

✓



The President's Daily Brief

December 8, 1975

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

December 8, 1975

Table of Contents

Indonesia - Portuguese Timor: Indonesian troops
have captured Dili, the capital of Portuguese
Timor [redacted]
(Page 1)

25X1

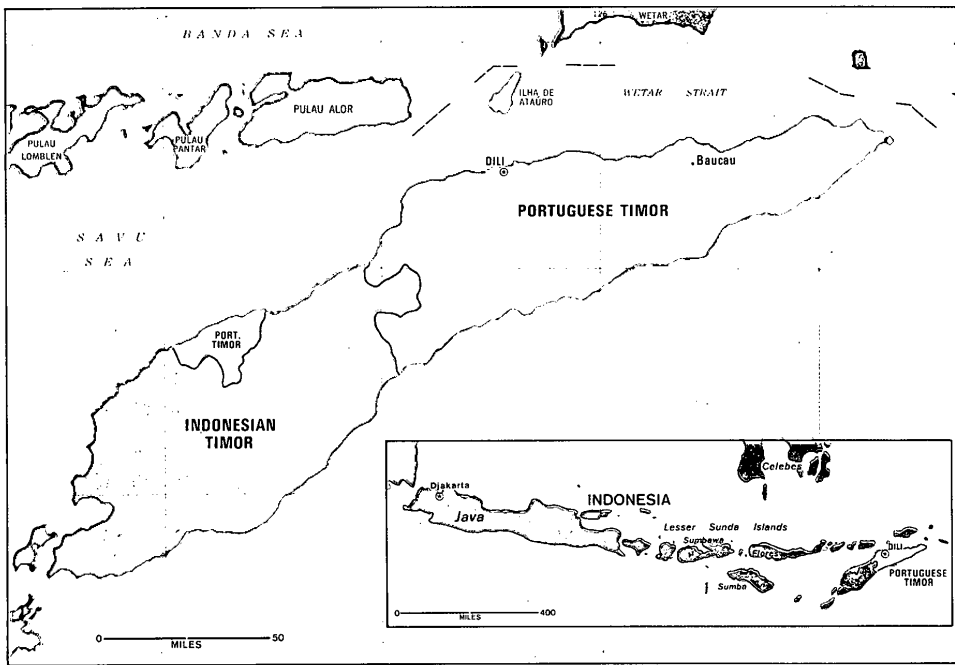
Portugal: The centrist Popular Democratic Party
has averted a showdown over Communist partici-
pation in the government. (Page 2)

Spain: Prime Minister Arias is moving toward re-
organization of the government. (Page 3)

Notes: Israel; Netherlands-Indonesia (Page 4)

At Annex we present a memorandum on the Prospects
for Peace in Lebanon.

FOR THE PRESIDENT ONLY

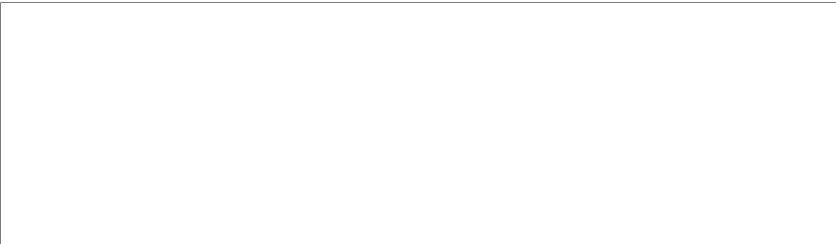


558918 12-75

INDONESIA - PORTUGUESE TIMOR

Indonesian troops have captured Dili, the capital of Portuguese Timor. Yesterday, marines and airborne troops equipped with US weapons mounted a full-scale attack against the city following a naval bombardment. The units met little resistance from Fretilin, the group that had declared Timor independent.

Fretilin troops fled the city before the attack. In anticipation of the fall of the city, several weeks ago they began moving their supplies and ammunition into the mountains from where they plan to wage guerrilla war against the Indonesians.



