

The President's Daily Brief

June 24, 1976

2



~~Top Secret~~ 25X1

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

June 24, 1976

Table of Contents

Lebanon: The Beirut airport, which opened again yesterday, remains under the control of Syrian troops. (Page 1)

Egypt-Syria: Egyptian and Syrian prime ministers and foreign ministers met in Riyadh last night for the first round of the Saudi effort to reconcile the rift between Cairo and Damascus. (Page 2)

USSR: Most of the warships that monitored US units during the evacuation of civilians from Beirut are following the US ships as they leave the area. (Page 2)

Portugal: The presidential election, scheduled for Sunday, was thrown into doubt yesterday when Prime Minister Azevedo, one of the four candidates, suffered a severe heart attack. (Page 3) 25X1

China

[redacted] (Page 4)

25X1

Notes: Afghanistan; Philippines-China; Ethiopia-Somalia; Poland; Thailand (Pages 5, 6, and 7)

At Annex we discuss some of the complexities involved in Syria's intervention in Lebanon.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

LEBANON: *Beirut airport, still firmly under the control of Syrian forces, opened yesterday to the first commercial air traffic in over two weeks.*

The airport's availability probably will remain a chancy thing. The Palestinians are already charging that Syrian troops yesterday prevented the landing of a Saudi aircraft carrying food and medicine.

Although the Syrian troops at the airport apparently belong to the Syrian contingent of the Libyan-Syrian security force and are not the Syrian regulars who have been occupying the airport, the distinction is academic.

25X1

Heavy fighting continued between Christians and Palestinians and leftists around refugee camps in Beirut and around Palestinian-leftist positions in central Lebanon. There was little evidence of fighting between Syrian and Palestinian forces.

The Palestine Liberation Organization yesterday released the pro-Syrian commander of the Palestine Liberation Army, Musbah Budayri whom Fatah forces kidnaped two weeks ago. Budayri's release was one of Syria's conditions for agreeing to the latest truce plan.

In another example of the continued ill-will between Syria and Fatah, Damascus issued a statement yesterday--through a Palestinian affiliate of the Baath Party--that attacked Fatah for "considering itself a substitute for the PLO command."

The statement accused Fatah of enlarging rather than resolving existing differences among member organizations in the PLO and playing the Arab states off against each other. Without naming Yasir Arafat, the statement urged that the Arabs "put an end to the domination of certain persons" in the Fatah command.

--continued

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

Syrian officials still publicly declare solidarity with the Palestinians and deny that clashes have occurred between Syrian and Palestinian forces. By attributing yesterday's statement to an ostensibly non-government organization, Damascus can deny association with it. The attack seems designed, however, to test the Arabs' receptivity to a Syrian attempt to remove Fatah from its commanding position within the PLO.

Israeli Prime Minister Rabin told a group of students Tuesday that the entry of the Arab League's security force into Lebanon could, over the long term, encourage political developments threatening to Israel's security.

Rabin's remarks reflect recurring Israeli apprehensions that the Arab League force may prepare the way for an eventual rapprochement between Syria and the Lebanese leftists and to the installation of a Syrian-dominated leftist regime in Beirut--a contingency Israeli leaders have repeatedly stated their government could not tolerate.

EGYPT-SYRIA: *The Egyptian and Syrian prime ministers and foreign ministers met in Riyadh last night for the first round of the much postponed Saudi effort to reconcile the rift between Cairo and Damascus.*

Chances for more than a surface reconciliation are dim. Reports that an Egyptian-Syrian summit is scheduled to follow the Riyadh meeting have not been confirmed. Definite plans probably await the outcome of the Riyadh talks.

USSR: *Most of the Soviet warships that monitored US units during the evacuation of civilians from Beirut are following the US ships as they leave the area.*

Although Soviet naval strength in the Mediterranean--nearly 70 ships of all types--is still high, more than a dozen of these probably will leave within a week. More Soviet warships are entering the Mediterranean from the Atlantic, but these appear to be units transferring to other places.

* * *

--continued

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

25X1

PORTUGAL: *The presidential election, scheduled for Sunday, was thrown into doubt yesterday when Prime Minister Azevedo, one of the four candidates, suffered a severe heart attack.*



If 25X1

Azevedo should die before the voting begins, the constitution specifies that the President set a new date and that the entire election process begin again. This would require a delay of at least six to eight weeks.

The Prime Minister, whose election campaign has been poorly organized and under financed, has been unable to halt the momentum of the front-runner, army chief Eanes.

During the past week, Azevedo has increased his personal attacks against Eanes. These attempts to discredit the army chief have done little to help Azevedo and have created hostility toward him within the armed forces.

Should the Prime Minister decide to withdraw from the race before the deadline tomorrow, much of his support would probably go to Eanes and would probably improve his chances of winning a majority in the first round of voting. Although Azevedo might encourage his followers to back the far left candidate, former security chief Otelo de Carvalho--whom he has praised in recent campaign statements--it is unlikely that many would act on this advice.

