



The President's Daily Brief

September 27, 1975

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FOR THE PRESIDENT ONLY

September 27, 1975

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LEBANON

The fragile truce in Beirut appeared to be holding yesterday, but last night scattered shooting broke out in the eastern suburbs. Our embassy in Beirut believes there is only a 50-percent chance the cease-fire will last.

War weariness and ammunition shortages on both sides have helped hold down the fighting. The key calming factor, however, has been the convening of the national reconciliation committee. So far, the committee has achieved very little, as neither the Christians nor the Muslims have shown a willingness to compromise. A major breakdown of the cease-fire before the committee's next meeting on Monday probably would wreck the reconciliation effort and could lead to full-scale civil war.

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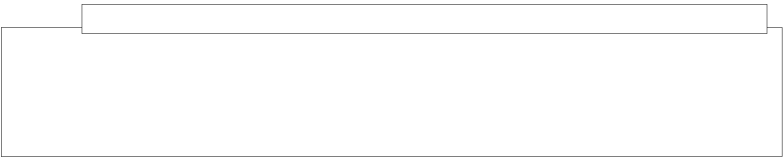
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PORTUGAL

The country's new anti-communist leaders have set up a "military intervention group" in an effort to restore military discipline and put an end to leftist soldiers' defiance of the new government.

The group, which will be headed by an army general who will report directly to President Costa Gomes, was formed by the Revolutionary Council, presumably to put down communist and extreme-leftist demonstrations like the one on Thursday that was led by leftist soldiers. The relationship between the group and the present internal security command--led by General Carvalho--is not clear, but its establishment appears to be a direct slap at Carvalho, whose extreme leftist political views are out of step with the anti-communist majority in the Revolutionary Council. Carvalho's command is badly fragmented politically, and the Council probably feels it cannot be relied upon.

Carvalho's membership in the Council itself could be in jeopardy because he occupies a position reserved for the security forces chief. Army chief Fabiao also may be the target of the Council's action because he has called for military discipline but has failed to enforce it among his troops.



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CUBA

Some Cuban officials have defined US demands for compensation as the most contentious of the negotiable issues between Washington and Havana.

These officials view the US and Cuban claims as political problems that involve matters of principle on both sides and therefore see the solution as some sort of a "formula" allowing both sides to save face. Fidel Castro reportedly has suggested as one possibility scaling Cuban demands for reparations to match US demands for compensation, so that no actual payment would be required by either side.

The Cubans believe that agreement on the Guantanamo naval base will not be difficult because both sides recognize that its strategic importance is minimal. They claim Cuba is interested in its commercial potential, not its military value, which suggests that they may be amenable to some type of agreement prohibiting the military use of the base by a foreign power. They say that Cuba wants the US to evacuate the base eventually, but has set no particular timetable for our departure.

Havana's leading proponent of reconciliation with the US [redacted] is worried that Cuba's activities on behalf of Puerto Rican independence have damaged prospects for a normalization of relations. [redacted] admits to having underestimated US sensitivity on the subject but alleges that Cuba served as a restraining influence at the Puerto Rican solidarity conference in Havana in early September by rejecting a motion to create a permanent organization for coordinating pro-independence activities.

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[redacted] it is probably true that Havana, [redacted] changed its mind about creating a permanent coordinating body, presumably after learning of the strong diplomatic representations made by the US to Cuba's supporters in the UN. This indicates that Havana is indeed willing to temper, at least temporarily, its activities on behalf of Puerto Rican independence in order to avoid torpedoing altogether chances for a Cuban-US reconciliation.

