



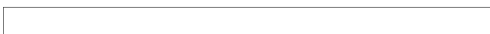
# The President's Daily Brief

*June 18, 1976*

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**FOR THE PRESIDENT ONLY**

*LEBANON: The suspected assassins of Ambassador Meloy and Counselor Waring have been arrested, presumably by Palestinian security forces, according to an announcement issued by the joint leadership of the major Palestinian and Lebanese leftist groups.*

The statement did not identify the killers but said they would be turned over to the joint Arab security force that the Arab League decided to create to help police a cease-fire in Lebanon.

Several reports have suggested that the assassins may have been members of the extreme leftist Lebanese Revolutionary Socialist Organization. We believe this group has worked with the radical fedayeen Popular Front for the Liberation of Palestine and with small Lebanese communist groups in mounting criminal and terrorist operations.

These groups have on several occasions attacked US installations and personnel in Beirut and Damascus. They are rabid opponents of Syria, and they operate outside the control and often against the interests of the major Palestinian and leftist organizations.

Because these extremists are at odds with Palestinian and leftist groups willing to negotiate a settlement of the Lebanese crisis, they are eager to derail even the limited progress that has been made toward ending the current Palestinian-Syrian confrontation.

*Syrian Chief of Staff Shihabi recently expressed confidence in Syria's control over the military situation.*

He confirmed to US officials that Syrian troops have secured virtually the entire Bekaa Valley, and that Syrian and Christian forces have surrounded Tripoli. The Syrian blockade of Sidon is apparently not complete, but Syrian troops can interdict movement in the port and control traffic along the coastal road. Shihabi said there are no plans to move any closer to Beirut.

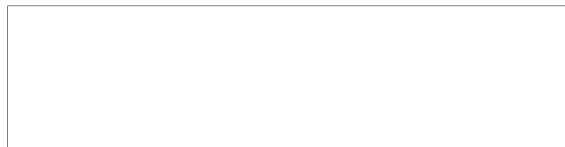
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*We have no clear reading on the intentions of the Palestinians and left-ists.*

Yasir Arafat has not been in Lebanon since late May. He is seeking aid from a number of Arab governments and will probably not decide on further moves until he determines the amount of outside assistance he can muster. His subordinates have been generally more eager than he to confront the Syrians.

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*The Arab League has reached no decisions on the composition, mission, and command structure of the proposed security force*



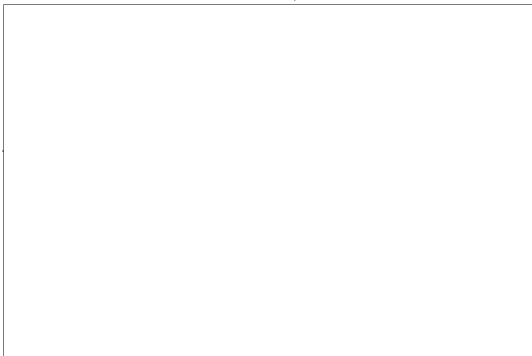
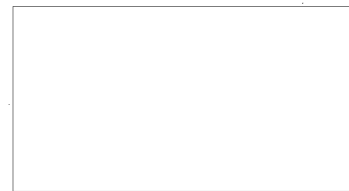
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*IRAQ-SYRIA: Baghdad continues to move forces to the western part of the country.*

