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The President's Daily Brief

January 22, 1976

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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

January 22, 1976

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Lebanon: The President's office announced this morning that all sides have agreed on a Syrian-sponsored "comprehensive" settlement.
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FOR THE PRESIDENT ONLY



LEBANON

The office of Lebanese President Franjiyah announced early today that agreement has been reached by all parties involved in the civil war on a "comprehensive political settlement."

The agreement, worked out with Syrian mediation, calls for the formation of a military committee composed of Lebanese, Syrian, and Palestinian representatives to fix a date for a cease-fire. The committee is then to name a number of supervisory subcommittees to implement the cease-fire.

Few specifics were announced, suggesting that much needs to be done before any final agreement is reached or, indeed, even a cease-fire is established.

Syrian President Asad played a major role in working out this most recent proposal. A revised version of Asad's plan, presented to the Lebanese yesterday by Foreign Minister Khaddam, reportedly went some distance toward meeting Muslim demands for basic political changes that would reduce the political domination long exercised by the Lebanese Christians.

The proposal reportedly called for equal Christian and Muslim representation in parliament and the election of the prime minister by parliament. It would, however, allow the Christians to retain their predominant representation in top civil service and army posts.

Yesterday, President Franjiyah and Phalanges Party chief Jumayyil seemed inclined to accept the plan. Another top Christian leader, Interior Minister Shamun, was resisting.

It is too soon, of course, to know whether the apparent acceptance of the plan by top Christian leaders is anything but another effort to buy time. Some Christians are said to be alarmed by the losses their forces suffered in several parts of the country this week. The Christian Phalangists made military gains in Beirut early in the week, but suffered serious losses around Zagharta in the north and Shtawrah in the east.

NOTES

There has been little change in the disposition of Soviet naval units off the West African coast.

The Kresta II guided-missile cruiser, Kotlin-class destroyer, and several oilers in the Conakry area have now been joined by an Alligator-class landing ship and an oiler that had been in the Gulf of Guinea.

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this suggests that the naval force will remain in West African waters awaiting further developments in Angola.

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West Europeans are planning additional financial and economic aid to Portugal.

The EC Council this week approved the renegotiation of the 1973 trade agreement with Portugal that included a provision permitting Lisbon to borrow from the European Investment Bank. Last year, \$175 million was committed to finance specific projects, and these funds may begin flowing in March. The seven members of the European Free Trade Association are planning an industrial development fund totaling \$100 million for Portugal. Several West European governments are considering continued bilateral assistance to Portugal this year. West Germany is negotiating a loan of up to \$250 million that should help ease Lisbon's balance-of-payments difficulties.

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Italy suspended foreign exchange intervention and official quotations on the lira yesterday in the face of heavy selling pressure precipitated mainly by the fall of the Moro government two weeks ago.

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Italy closed the exchanges in an effort to cool off the situation and to buy time for arranging financing to support further intervention. Italian officials have not decided when they will resume making official quotations on the lira. They will probably wait until they are certain of substantial additional financing from the IMF and Washington.

On the political side, the move could give the Christian Democrats more leverage in their efforts to get the Socialists to agree on a new government. The Socialists were widely criticized for bringing down the government and thereby interrupting Rome's efforts to deal with the country's worst post-war recession.

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The leader of South Korea's main opposition party, Kim Yong-sam, was indicted yesterday for violating a government emergency measure that bans almost all public criticism of the regime.

The action is the latest evidence of President Pak Chong-hui's determination to silence his political opponents. The government recently has prosecuted a number of its student and Christian critics. Pak issued the emergency decree last spring in the wake of the communist victories in Indochina, citing the need for strong discipline because of the threat from North Korea. Kim Yong-sam and other opposition forces are probably not in a position to organize any effective protest over the latest government action.

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