in southern Lebanon near the Israeli border.

The USSR still gives no evidence that it is willing to go beyond rhetorical support for the Lebanese leftists.

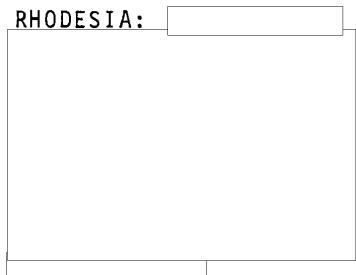
An authoritative Observer article in yesterday's Pravda castigated the recent Syrian military offensive in Lebanon, but made no call for a Syrian withdrawal. A subsequent statement from the unofficial Afro-Asian Solidarity Committee called for an "immediate termination" of military action against the Palestinians.

The Observer article also accused Damascus of continuing its offensive even though the Palestinians were willing to negotiate. It warned against talks that did no more than provide a screen to hide continued attacks against the leftist forces. The article also called on the Palestinians to negotiate in good faith.

There was no indication in the statements that Moscow is considering any cutback in military assistance to Damascus. Soviet arms carriers continued to arrive at Syrian ports during August and September; the most recent delivery took place on October 4.

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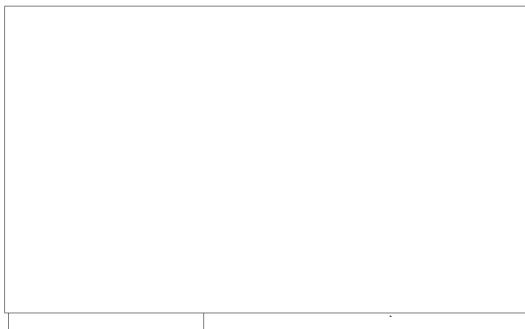
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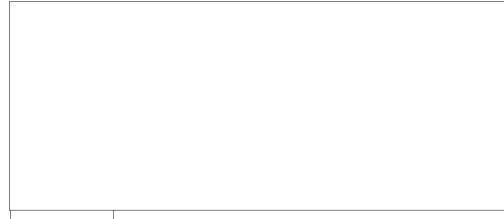
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FOR THE PRESIDENT ONLY

Pacific Y Class Patrol Area



FOR THE PRESIDENT ONLY

NOTES

A Soviet Y-class ballistic missile submarine conducted an unprecedented patrol last week about 300 miles off the California coast.

The USSR normally has two Y-class units on patrol in the Pacific, but they have never been detected closer than about 700 nautical miles off the US west coast. In general, they remain 900 to 1,000 nautical miles away in a broad area stretching from northwest of Hawaii to just south of Alaska. About two years ago one Y-class did approach within 300 miles of southern Alaska.

The reason for the recent close approach to the US is unclear, but it may have been to test US antisubmarine detection capabilities. A similar patrol was made last year by a Y-class unit off the US Atlantic coast.

* * *

Guyanese Prime Minister Burnham sharply criticized the United States in a major speech honoring the victims of a Cuban airliner crash.

Burnham stopped short of accusing the United States of complicity in the terrorist act that claimed the lives of 11 Guyanese, but he insinuated that the US government was at least morally responsible because of its support for Cuban exile organizations.

The Prime Minister seemed to be inviting demonstrations against the US embassy when he warned that "those who perpetrate violence must now expect they will have violence visited upon them." There is no evidence, however, that the government is planning a campaign of harassment or violence against the US embassy or its personnel.

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FOR THE PRESIDENT ONLY



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*Unrest within the
Ethiopian armed forces
has increased markedly
in recent weeks.*

The US defense attache has received reports that noncommissioned officers of the Second Division in Asmara, the capital of Eritrea Province, late last week detained the second vice chairman of the ruling military council and a number of senior officers. The council's first vice chairman visited the Third Division in eastern Ethiopia also late last week to mediate a dispute between opposing factions within the units. Earlier this month troops in western Eritrea took control of their battalion and detained their commander.

Specific military grievances have contributed to the increased tensions. The government's security situation has deteriorated throughout Ethiopia in recent weeks because of increased insurgent activity. New strains have been imposed on the government's inadequate military logistics system. The resulting shortages of supplies and ammunition have further weakened morale and discipline.

* * *

*West German concern over
the state of the British
economy may lead West
Germany to make proposals
for long-term aid to the
UK.*

Chancellor Schmidt, speaking the day after his meeting on October 10 and 11 with Prime Minister Callaghan, declared that Bonn must be prepared to assist European neighbors who find themselves in difficult financial circumstances.

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FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY



25X1

Schmidt believes short-term aid on a small scale is not sufficient and that larger, long-term help is needed to solve Britain's economic problems. The idea is to bridge the gap between current problems and the arrival of North Sea oil, which will sharply increase government revenues and reduce the UK's chronic balance-of-payments deficit.

* * *

Norway announced yesterday that it is expelling the entire staff of the North Korean embassy in Oslo.

The announced reason for the expulsion is that the North Koreans have been involved in black market sales of liquor and tobacco. Norway apparently does not intend to break diplomatic relations.

Several days ago the Danish government requested that the North Korean ambassador and his staff be withdrawn from Copenhagen because of their involvement in smuggling and selling narcotics, liquor, and cigarettes. Sweden may be the next Scandinavian country to act against the North Koreans; yesterday police in Stockholm arrested three Swedes for receiving illegally imported goods from North Korean embassy personnel.

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The President's Daily Brief

October 20, 1976



2
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the Director of Central Intelligence

FOR THE PRESIDENT ONLY

October 20, 1976

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FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

EGYPT-USSR: *Egyptian Foreign Minister Fahmi may be planning a trip to Moscow in the near future, possibly as early as next week.*



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[redacted] Although Fahmi's deputy denied to the US embassy on Monday any knowledge of a scheduled visit, an American journalist claims to have learned from another "high official" that the visit will be announced tomorrow.

The trip is generally billed as an effort to explore with Moscow its proposal of October 1 to reconvene the Middle East peace conference at Geneva, but Fahmi and the Soviets probably expect to discuss a range of bilateral issues.

President Sadat has been under occasional pressure from Fahmi and other advisers to improve ties with the Soviets in order to counter the impression that Egypt is wholly dependent on the US and to induce the USSR to resume military equipment deliveries.

Egypt apparently now feels it is advisable to reopen the channel to the USSR in the period before the US presidential election. The Egyptians are counting on the US to start peace negotiations with Israel next year and to consider substantial military aid for Egypt. They probably hope to restore a degree of amicability in their relations with the USSR lest the diplomatic and military assistance from the US not materialize.

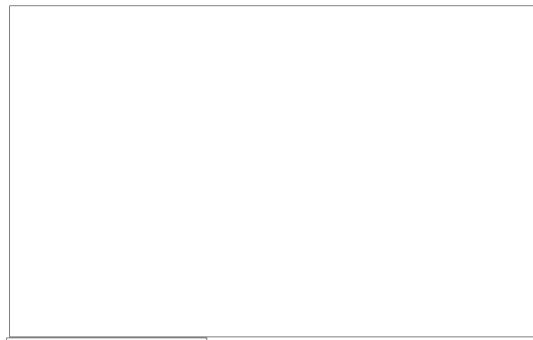
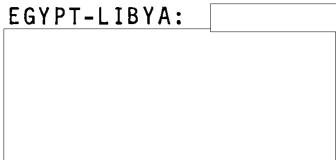
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EGYPT-LIBYA:



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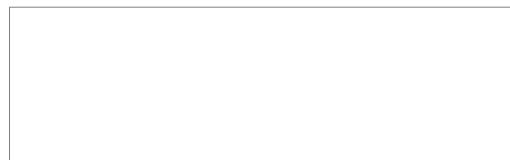
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FOR THE PRESIDENT ONLY

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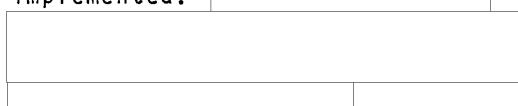


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LEBANON: Most of those Lebanese leftist and Christian leaders who were not represented at the mini-summit in Riyadh have reacted skeptically to the agreement concluded there by Arab leaders on Monday.

Camille Shamun, the most intransigent Christian leader, former Lebanese president Sulayman Franjiyah, and Phalanges military leader Bashir Jumayyil have all reportedly expressed strong doubts that the Riyadh accords can be implemented.



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Phalanges head Pierre Jumayyil, however, publicly welcomed the agreement as a hopeful step in solving the crisis.

Leftist leader Kamal Jumblatt stated yesterday that the agreement could not succeed unless Syrian troops withdrew from Lebanon and were replaced by security forces drawn from members of the Arab League.

Jumblatt's unwillingness to endorse the agreement could place Palestine Liberation Organization chief Yasir Arafat--who signed the accords--in a difficult position.

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FOR THE PRESIDENT ONLY

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Military activity tapered off yesterday following the announcement that a general cease-fire is scheduled to begin on Thursday.

The Syrians and Christians had already suspended their jointly planned operations against the Palestinian-leftist stronghold in west Beirut. Only sporadic artillery exchanges occurred yesterday along the confrontation line in Beirut. Some clashes reportedly occurred in the Alayh area.

* * *

CHINA: The major party leadership meeting that began in Peking early last week seems still to be in session.

A large number of limousines, usually a sign that VIPs are in town, was noted in Peking on Monday. A limited number of flights to the provinces over the weekend would not have been sufficient to take home the many members of the party central committee who were apparently brought to Peking last week. The weekend flights, in fact, may have brought additional people to the capital for the meeting.

A leading Hong Kong communist said yesterday that he believes an announcement of Hua Kuo-feng's succession to Mao Tse-tung and "other matters" will be made in seven or eight days, presumably at the conclusion of the meeting. The other matters probably refer to the reconstruction of the now depleted Politburo, personnel appointments, and possibly to some statement on the fate of the four arrested leftists.

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FOR THE PRESIDENT ONLY

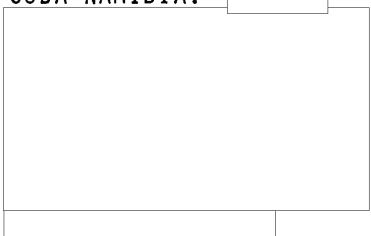
FOR THE PRESIDENT ONLY

Although no official charges against the leftist quartet have been made public, an editorial published yesterday seemed to pave the way for a charge--used widely in wall posters--of plotting a coup.

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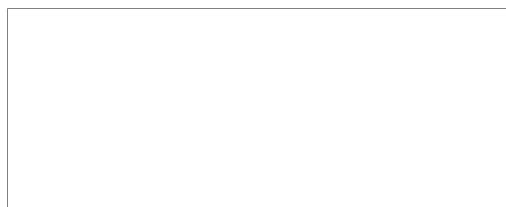
CUBA-NAMIBIA: [redacted]



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FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

RHODESIA: *The "front-line" African presidents are trying to prevent disputes among the Rhodesian nationalists from threatening the success of the Geneva conference.*

At a meeting in Lusaka last Sunday, Zambian President Kaunda, Tanzanian President Nyerere, Mozambican President Machel, and Botswanan President Khama reportedly informed leaders of the major nationalist groups that dissension among them at Geneva would not be tolerated.



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Mugabe reportedly sees himself playing a mediating role between Nkomo and Muzorewa in smoothing out differences arising during the conference.

Mugabe said his statement that he would walk out of the conference if Ndabaningi Sithole, the current president of ZANU, attends was meant only for public consumption. Earlier this week, the British government added Sithole to the Rhodesian nationalist leaders invited to lead delegations to the Geneva meetings.

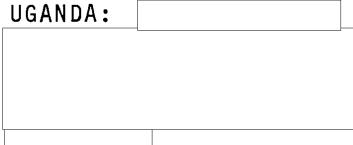
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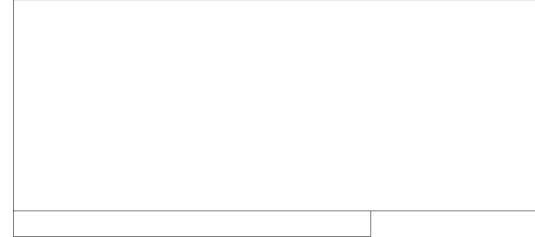
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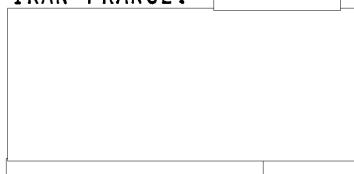
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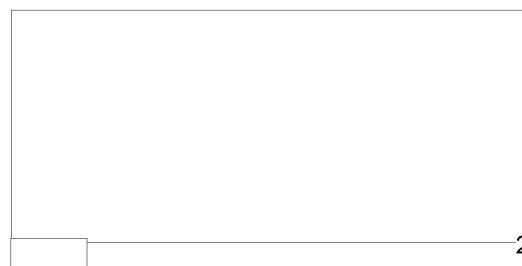
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IRAN-FRANCE: [redacted]

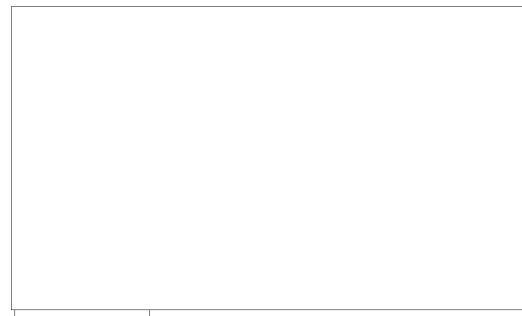


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FOR THE PRESIDENT ONLY

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NOTES

*The failure of the
Soviet Soyuz 23 space-
craft to dock with the
Salyut 5 space station
late last week*



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Problems do not appear to be serious enough to prevent future Soviet attempts to re-man Salyut 5. The Soviets may try to send cosmonauts to the space station again before the end of the year.

This is the first Soviet docking failure since August 1974, when Soyuz 15 overshot Salyut 3.

