

The President's Daily Brief

July 26, 1976

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FOR THE PRESIDENT ONLY

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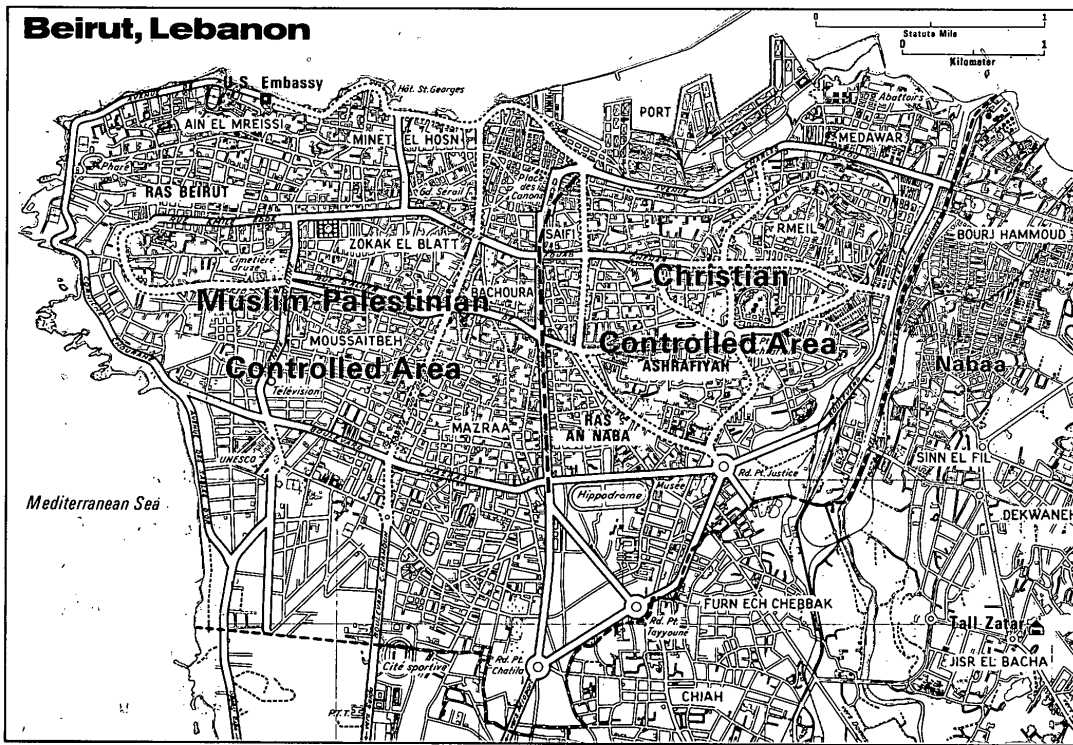
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LEBANON: The Palestinian delegation in Damascus continued talks with Syrian officials this weekend, but there is little evidence of progress.

The Palestinians are said to be discussing a three-point accord with Syrian authorities that would involve a cease-fire throughout Lebanon, a "Lebanese" solution to the current crisis, and an agreement on the regulation of Palestinian activity in Lebanon.

The Syrian media announced Saturday the establishment of a local administration in Syrian-controlled areas of the Bekaa Valley by "Lebanese army vanguards," a group Syria created last month to assist in restoring order. The new local administration is identifying Damascus more closely with civilian affairs in the valley. This has already raised charges in the Beirut press that the arrangement is another step toward establishing a permanent Syrian presence in Lebanon.

The attempt by Arab League forces to extend the buffer zone between Christian and Muslim sectors of Beirut was unsuccessful.