25X1

Jakarta, meanwhile, is attempting to portray its invasion in the best possible light. Foreign Minister Malik told reporters yesterday that Indonesian "volunteers" had landed in Timor after Dili had fallen to indigenous anti-Fretilin forces, and in response to a request from these forces for assistance.

Malik denied that Indonesian forces were involved in any heavy fighting or that they had bombarded or carried out an air attack. He indicated that a delegation representing the four pro-Indonesian Timorese parties soon would depart for the UN to lobby for approval of the absorption of East Timor by Indonesia.

Portugal has broken relations with Indonesia because of the invasion. Lisbon will ask the UN Security Council to order Jakarta to cease military operations.

PORTUGAL

The centrist Popular Democratic Party has dropped its inflexible stand against Communist participation in the government, averting a showdown over the issue.

At a national congress over the weekend, Popular Democratic delegates voted to allow the party to continue to participate with the Communists in the government under certain conditions.

Many of the conditions either have already been met or could be met by the government without extreme difficulty.

Popular Democratic leaders backed away from a conflict with the Antunes faction and the Socialists over the Communist issue. The final resolution may have been a compromise to avoid splitting the conservative and leftist wings of the party.

Party Secretary General Francisco Sa Carneiro had been calling for the ouster of the Communists for weeks because of their efforts to undermine the government.

Communist Party leader Alvaro Cunhal, meanwhile, told 20,000 supporters in Lisbon yesterday that the party had not withdrawn from the government because such a move would only strengthen the rightists. He said a new threat from the right must be overcome by changing the policies of the Socialists and the ruling faction in the Armed Forces Movement.

Cunhal told the rally--the Communists' first since the coup attempt of November 25-26--that the rebellion had been "disastrous," and he placed the blame on the far left. He said a bloody rout of the workers had been narrowly avoided when the Communists failed to support the uprising.

SPAIN

Prime Minister Arias is taking steps to begin reorganizing the government after agreeing on Friday to King Juan Carlos' request to remain in office.

Arias and members of his cabinet reportedly have readied a decree authorizing the Prime Minister to carry out the reorganization without seeking approval of the rightist-dominated parliament. Formal announcement of the decree apparently will be held up until Arias can announce his new cabinet. The delay suggests Arias is meeting resistance to some of his plans.

Two Communist-led anti-regime demonstrations in Madrid over the weekend brought a stern police crackdown. The police reaction will make it difficult for the King to project a liberal image of his government. The demonstrations will also arouse concern on the right and complicate Arias' efforts to bring men favoring political liberalization into the new cabinet.

NOTES

Israel's approval of four new settlements in the Golan Heights is an answer to recent UN Security Council actions.

Our embassy in Tel Aviv reports that the new communities will be of a paramilitary nature and will be established between two existing fortified settlements in order to close a "security gap" used by fedayeen infiltrators. Israeli press reports indicate that the new settlements may be ready for occupancy within two weeks. Syria will view the developments as further evidence of Israel's intention to retain control of the Heights. Israelis who are pushing for more settlements in the occupied territories will be encouraged to press their demands all the harder.

* * *

The young men holding hostages on a Dutch train and at the Indonesian consulate in Amsterdam are not representative of the 35,000 Moluccans living in the Netherlands.

Refugees from an unsuccessful South Moluccan revolt against Indonesia in 1950 formed the nucleus of the expatriate colony in the Netherlands. Most of the Moluccans have long since abandoned dreams of independence, and many would like to return to the islands. The Hague and Jakarta have had such a move under discussion for some time. The terrorists probably have never seen the South Moluccas and do not speak for those now living there.

FOR THE PRESIDENT ONLY

A
Z
Z
E
X

PROSPECTS FOR PEACE IN LEBANON

Lebanon's principal Christian and Muslim political leaders over the last two weeks have shown some willingness to negotiate their political differences. This change of positions--although qualified and probably only temporary--may allow Prime Minister Karami to enlarge his cabinet to include representatives of important groups across the political and religious spectrum, and subsequently to begin consideration of specific political reforms.

