



The President's Daily Brief

March 15, 1976

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FOR THE PRESIDENT ONLY

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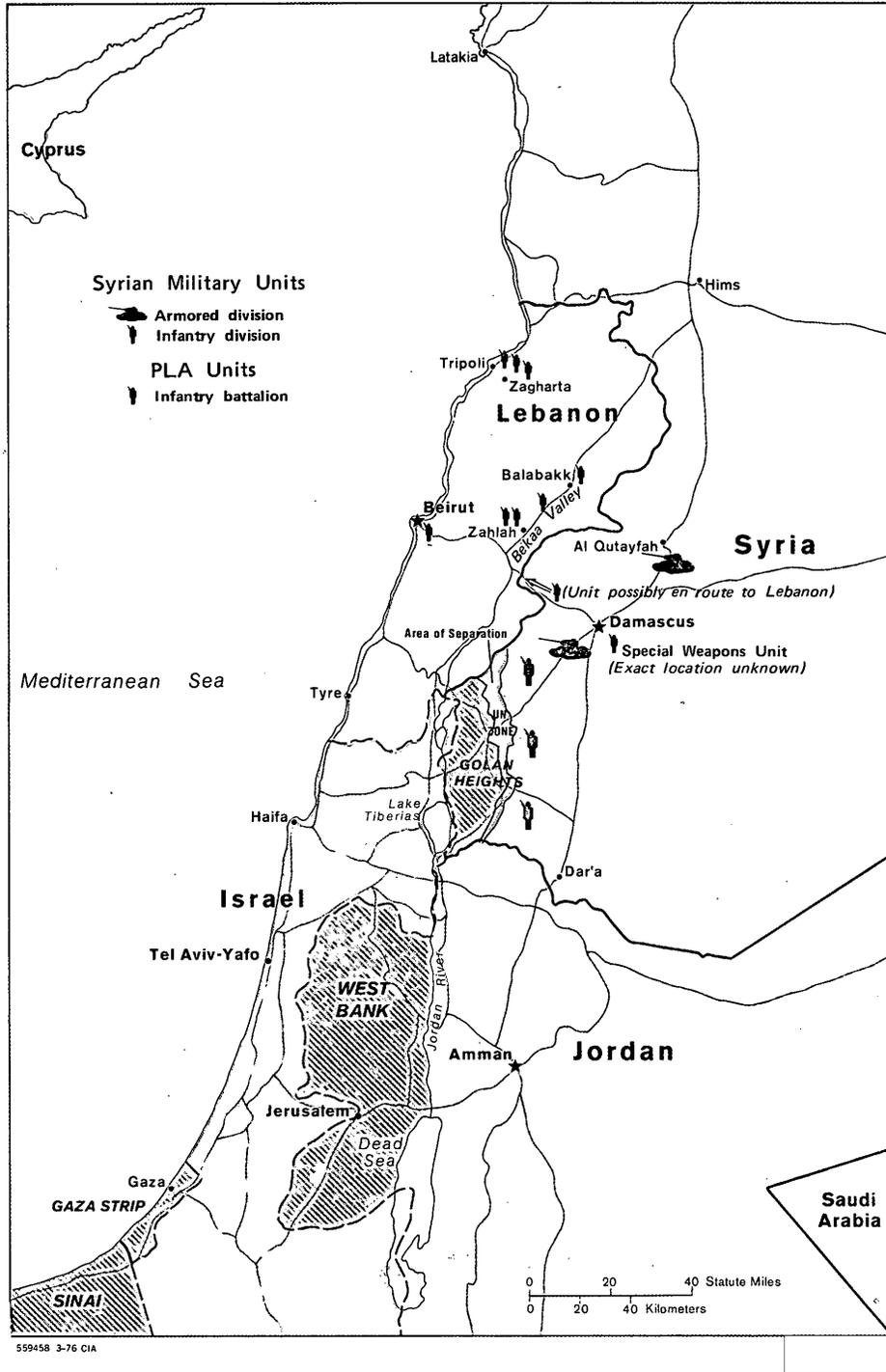
SYRIA-LEBANON: Syrian Chief of Staff Shihabi told Ambassador Murphy yesterday that he sees no way to control the situation in Lebanon other than to intervene with regular Syrian forces. (Page 1)

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SYRIA-LEBANON

During a scheduled talk with Ambassador Murphy yesterday, Syrian Chief of Staff Shihabi responded to the ambassador's query about Syria's options in Lebanon by asserting that he now sees no way to control the situation other than to intervene with regular Syrian forces. Shihabi said that he was not recommending that Syrian regulars be sent in, but that he could see no alternative given the current drift of events.