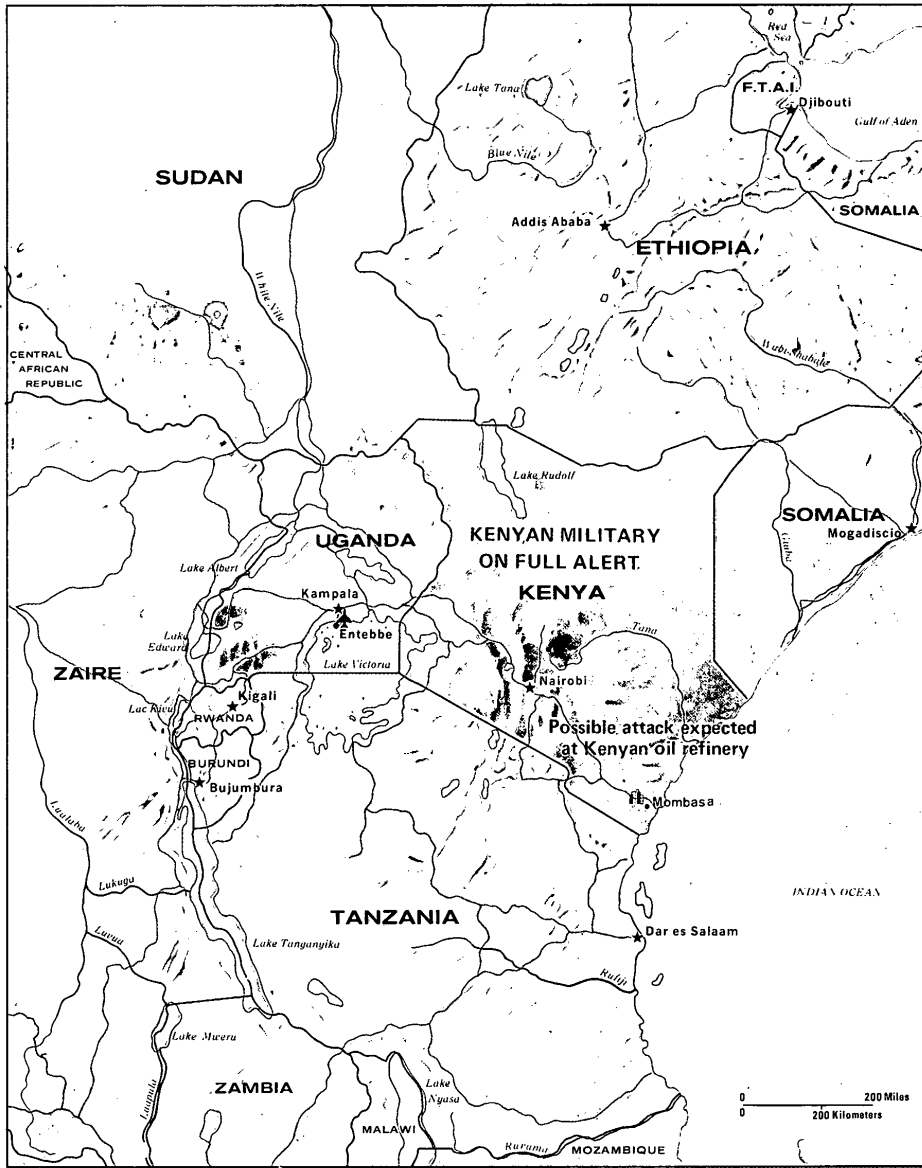
A contingent of the league force ran into a mortar barrage as soon as it tried to move northward.

Fighting continued in Beirut over the weekend especially around Tall Zatar and in the Muslim district of Nabaa. Elsewhere in Lebanon, fighting remained generally at a low level.

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EAST AFRICA



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KENYA-UGANDA [redacted] The Kenyan military has reportedly returned to full alert after a partial stand-down last week.

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[redacted]

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Nairobi believes that President Amin has enough aviation fuel for an airstrike despite Kenyan restrictions on shipments to Ugan

The Kenyans say they have information that Ugandan MIGs, flown by Palestinians, practiced bombing exercises last week [redacted]

[redacted]

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The Kenyans are further concerned by reports that all Ugandan police leaves were canceled late last week.

A high-ranking Kenyan official confirmed on Saturday that Amin has cut off electric power that Uganda supplies to part of Kenya. Nairobi says it has enough reserves, however, to make up the shortage.