Renewed tensions in Beirut over the weekend and the possibility that the cease-fire again might collapse will make Karami's task more difficult. The Prime Minister, however, almost certainly will persist in his efforts which, if successful, provide some hope for progress toward ending the civil strife. The cabinet and parliament will resist any changes that would end Christian political dominance, but they may agree on modest reforms to keep the fighting at a low level at least until the parliamentary elections next April.

Franjiyah's Outlook

President Franjiyah, after months of silence and political passivity, expressed on November 26 a willingness to have the government consider any "well-studied plan" for political, social, or economic reforms. On November 29, he joined with Karami in appealing for an end to the fighting in Beirut, and in endorsing--albeit in the most general terms--a government program of political reform. Because Franjiyah and Karami are the country's leading Christian and Muslim politicians, their reconciliation created hope among many Lebanese that the fighting can at least temporarily be ended.

(continued)

A1

FOR THE PRESIDENT ONLY

Franjyah's conciliatory public position presumably is designed to placate the many mediators who have appealed to him to be, or at least to appear, more cooperative. Such advice has come from French emissary Couve de Murville, Vatican envoy Cardinal Bertoli, Western and Arab diplomats in Beirut, and a number of Lebanese politicians.

In addition, Franjyah has been urged by representatives of the right-wing Phalanges Party and Christian officers of the Lebanese army to be more assertive so he can resist basic political changes, or at least use his office to assure that changes come in the areas least objectionable to the Christian community.

The President recently has agreed to allow his personal representative to engage in private talks with the Palestine Liberation Organization. In the past, Franjyah and other Christian politicians have generally preferred to deal with the Palestinians through intermediaries. This shift reflects partly recognition that the PLO chief, Yasir Arafat, is now a major force in Lebanese politics, and partly an effort to undermine the uneasy alliance between the Palestinians and the Lebanese radical left.

Franjyah so far has not mentioned any specific reform that he would support, and his tactics suggest that he is not prepared to change the essentials of Christian policy. Above all, he will insist that a Christian retain the presidency and that the strength of the office not be undercut by a formal transfer of powers to the prime minister. Franjyah may, however, be prepared to:

- Allow informally greater prerogatives to the prime minister.
- Equalize Christian and Muslim representation in parliament and the civil service.
- Establish a joint Christian/Muslim command of the Lebanese army.

Other Christian Leaders

Leaders of the Phalanges Party, which has the largest Christian militia, are showing some willingness to compromise. Party leader Pierre Jumayyil

(continued)

A2

FOR THE PRESIDENT ONLY

was in Damascus this weekend for consultations with President Asad, and Phalangist representatives have for the past few weeks been negotiating with leaders of Fatah, the largest fedayeen group. The Palestinians and several mediators are optimistic that the Phalangists will consider limited economic and political reforms.

Jumayyil's willingness to enter negotiations is prompted by the restraint shown by the major fedayeen groups during the fighting in Lebanon this year. If the Palestinians respect the existing agreements outlining their rights and responsibilities in Lebanon--the Cairo Agreement of 1969 and the Melkart Agreement of 1973--and limit their assistance to or help control the radical Lebanese leftist groups, the Phalangists may make concessions to Lebanon's traditional Muslim leaders.

If the main fedayeen groups revert to obstructionist policies, however, or demand that the Christians negotiate with or make changes that would directly benefit the Lebanese far left, the Phalangists will no longer bargain seriously.

The Phalangists, like the other Christian groups, are pessimistic that the Palestinians or the Muslims will temper their political demands to allow agreement on fundamental issues. Party leaders, nevertheless, have an interest in keeping negotiations alive; talks of any kind buy time to rearm and allow the Christians to contend that they are heeding the advice of mediators who have counseled a conciliatory attitude.

The Phalangists' concessions and demands in future negotiations are likely to grow out of a statement of policy issued last August. The party at that time called for more vigorous action by government security forces to restore order and defend Lebanon's 30-year-old National Covenant as a "unique and model formula."