Should Azevedo die before Sunday, the postponement of the election could have far-reaching consequences. Not only could it lead

--continued

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

to shifting alliances and new candidates entering the race, but it would postpone the formation of a new government based on the parliament elected last April. Any delay would also defer the enactment of badly needed economic measures.

* * * 25X1 25X1 25X1

CHINA:

[Redacted]

[Redacted]

[Redacted]

25X1

[Redacted]

25X1

25X1

[Redacted]

25X1

[Redacted]

25X1

[Redacted]

25X1

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

25X1

NOTES

[Redacted]
Afghanistan, [Redacted]
[Redacted]

[Redacted]

25X1
~~25X1~~

25X1

[Redacted]

25X1

[Redacted]

25X1

[Redacted]

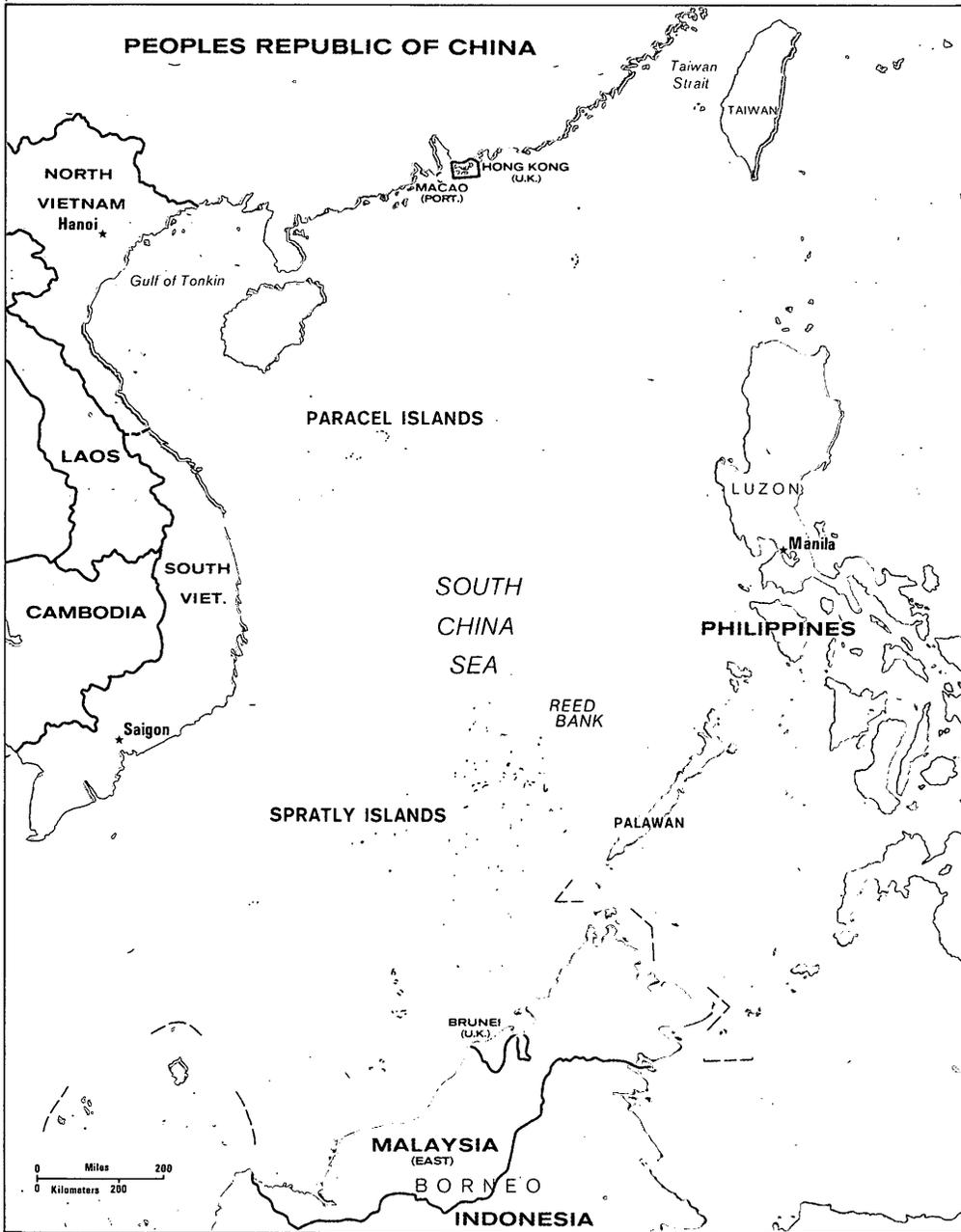
25X1

[Redacted]

25X1

--continued

FOR THE PRESIDENT ONLY



25X1

25X1

25X1

25X1

* * *

Philippine [redacted]
 [redacted]
 [redacted] China
 [redacted]
 [redacted]

25X1

[redacted]

25X1

[redacted]

25X1

[redacted]

25X1

[redacted]

25X1

* * *

Ethiopia reportedly has begun reinforcing its troops along the border with the French Territory of the Afars and Issas as a contingency against Somalian attempts to move into the territory during the Organization of African Unity council of ministers and summit meetings.

