



The President's Daily Brief

January 3, 1976

2 /

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Table of Contents

Lebanon: Leaders of the two main Christian parties are blocking implementation of the Franjyah-Asad understanding. (Page 1)

China-USSR:

25X1

[Redacted]

25X1

Italy: The degree of Socialist success in a current parliamentary debate may determine whether the party brings down the Moro government next week. (Page 3)

India: Mrs. Gandhi's recent charges of Western interference reflect her personal bias and her use of foreign scapegoats to justify controversial political moves at home. (Page 5)

Guyana-Angola: A token unit may be sent to support the Popular Movement in Angola. (Page 6)

Note: Thailand (Page 7)

FOR THE PRESIDENT ONLY

LEBANON

Leaders of Lebanon's two large Christian political parties, the Phalanges and the National Liberal, have so far refused to approve the political concessions necessary to implement the general understanding reached by President Franjyah and Syrian President Asad. Should the impasse in negotiations continue, serious fighting could resume.

Maronite political and religious leaders decided on Wednesday to reject the two principal reforms proposed by Syria: equal representation of Christians and Muslims in parliament, and election of the prime minister by parliament. The Maronites are holding out for unspecified Muslim guarantees of Christian rights, and particularly, for assurances that the Palestinians will live up to their past commitments to Beirut.

The Christians now credit the principal Syrian and Palestinian leaders with a serious desire to end the fighting, but believe they do not intend to force the fedayeen back into the refugee camps or to enforce restrictions on the type of arms they possess, as required by earlier agreements.

The Phalanges Party newspaper reported this week that the party will soon offer its own reform plan, apparently to keep the dialogue going and prevent new fighting. Neither this initiative nor the Christians' willingness to permit economic and social reforms, however, will be seen by the Muslims as adequate substitutes for Christian acceptance of Damascus' proposals on political reform.

A Phalangist official this week expressed fear that if the current Syrian initiative fails, Damascus probably will despair of negotiations and decide that Franjyah must resign or be driven from office. Such a decision by Syria would lead to renewed fighting.

The Christians are also stalling in the hope that the continuing division in Muslim and leftist ranks will ultimately prompt their less-radical opponents to make concessions or at least settle for less.

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ITALY

Prime Minister Moro's government will probably try hard to placate the Socialist Party during parliamentary debate on a key portion of the government's medium-term economic plan.

Earlier this week Socialist leader De Martino cited the government's failure to consult the Socialists adequately on the economic plan as a major reason for his threat to withdraw Socialist parliamentary support from Moro's coalition.

De Martino complains that the government gave the Communist opposition more advance notice of the economic package than it did the Socialists.

25X1

The Socialists are also concerned that support for the bill as it stands would put them out of step with their supporters in organized labor. The bulk of labor is sharply critical of the government's proposals.

All of this has made it increasingly difficult for De Martino to maintain control of his badly divided party as it prepares for a national congress in February. Rival Socialists are scoring points by arguing that the party gains nothing politically by continuing to support Moro.

Earlier, De Martino had been inclined to avoid challenging Moro, at least until after the congress. De Martino is not likely to return to that position unless the Socialists receive major concessions on the economic plan or some other issue before the party directorate meets on Wednesday. The directorate is slated to make a final decision on whether to end Socialist support.

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Moro's Christian Democrats adopted a conciliatory tone in their initial comments urging De Martino to abandon his threat, perhaps foreshadowing some concessions. The Communist press is also arguing that now is not the time for a change of government.

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INDIA

Prime Minister Indira Gandhi's recent charges of Western, and particularly US, interference in the internal affairs of India reflect both her long-standing personal bias and her frequent use of foreign scapegoats when trying to justify controversial political moves at home.

It is unclear whether Gandhi's blasts mean that, as far as she is concerned, the period of slowly improving India-US relations is over. Her statements, delivered at a just-concluded national conference of her Congress Party, were largely extemporaneous and may have been influenced by the responsiveness of her audience to such rhetoric.

Gandhi used the conference to obtain party approval for an indefinite extension of India's state of emergency and for a one-year postponement of national elections. She also announced her intention to seek constitutional revisions--probably in the parliamentary session beginning on Monday--intended to make permanent the powers she now exercises on an emergency basis.

Although there appears to be little opposition to these moves within the Congress Party, Gandhi remains highly sensitive to criticism, particularly from the West, about her authoritarian rule.

Her attacks probably were also aimed at appeasing leftists in the Congress Party and the pro-Soviet Communist Party of India, which is allied with her party. Indian leftists, and probably Moscow, are displeased over what is widely seen as an Indian "lurch to the right" since the emergency was imposed six months ago.

Such a "lurch" is reflected in the increasing prominence of Gandhi's son Sanjay, in the new, more moderate leadership of the Congress Party's youth wing, in the choice of new central cabinet members, and in the government's focus on pragmatic rather than ideologically based economic policies. At the conference, Gandhi emphatically denied any rightward trend and reaffirmed her government's commitment to socialist goals.

FOR THE PRESIDENT ONLY

GUYANA-ANGOLA

Prime Minister Burnham may decide to send a token unit from the Guyanese defense force to Angola.



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Formal recognition seems sure to come soon. During his speech celebrating the nationalization of Reynolds aluminum mines, Burnham announced full support for the Popular Movement and said that the "freedom fighters" in Angola are waging "a war that is ours."

NOTE

A threatened general strike in Thailand failed to materialize yesterday, but labor leaders in Bangkok claim that workers will begin walking off their jobs today to protest an increase in the price of rice.

The increase was to go into effect on Thursday, but Prime Minister Khukrit postponed it for two weeks; labor leaders have probably interpreted this as a sign of government weakness. Khukrit's critics, such as Defense Minister Praman and former army commander General Krit, would likely try to exploit serious labor disorders for their own political gain. Krit has already let it be known that he is dissatisfied with Khukrit's indecisiveness



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