The US defense attaché in Damascus believes that at least one Syrian division--the 3rd Armored at Al Qutayfah--has increased its state of readiness. He also believes that the 3rd division would be the division to be used if the Syrians intervene in Lebanon. A tour of the Damascus - Al Qutayfah area by the attaché yesterday, however, failed to provide any positive indications that any Syrian forces were being readied for intervention, although he did observe some minor military activity that could be considered unusual.

Ambassador Murphy describes his conversation with Shihabi as one of unrelieved gloom, punctuated by Shihabi's repeated frustration over what he termed are Syria's "limited possibilities" to do anything about the situation. Shihabi did not rule out further Syrian mediation, but he expressed doubt that Syria would be able "to play that game any longer." Shihabi stressed that the Lebanese cannot manage their own affairs and said that the only solution is to get rid of the entire Lebanese leadership. At one point, he mused that annexation may be the only answer because the Lebanese are fast becoming a threat to area stability.

Shihabi repeatedly stressed that the Lebanese army no longer exists and that there is no prospect of putting it back together as an effective force. He added that the some 5,000 Syrian-backed Palestine Liberation Army forces already in Lebanon are inadequate to maintain security. Shihabi dismissed the notion that some sort of Arab League force could be used.

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In response to the ambassador's concern about the security situation in southern Lebanon, Shihabi suggested that only Syrian regulars could effectively police the area. He speculated that Israel might understand that the Syrians were only acting as a peacekeeping force and were not a potential threat.

Shihabi's pessimistic mood almost certainly accurately mirrors the frustration that Syrian leaders are experiencing and their feeling that they are running out of options. President Asad's indefinite postponement of his visit to Paris, scheduled to begin today, underscores the seriousness with which Damascus views the situation.

Asad, however, is not likely to be stampeded into a high risk action, and Shihabi made it clear to Ambassador Murphy that he was only confiding his own disgust with the situation and was not suggesting what course of action Asad would finally take. Asad almost certainly prefers to continue his efforts to press the Lebanese to reach a political accommodation themselves.

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Asad also has some military options open to him short of military intervention.

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Asad could also position regular Syrian forces closer to the Lebanese border. Even if Asad decides to introduce Syrian regulars, he is likely first to authorize a limited move into northern Lebanon in hopes that this would provide a sufficient political shock effect.

The dilemma for Asad now is that he has staked considerable personal prestige on achieving a successful Syrian mediation. He is concerned to preserve the enhanced stature as an Arab leader that he has gained through his efforts to date, and he wants to avoid giving further ammunition to his critics, such as President Sadat. Thus, the danger in the present situation is that Asad, despite his caution and his desire not to provoke an Israeli counterreaction, could decide that some form of intervention by Syrian regulars is necessary to protect his heavy political investment in Lebanon and to preserve his Arab leadership credentials.

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The dilemma the Israelis face in assessing the current situation is that they recognize that Syrian leverage is crucial to resolving the crisis but are uncertain as to the ultimate consequences of a Syrian intervention. The Israelis are concerned about the security vacuum created in the sensitive southern border area by the collapse of the Lebanese army, and they could persuade themselves that the introduction of Syrian regulars would add enough uncertainty to the situation to justify some Israeli intervention into southern Lebanon.

Nevertheless, the Israelis will weigh Syria's moves carefully and although they are likely to respond to a substantial Syrian intervention, they may stay their hand if the Syrians confine themselves to northern Lebanon and the Beirut area. Even a limited Syrian move, however, is likely to trigger an increased Israeli alert and some mobilization.

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LEBANON

President Franjiah announced yesterday that he will not resign unless impeached by parliament and convicted by a high court, as provided in the Lebanese constitution. He clearly hopes that Brigadier Ahdab will in the end allow him to stay on rather than risk the new round of heavy fighting that probably would result from an extended political impasse or from a military move against the presidential palace.