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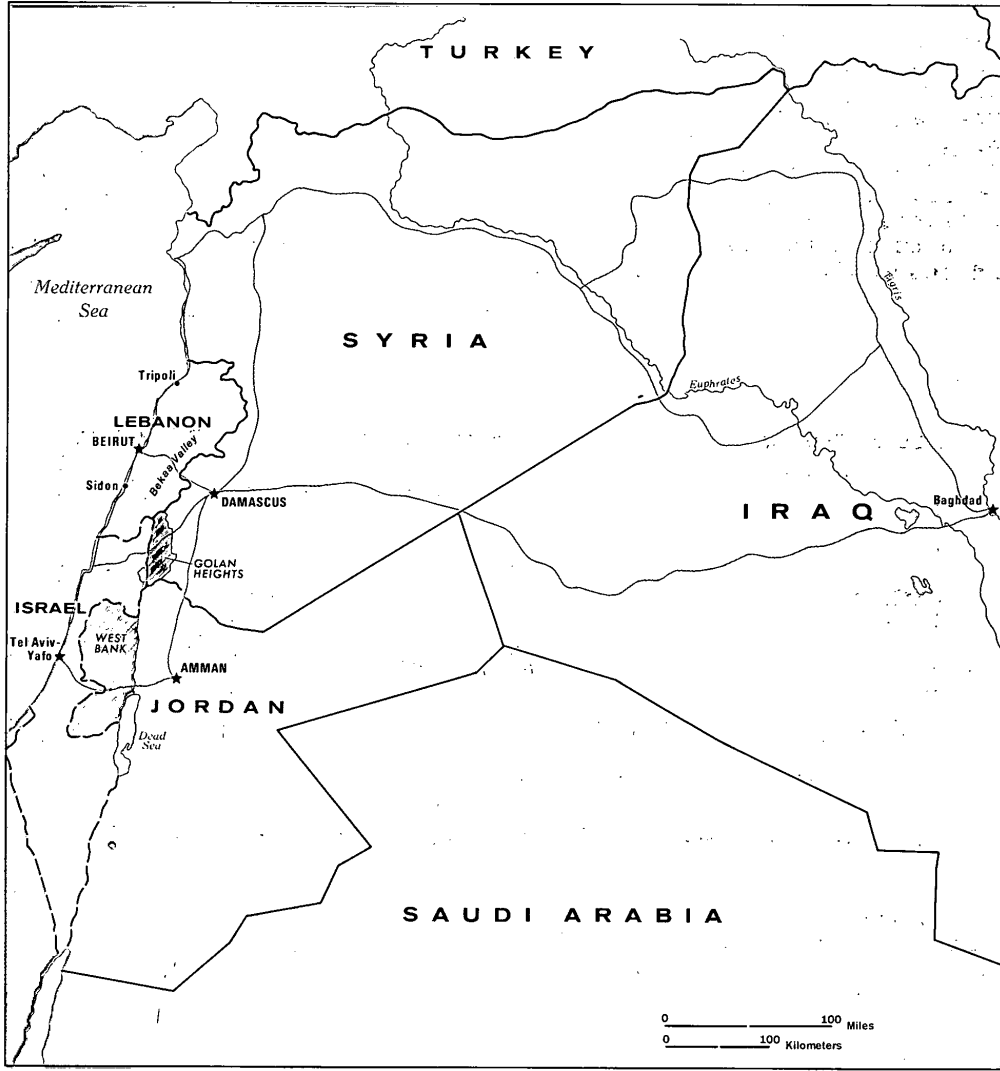
We estimate that there are more than 40,000 Iraqi troops in western Iraq, and we believe other combat and support units continue to move westward.

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It is possible, but we believe less likely, that Iraq is planning imminent military action against Syria.

### **Approximate Strength of Major Troop Deployments**

	Syrian	PLA/Saiqa	Iraqi
Lebanon	12,000	8,000*	---
Lebanon border area	5,000	---	---
Syrian-Iraqi border area	12,000	---	45,000
Golan Heights	75,000	---	---

*\*An unknown number of troops have been withdrawn to Syria in recent days.*

*(CIA estimates)*

\* \* \*

PHILIPPINES-US: *Manila's opening proposals in renegotiating US use of military bases reflect President Marcos' more nationalistic posture in foreign policy.*

The Philippine draft agreement presented on June 14 would impose highly restrictive limitations. It would confine US forces to the use of Clark Air Base and Subic Bay naval station and require the US to relinquish all other installations. Prior approval of Philippine base commanders would be required for most US flights, routine exercises, and port calls.

US combat operations also would need prior approval, and nuclear and toxic chemical warfare weapons would be prohibited. Moreover, the draft agreement circumscribes the authority of US commanders over American military and civilian

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personnel and equipment by requiring that US activities conform to Philippine laws and regulations.

Philippine negotiators have not yet specified the total amount of US security assistance they will demand, but the draft agreement calls for defense support to be distributed over five years--including an unprecedented cash payment. In addition, the Philippine proposals would limit the new base agreement to a five-year term, with provision for extension for only one additional term of five years. Either party could terminate the agreement upon written notice of one year.

Some of the limitations undoubtedly were inserted for bargaining purposes. Marcos probably will be prepared eventually to ease some of his tougher demands in exchange for a higher level of US defense support. He is likely to insist, however, that the final agreement contain language that will validate his claim to complete sovereignty and jurisdiction over military bases used by US forces.

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## NOTES

*The Polish parliamentary delegation that will visit the White House on Monday will be led by Ryszard Frelek, one of party chief Gierek's closest advisers. He is the highest ranking figure Warsaw will send to the US during the bi-centennial year.*

Frelek, aged 47, is the party secretary for foreign affairs and chairman of the parliamentary commission on foreign relations. He is probably Gierek's right-hand man in foreign policy matters. Frelek often has acted as the advance man for Gierek's trips, including the Polish leader's visit to the US in October 1974.

Frelek has demonstrated on frequent occasions his willingness to talk candidly and factually with Americans about Polish domestic and foreign policies. He does not take a doctrinaire position on issues.