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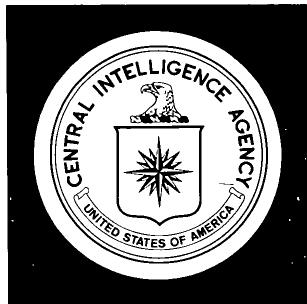
Iran's purchase of a 25-percent interest in the West German holding company that controls the Krupp conglomerate will guarantee Krupp's long-term involvement in Iran's economic development program.

The joint announcement avoided any mention of the value of the transaction but did state that Iran's 25-percent interest would entitle it to exercise a managerial role in the corporation. Iran purchased a 25-percent share in the Krupp iron and steel enterprise in 1974 and a 40-percent interest in two Brazilian subsidiaries of the conglomerate earlier this year.

The Iranian infusion will provide Krupp with much needed operating capital. Iran probably is anticipating greater access to Krupp's technology.

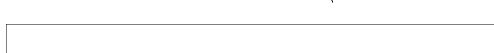
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The President's Daily Brief

October 21, 1976



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

FOR THE PRESIDENT ONLY

October 21, 1976

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World Grain: Our revised estimate of 1976-1977 world grain production, excluding rice, is 8 percent above the 1975-1976 figure and 3 percent above the record figure for 1973-1974.
(Page 1)

Lebanon: The various groups involved in the Lebanese conflict are not likely to honor the cease-fire scheduled to go into effect this morning. *(Page 1)*

Notes: Egypt-Libya; USSR; USSR-China; Japan; China *(Pages 3, 4, and 5)*

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

WORLD GRAIN: Our revised estimate of 1976-1977 world grain production, excluding rice, is 1,062 million tons, 8 percent above the 1975-1976 figure and 3 percent above the record figure for 1973-1974.

These forecasts are based largely on the improved outlook for this year's grain market in the Northern Hemisphere, particularly in the USSR.

World grain stocks for 1976-1977 are likely to increase by 15 to 20 million tons. Wheat, primarily US and Canadian, will account for most of the increase.

The USSR boasts the largest increase of any major producer, 24 million tons more than last year's poor harvest. Although the wheat crop in both Western and Eastern Europe suffered from drought conditions, it still exceeds last year's low level.

We expect global wheat import demand for 1976-1977 to fall 6 million tons below last year's level and to be the smallest since 1971-1972. The cut in Soviet imports will more than offset larger European import requirements.

We estimate that demand for US exports of wheat for 1976-1977 will total 28.5 million tons, 3 million tons below last year's figure. Our estimate of the demand for US exports of corn for 1976-1977 is 39.6 million tons compared with the record 43.2 million tons shipped during 1975-1976.

* * *

LEBANON: The various groups involved in the Lebanese conflict are not likely to honor the cease-fire scheduled to go into effect this morning.

Once the Palestinians, leftists, and Christians learn that the expanded peace-keeping force agreed to at the mini-summit will include 25,000 Syrian troops already in Lebanon, they are not likely to cooperate with any withdrawal timetable.

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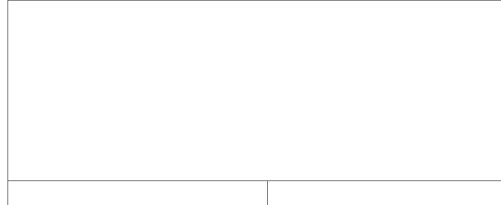


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FOR THE PRESIDENT ONLY

Christian spokesmen have complained about the 90-day lag between the end of the withdrawals and the time the Cairo accords, which would restrict the Palestinians to their camps, go into effect. Many Christian leaders believe that even full implementation of the accords--which are ambiguous, and partially verbal--would be insufficient.

Palestine Liberation Organization chief Yasir Arafat and his leftist allies seem to have lost at the mini-summit. Arafat presumably believed that at least President Sadat would defend the interests of the Palestinians and that President Asad would come under considerable pressure to end his military operations. Sadat, by accepting an overwhelming Syrian predominance in the peace-keeping force, clearly agreed to a strong Syrian role in Lebanon for the foreseeable future.



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The Christians yesterday beat back Palestinian and leftist efforts to retake the village of Marj Uyun.

The Israelis seem to have been supporting the Christians in Marj Uyun and Ayshiyah with artillery. The Palestinians believe that the village of Yarun was occupied yesterday by Israeli troops. We cannot confirm that Israeli forces crossed the border. They had been limiting their support of the Christians to artillery fire, although small Israeli patrols have been known to enter Lebanon in the past.

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FOR THE PRESIDENT ONLY

NOTES

[redacted]
a large paratroop exercise scheduled to be held in western Egypt near the Libyan border last week was postponed and possibly canceled.

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[redacted]
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We do not know why the exercise was not held. Bad weather over the past week forced the Egyptians to delay--but apparently not cancel--other scheduled exercises. It may be that there is a relationship between the postponement--if not cancellation--and Cairo's recently reported efforts to bring about at least a tactical reconciliation with Tripoli.

On the Libyan side, satellite photography of late September and early October shows that Tripoli continues to make modest improvements in its forces along the eastern border with Egypt.

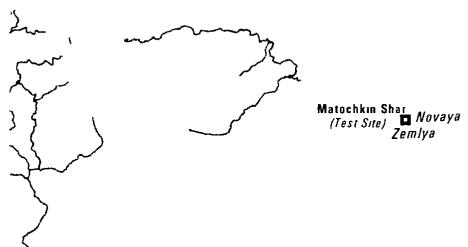
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A Soviet Mayak-class intelligence collection ship entered the Gulf of Mexico on Tuesday.

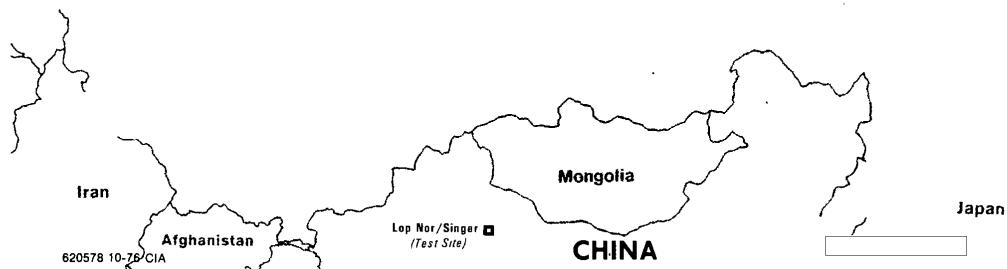
The ship may be en route to monitor a US military exercise now underway in northwestern Florida. As of last night, however, it was about 300 miles off the coast of Clearwater, Florida.

This is only the third time since 1969 that a Soviet intelligence ship has been in the Gulf of Mexico. On the previous two occasions--in 1969 and in 1971--an intelligence ship supported Soviet warships that had moved into the area.

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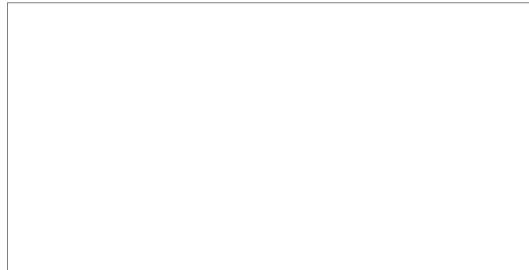
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FOR THE PRESIDENT ONLY

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The USSR and China recently conducted underground nuclear tests.



The Soviets apparently intend to continue using the Matochkin Shar Test Area. They are constructing another tunnel, but it probably will not be ready for use until next year.

The Chinese test on October 17

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[redacted] occurred at a new underground test area at Lop Nor/Singer, about 15 nautical miles north of the area used for China's two previous underground tests. Preparations for the test were noted in late July.

* * *

Japanese Prime Minister Miki's opponents in the ruling Liberal Democratic Party are preparing another attempt to replace him with Deputy Prime Minister Fukuda as party president at the party convention on October 31.

Leaders of the anti-Miki camp, including Finance Minister Ohira, are likely to endorse publicly Fukuda's candidacy today. With the end of a relatively successful Diet session now in sight and Miki's insistence upon serving a full three-year term, the Prime Minister's rivals are concerned that Miki will strengthen his hold on the office by presiding over the Lower House election in December.

By backing Fukuda for party president now, they hope to deny Miki credit for the party's probable

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FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

electoral success and to set the stage for his removal as prime minister soon after the election.

Fukuda generally can count on the support of about two thirds of his party but is by no means assured of success at the convention. There is some sentiment--among both Miki's supporters and opponents--that the leadership question should be resolved after, rather than before, the election. Indeed, unless Fukuda moves into open opposition by resigning from the cabinet before the convention, the convention probably will not even address the leadership question.

* * *

Demonstrations have begun in China, apparently to celebrate the appointment of Hua Kuo-feng as chairman of the Central Committee of the Chinese Communist Party.

Word spread informally yesterday in Peking that the official announcement of Hua's promotion and the purge of the radicals was imminent. This morning, the US Liaison Office reported that organized groups were marching exuberantly through the capital's streets to a mass rally in Tienamen Square. The marchers chanted support for Hua and denunciation of the radicals.

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The President's Daily Brief

October 22, 1976



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

FOR THE PRESIDENT ONLY

October 22, 1976

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Egypt-Syria: The reconciliation between Egypt and Syria during the Riyadh conference last week and other moves taken by Sadat recently seem intended to put the US and Israel on notice that Egypt is determined to press Washington for a new negotiating initiative on the Middle East soon after the presidential election. (Page 1)

Lebanon: The latest cease-fire is partially holding; each side has accused the other of violations. (Page 2)

USSR-Syria: [redacted]

[redacted] (Page 3)

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Syria: Involvement in Lebanon has not strained the economy as severely as expected. (Page 4)

China: The official news agency last night confirmed the promotion of Hua Kuo-feng and the "smashing" of the leftist conspiracy; the purge of the radicals may have largely ended the protracted debate over foreign trade policy. (Page 5)

Notes: USSR (dismantling); USSR (Black Sea); Oil; Zambia-Rhodesia; Thailand (Pages 7, 8, and 9)

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

EGYPT-SYRIA: The reconciliation between Egypt and Syria during the Riyadh conference this week was an abrupt about-face for President Sadat.

Other moves taken by Sadat recently seem designed both to refurbish his Arab leadership credentials and to put the US and Israel on notice that Egypt is determined to press Washington for a new negotiating initiative on the Middle East soon after the presidential election. These moves are:

--Egypt's call on Wednesday for a meeting of the UN Security Council to discuss Israel's "repressive measures" in the occupied territories;

--Cairo's efforts to arrange a meeting between Foreign Minister Fahmi and Soviet Foreign Minister Gromyko which would be the first such meeting in almost two years; and



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Sadat's reconciliation with Syria is the most dramatic and significant of his recent moves.

The UN initiative, the overture to the Soviets, and the approaches to Libya are all largely tactical steps that cost Sadat little. The rapprochement with Asad, however, has involved important concessions and a radical departure from policies Sadat has pursued for the past year. Sadat in effect recognized Syria's supremacy in Lebanon.

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FOR THE PRESIDENT ONLY



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FOR THE PRESIDENT ONLY

Sadat pledged at Riyadh to cease his arrangement with Iraq to transfer arms to the Lebanese leftists and Palestinians, and he apparently put Palestine Liberation Organization leader Yasir Arafat on notice that the PLO could no longer expect to play Egypt off against Syria.

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Among the factors that probably contributed to Sadat's turnaround were [redacted] Sadat's own realization that his efforts to stop Syria have been unavailing and have done Egypt more harm than good. Probably most important is Sadat's belated awareness that only through Egyptian-Syrian cooperation can he expect to achieve the progress in peace negotiations with Israel that he hopes for in the future.

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Sadat has undoubtedly hoped throughout the last year to force cooperation upon Damascus on his own terms. He apparently now believes that he cannot present convincing evidence that the Arabs themselves are ready for peace negotiations-- and thus press the US into action-- unless the Lebanon and the Egyptian-Syrian problems are resolved-- even if on terms that do not fully satisfy him.

LEBANON: The latest cease-fire is partially holding; each side has accused the other of violations.

Artillery and rocket shelling continued intermittently in Beirut yesterday. The Christians accused the Palestinians of shelling in the Mount Lebanon area near Bdadun, although most positions in the mountains east of Beirut seem to have been generally quiet.

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FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

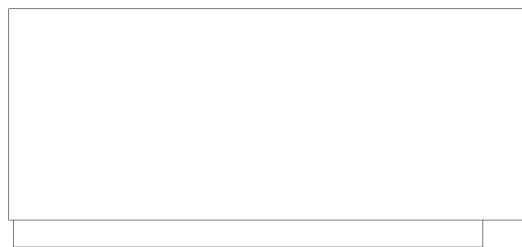
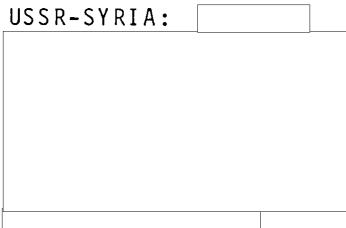
UN observation posts along Lebanon's border with Israel reported that Christian forces yesterday attacked several villages in the vicinity of Marun al-Ras and that fighting was going on in Bint Jubayl and Rumaysh. The Christians, who have been fighting to improve their positions in the border area for the last several days, may have decided to press their attacks in retaliation for their loss of a village Wednesday to Palestinian and Lebanese Arab Army forces.

Arab League Secretary General Riyad yesterday sent out invitations for a full summit conference in Cairo next Monday on the Lebanese situation.

The summit is expected to ratify the agreement reached at Riyadh last weekend.

[redacted] the Cairo summit will also focus on recruiting for the expanded Arab League security forces. One result of this arrangement will be a delay in the enforcement of the Riyadh agreement. President Sarkis--who has been given authority over the League forces--might turn to Damascus to rein in Christian violators of the cease-fire, a move that could cause strains between the Syrians and their Christian allies.

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FOR THE PRESIDENT ONLY

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SYRIA: Syrian involvement in the Lebanese civil war has put a heavy strain on the economy, but not so severe as expected.

Through a combination of reduced development spending and renewed Arab assistance, the Syrians have managed to weather the worst effects of their participation in the Lebanese conflict.