[redacted]

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Amin continues to seek military equipment. [redacted]

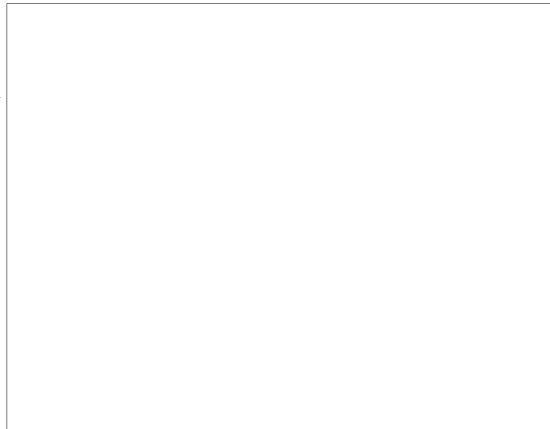
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Uganda has requested artillery, rockets, antiaircraft batteries, and hand grenades from Tripoli.

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EGYPT-SUDAN: *The Egyptian-Sudanese defense agreement that was announced last week is primarily intended to deter Libya according to the US embassy in Cairo.*

Egypt and Sudan pledged to assist each other in the event of external aggression. The agreement was concluded after the abortive coup in Sudan early this month, which Khartoum and Cairo believe Tripoli planned and executed.

The principal military objective of the pact is the improvement of Sudan's armed forces. The specifics are to be worked out by two high-level joint commissions at regular meetings, the first of which is to take place today in Khartoum.

The US embassy believes that Egypt would almost certainly intervene to save Sudanese President Numayri in the event of action by pro-Libyan forces. The embassy thinks it is conceivable that Sadat would renege on carrying out his pledge under the agreement if an anti-Numayri group acceptable to Egypt should seize power.

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EGYPT-LIBYA:

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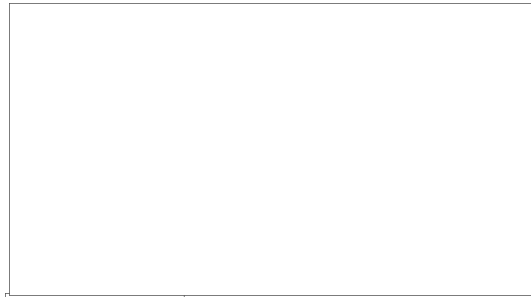
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ITALY: Italian prime minister - designate Andreotti's failure to win support among the Christian Democrats' traditional governing partners will force him to seek abstention or support from the Communists or neo-fascists to win a parliamentary vote of confidence for a new government.

Andreotti presumably intends to form a temporary Christian Democratic cabinet while all parties weigh options before negotiations on a coalition later this year.

After Andreotti's second round of talks last week with party leaders, the Christian Democrats' three major allies since 1963--the Socialists, Social Democrats, and Republicans--told him he could expect, at best, their abstention in a confidence vote.

Newly elected Socialist leader Craxi, under strong pressure from his left wing, told Andreotti that his party would abstain only if the Communists did.

The Christian Democrats meet tomorrow to decide on a course of action.

