

The President's Daily Brief

September 24, 1975

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Lebanon: Fighting in Beirut increased last night and the fragile cease-fire appeared to be in jeopardy. Syrian Foreign Minister Khaddam told PLO leaders that he had obtained the agreement of the Lebanese Prime Minister and Minister of Interior for an expanded cabinet and for the consideration of a series of proposals by a "committee of national dialogue." (Page 1)

USSR-Portugal: Portuguese President Costa Gomes and Foreign Minister Antunes will depart Saturday for visits to the USSR and Poland. (Page 3)

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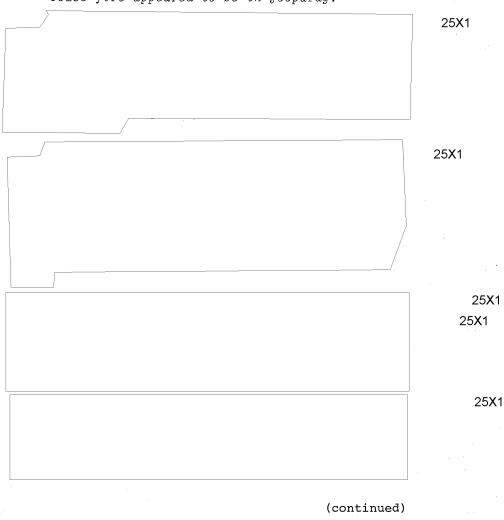
OPEC: The oil ministers meeting, which opens today in Vienna, could promote moderation and conciliation toward the Western consuming nations.

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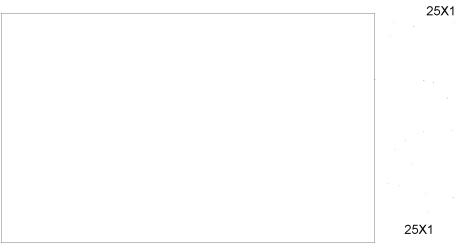
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LEBANON

After having subsided during the day yesterday, fighting in Beirut increased last night with exchanges of mortar and rocket fire in the suburbs. The armed militias of both sides continued to man barricades in several sections of the city, and the fragile cease-fire appeared to be in jeopardy.



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Late yesterday, Khaddam announced that he had agreed with Maronite leaders on a common formula

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Jumblatt's group, however, appeared to be holding out for at least partial acceptance of the leftist reform program which would amend the constitution and the national covenant more drastically. The US embassy in Beirut believes that as long as these issues are unsettled, the cease-fire will remain tenuous.

USSR-PORTUGAL

Portuguese President Costa Gomes and Foreign Minister Antunes will depart Saturday for visits to Poland and the USSR. The trip has been planned for several months, but probably was not definitely scheduled until the new Portuguese government assumed Office.

The Soviets may have done some soul-searching and some explaining to the Portuguese Communists before agreeing to see Antunes, the leader of the anti-Communist forces within the Armed Forces Movement. During the recent governmental crisis in Portugal, Moscow criticized Antunes by name.

Soviet media continue to report--and now associate Moscow with--Communist Party leader Cunhal's statements that the Azevedo government is the best that could be achieved, given the current circumstances in Portugal. Communist participation in the cabinet is justified as necessary to keep Portugal from moving to the right. The Soviets presumably will use the same reasoning to explain the visit of Costa Gomes and Antunes.

In receiving the two officials, Moscow is, in effect, reaffirming the pragmatism of its policy toward Portugal. Despite the downturn in the prospects of the Portuguese Communists, the Soviets want to maintain friendly ties with Lisbon. It will be interesting to see whether General Secretary Brezhnev, in view of his recent association with a hard line on Portugal, will meet Costa Gomes and Antunes.

The subject of economic assistance will undoubtedly arise during the visit. The Soviets have publicly noted Portugal's economic problems and have accused the West of virtually imposing an economic boycott on the country. Foreign Minister Gromyko mentioned Portugal's economic problems in his speech to the UN General Assembly yesterday, and Moscow may feel obliged to make some gesture of assistance to Lisbon.