Although Syria claims that the war will cost \$2.6 billion in 1976, much of this amount represents personnel costs and other current expenditures which are being met by simply inflating the money supply. The foreign exchange cost of the war is probably around \$600 million for this year.

The estimated 1 million refugees that have flowed into Syria have caused chronic shortages of food and housing and have fueled the current 30-percent inflation rate, but many of the refugees have been absorbed into the labor force. Syria was suffering a labor deficit prior to the fighting in Lebanon.

Syria was hurt earlier this year when Iraq cut its oil pipeline transit payments and stopped selling light crude to the Syrians at concessionary prices. The Saudis stepped in and are now supplying most of Syria's light crude requirements.

Loans, primarily from other Arab countries and the US, should cover all but roughly one third of Syria's anticipated 1976 current

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FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

account deficit of about \$975 million. With reserves estimated at \$1 billion at the beginning of 1976 and with several hundred million dollars in loan pledges still outstanding, Syria should be able to close this gap.

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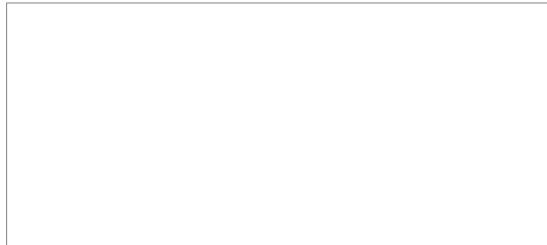
CHINA: *Peking's official news agency last night confirmed the appointment of Hua Kuo-feng as Chairman of the Central Committee of the Communist Party and of the party's Military Affairs Commission.*

It noted the promotion indirectly in a description of a mass rally held in Peking yesterday. It is not clear why the Chinese chose this method of publicly confirming Hua's elevation. A major leadership meeting is apparently still under way in Peking.

The news agency also referred for the first time explicitly to the antiparty clique of Wang Hung-wen, Chang Chun-chiao, Chiang Ching, and Yao Wen-yuan, saying Hua had smashed their conspiracy "to usurp party and state power."

The purge of radicals may have largely ended the protracted debate among China's leaders over foreign trade policy.

The debate had centered on the degree to which China would import foreign products and technology; the moderates had argued for gradually expanding foreign trade, while the radicals emphasized "self-reliance" and reduced imports.



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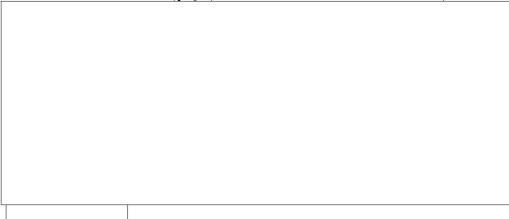
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FOR THE PRESIDENT ONLY



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Earlier reporting had hinted that the dispute over foreign trade was chiefly responsible for Peking's failure to develop the new five-year plan that was to have begun last January.



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The recent announcement on the opening of the autumn trade fair in Canton asserted that Chinese trade groups will "make wide contacts" with foreign businessmen, with a view to "increasing trade."

Although the removal of uncertainty in the trade sector caused by the economic debate should expedite trade recovery, economic constraints that have limited trade growth since 1974 will continue to slow the development of imports.

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FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

NOTES

Satellite photographu

[redacted] shows
that the Soviets have
started dismantling at
least 19 more older
ICBM launchers--13
SS-7s and 6 SS-8s.

The photogrpahy covers only 81 of 25X1
the total 209 older ICBM launchers.
The Soviets could have begun dis-
mantling additional launchers and
completed dismantling others not
observed on this mission.

With the latest information, we
have now identified at least 98
Soviet launchers in varying stages
of dismantlement.

In late September the Soviets
stated that 61 of the older launch-
ers were fully dismantled, with
work under way on 34 more. By
late October the Soviets should
have fully dismantled 67 launchers
and have begun to dismantle at
least 36 and possibly 52 more,
depending on whether another
D-class submarine has begun sea
trials.

Photography from another photo-
graphic mission will be available
for detailed study in several days.
A more complete analysis of the
dismantling of Soviet ICBM launchers
will be available next week.

* * *

Soviet reaction to the
routine patrol now be-
ing conducted by two
US Navy warships--a
cruiser and a frigate--
in the Black Sea thus
far has been normal.

Soviet naval aircraft and ships,
including two destroyers, have
conducted surveillance. The US
force entered the Black Sea on
Tuesday and is scheduled to leave
on Sunday.

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FOR THE PRESIDENT ONLY

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The oil industry is lifting large volumes of crude oil in advance of the expected OPEC price rise on January 1, 1977.

Oil buyers, anticipating that the OPEC oil ministers will boost prices by 10 to 15 percent, believe that gross savings from early buying will range from \$1.15 to \$1.73 per barrel. Net savings will be considerably less because of additional costs of financing, moving, and storing the oil purchased. The practice will be profitable if the price increase is 10 percent or more.

* * *

Zambia has freed a Rhodesian black nationalist--Zimbabwe African National Union defense chief Josiah Tongogara--and three other ZANU officials who were on trial for murder in Lusaka.

Tongogara has wide influence among ZANU guerrillas and could play a critical role in the Rhodesian settlement attempt. [redacted]
[redacted]
[redacted]

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Thailand's new National Administrative Reform Council shows increasing signs of splintering into divisive cliques.

Admiral Sa-ngat, chairman of the council, clearly fears he is losing control of the situation as the result of maneuverings by several high-ranking army officers.

Sa-ngat hopes to frustrate the ambitions of other officers by putting together a civilian administration rapidly. A cabinet has

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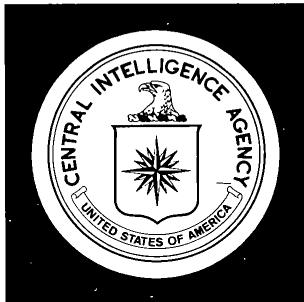
FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

been appointed, heavily weighted with technocrats, and the new foreign minister, Upadit Pachariyang-kun--currently ambassador to the US--apparently was chosen with an eye toward fostering better relations with Washington.

Public reaction to the arrests that have followed the coup so far seems to range from apathy to general approval. Initial fears that substantial numbers of students and other urban activists would join the rural insurgency appear to have been exaggerated. A few students have reportedly gone to Laos for training, but most of the formerly politically active students apparently prefer to clear their names and remain in school.

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The President's Daily Brief

October 23, 1976

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At Annex we discuss the succession issue facing the Soviet leadership.

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CHINA: Peking radio's casual acknowledgement on Thursday that Hua Kuo-feng had been elevated to chairman of the party Central Committee and of the Military Affairs Commission and that the leftist quartet on the Politburo had been "struck down" still falls short of a formal announcement of Hua's confirmation by the Central Committee.

The broadcast moved closer to a full account of the charges against the leftists, but a detailed description of the machinations of the four has yet to be made official. Nor has a new Politburo, to replace that elected at the last party congress three years ago and now depleted by death and purges, been revealed. The elevation of Li Hsien-nien to the post of premier--generally assumed in Peking to be imminent--also has not been announced, but Hua is now being identified as chairman rather than premier.

Many of these formal announcements may be made this morning during a television broadcast from Peking, which is to be transmitted abroad. In any event, the new Chinese leadership appears anxious to underline the legality of its actions--in contrast to the moves earlier this year against Teng Hsiao-ping, which many Chinese considered "illegal."

Formal endorsement of the new shape of political affairs requires action by the Central Committee and other national bodies. A Central Committee plenum may still be in session; large numbers of officials who were flown to Peking shortly after the arrest of the leftist quartet still appear to be in the capital.

No formal announcement today or during a broadcast scheduled for transmission abroad next Monday would suggest that problems had arisen in sorting out a new leadership and formalizing a new set of programs. The events of the past two weeks, however, have clearly been welcomed widely throughout China and the current leadership appears to be acting with great confidence.

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Even without the final, formal announcements, Hua's enhanced position and the arrest of the leftists seem irrevocable.

Hua appears to have the firm backing of the bulk of the military--a fact underlined in the demonstrations and in Chinese propaganda since the arrests.

One informal and unofficial account of the events surrounding the arrests portrays Defense Minister Yeh Chien-ying--a close associate of Chou En-lai and an outspoken critic of the fallen leftists--as the prime mover in the showdown and the man who convinced Hua to act. This report states that Hua decided to move after an attempt was made on his life on the morning of October 6 by an unnamed individual instigated by the leftist quartet. Hua is reported to have had the support of 8 of the 11 powerful military region commanders, suggesting that the others remained passive or supported the left.

One probably was Li Te-sheng, commander of the Shenyang Military Region (Manchuria). [redacted]



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Nearly all accounts of the turbulent month following Mao's death indicate that the leftist quartet was counting on some sort of military support. Some of the individuals who supported "radical" Red Guard groups during the Cultural Revolution have not been weeded out of active service. How to handle these men could be a delicate problem for the leadership, particularly those in the army. It is possible that the army high command is now grappling with this

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and other immediate problems--the appointment of a new chief of staff and a new head of the general political department.

There may be some concern over how fast to move against individuals in Peking and the provinces who have long espoused leftist positions.

Some 500 people reportedly were arrested in the provinces on the night of October 6-7, but a handful of left-leaning province chiefs and other prominent officials are apparently still at large. No extensive arrests seem to have been made in the propaganda apparatus, long a leftist stronghold.

One Politburo member, Wang Tung-hsing, initially rumored to have fallen with the leftist quartet, appears not to be in political trouble. Wang had been suspected by many Chinese and foreign observers to have leftist sympathies, but he seems to have cast his lot with Hua. Security forces, in Peking, which are under his control, were warmly lauded during a recent demonstration in the capital.

Other possible problem areas are the exact composition of a reconstituted Politburo and the question of whether or not to close out the campaign against Teng Hsiao-ping quickly.

Hua and some of those close to him, however, may prefer not to move too quickly in "reversing the verdict" on Teng, whose shoes Hua has in effect filled.

* * *

LEBANON: Relative calm prevailed throughout Lebanon on the second day of the cease-fire yesterday.

The general quiet in Beirut, the Mount Lebanon area, and northern Lebanon was interrupted only by occasional firing. Action was somewhat heavier in the south near the Israeli border, where Christian forces aided by Israeli artillery have been moving on Palestinian positions for the last several days.

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FOR THE PRESIDENT ONLY

The joint Palestinian-leftist command met Thursday night to discuss the resolutions approved by Riyadh and issued a statement declaring that it will not respect the cease-fire where Israeli forces are involved.

The leftist command under Kamal Jumblatt reenforced the threat with a unilateral declaration last night of its intention to launch a "large scale armed struggle against the Israeli incursions" if the Arab summit conference in Cairo on Monday does not handle the issue.

The Arab League security forces yesterday reestablished checkpoints to supervise the cease-fire along the line dividing east and west Beirut. A security force spokesman discussed with Lebanese and Palestinian leaders arrangements for additional checkpoints and a buffer zone as interim measures before the arrival of the expanded peacekeeping force.

At the summit in Cairo, Arab League Secretary General Riyad will invite all Arab states to indicate whether and in what numbers they wish to contribute to the expanded force.

The final selection of additional contingents will be left to Lebanese President Sarkis, who is to have overall control of the peace-keeping troops. [redacted]

Saudi Arabia is expected to augment its contingent and other troop contributions are anticipated from Sudan, Tunisia, Morocco, and possibly Kuwait.

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IRAQ: The statement issued Thursday by the Iraqi regime denouncing the agreement reached at the mini-summit reflects the Iraqis' sharp annoyance with Arab sanctioning of Syria's military intervention in Lebanon.

The Iraqis probably feel betrayed by Egypt which, until recently, has been collaborating with Iraq's effort to strengthen Palestinian and Lebanese leftist forces arrayed against the Syrians.

If Iraq attends the Arab summit conference in Cairo, its performance may give some hint as to whether it will try to obstruct implementation of the agreement. Despite their opposition to the pact, the Iraqis may begin to reduce their own involvement in Lebanon if they believe that Lebanese leftists and the Palestinians intend to observe the truce. Forces controlled by Baghdad in Lebanon are not strong enough to provoke a renewal of full-scale fighting although they could spark incidents.

Iraq, having apparently parted ways with Egypt on policy toward Lebanon, may now be seeking a common approach with Libya. The Libyans have announced they will not attend the Cairo summit and are probably urging Baghdad to boycott the conference, too.

PLO Chairman Arafat, during his visit to Baghdad this week, probably pressed the Iraqis to attend the summit in spite of their misgivings. Arafat will probably urge the Iraqis to offer to send

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peacekeeping forces to Lebanon, but Syria and most of the other Arab states would certainly veto any such offer.

* * *

PORUGAL: Political tensions are rising, fueled by continuing rumors of government changes, squabbling among the military, and divisions within the governing Socialist Party.

President Eanes seems to be worried about the current situation on several counts:

--He believes Prime Minister Soares is not doing enough to tackle Portugal's serious economic problems.

--He fears an attempt on his life by leftists, who would try to pin the blame on the right.

--He may be concerned that rightists in the military are bidding effectively for greater influence.

--He may also fear that recent protests by conscript officers over pay and promotions are weakening a military long plagued by internal feuding.

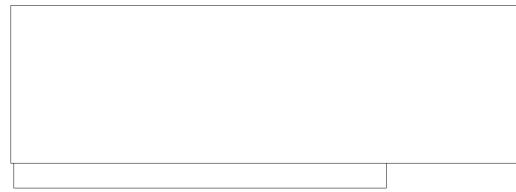
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Eanes has not settled on a course
of action, however. [redacted]
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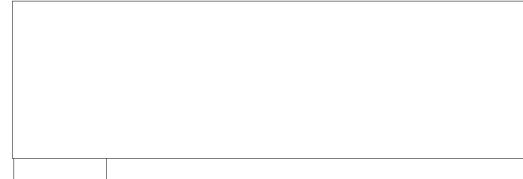
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RHODESIA: Most of Rhodesia's white population appears to be solidly behind Prime Minister Smith's policy of seeking an accommodation with the black nationalists.

The Prime Minister reportedly is reassuring the whites that the civil service is the key to carrying out any government's policies and it is likely to remain in the hands of whites well into the future. Smith is saying that since the blacks are not known to have any programs for taking over the civil service, the blacks could assume the top ministry posts while the middle and lower level white civil servants remain.