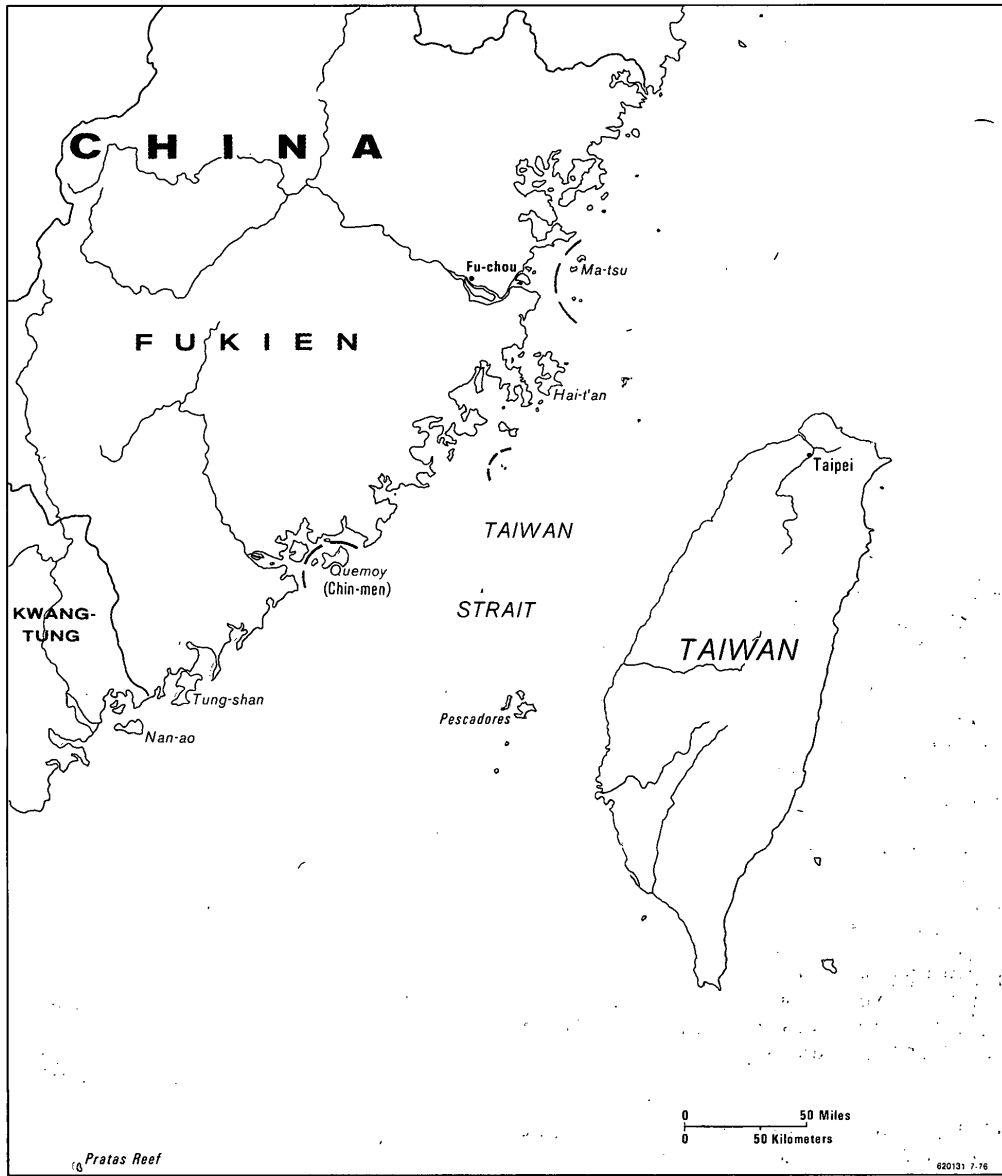
They are extremely unlikely to seek neo-fascist cooperation, which would almost certainly be met with widespread protests and violence. But, many party members are likely also to oppose allowing the government's survival for the first time to be clearly dependent on Communist benevolence.

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The Communists have not ruled out abstention, but they reportedly want a public request for such cooperation.

If Andreotti gives up, President Leone may turn to someone from another party to form a government--perhaps Republican Party leader La Malfa.

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NOTE

Chinese forces resumed large-scale training activities on Saturday near Tung-shan and Nan-ao islands at the southern entrance to the Taiwan Strait.

[redacted] defensive pa- 25X1
trols, bombing and strafing attacks in support of assault forces, and apparently a paradrop. The presence of a variety of ships, including frigates, gunboats, and landing craft suggests that an amphibious landing was conducted.

Ground forces may also have taken part in the exercise. Elements of two armies are in the area and participated in the earlier exercises.

Maneuvers have been underway in the Tung-shan - Nan-ao area over the past month. We have no indications that any forces are yet leaving the area.

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