It asked that the PLO honor its agreements with Lebanon and refuse to "be used" by those seeking to overturn Lebanon's system of power-sharing between Christians and Muslims. The Phalangists, however, also called for government sponsorship of social and economic reform, reiterated their backing

(continued)

A3

FOR THE PRESIDENT ONLY

for the PLO as the "sole legitimate representative" of the Palestinian people, and took care to avoid a flat rejection of change in the country's constitution.

The head of Lebanon's predominantly Christian National Liberal Party, Camille Shamun, has until recently appeared to be the Christian leader least interested in serious political negotiations with the Muslims or the Palestinians. His hard line has been designed primarily to check the erosion of support among right-wing Christians that followed the more cooperative stand he adopted when he joined Karami's "national salvation cabinet" last summer.

At that time, the Phalangists and ultra-conservative Maronite groups were competing to be the most ardent defender of Christian interests. When continued heavy fighting and growing political pressures later forced the Phalangists to soften their position, Shamun's National Liberal Party still moved toward a more intransigent stand. The National Liberal's militia played a central role in the fighting last month.

Stone-walling

Shamun's obstinacy resulted in an almost complete lack of progress in his group's private talks with the Palestinians. The National Liberal strategy was to resist making concessions that would weaken the Christian hold of the government and control over internal security. This was in keeping with the long-time policy of Shamun's party, which since its formation in 1958 has been the most extreme of the Maronite groups in opposing the growth of Arab nationalism in Lebanon.

Despite his propensity to take arbitrary actions in the interest of his political position, Shamun is interested in coordinating his tactics with the other Christians. Accordingly, last Thursday, he proposed that he, as interior minister, should serve with Arafat as co-chairman of a new committee formed to facilitate talks on coexistence between the Lebanese and Palestinians.



25X1
25X1

(continued)

A4

FOR THE PRESIDENT ONLY

25X1

Even the arch-conservative Christian groups-- the Order of Maronite Monks and the Maronite League-- may be tempering their opposition to political change with realism. There is no chance these groups will support political change, but if they reduce their opposition, conservative Christians like Franjiyah would have more freedom to negotiate.

Leaders of the arch-conservative groups apparently were advised by Cardinal Bertoli last month to back away from the hard-line paper they had published in mid-October. That statement had, in effect, called on the President to dismiss Karami, call in the army to stop the fighting, and shelve proposals for political reform until the Palestinian problem had been solved.

Maronite Patriarch Antonios Khreish, who is in Rome for consultations with the Vatican, is much more temperate than the extremist leaders. He strongly advocates social reform, and recognizes that Muslims must be given assurances that predominant Maronite political power is a thing of the past.

Nevertheless, neither he nor leaders of the Christian militias have been willing to criticize the extremists in the absence of evidence that Christian concessions would bring a dependable peace. The arch-conservative Christian groups are influential far beyond their small size; they have close ties to Franjiyah, and have long provided heavy political, financial, and military aid to the Christian militias.

The Muslim Stand

Muslim leaders have not reduced their demands in any way likely to elicit concessions from the Christians. In fact, the traditional Muslim politicians--Karami in Tripoli and Saib Salam in Beirut-- have lost considerable support to the Muslim far left, and are under increasing pressure to move toward more radical positions. According to some

(continued)

A5

FOR THE PRESIDENT ONLY

accounts, these long-time political leaders might even lose their parliamentary seats to [redacted] Muslim radicals, like Faruq Muqaddam in Tripoli, and Ibrahim Qulaylat in Beirut.

25X1

25X1

Despite his apprehension about his eroding power base, and his inability to compromise basic Muslim interests, Karami has been taking steps toward a political settlement. He has endured attacks from several quarters after saying that he aims only to reinterpret--rather than amend--the National Covenant. In addition, he has indicated that he would accept changes less sweeping than those presented by the dialogue committee.