Smith's optimism may be misplaced. Once a black majority government takes power in Rhodesia, it is likely to move quickly to gain control over all aspects of the bureaucracy. There are more educated blacks in Rhodesia capable of assuming bureaucratic responsibilities than has been the case with other former British colonies at independence.



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USSR

The Supreme Soviet is scheduled to convene in Moscow next Wednesday to approve the new five-year plan and the plan and budget for 1977. There is a rash of rumors of impending changes in the top leadership. These rumors are prompted by uncertainty about Premier Kosygin's health and the expectation that the Supreme Soviet session will be preceded by a meeting of the party's Central Committee--the forum for important personnel changes.

For two years, the question of General Secretary Brezhnev's health dominated the rumor mill in Moscow, but he now appears in better health than he has been in a long time. Since he returned from vacation in September he has been very active, and rumors, so common earlier, that his retirement is imminent have ceased. Instead, attention has shifted to Kosygin.

The Premier's convalescence from his illness or accident last summer was a long one, but he looked fit when he reappeared in public on October 18 to meet the visiting Mongolian party boss.

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The hallmark of this regime has been stability within the senior ranks of the leadership. Despite rivalries and differences, each appears to have seen his own security as dependent on the security of the others. What changes have been made have been in the direction of preserving the old guard and holding off the intrusion of younger men. Youth--in the relative sense--particularly when joined with ambition, has not been well rewarded.

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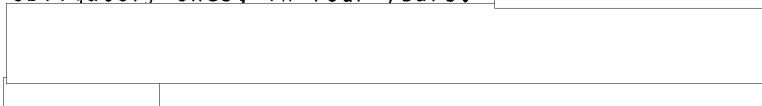
This was evident in the response to Kosygin's illness. In early September, Deputy Premier Nikolay Tikhonov, a 71-year-old crony of Brezhnev from his Dnepropetrovsk days, was elevated to first deputy premier. By that time, it had probably been determined that Kosygin's recuperation might be lengthy, and Tikhonov was presumably appointed to assist Kirill Mazurov, until then the only first deputy premier, in handling some of Kosygin's workload.

Tikhonov's position entitles him to a seat on the Politburo, and he may receive it at the plenum next week. Another change expected at the plenum is the pro forma removal of Politburo member Ustinov from the party Secretariat. It is not customary for an official to hold both a full-time party job and a government post, and Ustinov has not been identified in his Secretariat post since he was named Minister of Defense in April. These may be the only personnel actions to come out of the plenum.

If Kosygin Does Retire

In the less likely event that Kosygin has decided to retire, it is not at all clear who would replace him. Tikhonov would seem to lack the credentials for the post. His appointment as first deputy premier may turn out to have been a spoiling operation to damage Mazurov's chances.

As the only first deputy premier for several years, Mazurov had established the clearest claim of anyone to succeed Kosygin. His difficulty is that of all the younger ambitious Soviet leaders--to cultivate a public image is to arouse the suspicions of the seniors, while to seek anonymity is to risk being forgotten. Mazurov has not written a major article or given an important speech aside from obligatory ones, in four years.



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One other possible candidate to succeed Kosygin is party secretary Kirilenko. Although his name has not been included in the rumors, his selection would fit the pattern of keeping the top post within the ranks of existing senior Politburo members. It would place in the top government post a long-time associate whom Brezhnev knows better

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than he knows Mazurov. It would also serve to remove Kirilenko from the line of succession to the post of general secretary, a development that Brezhnev may no longer be reluctant to see. Kirilenko might object, but it would be difficult for him to refuse such a responsible post.

Kirilenko has been one of Brezhnev's closest associates since the two served together in the Dnepropetrovsk region in the Ukraine. He has for a number of years acted as Brezhnev's unofficial deputy on the party Secretariat. He has filled in for the party boss in his absences, specifically during Brezhnev's long illness during the winter of 1974-75. Kirilenko has long been viewed in party circles as the most likely candidate to succeed Brezhnev should the latter step down in the not too distant future.

Yet Kirilenko has never been publicly recognized as second-in-command in the party and continues to be ranked in protocol listings behind veteran ideologist Suslov. The two have been engaged for many years in desultory rivalry, a situation that Brezhnev has seemed content to allow to continue. In the last year there have been signs that a little of the warmth may have gone out of Kirilenko's relationship with Brezhnev. [redacted]

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There is some evidence suggesting that contacts between Brezhnev and Kirilenko on matters of party business may have fallen off in the past year. Brezhnev seems to have increasingly insulated himself behind bureaucratic layers of personal aides and Central Committee staff members. He seems to be relying particularly on Konstantin Chernenko, who as head of the Central Committee's General Department, serves as the top executive aide to the Politburo.

The elevation of Chernenko to the party Secretariat at the 25th party congress last spring formalized his special standing and must have caused Kirilenko some concern. The close relationship between Brezhnev and Chernenko was publicly demonstrated two months later when Brezhnev in an unusual gesture

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took over President Podgorny's function and personally presented Chernenko with an award for services to the party.

Kirilenko's curious speech last week at the ceremony honoring him on his 70th birthday may reflect some uneasiness about his chances at the succession. He seemed to go out of his way to prove his loyalty to Brezhnev by a lengthy eulogy of his accomplishments. Yet Kirilenko combined this praise with a quite extraordinary recital of his own achievements.

The Succession Issue

Even if, as seems likely, Kosygin stays on as premier and the plenum brings no changes in the top leadership, Kosygin's illness must have raised again the need to take some steps toward the eventual rejuvenation of the top ranks of the leadership. All the senior members of the Politburo except Brezhnev are over 70, and Brezhnev will be 70 this December.

Brezhnev appears to be in good form now, but it is safe to assume that the pattern of wide fluctuations in the state of his health will continue. Uncertainty about his health has contributed as much to the near paralysis of political life in Moscow as has the seniors' preference for the status quo. Brezhnev has not for several years been sufficiently well long enough to provide consistently dynamic leadership, nor has he been sick long enough to force the succession issue.

Some New Factors

This pattern may well continue, but there are new factors that could bring some movement on the political scene. Even if reports of a cooling between Brezhnev and Kirilenko have been exaggerated, Kirilenko's age becomes an increasing liability for him and there is a growing likelihood that Brezhnev will start to look elsewhere for an heir. If the leaders wish to attempt to control the succession process to any extent they will have to place their candidates in responsible positions where they can gain vital national experience and recognition.

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With the exception perhaps of Mazurov, there are no leaders in their 50s or 60s who are now in the right spot with the right qualifications to have a good claim to any of the top posts. A number of qualified leaders on the national scene who once seemed to be possible contenders for higher office are now seriously hampered in one way or another.

--Andropov is an experienced and well-connected party official, but he would have to put some distance between himself and his present KGB post before he could be considered.

--Kulakov is in an advantageous position, ranking after Kirilenko in the party Secretariat, and he seems to be a favorite of Brezhnev, but he has for too long been too narrowly focused on agriculture. He was released from the position of head of the Central Committee's Agriculture Department last May presumably to allow him to take on wider responsibilities, but there is no evidence that he has yet acquired any important new assignments.

The two most favored contenders at the moment appear to be Ukrainian party boss Shcherbitsky and the head of the Leningrad regional party organization, Romanov. All have strong support in Moscow, but they are all severely hampered by lack of experience at the national level.

Shcherbitsky, another member of the Dnepropetrovsk group, is Brezhnev's closest protege. Unlike his predecessor as Ukrainian party boss, Shelest, Shcherbitsky has avoided making enemies in Moscow by assiduously putting the national interest above local concerns. After several years of being troubled by factionalism in the Ukrainian leadership, he now seems to have strengthened his local base of support sufficiently to feel free to accept a Moscow post.

Romanov's elevation to full membership on the Politburo at the 25th Party Congress tagged him as a comer, and his name has been mentioned frequently in the current round of rumors of leadership changes. He is evidently a favorite of Suslov, an important voice in any succession question. Suslov oversaw his appointment to the Leningrad post six years ago. Suslov's appearance with Romanov at a recent award ceremony in Leningrad again

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called attention to their good relationship. Romanov has also worked out a close and mutually advantageous relationship with Brezhnev; Kosygin, as a fellow Leningrader, presumably views his candidacy favorably.

If, as seems the case, these men are viewed in Moscow as the most promising candidates eventually to succeed the seniors, it seems imperative that they soon be brought to Moscow to gain experience. It would make sense to bring them in as a group and to place them in responsible though not front-running jobs. The senior members of the Politburo would probably find it easier to agree among themselves if a package deal were involved. The candidates could continue to compete and would be protected from the dangers that await an anointed heir apparent.

There are at least two leadership positions that could be filled--party secretary for the defense industry (vacated by Ustinov) and head of the trade unions organization (vacant for 18 months).

Next week's meetings will offer yet another opportunity for the seniors to begin to lay plans for an orderly succession. They have passed up numerous opportunities to do this, but while to do nothing may politically be the easiest course, it is not entirely neutral. It works to the benefit of those already well-placed on the national scene, such as Kirilenko, Mazurov, and Kulakov.

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October 25, 1976

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China: Speakers at the rally in Peking on Sunday implied that the party's Central Committee, which has not met in full session, has formally confirmed Hua Kuo-feng as successor to Mao Tse-tung. (*Page 1*)

Lebanon: Christian forces captured the military barracks in the key southern town of Al-Khiyam on Saturday. The cease-fire has generally been holding throughout the rest of the country. (*Page 2*)

Rhodesia: Rivalry among the four Rhodesian black nationalist leaders invited to the Geneva conference is still preventing adoption of a united position. (*Page 4*)

Italy:

[Redacted] (*Page 5*)

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Notes: USSR; Portugal; Iran-USSR (*Pages 7 and 8*)

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CHINA: *Speakers at the rally in Peking on Sunday implied that the party's Central Committee, which has not met in full session, has formally confirmed Hua Kuo-feng as successor to Mao Tse-tung.*

The misleading reference to the Central Committee endorsement seems to lend an air of legality to Hua's promotion amid signs that the leadership, despite its forceful move against leading leftists on the Politburo, is reluctant--or as yet unable--to make further decisions. Hua himself seems to have avoided deliberately a plenary session of the Central Committee, possibly because there are still a number of leftists, including military men, among its approximately 300 members.

At the rally Hua, in addition to his new position as chairman of the party and of its military commission, was identified as premier, indicating that no decision has yet been made to name Li Hsien-nien to that post.

The remaining members of the Politburo, including those who reside outside the capital, appeared in the same order of rank they held prior to the arrest of the four leftists. Politburo member and Shenyang Military Region commander Li Te-sheng attended the rally, despite his apparent links with the left and a report that he is being "held in Peking."

Shanghai, China's largest city, has been left leaderless by the arrests of the four leftists on the Politburo, three of whom were the top three party officials in that city. Although alternate member of the Politburo Ni Chih-fu reportedly was sent with others to assume the leadership in Shanghai, Ni was identified at the rally by his usual title of secretary of the Peking party committee.

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FOR THE PRESIDENT ONLY

Peking party boss Wu Te, in the major address at the rally, said publicly what has been rumored for some time--that Mao personally passed the mantle to Hua.

Wu was unspecific in his charges against the ousted leftists, but raised a new, albeit vague, accusation that they had "illicit relations" with unnamed foreign countries. This could pave the way for charges that the leftist quartet colluded with the USSR.

Wu may have been alluding to the continuing problems facing the leadership when he mentioned the "difficulties" and "twists and turns" that lie ahead.

* * *

LEBANON: Christian forces aided by defectors from the leftist Lebanese Arab Army took the military barracks in the key southern Lebanese town of Al-Khiyam on Saturday.

The Christians claim this action gives them control over all access routes into the Arqub region--commonly known as "Fatahland"--that has for years been the principal staging base for fedayeen operations into Israel. 25X1

The Christians also have laid siege to several villages south of Al-Khiyam and are demanding the surrender of Bint Jubayl, which has been heavily shelled by Christian and Israeli artillery for the past several days.

Israeli Defense Minister Peres in a speech on Saturday indirectly acknowledged that Israeli forces have been providing support for the Christians' operations, but he denied that the Israelis have crossed the border. The continued Israeli-supported Christian attacks

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in the south threaten the overall cease-fire in Lebanon--which was still generally holding elsewhere in the country yesterday--and are likely to be a major issue at the Arab summit that opens in Cairo today.

Some Arabs are interpreting the attacks as a dual Christian-Israeli effort to cut off Palestinian access to the border before the Lebanon truce takes full effect and before action can be taken to implement the Cairo accords of 1969 regulating Palestinian activity in Lebanon.

Although the Cairo accords, which were reaffirmed at the Riyadh summit last week, generally restrict the Palestinians to the refugee camps, they also allow the guerrillas virtually free run of some areas of the border adjacent to Israel. The Christians and Israelis clearly are intent on creating a buffer zone in the south that will prevent Arab acquiescence in this provision of the accords.

Syria is likely to be pressured at the summit today to rein in its Christian allies. [redacted]

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Asad probably could win the support of the moderate Arab leaders, particularly if, as seems likely, Christian dominance of the border area has been accomplished by the time the summit opens.

PLO Chief Yasir Arafat undoubtedly will try to play up the Israeli involvement in the hope of embarrassing the other leaders into supporting him. Arafat is probably under pressure from his more radical subordinates and the leftists to resume fighting in response to the Christian attacks.

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FOR THE PRESIDENT ONLY

RHODESIA: *Rivalry among the four Rhodesian black nationalist leaders invited to the Geneva conference is still preventing adoption of a united position.*

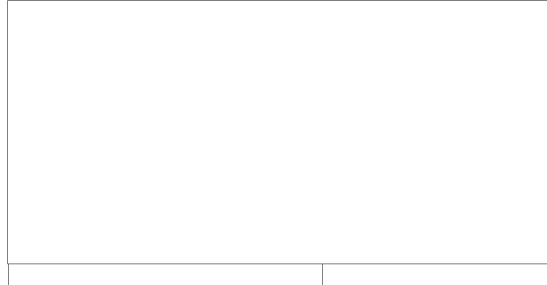
The nationalists have chosen their delegations and have departed for the conference, which formally opens next Thursday.