The ministers begin meeting today; the summit is scheduled for July 2 through 5.

We believe it is unlikely that Somalia will initiate a military move against the FTAI during the conference. Somalia is committed to eventually annexing the territory, but is unlikely to flagrantly offend African opinion by starting a war while the OAU is meeting.

--continued

FOR THE PRESIDENT ONLY

* * *

The Polish party daily yesterday said that prices of basic food items must soon be raised.

Prices on meat, milk, butter, and flour have been held stable since 1970, when widespread riots and strikes over a price increase brought Edward Gierak to power. During the past year there have been open complaints about shortages of key items such as pork and the prospect of price hikes.

The regime may already be taking steps to head off any show of popular dissatisfaction. According to Western observers in Warsaw, police leaves have been canceled and more than the usual number of police are on the streets in and around the capital. These measures may have been taken, however, to handle the European youth congress now under way there.

* * * 25X1 25X1 25X1 25X1

[Redacted] Thai [Redacted]
[Redacted]
[Redacted]

[Redacted]

25X1

[Redacted]

25X1

[Redacted]

25X1

[Redacted]

25X1

--continued

FOR THE PRESIDENT ONLY

A
N
N
E
X

SYRIA AND LEBANON: A LOOK AHEAD

President Asad's decision to allow the entry of a token Libyan force into the Beirut airport area this week presages no significant reduction of Syria's military or political role in Lebanon. Although growing domestic unrest over his Lebanese policy and the recent threatening military moves by Iraq influenced his decision on the issue of Libyan participation, there are no indications that Asad is relenting in his determination to impose a Syrian settlement on Lebanon's warring factions.

By continuing to consolidate Syria's military position and insisting on substantial Syrian participation in any multilateral operation, Asad appears to have persuaded some of the other Arabs that any pan-Arab force would only be a token one, would have to confine its activities to Beirut, and would enter Lebanon only under a protective Syrian umbrella.

Asad is likely to continue his efforts to blockade the Palestinians in their principal strongholds of Beirut and Sidon. The Syrians still hope to avoid engaging the Palestinians in urban street fighting in the major cities. Damascus probably views the latest Christian assaults as helpful inasmuch as sustained Christian attacks would make the Palestinian position even more precarious. Without external resupply, it seems unlikely that the main Palestinian and Lebanese leftist forces will again be able to gain the initiative over the Christians, who have been rebuilding their military inventory since April.

The Political Complexities

If the Palestinians are forced to accept a ceasefire on Syrian terms, some form of round table political negotiations probably will get under way under the aegis of president-elect Sarkis. Even if political talks resume any of the parties could make new political demands or mount new attacks to derail progress.

--continued

A1

FOR THE PRESIDENT ONLY

The Syrians will continue to pursue a resolution that preserves Christian rights but enhances Muslim political participation and power. Despite Asad's generally adroit maneuvering in recent weeks, however, he seriously misjudged the amount of military pressure he could put on the Palestinians without meeting fierce resistance, and he is constrained by political and financial problems at home and Iraqi intimidations along Syria's eastern border. The longer he is embroiled militarily in Lebanon, the more exposed he is likely to be to unrest within the Syrian military and to the possible deepening of rivalries between Syria's own Alawite, Sunni Muslim, Christian, and Druze sects. His apparent determination to arrogate responsibility for rebuilding a Lebanese security force to Syria will heighten these risks by requiring a sizable Syrian military presence for a long time in selected areas of Lebanon.

Asad and the Palestinians

Asad's most complex problem in the near future will be his relationship with the Palestinians. The Syrian-controlled Saiqa group, badly mauled by Fatah in the intra-Palestinian fighting in Beirut earlier this month, will not easily regain a position from which it can limit Fatah's dominance of the fedayeen.

Asad can be expected to try to restore and regenerate Saiqa, but he also is likely to make a major effort to make Fatah more susceptible to Syrian influence and direction. He will be handicapped in this effort by his distrust of Yasir Arafat, which has deepened in recent weeks. There probably will be a cosmetic reconciliation between Asad and Arafat, but the Syrian President is likely to work more actively than before to undermine and--over the long term--perhaps unseat Arafat. At the same time Arafat probably will seek to capitalize on Palestinian assistance to the US evacuation from Lebanon to embellish his credentials as an internationally accepted Arab leader.

The complexities of the Lebanese crisis make it unlikely that Asad will win an unqualified victory. At present, however, he appears to retain sufficient strength at home and enough support in the Arab world to be able ultimately to force acceptance of a settlement that is largely on Syrian terms.

A2

FOR THE PRESIDENT ONLY

Top Secret