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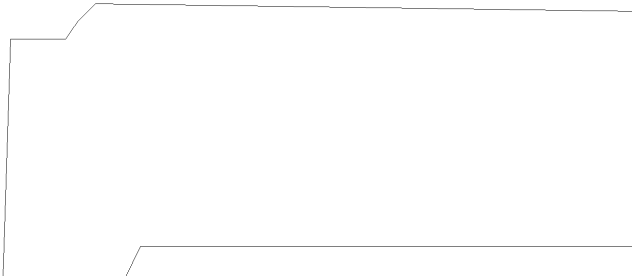
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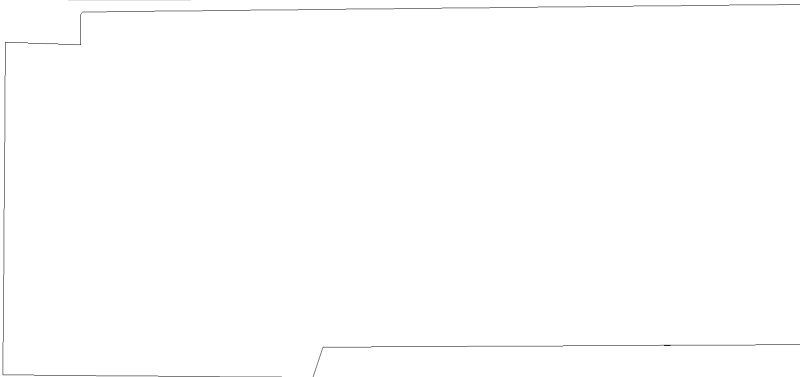
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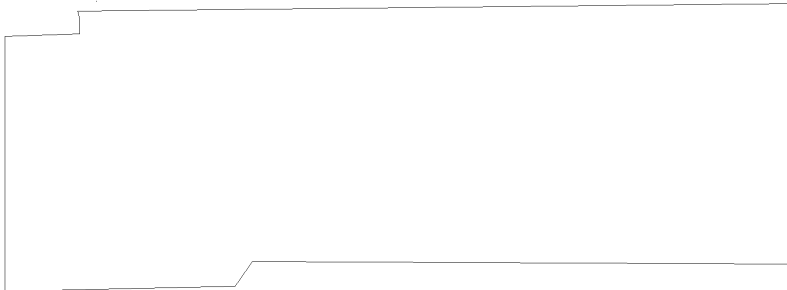
JAPAN



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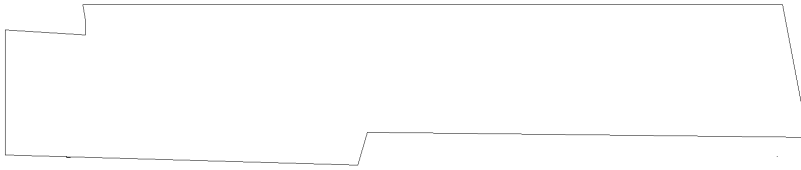


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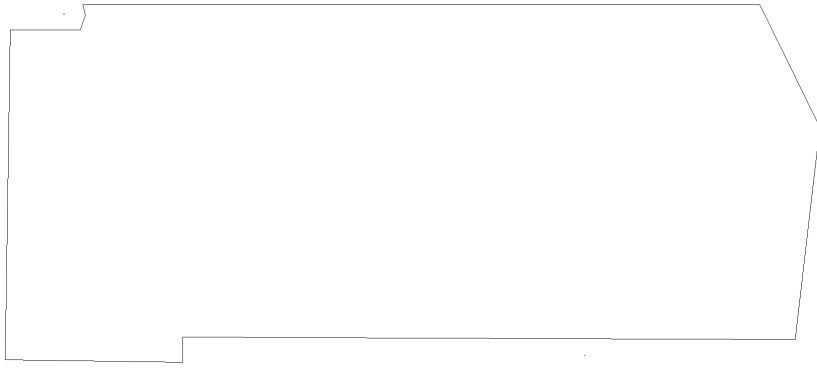


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OIL

Members of the Organization of Petroleum Exporting Countries failed again yesterday to reach agreement on the size of the price increase. They will attempt to break the impasse today.

Saudi Oil Minister Yamani is apparently maintaining his opposition to any increase larger than 5 percent on October 1, and an additional 5 percent in January. Most other OPEC states--led by Iran--are still pressing for at least a 15-percent price increase.



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NOTES

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South Africa	
	Angola

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Soviet General Secretary Brezhnev appeared rested, relaxed, and relatively energetic during his meeting Monday with the Apollo-Soyuz crews, according to our embassy in Moscow.

Brezhnev's comments were made extemporaneously, without hesitation or searching for words, and his enunciation was considerably better than has recently been observed. He did not appear to be tiring during the 35-minute meeting. One of the purposes of Brezhnev's appearance may have been to demonstrate that he is in good health and is capable of vigorous leadership.

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The only concrete result thus far of North Vietnamese party chief Le Duan's visit to China is a terse announcement on Chinese economic assistance.

The talks may have encountered difficulties inasmuch as, in contrast with normal practice, neither side has yet issued a communiqué on the visit. The agreements signed on Thursday call for an interest-free loan and a supply of "general commodities" to North Vietnam in 1976. The reference to an interest-free loan is new and suggests that Peking has altered its view of economic aid responsibilities to Hanoi, and feels itself less obligated to provide grant aid.

* * *

The annual council meeting of the Southeast Asia Treaty Organization this week decided to phase out the organization over the next two years.

It was implicitly agreed that the Manila Pact, the legal underpinning of the organization, would remain in force in response to Thai desires. The Philippines did not press its proposal to terminate the pact along with SEATO.

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