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Sithole is leading a rival delegation to the conference and still claims to be the leader of ZANU. He has stated that he wants the black delegations at Geneva to put up a united front.

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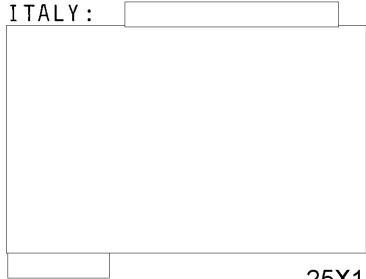
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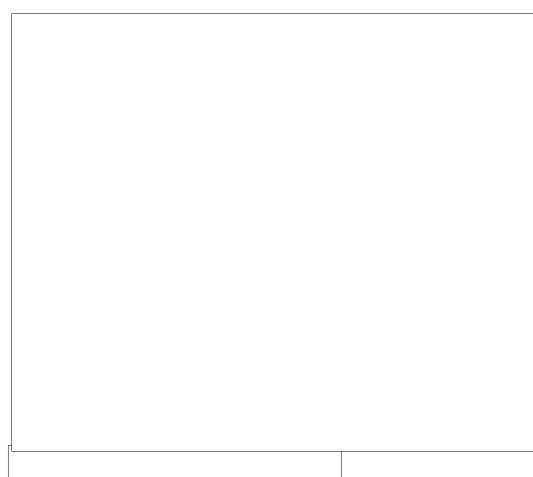
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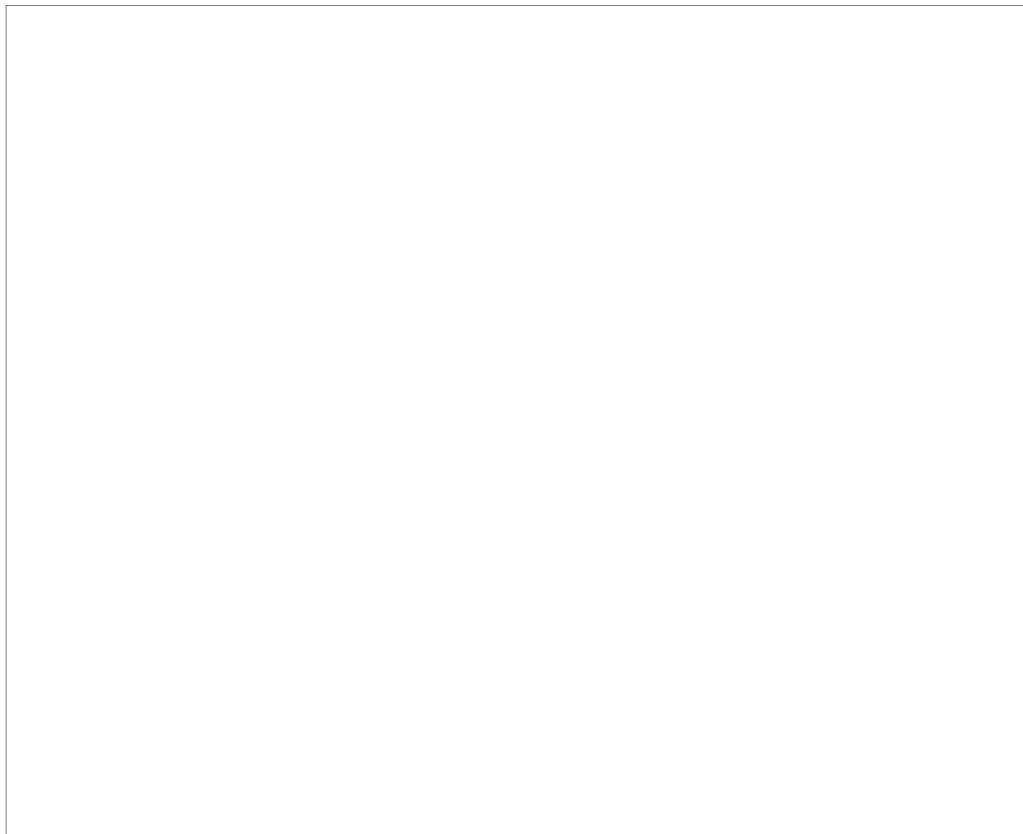


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NOTES

USSR: The latest satellite photography shows that the Soviets are moving ahead with plans to make the mobile SS-X-20 intermediate-range ballistic missile operational, possibly by the end of this year or in early 1977.

Photography taken in early October indicates that the Soviets are continuing to construct new buildings at two SS-4 sites in western USSR and at a partially dismantled SS-7 site in the eastern USSR, probably for use as support bases for the SS-X-20 IRBM. Some of the buildings, which could house mobile missile launchers, are equipped with sliding roofs. Some of these buildings are already connected by cable to other buildings which may contain launch control vans.

The Soviets could launch missiles directly from the buildings with the sliding roofs in the event they do not receive enough advanced warning of an attack to allow movement to remote launch positions.

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The arrest of Portuguese Major Otelo Carvalho accounted for the increased state of readiness ordered on Saturday in the Lisbon military region.

Lisbon remains quiet. An extreme leftist group announced yesterday, however, that it was planning a week of nationwide demonstrations, beginning today, to protest the arrest.

President Eanes may have taken action against Carvalho at this time to win the support of rightist elements in the military who have not been happy with the way Eanes is directing the country's affairs.

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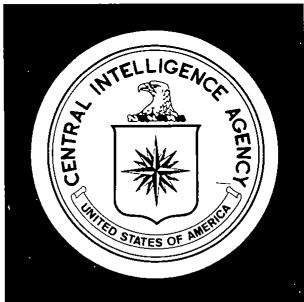
*Iran's decision to re-
turn the Soviet mail
plane pilot who defected
is probably an effort
to relieve the tensions
that have developed be-
tween the two countries.*

In returning the pilot under the provisions of an anti-hijacking treaty signed in 1974, the Shah acted against the advice of his foreign ministry, which had concluded that the treaty did not apply in this case.

Moscow has become increasingly critical of Iranian purchases of US arms. The Soviets believe that these purchases will enable the Shah to permit a greatly increased US military presence in Iran.

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USSR: The decision to make public General Secretary Brezhnev's major foreign and domestic policy review--delivered yesterday to the opening session of a plenary meeting of the party Central Committee--probably reflects the importance the leadership attaches to getting its position on record in advance of the US elections. (*Page 1*)

Lebanon: Most Arab leaders seem reluctant to let Christian advances in the south interfere either with the truce or with the ratification of peacekeeping arrangements being discussed at the current Arab summit. (*Page 3*)

Notes: USSR-Egypt; Thailand (*Page 5*)

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USSR: The Soviet decision to make public General Secretary Brezhnev's major foreign and domestic policy review-- delivered yesterday to the opening session of a plenary meeting of the party Central Committee--probably reflects the importance the leadership attaches to getting its position on record in advance of the US elections.

The move may also be designed to emphasize that any personnel changes that may be announced at the close of the plenum will not affect basic policy lines. The wide dissemination of the speech breaks the precedent of some years of generally unpublicized plenary proceedings.

Brezhnev's review of foreign policy was a reiteration of standing Soviet positions. Acknowledging a "slowdown" in US-Soviet relations, Brezhnev disclaimed Soviet responsibility and ascribed it instead to the "complex political situation," especially the election, in the United States. Brezhnev cited the same reason for the fact that the United States "has not yet answered" Soviet strategic arms limitation proposals of last March.

In some of the most specific comment in some time on relations with the US, Brezhnev emphasized that "on the whole," US-Soviet relations "retain, so far... positive direction."

He went on to say that "whoever comes to power in Washington after the elections...one thing must be absolutely clear: our policy of extensively developing relations with the United States, of lessening the danger of a new world war, remains invariable."

Addressing Peking directly for the first time since Mao's death, Brezhnev offered to improve relations.

He reiterated that the USSR is ready to normalize relations in line with the principles of peaceful coexistence and hinted that Moscow may be ready to restore party-to-party ties. Brezhnev concluded by stating that where mutual relations go from here depends on "what stand will be taken by the other side."

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FOR THE PRESIDENT ONLY

Remarks on the Middle East were a repetition of previous expressions of hope for a peaceful solution but seemed to reflect little expectation that Moscow would play a more active role.

Brezhnev called for a reconciliation of Lebanese leftist, Palestinian, and Syrian forces while regretting Damascus' military involvement. He called again for the reconvening of the Geneva conference but conveyed no real sense of urgency.

On Africa, Brezhnev mentioned neither Western diplomatic initiatives nor the USSR's support for forces of "national liberation."

He hailed the development of Soviet relations with Angola, Mozambique, and "other fighters for freedom" and condemned Rhodesia and South Africa as "imperialist stooges" and "bastions of racism."

In dealing with the domestic front, Brezhnev's broad and detailed economic report set the stage for the Supreme Soviet session scheduled to open tomorrow.

In the first public estimate of Soviet agricultural yields by a Soviet leader, Brezhnev said the harvest so far has amounted to 216 million tons, but that the total yield is not yet in.

The main task of the short session of the Soviet parliament will be approval of the 1976-80 five-year plan and of next year's budget.

* * *

--continued



FOR THE PRESIDENT ONLY

LEBANON: Israeli-supported Christian advances in the south could threaten the cease-fire elsewhere in Lebanon, but most Arab leaders so far seem reluctant to let this situation interfere either with the truce or with the ratification of peacekeeping arrangements being discussed at the current Arab summit.

Arab leaders recognize that the Christian-Israeli strategy is designed to create a buffer zone along the border before the Cairo accords--which allow the Palestinians virtually free run of some border areas--can be fully implemented.

Christian forces now appear to control all but a few towns along the Lebanon-Israel border.

According to Israeli radio reports, Christian forces yesterday recaptured the town of Al-Ayshiyah, which had been lost to Palestinian and leftist forces last week. Farther south, the Christians have surrounded both Mays al Jabal and Bint Jubayl, reportedly the only remaining pockets of Palestinian-leftist control along the border.

The situation in the south was added to the summit agenda yesterday, and the foreign ministers met last night to formulate recommendations for consideration at the second session of the summit today.

Most of those leaders who dominate the conference may be unwilling to endanger the Lebanese cease-fire and the tenuous harmony achieved at the smaller Riyadh summit last week by encouraging the Palestinians and leftists to counter the Christian advances.

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[Redacted]
Palestine Liberation Organization chief Yasir Arafat may try to turn the Palestinians' reverses in the south to their advantage.

[Redacted]

25X1

--continued

FOR THE PRESIDENT ONLY

[redacted] for the present the Palestinians are willing to go along with the situation in the south because they see the Syrian presence in Lebanon as a guarantee over the longer term against an effective Christian-Israeli alliance. Not only do the Palestinians expect low-level friction to increase between the Christians and Syrians, but they are also banking on Syria's commitment to the struggle against Israel to prevent Damascus from permitting Christian-Israeli hegemony for long over southern Lebanon.

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The summit seems to be handling smoothly the composition of the expanded Arab League security force for Lebanon.

Apparently only Iraq has seriously objected to the inclusion of the 25,000 Syrian troops already in Lebanon in the 30,000-man force.

[redacted]
[redacted]
[redacted]
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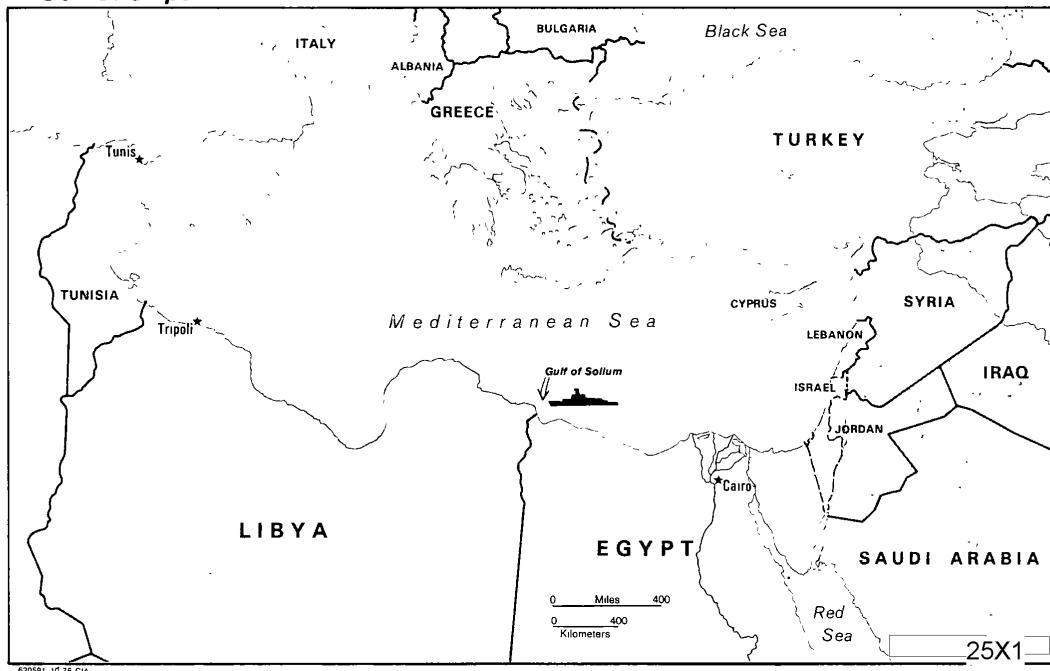
Libya reversed an earlier decision and sent a representative to the conference.

In a surprise move, Libya sent to the summit Foreign Minister al-Huni, who has lived in self-imposed exile in Cairo for over a year. Al-Huni, who has never been a proponent of some of the radical policies President Qadhafi pursues, may quietly go along with the majority.

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Soviet Ships in the Gulf of Sollum



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FOR THE PRESIDENT ONLY

NOTES

The USSR resumed more active operations in the Gulf of Sollum yesterday--the day after Egyptian naval maneuvers in the area concluded.