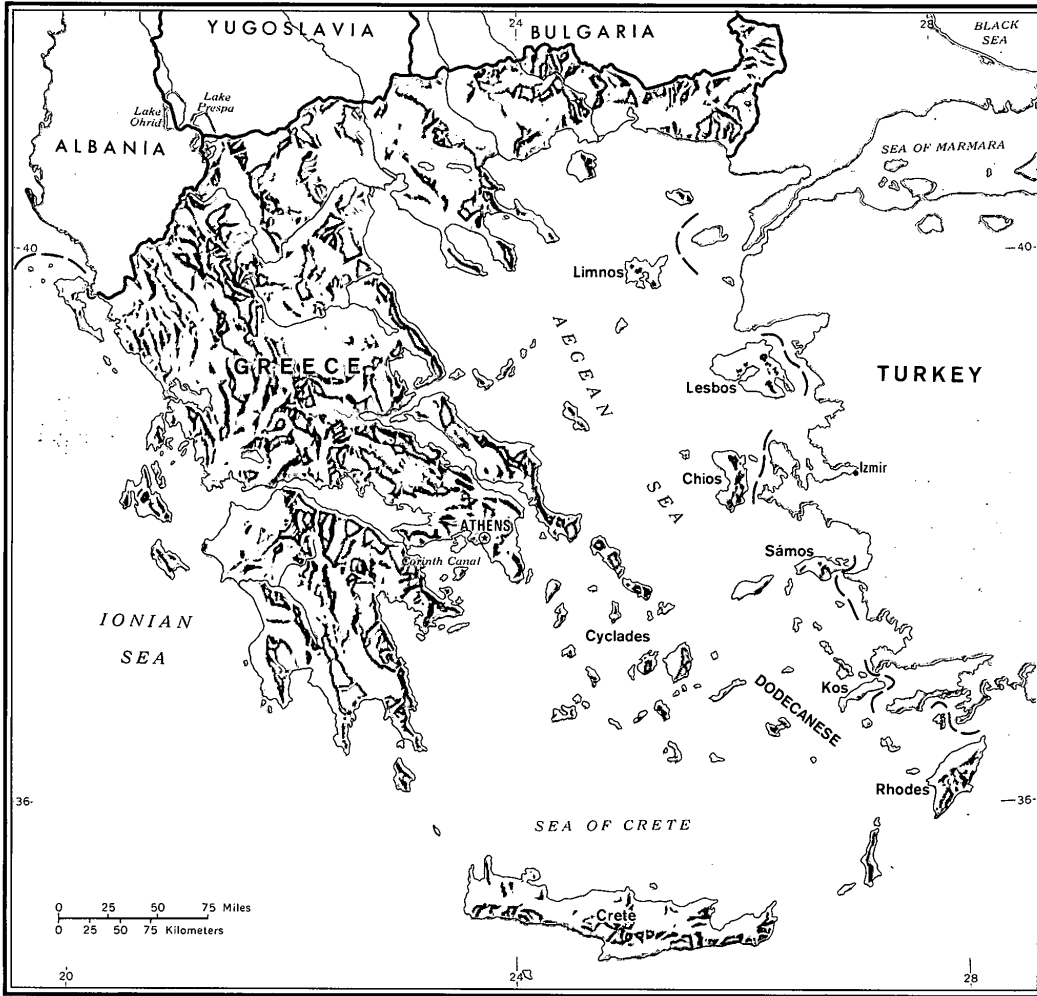
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*Cuba plans to begin regular air service between Havana and Luanda on June 29. Intermediate stops will be Barbados, Guinea, and Sierra Leone.*

According to a recent Barbados press account, Cuba will run two flights per week. These may replace the unscheduled flights now being made by Aeroflot IL-62s twice weekly, although there has been no official announcement to that effect.

We do not know Prime Minister Errol Barrow's reasons for permitting use of Barbados as a stopover. Barrow came under opposition criticism last year when Cuba's use of Barbados as a refueling stop for flights carrying troops to Angola became public. This latest arrangement will give the Prime Minister and his party additional problems later this year when they face a national election.

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*Little progress is likely when Greek and Turkish representatives meet this weekend in Bern to discuss their conflicting claims of sovereignty in the Aegean.*

Athens contends that each of the Greek islands in the Aegean has a continental shelf, which gives Greece control of the undersea mineral resources of nearly all of the basin. Ankara claims that the Aegean seabed is a natural extension of the Anatolian landmass, and argues that--for purposes of mineral exploitation--the Aegean should be divided along a line midway between the two mainlands.

The Turks have used periodic air-sea military exercises and seismic exploration to press their claim. Another scientific expedition is tentatively scheduled for July or August, again raising the possibility of an armed clash should the Turkish vessel carry out activities in disputed waters. A Turkish diplomat, however, has told US officials that the vessel will move cautiously.

\* \* \*

*The increasing momentum of General Ramalho Eanes' campaign for the Portuguese presidency appears to be forcing his chief rival, Prime Minister Jose Azevedo, to adopt more desperate campaign tactics.*

A recent poll showed Eanes with a wide lead. In public, Azevedo has resorted to harsh personal attacks on Eanes,

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*Foreign official assets of OPEC countries amounted to \$101 billion at the end of 1975, a \$29 billion increase over 1974. Saudi Arabia, Kuwait, and the United Arab Emirates accounted for more than 90 percent of the new holdings.*

The US, continental Europe, Canada, and Japan received an increased share of OPEC placements in 1975, primarily at the UK's expense. Despite the desire of OPEC states to diversify their investments, placements in the US increased, accounting for nearly a quarter of total placements. This policy reflects the view of the wealthier OPEC countries that only the US market offers the depth and variety necessary to absorb the bulk of OPEC investment.

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