

The President's Daily Brief

January 2, 1976

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USSR

Pravda on New Year's Day published an authoritative statement on strategic arms limitations that reaffirms Soviet interest in a new agreement. The article was signed "Observer," indicating Kremlin endorsement.

None of the issues currently under discussion is addressed. Instead, the article lashes out by name against US citizens who have charged the USSR with failure to comply with existing strategic arms limitations agreements. It accuses such people of trying to frustrate US-Soviet detente for "various selfish political aims." It labels as "concoctions" allegations that the USSR has exceeded limits on ballistic-missile launchers or is seeking to interfere with technical means of verification. The article cites statements by President Ford, secretaries Kissinger and Rumsfeld, and former secretary Schlesinger to the effect that Moscow is not in violation of existing agreements.

Pravda does acknowledge that "certain questions" may arise regarding fulfillment of strategic arms limitations and states that such issues must be resolved by the standing consultative commission. To show that not all ambiguities concerning adherence are of Soviet making, the article notes some of the USSR's questions regarding US compliance with strategic arms limitations agreements have not been "fully eliminated." It does not, however, accuse the US of violating any agreement.

The discussion of compliance is unusual and appears intended to channel complaints into established forums. It is also a sign that such complaints will not interfere with the business of negotiating a new agreement. The article puts the Soviets on record as being ready for a new accord, but it gives no hint whether Moscow will modify its negotiating positions in order to bring about another agreement.

CUBA

The political composition of Cuba's leadership remains basically unchanged following the Communist Party Congress last week. Fidel Castro clearly still looks to his former guerrilla comrades as his primary source of support. Castro concluded the final congress session by voicing strong support for the Popular Movement for the Liberation of Angola and warned against US intervention.

Although 13 members of the Central Committee were removed and 35 others added, more than two thirds of the group still comes from the "guerrilla elite"--those among the leadership who fought under Castro during the revolution in the late 1950s or joined forces with him shortly thereafter. Most have a military background; some are currently in the military or security services and others have retired from the military establishment to assume high political or administrative posts.

Castro justified support for the Popular Movement as a reaction to attempts by "the imperialists" and South Africa to "devour" Angola. Responding to foreign criticism, Castro emphasized that Cuba defends Angola "as a result of our principles, our ideology, our convictions, and our blood." He tried to discourage US intervention in the war by saying that it would be a mistake for the US to associate itself with the South Africans. He argued that the Popular Movement has guaranteed the security of US citizens and petroleum installations.

Cuba's involvement in Angola has drawn a mixed reaction in Latin America. Leftist governments are giving mild support to the Popular Movement. Some moderate governments, like those of Colombia and Venezuela, which have recently normalized relations with Cuba, have found the Cuban actions somewhat embarrassing. Right-wing governments, like those in Chile and Uruguay, have responded with predictable denunciations of Havana.

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The Venezuelan government is following the Angola situation closely. Officials in Caracas are said to feel that US prestige requires a firm stand to prevent the fall of Angola into the Soviet camp. Elsewhere, the Brazilian Foreign Ministry has been under strong attack in the press for its quick recognition of the Popular Movement. The ministry has been forced to deny that President Geisel was displeased over the handling of Angolan policy.

The departure of the Brazilian special representative from Luanda--officially for reasons of health--has fueled speculation, however, that Geisel is reconsidering Brazil's position on Angola. The press continues to intimate that Foreign Minister Silveira is in trouble with the President over Angola, and there are signs that influential military conservatives also are displeased.

Guyana seems inclined to recognize the Popular Movement, but may wait to follow the lead of the Organization of African Unity. Two Cuban airlift flights have transited Guyana, but Prime Minister Burnham's government apparently has not made a firm decision on whether to allow the flights to continue. The Prime Minister now appears to be wavering, however, under pressure from the Cubans and representatives of the Popular Movement who were recently in Georgetown.

* * *

Cuba will soon call up 3,000 military reservists for 18 months to replace troops now in Angola, The length of the call-up underscores that Havana is prepared for a long-term involvement in Angola.

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ITALY

Socialist Party leader De Martino has threatened to withdraw Socialist parliamentary support from the Moro government next week--a move that would lead to the collapse of the government and possibly to early parliamentary elections. A final decision may be made at the Socialist directorate meeting next Wednesday.

De Martino's position until now had been that no decision should be made on continued support for Moro until after the Socialist Party congress in February. Several factors, however, probably encouraged him to take a harder line. His rivals in the party maintain that continued support for Moro limits the Socialists' ability to compete with the Communists in the next elections. This view seems to be gaining support and this worries De Martino. The Socialists have found themselves increasingly isolated in parliament on issues important to their constituency, such as the medium-term economic plan and legalized abortion.