Two Soviet ships--the helicopter cruiser Leningrad and a Kashin-class destroyer--arrived in the Gulf of Sollum yesterday. Flight operations from the Leningrad were either in progress or about to begin; [redacted]

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Two months ago, Egypt declared an area in the northern Gulf of Sollum closed for naval maneuvers for designated periods between August 25 and October 24. The Soviets largely ignored the closure notices and, during most of this time, maintained a reduced presence in the northern part of the gulf.

* * *

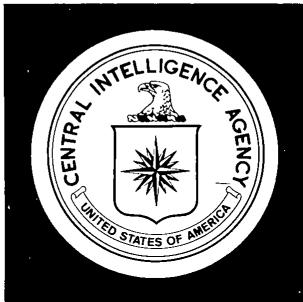
Thailand's new military-dominated government hopes to obtain substantially increased military and economic aid from the US.

The military council--which will continue to shape Thai foreign policy despite the establishment of a civilian administration--wants to restore at least partially the former relationship with Washington and plans to press hard for increased assistance. Council leaders particularly hope to get the US ammunition stockpile in Thailand on liberal terms.

The council apparently assumes that the US Congress would not approve the resumption of a substantial US military presence in Thailand.

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The President's Daily Brief

October 27, 1976

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FOR THE PRESIDENT ONLY

October 27, 1976

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Lebanon: The Arab summit that ended in Cairo last night affirmed support for the Lebanese cease-fire arranged at the six-party meeting in Riyadh last week. (*Page 1*)

Yugoslavia: Press commentary suggests that Yugoslav leaders were startled that their country has become a campaign issue. (*Page 2*)

Notes: USSR; Poland; Japan (*Pages 4 and 5*)

FOR THE PRESIDENT ONLY



FOR THE PRESIDENT ONLY

LEBANON: The Arab summit that ended in Cairo last night affirmed support for the Lebanese cease-fire arranged at the six-party meeting in Riyadh last week.

Arab League Secretary General Riyad later announced that the conservative Arab oil states--Saudi Arabia, Kuwait, the United Arab Emirates, and Qatar--would underwrite most of the financial costs of the peace-keeping force and that Lebanese President Sarkis would have the final say on the force's composition.

The willingness of most of the other Arab states to go along with these arrangements represents another victory for Syria over the Palestine Liberation Organization, as it will allow the Syrians to dominate the Arab force. The PLO had joined with the radical Arab states in attempting to limit Syria's participation, which could include providing as many as 25,000 of the planned 30,000-man force.

To placate the Palestinians, the conference did reaffirm past declarations that the Palestine Liberation Organization is the "sole legitimate representative of the Palestinian people," promise to support the Palestinian struggle "with all means," and condemn Israeli "acts of aggression" in southern Lebanon.

Fighting in the south diminished yesterday with all sides holding their positions.

Christian forces continued to shell the Muslim town of Bint Jubayl but claimed to have established effective control of the area between Rumaysh and the Arquib.



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FOR THE PRESIDENT ONLY



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YUGOSLAVIA: We have not seen any official Yugoslav reaction to last week's Presidential debate, although press commentary suggests that Yugoslav leaders were startled that their country has become a campaign issue.

In the fullest response to date, the Zagreb Vjesnik said on Sunday that an alleged Soviet threat to Yugoslavia has become "an unnecessary but nevertheless central issue" in the US election. The front-page commentary quoted statements by US journalists that Governor Carter's remarks on Yugoslavia were his "biggest error" in the debate, and caustically scored the Governor for his seeming inclination toward "one-sided limitations in foreign policy."

Vjesnik was somewhat restrained on your response, noting simply that you "took the opportunity to preserve a statesmanlike reserve" and that you mentioned only the Korean War--and not Yugoslavia--in your rejoinder.

Belgrade's Politika--which is relatively more staid than Vjesnik--asked rhetorically why a hypothetical invasion by the USSR, which has not previously "been on the public agenda," should be raised at this late date.

Sarajevo's main daily said that "everyone should be told to mind his own business and leave Yugoslavia to build its own future... Yugoslavia does not need preachers." Vjesnik similarly denounced the "American penchant for fantastic assumptions" and "disaster scenarios."

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FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

The incident probably will not alter the perceptions of top Yugoslav leaders of the likelihood of US military support in a confrontation with Moscow. In the short-run, the most important effect may be to perplex the Yugoslav military, which has been pushing for purchases of US arms as a means of "balancing" its sources of foreign equipment.

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FOR THE PRESIDENT ONLY

NOTES

The Soviet Central Committee yesterday elected a new member to the Secretariat and approved the five-year economic plan and next year's budget.

The plenum did not remove Defense Minister Ustinov from the Secretariat, possibly indicating that he will continue to oversee the defense industry for the party. His continued membership in the Secretariat violates the USSR's practice of not allowing members of the leadership to hold full-time party and government posts simultaneously. N.A. Tikhonov, who was promoted to first deputy premier in early September, was not awarded the Politburo status that usually goes with the post.

The failure to make these changes may reflect some disagreement among the leaders as well as their long-evident reluctance to make shifts in the senior leadership. The plenum's outcome does not preclude the Supreme Soviet from announcing some changes on the government side.

* * *

The Polish leadership is worried about a possible outbreak of violence at Warsaw University.

The US embassy notes that over the past several months there has been a proliferation of dissident manifestos and increasingly open protests against regime policies. Although students have demanded that the party and government send representatives to hear their grievances, to date only several well-known journalists have met with them.

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FOR THE PRESIDENT ONLY

The regime so far has shied away from repressive measures against the students, and the internal security organs have kept a low profile at the university in order not to increase tensions. In the past, both the working class and the intellectual elite have caused problems, but rarely at the same time. Now these groups are concurrently voicing serious complaints against the regime.

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Japan

[redacted]
[redacted] at the
fishing negotiations
in Tokyo next month.

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[redacted]

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The primary item on the agenda will be the 200-mile US fishing zone, which will become effective in March. Tokyo has publicly argued that a unilaterally imposed 200-mile limit is illegal under international law, but it almost certainly will acquiesce in US authority within the region.

The Japanese fishing industry is particularly vulnerable to pressures from coastal countries because it harvests 45 percent of its catch within 200 miles of foreign shores. Thirteen percent of Japan's catch comes from within 200 miles of US shores.

FOR THE PRESIDENT ONLY

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October 28, 1976

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Exempt from general
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exemption category SB 1.1(2)A
declassified under approval of
the Director of Central Intelligence

FOR THE PRESIDENT ONLY

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USSR: The bumper grain harvest announced by General Secretary Brezhnev on Monday permits the USSR the options of curtailing grain purchases, exporting some grain to the West, and shipping more to traditional communist clients. (Page 3)

Lebanon: [redacted] (Page 3) 25X1

Egypt: Although the outcome of Egypt's first parliamentary election will not reflect the full extent of current discontent with the government, the new People's Assembly may prove to be less malleable than its predecessors. (Page 5)

Notes: China; USSR; USSR; Yugoslavia (Pages 7 and 8)

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

USSR-CHINA-US: *The Soviets apparently were surprised by Secretary Kissinger's recent statements warning the USSR not to threaten China.*

The Secretary's remarks undercut the public image Moscow is trying to build of the USSR's willingness to make a fresh start in its dealings with the Chinese.

Moscow's reaction suggests that the Soviets are anxious to limit additional use by the US of the officially authorized article by Victor Louis that appeared in France Soir last week. The article warned the Chinese that they had one month to respond to Soviet overtures for better relations.

Yesterday Pravda carried an authoritative piece denying that Moscow entertains any hostile intentions toward China. It cited Brezhnev's statement at the plenum on Monday, in which he offered to improve relations with China, as proof of Soviet good faith.

Pravda said that the Secretary's motive was to impress Peking and to spoil or strain Sino-Soviet relations. It also accused the Secretary of trying to score domestic political points. Pravda stated that the tactic would probably not work, but it admonished "those who resort to political fabrications in Washington."

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USSR: *Satellite photography of Severodvinsk shipyard shows that the Soviets have produced a new variant of the Delta series of ballistic missile submarines to accommodate the new SS-NX-18 missile.*

We had believed earlier there would be no external difference between submarines carrying the SS-N-8 missile and those intended to carry the newer SS-NX-18.

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FOR THE PRESIDENT ONLY

We know that the four D-II units produced last year and now operational carry the SS-N-8. The photography shows that the height of the missile bay areas of the four D-class submarines launched at Severodvinsk this year has been increased by some three to six feet beyond that of the four D-II units produced in 1975.

The increase in the height of the missile bay, therefore, apparently is necessary to accommodate the SS-NX-18 missile system. This suggests that all D-I submarines and the four D-II units launched in 1975 will have to undergo extensive modification if the Soviets decide to install SS-NX-18 missiles in them.



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The SS-NX-18 is the first Soviet submarine-launched ballistic missile with MIRVs, although it is also being tested with a single re-entry vehicle. We estimate its maximum range to be about 4,000 nautical miles. The SS-NX-18 could be operational within 18 months.

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FOR THE PRESIDENT ONLY

USSR: The bumper grain harvest announced by General Secretary Brezhnev on Monday permits the USSR the options of curtailing grain purchases, exporting some grain to the West, and shipping more to traditional communist clients. The Soviet outlay of hard currency to pay for agricultural imports can also be reduced.

Brezhnev's statement that this year's grain crop would "either very closely approach the figures of the record year 1973, or even surpass it" suggests that the total yield will be 222 million tons or more. Such a harvest would permit the rebuilding of livestock herds and grain reserves, both of which had been depleted by two years of below-normal production.

The Soviet Union [redacted]

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[redacted] has purchased from the US 4 million tons of corn and 2.65 million tons of wheat.

Despite the good grain crop, total farm output is likely to rise by only about 1.5 percent this year because of the sharp decline in livestock production. Agricultural growth is far from the 8.5-percent rebound planned this year and will continue to depress the growth of gross national product.

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LEBANON: [redacted]

[redacted]

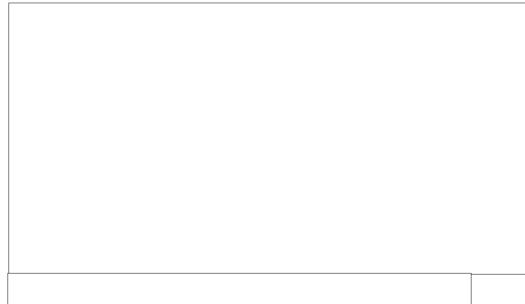
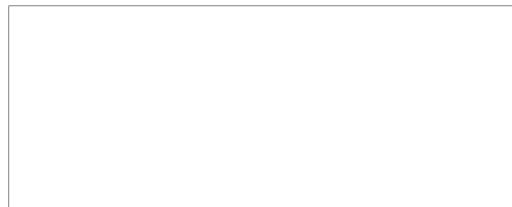
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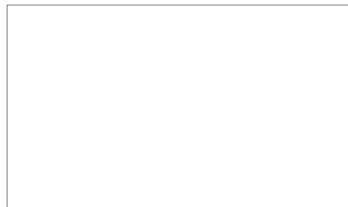
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FOR THE PRESIDENT ONLY

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FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

EGYPT: Egypt today holds its first parliamentary election in which candidates are legally permitted to run on opposition platforms. Although the outcome will not reflect the full extent of current discontent with the government, the new People's Assembly may prove to be less malleable than its predecessors.

Approximately 1,600 candidates are vying for the 350 People's Assembly seats. The candidates are running under a variety of banners in a carefully regulated experiment with what passes for a multi-party system.

The Arab Socialist Union remains Egypt's only legal political party, but in an effort to provide a safety valve for the controlled expression of opposition viewpoints, President Sadat early this year permitted the formation of three ASU subdivisions--a leftist, a rightist, and a centrist organization, the last comprising the majority of the ASU and representing the pro-government viewpoint.

To a considerable extent, the leftist and rightist groups do represent opposition viewpoints. Both groups, however, must operate within the constraints of the ASU's basic pro-government policies, and both are dependent on the ASU's government-controlled apparatus for campaign facilities.

Largely for this reason, over half of the candidates have shunned ASU sponsorship completely to run as independents. Although the government is probably covertly sponsoring many of them, it does not have a clear picture of the political leanings of all the independents.

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FOR THE PRESIDENT ONLY

The government has avoided direct manipulation of the campaign. Nevertheless, there seems little question that openly pro-government candidates will win a large majority of the parliamentary seats.

Government policy undoubtedly will not be seriously influenced by an Assembly in which probably no more than 25 to 30 percent of the deputies will be either in the opposition or true independents, but an Assembly constituted along these lines would not be the rubber stamp its predecessors have been.

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FOR THE PRESIDENT ONLY

NOTES

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Chinese

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Soviet Premier Kosygin's illness evidently prevented him from delivering the report on the five-year plan to the Supreme Soviet yesterday.

Kosygin attended the Supreme Soviet session, as did all the leaders. The Premier was active during the recent visit of Mongolian leader Tsedenbal, and observers have noted no visible signs of illness.

For the first time under the present leadership, the chairman of the state planning committee made the report. By passing over First Deputy Premier Mazurov, the leadership again showed that it was unwilling to give any public sign that a younger member may be in line as a successor to a top post.