Karami is presently attempting to enlarge his cabinet to include all major political factions, a move that will effectively move consideration of political reforms from the dialogue committee, where the leftists are over-represented, to the cabinet. The Prime Minister has much greater control over the cabinet than over the committee, and will be able to ensure that any move toward reform is worked out beforehand by himself and Franjiyah.

Karami has sought to avoid antagonizing either the Muslims or the Christians by speaking of reform only in general terms. The nearest he has come to making specific proposals was on November 15, when he elicited agreement from the cabinet that he and Franjiyah should come up with specific ways to ensure Muslim and Christian equality in parliament and the civil service, limit unemployment, and stimulate the economy.

Such goals are in line with Karami's earlier recommendations to the government and his past expressions of personal aims. In two major policy speeches he made soon after becoming Prime Minister, Karami advocated comprehensive economic reforms--they would concentrate on housing and assistance to the poor of Beirut--and the need to abandon the system of religious balance on which the country's National Covenant is based.

Karami has emphasized the need for a greater Muslim role in the command of the army, and declared in late July--primarily for political effect--that he considers himself, a Muslim, a candidate for the presidency next year.

(continued)

A6

FOR THE PRESIDENT ONLY

Libyan Puppet

The religious head of the Sunni Muslim community, Sheikh Hassan Khaled, is much more intransigent than any major Muslim political leader. Couve found that only Khaled insisted that the Muslims secure the presidency in any political settlement of the Lebanese crisis. Khaled

25X1

is likely for the short term to remain a Libyan puppet; he will not soften his stand.

Imam Musa Sadr, head of the Shia Muslims, has played a generally constructive role in working toward civil peace. Although he receives some help from Libya, he is backed primarily by the major fed-ayeen groups and by Syria. His militia plays only a small role in the fighting.

The spokesman for Lebanon's leftist groups, Druze leader Kamal Jumblatt, is much less flexible than the Muslim politicians. For the moment, at least, he is holding to a demand that some economic and political reforms be enacted before he joins an expanded government under Karami. This requirement probably is only part of a tough bargaining position designed to secure heavy Muslim representation in a new cabinet and promises from the Christians that the expanded group will move quickly to implement meaningful reforms.

Jumblatt's limitless ambition--he would like the system altered so that he, a Druze, could become president or prime minister--impels him to drive a hard bargain, but also induces in him some sense of realism that in the end probably will prompt him to take what he can. Jumblatt has been pushed toward accepting a compromise by Palestinian leaders and the Syrians, from whom his militia receives arms and training. He presumably received the same message from conservative Arab leaders during his recent tour of Gulf states, and from some moderate Lebanese Muslim politicians.

Jumblatt almost certainly will not hold out long against such pressure

25X1

(continued)

A7

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

Despite his politically motivated attacks on Karami, Lebanese Christians, and the US, Jumblatt promotes a relatively moderate reform program. His party's platform calls for extensive education and social welfare programs, a merit system in the civil service, proportional representation in parliament, an independent judiciary, electoral reform, and some reduction in the powers of the president. Jumblatt prefers that all reform proposals be debated by the dialogue committee, where he and his leftist colleagues are more heavily represented than they have been in any recent cabinet.

Views from Outside

Many foreign governments and the PLO are trying to facilitate a negotiated settlement in Lebanon. France, the Vatican, Egypt, Saudi Arabia, and several Western governments have urged the warring parties to compromise.

The Syrians, while deeply involved in the situation, have generally worked toward ending the fighting. Israel, another concerned party, supports the Christian cause against the Muslims, but for the most part has played only a peripheral role in the dispute over Lebanon's system of government.

Only Libya and Iraq are heavily involved in Lebanon's domestic problems in ways that perpetuate the fighting.

Should the Lebanese fail in their current efforts to find a political solution and heavy fighting resumes, the chances will increase that foreign powers--especially Syria and Israel--will be drawn into the conflict. This, in turn, could spark wider hostilities in the Middle East.

FOR THE PRESIDENT ONLY

Top Secret