If the Socialists follow through on their threat, the ensuing government crisis is likely to be one of the most difficult and protracted of the postwar period. The Christian Democrats cannot form a workable non-Communist government without Socialist cooperation. The Socialists, however, are not likely to cooperate unless some formula can be found that increases Socialist influence in the government substantially, or associates the Communists with the government in some way short of actual participation in the cabinet. The Socialists believe that they cannot compete with the Communists at the polls unless the latter are forced to take some responsibility for government actions.

Such a formula would likely prove elusive because the Christian Democrats, who are preparing for a party congress in March, remain deeply divided over how to respond to Socialist demands. The collapse of the Moro government in present circumstances would, thus, increase the possibility of the parties resorting to early parliamentary elections in an effort to break the deadlock. Some Socialist leaders favor that alternative since they feel their party stands to gain more if the elections are held next spring instead of in May 1977, as now scheduled.

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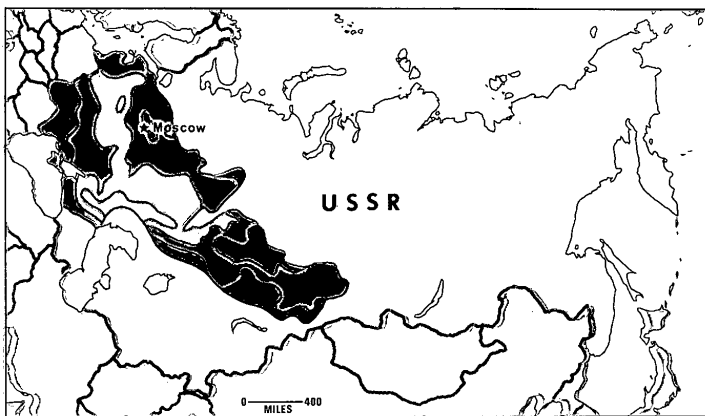
USSR

Snow Cover Protection Against Winterkill, Mid-December 1975



■ Adequate (More than 8") ■ Borderline (3"-8") □ Inadequate (Less than 3")

Percentage of Normal Soil Moisture, 1 December 1975



■ Greater than 100% ■ 50-100% □ 25-50% □ Less than 25%

NOTES

Below-normal temperatures and inadequate snow cover are seriously jeopardizing the USSR's fall-sown grain crops. The prospect of extensive winterkill is heightened because the seedlings entered winter dormancy weakened by drought.

If heavy snowfalls do not occur soon, cold temperatures could kill up to one third of the crop. The low levels of soil moisture also will inhibit the growth of spring grains planted to replace winter-killed plants. Moreover, similarly low soil-moisture reserves in several major spring grain areas are a harbinger of poor sowing conditions this May. The scars of this year's drought have not healed in the Urals and surrounding regions, and considerable above-normal precipitation will be essential for average or better yields.

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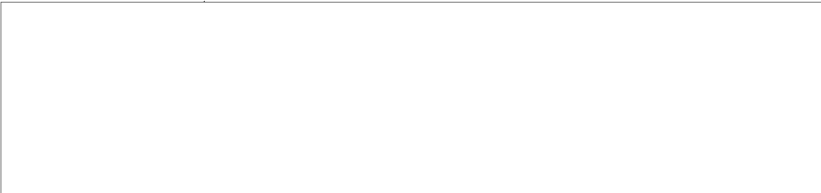
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Continued large hard-currency trade deficits are causing the Soviets to rely more heavily on Western government-backed credits. In recent weeks they have approached the French, Italians, and Canadians for further credits, even though the major share of the \$4.2 billion in general-purpose credit lines already granted by these countries remains unused.

Moscow has warned US officials, however, that the lack of Eximbank credits is causing the US to lose a substantial amount of Soviet business. The Soviets have said that, despite their preference for US equipment, the lack of these credits will force them to divert purchases to foreign subsidiaries of US firms or West European and Japanese companies. While these statements are designed to highlight the adverse effects of a lack of Eximbank financing, the USSR's shortage of hard currency and growing debt service will force it to secure the best credit terms available at the expense of US purchases.

* * *

The USSR is embarked on a diplomatic and propaganda campaign to influence next week's emergency summit meeting of the Organization of African Unity to adopt positions favorable to the Popular Movement for the Liberation of Angola.



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The Soviets also are throwing cold water on the notion of a unity government in Luanda. A recent *Izvestia* article labeled such proposals as "senseless," saying that the Popular Movement cannot align itself with groups that rely on South African support.

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