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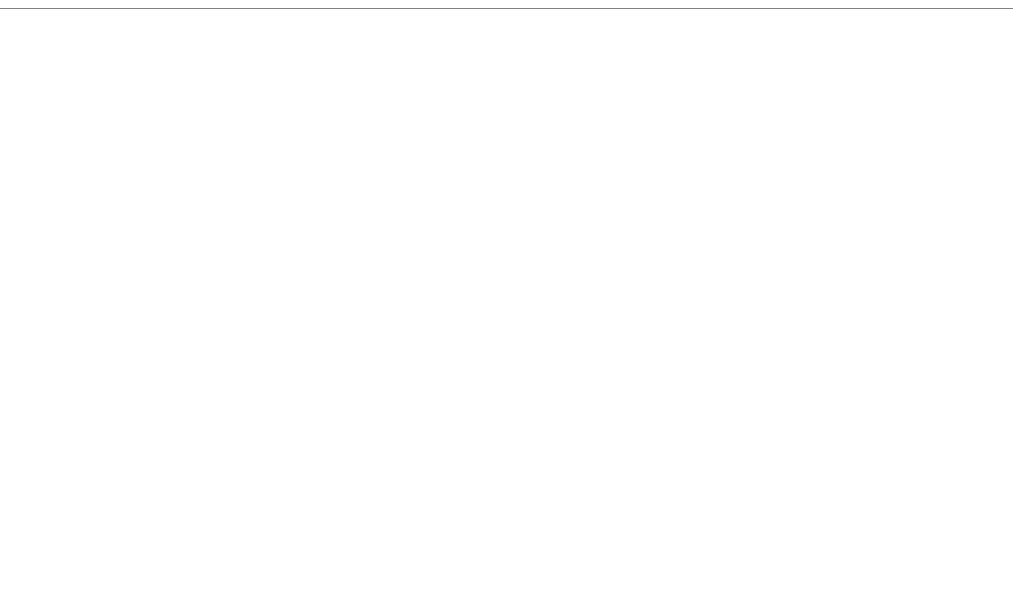
The Soviet Union is constructing large amphibious assault ships which, at 500 feet in length,

Only recently has construction at Kaliningrad on the Baltic progressed far enough to permit us to determine the type of ship being built. Apparently it will be a combination tank landing ship and amphibious transporter dock, a multiple function concept adopted by the US during World War II.

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FOR THE PRESIDENT ONLY

25X1



FOR THE PRESIDENT ONLY

The new ship will be able to discharge amphibious vehicles from both ends and is the first Soviet ship built with a floodable-well deck. This deck [redacted]

[redacted] can accommodate small amphibious craft, hovercraft, or other vehicles. The assault ship apparently will have a helicopter landing platform at the stern but does not appear to have storage space for a large force of troop-carrying helicopters.

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The ship is a logical step in the evolution of Soviet amphibious warfare capabilities, which have been improving steadily since the early 1960s. The Soviets are just approaching the capability to transport their entire naval infantry force of 10,000 to 12,000 men. They are unable to move large ground force units except by merchant ship.

* * *

Yugoslavia has resched-
uled a state visit by
French President Gis-
card for early December.
Planning for a visit by
Soviet party leader
Brezhnev is also appar-
ently under way.

The Giscard visit was originally postponed in September apparently because of Tito's poor health. Since then, the 84-year-old Yugoslav President has made only infrequent public appearances and has received no foreign guests.

The Soviets would like to arrange a meeting between Tito and Brezhnev in conjunction with a trip by the Soviet leader to neighboring Romania in late November. Belgrade will make much of Giscard's visit as a counter to those who would see Tito's meeting with Brezhnev as a Yugoslav "drift" eastward.

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October 29, 1976

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China-USSR: Peking's quick rejection of Moscow's latest message to China reemphasizes the determination of the leadership that there be no early departure from its anti-Soviet stance. (Page 2)

USSR: Satellite photography [redacted] shows that the Soviets have completed the dismantling of six more older ICBM launchers and have begun dismantling 29 others. (Page 3) 25X1
[redacted] 25X1

Lebanon: Lebanese Christians and Muslims are refusing publicly to go along with some provisions of the Riyadh accord.
(Page 4)

Egypt-Libya: Satellite photography [redacted] shows no significant changes in military forces on either side of the Egyptian and Libyan border. (Page 6) 25X1
[redacted] 25X1

United Kingdom: [redacted]
[redacted] (Page 7) 25X1

Notes: Cuba; USSR; Mexico; Japan; China (Pages 8, 9, 10, and 11) 25X1

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

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FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

25X1

* RHODESIA: Both the black nationalists and the white Rhodesians are saying the guerrilla war will soon increase in intensity.



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A key military commander who was originally slated to go to Geneva has stayed behind in Mozambique.

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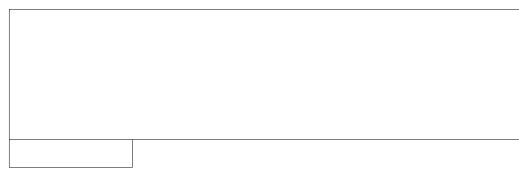
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Nkomo is said to be trying to recruit and expand his guerrilla forces, presumably to be in a better position vis-a-vis ZANU in a black-ruled Rhodesia.

The white Rhodesians apparently are still expecting to receive additional South African aid if the talks break down and the war expands. Rhodesian Prime Minister Smith implied this in a televis25X1 interview in mid-October.



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FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

* CHINA-USSR: Peking's quick rejection of Moscow's latest message to China reemphasizes the determination of the current leadership that there be no early departure from its anti-Soviet stance.

A Chinese government spokesman told foreign newsmen yesterday that the congratulatory message from Soviet party chief Brezhnev to Hua Kuo-feng--who was officially named chairman of the Chinese party this week--was rejected because "no relations" exist between the two parties. Peking rejected congratulatory notes from Moscow's East European allies for the same reason, according to the spokesman.

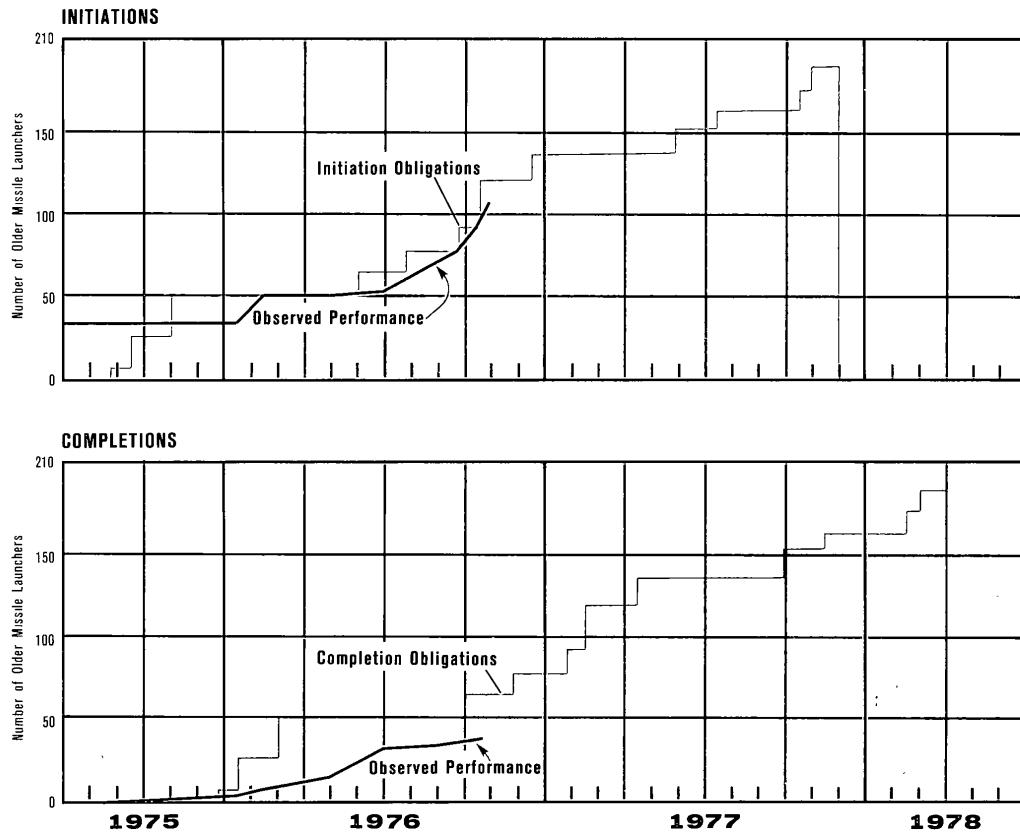
Last month, after Chairman Mao's death, Peking refused a sympathy note from the Soviet party Central Committee. That message was the first Soviet attempt at public party-to-party communication since 1966.

Although Moscow has virtually eliminated anti-Chinese commentary from its propaganda since Mao's death, the Chinese have continued their harsh criticism of Soviet activities and intentions. No change has been noted since the purge of leading leftists in China earlier this month. Chinese officials [redacted] described the 25X1 Soviet messages as directed primarily at other countries and not a genuine signal to Peking.

Even those individuals who in the past have reportedly favored improved ties with Moscow presumably believe there would be little advantage in pushing their argument, at least until after the US elections when they may be able to judge better where relations with Washington are headed. They probably assume that any signal now of a Chinese interest in improved relations with the Soviets could create problems in Sino-US relations.

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FOR THE PRESIDENT ONLY

STATUS OF DISMANTLING OF OLDER SOVIET MISSILE LAUNCHERS

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Soviet ICBM Dismantling

Obligations	March 1	June	July	August	September	October
Required number of launchers with						
Dismantling Complete	51	51	51	51	51	67
Dismantling Initiated	0	16	28	28	44	56
	<u>51</u>	<u>67</u>	<u>79</u>	<u>79</u>	<u>95</u>	<u>123</u>
Observed Performance						
	(Dec 4 - Mar 29)	(Mar 22 - May 17)	(Jul 9 - Aug 3)	(Aug 4 - Sep 6)	(Sep 7 - Oct 19)	
Dismantling Complete	8	13-16	33	33	39	
Dismantling in Progress	43	38-35	20	46	69	
	<u>51</u>	<u>51</u>	<u>53</u>	<u>79</u>	<u>108</u>	

FOR THE PRESIDENT ONLY

The USSR must have realized that its message was almost certain to be rejected.

The Soviets may have proceeded anyway to underscore publicly Chinese intransigence and, possibly, to test whether China's recent purge of leftists--who in Soviet eyes are the most implacably anti-Soviet element within China--had in fact made the Chinese anymore receptive to such a message.

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USSR: Satellite photography [redacted]

[redacted] shows that the Soviets have completed the dismantling of six more older ICBM launchers and have begun dismantling 29 others. Twenty of the 209 original SS-7 and SS-8 launchers were not photographed, however, and additional dismantling activity may have occurred.

The Soviets now have at least 108 25X1 launchers in varying stages of being dismantled; of these 39 can be considered fully dismantled. Of the 69 others, 20 have been rendered unusable to the extent that none could be returned to operational status in substantially less time than required for new construction.

Under the terms of the procedures established by the Standing Consultative Commission, the Soviets should have had 67 launchers fully dismantled by early October and work underway on 56 others by late October.

The Soviets, meanwhile, continue to incur additional dismantling obligations. A D-class submarine with 16 missile launchers probably will begin sea trials in late November or early December, requiring 16 additional launchers to be in the process of dismantling.

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FOR THE PRESIDENT ONLY

* LEBANON: *Lebanese Christians and Muslims are refusing publicly to go along with the provisions of the Riyadh accord with which they do not agree.*

According to Beirut press reports, Christian leaders have now decided to accept Arab League peace-keeping forces only at a few spots in areas they control. The Christians plan instead to offer Lebanese President Sarkis a group of 30,000 Christians--matching the strength of the Arab League force--who would police Christian zones while League troops enforce security in other areas.

Sarkis is unlikely to accept the Christian offer, which would make a mockery of the withdrawal provisions agreed on at Riyadh.

The Syrians seem to be taking some steps to deal with Christian recalcitrance.

Syria has been particularly incensed by the open cooperation between the Christians and Israelis in the south and has already made representations to the Christians to stop. We also have seen indications that the Syrians have allowed some units of a Palestine Liberation Army brigade, which they dominate, to move south but cannot confirm press reports of a broader Palestinian movement.

Any Palestinians returning to the south could be headed for the three Palestinian camps on the outskirts of Tyre. The Palestinians are supposed to be withdrawing to their camps under the provisions of the Riyadh agreement.

The Syrian actions may be a propaganda gesture, allowing Damascus to pose as a partner of the Palestinians against the main enemy--Israel--and to get out from under charges that Syria is cooperating with Israel against the Palestinians. Allowing Palestinians into

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FOR THE PRESIDENT ONLY



FOR THE PRESIDENT ONLY

the south but keeping them well away from the border area itself could also be designed as a face-saving gesture to PLO chief Yasir Arafat to induce him to go along with an agreement that was essentially a defeat.

The Syrians probably assume that the Christians are sufficiently strong in the south to cope with additional Palestinian units without incurring the threat of Israeli retaliation. In any case, south Lebanon is virtually the only area of the country where the fedayeen can go if they are pulling out of Mount Lebanon, the Beirut suburbs, or any of the other areas specified in the Riyadh agreement.

The Syrians still seem determined to keep the area near the Israeli border quiet.

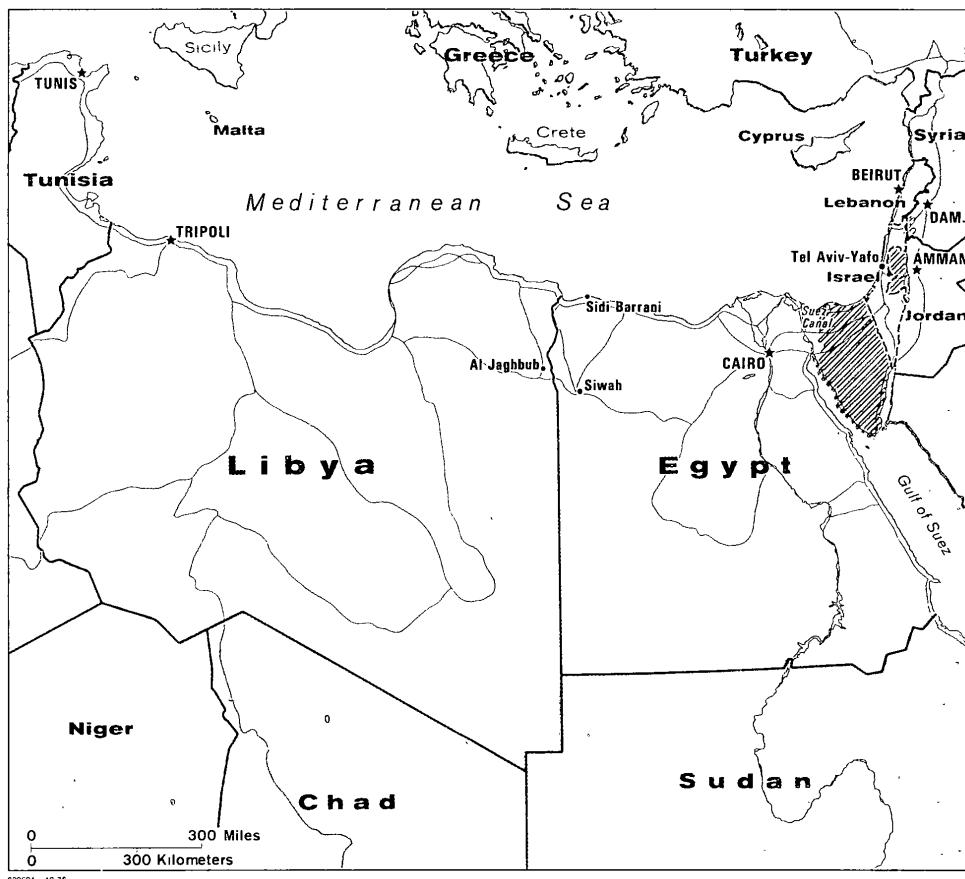
Syrian Foreign Minister Khaddam told Ambassador Murphy yesterday that Damascus had contacted all parties involved in the situation in the south and was exerting a major effort to prevent trouble on the border.