Little of substance is likely to come out of the talks in Warsaw. Since January, the two governments have signed separate commercial and shipbuilding accords and a five-year agreement on economic cooperation. SYRIA-ISRAEL

FOR THE PRESIDENT ONLY

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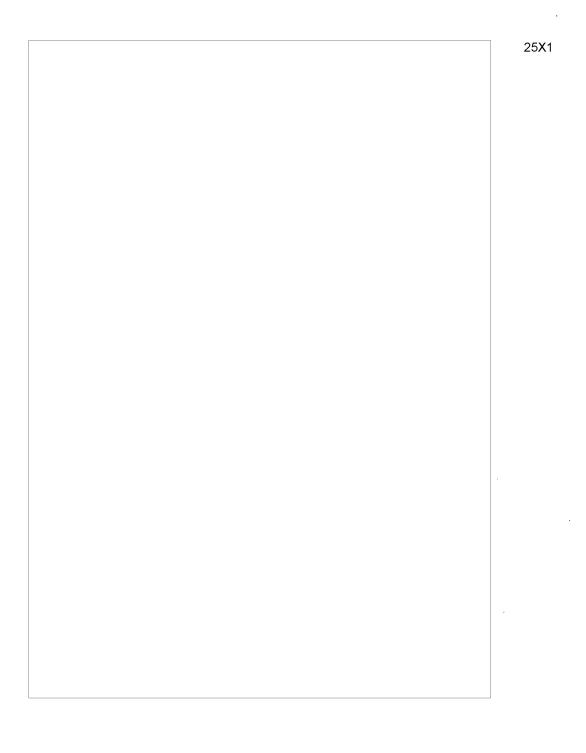
OPEC

The OPEC oil ministers meeting, which opens today in Vienna, could promote moderation and conciliation toward the Western consuming nations.

The interim agreement between Egypt and Israel arranged since the last OPEC ministerial meeting in June, while not giving the Arabs everything they wanted, is at least perceived as a positive step toward meeting Arab demands. Concessions by the West on issues raised in March at the first preparatory conference of oil consumers and producers should also mollify most OPEC states. In addition, conciliatory proposals made at the UN Special Session on developing country problems have lessened the atmosphere of confrontation that has marked past sessions on similar topics. Even Algeria, usually the loudest voice demanding "justice," was muted if not constructive.

The fragile state of the world economy has impressed several of the cartel members who think that an increase now in the price of oil--greater than 15 percent--would undermine Western economic recovery. They contend that an aborted recovery would continue to depress demand for OPEC oil and heighten problems several members have had adjusting their production. Most of the members feel an increase of 5-10 percent at this time, perhaps followed by another rise in January, would not substantially slow the Western recovery.

The OPEC states are generally aware that something must be done to help the poorer countries if OPEC is to retain their support. The oil importing developing countries argue that unless they receive additional economic assistance, price hikes by OPEC will retard further their lagging economic development. As a result, OPEC will probably couple its small price increase with an ostensibly generous aid package.



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The government of Panama apparently did not sponsor the student attacks on the US embassy yesterday, but General Torrijos will use them to buttress his contention that popular patience with the treaty talks is wearing thin.

Torrijos and his chief lieutenants probably still believe they can control the tempo of student protests but further demonstrations, possibly with government connivance, are likely. Torrijos made an unscheduled trip to Bogota Monday to see Colombian President Lopez on the eve of Lopez' trip to the US, presumably to ask the Colombian to put in a word for Panama in Washington. Torrijos hopes it will help get US concessions if Latin American leaders make demarches stressing the need for a new canal treaty to avoid a popular explosion and a souring of US - Latin American relations.

Soviets Somalia 25X1

The US embassy in Laos may be the target of demonstrations this week.

Former embassy guards are threatening to appear at the embassy gates tomorrow to demand additional severance pay. Their number could be augmented by Pathet Lao sympathizers. Communist-inspired harassment of the embassy stopped in late June, but the attitude of the Lao government toward continued relations with the US has been somewhat ambiguous. A major demonstration would suggest that the communists are intent on further moves against the remaining US presence.

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