



The President's Daily Brief

May 29, 1976

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~~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

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RHODESIA-LIBYA:

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OPEC: The OPEC oil ministers concluded their meeting in Bali yesterday by agreeing to continue the oil price freeze that was to expire on June 30.

The 13 cartel members could not achieve unanimity, which is essential on all substantive decisions, including price changes on Saudi benchmark crude. Saudi Arabia and its supporters evidently remained steadfast against the OPEC price hawks.

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The Saudis want to continue the price freeze until the end of the year, but Iran, for one, may not be that patient. While the next regular OPEC conference is scheduled to be held in Qatar on December 15, a majority of countries can convene an extraordinary meeting beforehand.

The oil ministers approved a temporary scheme for crude oil price differentials. The precise timing and the method of implementing the new system apparently have not been decided. This plan probably will cause the price of some heavy crudes to decline and that of some light crudes to rise.

The meeting did not resolve the question of whether the cartel's headquarters should move from Vienna. Nor did the final communique make any reference to Mexican membership--indicating that OPEC will remain a 13-nation cartel at least for the time being.

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SYRIA-LIBYA-LEBANON:

Syrian Foreign Minister Khaddam traveled to Libya yesterday, apparently to discuss a final version of a political agreement the Libyans want to arrange with Syria, Iraq, and Algeria. Palestine Liberation Organization chairman Yasir Arafat, who is also in Tripoli, presumably would sign such an accord too.

We believe, however, that Damascus is not prepared to alter its position on basic issues such as those involved in Middle East peace negotiations. As a result any agreement reached with the radical Arabs is likely to dissolve quickly and is unlikely to solve Syria's financial or foreign policy problems.

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Tripoli
 and Baghdad believe Damascus will agree to an accord that would limit Syria's military action against "nationalist forces" in

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Lebanon and provide, apparently in the Lebanese context, for some use of Iraqi troops.

Syria has opposed involvement of other foreign troops in Lebanon. Its relations with Iraq are badly strained, and Syria would not want even a symbolic Iraqi force. Damascus may have agreed to loose language open to many interpretations, but with no intention of actually allowing use of foreign troops in either Lebanon or Syria.

Damascus recently has been trying to counter radical Arab criticism of its policies by portraying its actions in Lebanon as defending Palestinian interests. Khaddam would probably endorse an accord pledging the support of the four states to the Palestinian cause, or to generalities about Arab cooperation against Israel.

Syria would hope such an accord would keep Arafat from moving closer to Egypt, and help elicit substantial Libyan financial aid.

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NOTES

Lebanese leftist leader Kamal Jumblatt is not expected to meet with president-elect Sarkis until sometime next week at the earliest as a result of the murder of his sister on Thursday.

Fighting in Beirut flared up after the news of the shooting spread, but apparently began to subside again late yesterday.

Sarkis has not slackened in his effort to promote his proposals for ending the Lebanese civil war and to cool tempers in the wake of the killing. In the past two days, he has met with most of the key leaders on the Muslim-leftist side. Yesterday he conferred with the leaders of the principal Muslim sects, Lebanese Arab Army commander Khatib, a lieutenant of Yasir Arafat, Saiqa chief Zuhayr Muhsin, and a representative of Syrian President Asad.

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Uganda

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Argentina's President
Videla is under growing
pressure [redacted]
to adopt more repres-
sive policies against
domestic dissent.

Videla would prefer to avoid the kind of widescale repression that hindered Chile's access to international financial support. Hardliners [redacted] however, are convinced that harsher measures are needed to deal with what they view as entrenched leftist terrorism, an undisciplined labor force, and irresponsible politicians.

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Cuba [redacted]
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