Palestinians and Muslims in Bint Jubayl were shelled by Christians and Israelis yesterday, and artillery duels took place in two other areas near the border.

There were small-scale clashes, sporadic shelling, and some sniper fire in Beirut and its suburbs yesterday. The city is still relatively calm, however, and the death toll has dropped dramatically.

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FOR THE PRESIDENT ONLY

EGYPT-LIBYA: Satellite photography [redacted] shows no significant changes in military forces on either side of the Egyptian and Libyan border. Heavy haze and clouds over most of the area, however, hampered our ability to monitor developments.

The Egyptians continued work on the new airfield at Sidi Barrani started in mid-summer. The field is still not ready for air operations. New air defense associated electronics equipment observed at Siwah airfield suggests that Egypt expects to use that field as an auxiliary fighter airstrip. 25X1 25X1

On the Libyan side, the photography confirms [redacted] that Libya is improving an old airstrip at Al Jaghbub, opposite the Siwah oasis. Work on the strip is still at a preliminary stage, but we estimate that only small utility aircraft and helicopters will be able to use the field when it is completed. 25X1 25X1

Analysis of U-2 photography [redacted] indicates that the 15 or so Egyptian infantry battalions that moved to Cairo for the parade on October 6 commemorating the 1973 Arab-Israeli war apparently have returned to the west bank area of the Suez Canal. 25X1 25X1

The photography also shows that Egypt continues to maintain enough equipment on the east bank of the Suez Canal to support about eight infantry battalions--the maximum number allowed under the terms of the Sinai II agreement. Based on their onsite inspections, UN observers have reported that Egypt is maintaining eight battalions in its limited armaments zone.

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FOR THE PRESIDENT ONLY

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FOR THE PRESIDENT ONLY

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NOTES

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- *The Castro regime is planning radio and television interviews with several alleged CIA agents living in Cuba.*



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The Cubans have invited selected foreign journalists to cover the interviews, which reportedly were to have started on Wednesday. Havana may have delayed the program to avoid giving the impression of interfering in US politics.

Castro, speaking at a memorial service on October 15 for the victims of the Cubana air crash in Barbados, said a CIA agent was actually working for Cuban intelligence. This person [redacted]

[redacted] apparently 25X1 is to be the highlight of the coming interviews.

In addition, Castro has promised 25X1 to surface a number of other people,

[redacted] 25X1

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- *The Soviet announcement yesterday that Moscow plans to spend 17.2 billion rubles on defense in 1977 uses a figure that is much too low.*

This figure is some 200 million rubles less than last year's announced defense budget. However, the single item labeled "defense" in the annual state budget is virtually useless as an indicator of the true size of the USSR's annual defense spending because it has never been defined, and it appears to be manipulated for political purposes. Moreover, it is far too low to cover the cost of procuring, operating, and maintaining a force the size of the Soviet military.

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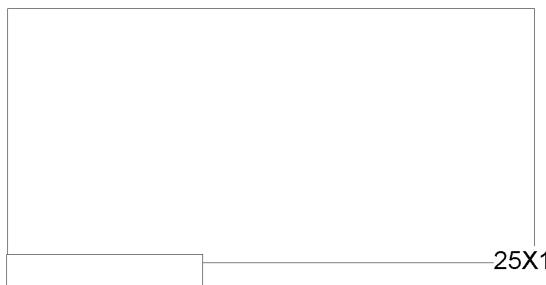
We estimate that total Soviet defense spending in 1970 prices for the year 1975 was 50 to 55 billion rubles--about three times the announced figure for that year--and that defense spending has, in real terms, been going up by 4 to 5 percent a year since 1971.

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- *The Mexican government has allowed the peso to depreciate to 25.8 pesos to the US dollar from its previous level of 19.7. Although the move was announced as a refloat of the peso, the Central Bank is supporting the peso at the new rate.*

The decision appears to be a gamble to stem the flight of capital which reportedly has averaged \$100 million weekly since the peso was first floated on September 1.

The Bank of Mexico apparently sees the current exchange rate as temporary and probably hopes to revalue the peso after the bank holiday of November 2. The peso, in fact, is undervalued.



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FOR THE PRESIDENT ONLY

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With Lower House elections in Japan only about five weeks away, the ruling Liberal Democrats have decided to postpone a divisive leadership struggle in favor of pre-election unity at their convention on Sunday.

Opponents of Prime Minister Miki late last week publicly called for Deputy Prime Minister Fukuda to replace Miki as party president and prime minister. Fukuda decided against forcing a showdown at the convention, at least partly because of sentiment in the party favoring resolution of the issue after, rather than before, the election.

A serious effort to replace Miki will probably be made shortly after the election, when by law the entire cabinet must resign and a new prime minister elected by the new Diet. The present Diet will probably be dissolved shortly after the 50th anniversary of Hirohito's reign as Emperor on November 10, with the election itself most likely falling on December 5.

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• *China has apparently started producing its first indigenously designed fighter-interceptor, the Hsi-an A.*

Recent satellite photography and

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[redacted] at least three and perhaps four aircraft have been built. We have noted an increase in flight activity by the Hsi-an A. The Hsi-an A is a twin-engine, delta-wing jet fighter similar to but larger than the single-engine MIG-21.

The aircraft is apparently powered by the same Soviet-designed engine that is used in the MIG-21; engine characteristics noted in test flights by the new fighter are identical to characteristics of

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the MIG-21 engine.

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We expect testing of the Hsi-an A to continue, but, in the meantime, China will probably produce the aircraft for operational units. The new fighter will probably not be entering these units in quantity, however, before 1978.

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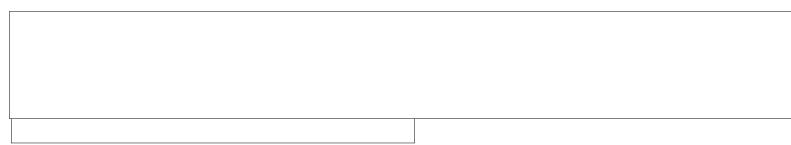
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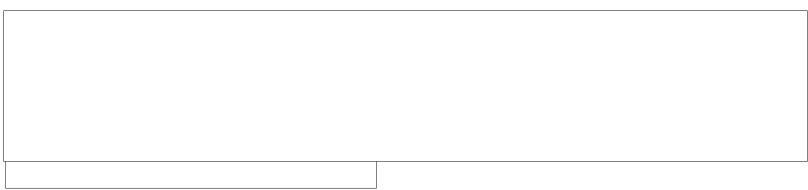
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Top Secret



The President's Daily Brief

October 30, 1976

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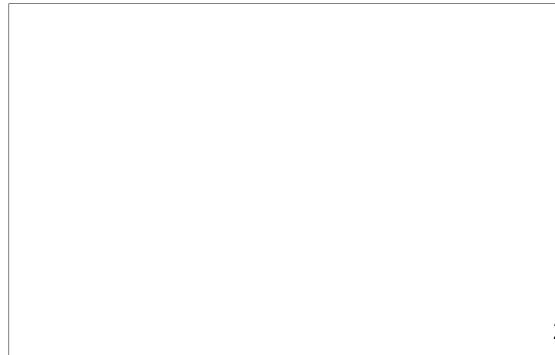
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USSR-EGYPT: *Egypt has responded to overtures from the USSR to improve state-to-state relations.*



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Several days after that meeting, it was rumored that Foreign Minister Fahmii--who has argued in the past that Egypt should try to improve its ties with the USSR--was trying to arrange a meeting with Gromyko. An Asian diplomat has reported that the meeting will take place in early November, although Egyptian officials in talks with US counterparts continue to deny knowledge of such a meeting.

A Soviet trade delegation will arrive in Cairo in late November or December to discuss a new trade agreement. These negotiations could lead to a resumption of talks on rescheduling Egypt's military and economic debt totaling \$5 billion.

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FOR THE PRESIDENT ONLY

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EGYPT-LIBYA: *Egypt apparently is continuing to plan subversive action against Libyan President Qadhafi.*

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Qadhafi, for his part, has been trying for some weeks to mend fences in an effort both to fend off the military threat from Egypt and, lately, to break out of the more isolated position in which the Egyptian-Syrian rapprochement has left him.

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FOR THE PRESIDENT ONLY



FOR THE PRESIDENT ONLY

LEBANON: *The Syrians apparently are trying both to ensure Palestinian cooperation and to rein in their Christian allies by allowing some Palestinian guerrillas to move south into the Arqub.*

Syrian Foreign Minister Khaddam met separately with Lebanese Christian and Palestinian leaders Thursday in Damascus to encourage both sides to stop fighting in southern Lebanon. Khaddam reportedly tried to allay Christian apprehensions that Damascus had shifted its support to the Palestinians, and he again advised^{25X1} the Christians to limit their dealings with the Israelis.

[Redacted box]
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Syria actually seems to want to develop a balance between the Palestinians and the Christians^{25X1} in southern Lebanon as a means of gaining greater control over both groups.
[Redacted box]

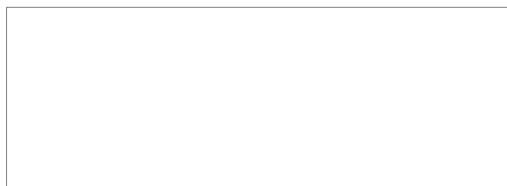
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ITALY: Communist chief Berlinguer is raising the price for further Communist cooperation with Prime Minister Andreotti's Christian Democratic minority government.

Over the past week, Berlinguer has mounted a campaign to force the government into more formal and open consultations with the Communists, at least on economic policy.



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Berlinguer sent an open letter to Andreotti, Christian Democratic chief Zaccagnini and the leaders of the four parties that--along with the Communists--permitted Andreotti's installation by abstaining on his confidence vote in August. Berlinguer stated in his letter that the austerity measures suggested so far are not adequate to deal with Italy's problems and called for roundtable conferences of all the parties and the government to thrash out economic policy.

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Berlinguer probably sees several advantages in such conferences. They would help him to deal with rank-and-file Communist dissent that has developed over his support for an austerity program by demonstrating that the party is making progress toward a larger role in national policy making. In addition, they would spread responsibility for the harsh measures that Berlinguer seems to agree the government must adopt.

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FOR THE PRESIDENT ONLY

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The Christian Democrats have yet to respond to Berlinguer's letter. In a comment that suggests an attempt at compromise, however, one Christian Democratic spokesman said that at the maximum the party would favor a "formalization" of meetings that are held to establish a parliamentary agenda.

In Lombardy, meanwhile, the Christian Democratic - led regional government agreed this week to a consultative relationship with the Communists of the sort that Berlinguer wants in Rome.

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NOTES

Militant black students in Soweto township outside Johannesburg, South Africa, have called for a five-day strike next week by the area's black industrial workers. Notices for the work stoppage reportedly urge blacks to avoid confrontations with police.

The last black work stoppage, which occurred in mid-September, lasted three days and kept some three fourths of the black industrial workers in the metropolitan area away from their jobs. Two strikes in August were marked by violence between police and students.

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East German party chief Erich Honecker had himself named head of state yesterday in a surprise shake-up of his regime.

Honecker now has both of the positions held by his predecessor, Walter Ulbricht. All party chiefs in the East European Warsaw Pact countries are now also heads of state except for Hungary's Kadar and Poland's Gierek.

Honecker also removed Horst Sindermann from the post of prime minister and replaced him with Willi Stoph, who had been chairman of the Council of State--head of state--since 1973. Sindermann was given the largely ceremonial post of president of the Parliament.

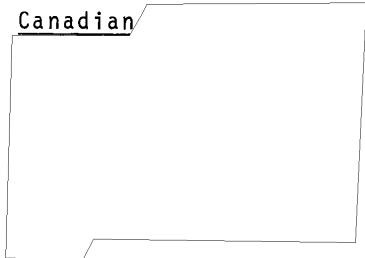
Sindermann's sudden fall from power may have resulted in part from East Germany's growing economic problems. After record trade deficits with the West in 1974 and 1975, East Germany experienced this year both disappointing results from its "export offensive" and reduced agricultural output as a consequence of the severe drought.

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North Korea is trying to limit damage from the highly publicized expulsion of diplomatic personnel from the Scandinavian countries this month for trafficking in narcotics, duty-free liquor, and cigarettes.

North Korea has acknowledged privately that some of its representatives engaged in illegal activities. The North Koreans have withdrawn ambassadors and staff members as requested, refrained from retaliatory acts against Scandinavian officials in Pyongyang, and replaced the ousted diplomats.

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Activities similar to those uncovered in Scandinavia have been reported on a smaller scale in Malaysia, Burma, Switzerland, Egypt, and Argentina. The illegally acquired funds have been used to help defray operating expenses for North Korea's embassies and trade missions as well as to finance intelligence and propaganda activities abroad.

The Scandinavian countries have noted that they do not wish the expulsions to disrupt good relations with North Korea.

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