The President, who had earlier said he would step down if asked by parliament, is in effect saying that he will not resign under any circumstances. The high court required to try impeachment cases has never been created and could not be established without new legislation signed by the president.

Ahdab is increasing the pressure on Franjiah to resign, and on the politicians to force him to do so. He threatened yesterday to use force against the President.

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The chances for a military showdown increased last night, when the pro-Franjiah radio station broadcast apparently authentic statements by Phalangist leader Jumayyil and National Liberal leader Shamun declaring that the President's resignation would not "constitute a solution" to the crisis.

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Egypt has remained unusually silent on the recent turn of events in Lebanon. Cairo was reported late last year to have readied a contingency plan for military intervention in Lebanon in the event of further deterioration, and it is possible that the Egyptians will again dust it off. They would await further developments before taking precipitate action, however, and it is unlikely that they would move against Lebanon in the midst of current problems with Libya and the diplomatic tangle with the USSR. For the moment, the Egyptians appear to be avoiding public comment that could stir up further trouble or provoke Syrian anger.

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EGYPT-USSR

President Sadat's call last night for the abrogation of the 1971 Egyptian-Soviet friendship treaty indicates that he has finally written off any expectation of putting his relations with Moscow on an even keel and will no longer make even a pretense of maintaining a civil relationship.

The 15-year treaty itself is essentially a meaningless document, but it has served as a symbol of continued amity between the two states through the many upheavals in their relations over the last five years.

Sadat did not specifically mention other agreements with the Soviets, such as the accord, scheduled to run through March 1978, that permits them the use of naval repair facilities at Alexandria, but it seems entirely possible that abrogation of this accord will follow. The Alexandria shipyard is the only major repair facility available to the Soviet Mediterranean Fleet.

Sadat recently received a letter from General Secretary Brezhnev flatly refusing further arms aid. The Egyptian President told Ambassador Eilts last week that the tone of the letter had convinced him of the accuracy of other information he had received that the Soviets are attempting to foment unrest in Egypt in an effort to overturn his government.

For the Soviets, Sadat's abrogation of the treaty will have important symbolic, and perhaps practical, consequences. Moscow places more stock in such treaties than their substance warrants; it regards a friendship treaty as a tangible expression of the desire for, if not necessarily the fact of, a close and congenial relationship. Egypt's abrogation will be seen not only as a declaration of present antipathy but also as an expression about future bilateral relations.

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The Soviets will be discomfited by the fact that it was Sadat, not they, who took the initiative, and the abrogation will revive memories of the ignominious expulsion of Soviet advisers from Egypt in 1972.

The Soviet leadership is almost certainly divided over how best to handle the Egyptian situation. The hard-liners may argue that Sadat is in serious political trouble and that, if Moscow remains unyielding, he will either come around or be replaced. Moscow's perception of Sadat's political trouble may have prompted Soviet rejection of his recent overtures. Those Soviet officials who have favored a more flexible policy will probably argue that thus far the inflexible policy has widened the breach with Cairo without impairing Sadat or strengthening the USSR's putative friends in Egypt.

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NOTES

The French decided yesterday at a meeting of joint float finance ministers to withdraw the franc from the European joint float.

The immediate cause of Paris' decision was the heavy cost of supporting the franc within the float's narrow limits--roughly \$4 billion since mid-January. The underlying causes of the franc's weakness are Paris' inability to bring inflation down to a rate close to those of its major trading partners in the float and prospects for a substantial deficit in the French current account this year. Paris left open whether it would rejoin the float in the future. The French are likely to try to negotiate changes in the joint float's structure and will probably seek to have the joint float's margins widened substantially from the present limits of 2.25 percent.

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Spanish and Italian officials now stress possible political repercussions as well as familiar economic arguments in their attempts to head off a US decision to curtail shoe imports.

Italian officials suggest that such a US move would hurt the ruling Christian Democratic Party in the event of a national election this year and would add to public criticism of the US resulting from the Lockheed and CIA controversies. The Spanish minister of industry has linked the shoe import issue to ratification of the recently negotiated US-Spanish treaty of friendship and cooperation. US import restrictions would inject nationalist sentiment into the treaty issue and would intensify economic concerns.

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