



The President's Daily Brief

July 28, 1976

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July 28, 1976

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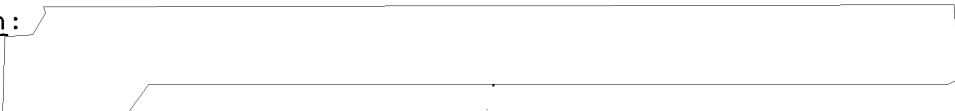
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ITALY: *Italy's Christian Democrats yesterday authorized prime minister - designate Andreotti to form a temporary minority government, the survival of which would depend on Communist abstention in parliamentary confidence votes. The Communists have not held such a pivotal role since their ejection from the government in 1947, and have always voted against the government in confidence votes.*

Andreotti needs Communist abstention because of his failure during consultations on a new government to win parliamentary support from the Christian Democrats' three traditional government partners. The Socialists, Social Democrats, and Republicans have all told Andreotti that the most he can expect from them is abstention in a confidence vote. Given the increased Communist strength in the new parliament, the Christian Democrats could not command the requisite majority of those voting unless the Communists also abstained.

While giving Andreotti the go-ahead, however, the Christian Democratic leadership stopped just short of issuing the explicit appeal for Communist assistance that the Communists had demanded as a condition for their abstention. What the Communists want, in effect, is a formal admission by the Christian Democrats that Italy cannot be governed without Communist cooperation. Influential right-wing Christian Democrats opposed such an appeal to the Communists on the grounds that it would blur the distinction between the opposition and the government.

Given the absence of realistic alternatives, Christian Democratic leader Zaccagnini sought yesterday to paper over differences in his party with a formulation that meets the Communists halfway.

Rather than appealing to the Communists alone, he called on all parties consulted by Andreotti to "perform a service" by abstaining in a vote of confidence. The Communists will now have to decide whether Zaccagnini has gone far enough toward meeting their demand. They will probably be persuaded to go along by the increased

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influence they would acquire and by the Christian Democrats' recent willingness to yield major parliamentary posts to them.

Andreotti is drawing up a cabinet and will reportedly be ready to face a confidence vote next week.

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USSR - MIDDLE EAST:

The Soviets yesterday published in Pravda their first authoritative editorial on the Middle East situation in many weeks.

According to an embassy summary, the editorial reflected continued Soviet frustration over developments in Lebanon and elsewhere in the Middle East and put the blame for them squarely on the US. Israel, as well as the US, was sharply criticized for pursuing "divide-and conquer" tactics designed to set Arabs against one another and to "artificially delay" an overall Middle East settlement.

In contrast to other recent Soviet propaganda statements, Pravda did not explicitly criticize Syria for its intervention in Lebanon. It lacked any new ideas for resolving the Lebanese crisis or for rescuing the beleaguered Palestinians.

Pravda repeated the standard Soviet call to reconvene the Geneva conference to resolve the Middle East impasse, but the appeal was cast in restrained and moderate terms. For example, the editorial omitted the formulation that the PLO should participate at Geneva "from the very beginning." It also included Soviet endorsement of the "inviolability of borders" of all states in the Middle East.

Izvestia also attempted to blame the US for Soviet troubles in the Middle East in a lengthy article published on Monday. The article portrays Washington's step-by-step diplomacy as designed to isolate

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and, ultimately, to destroy the Palestinian resistance movement-- the only "cement" that holds together the Arabs' "anti-imperialist unity."

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LEBANON: *Palestine Liberation Organization representative Qaddumi returned to Beirut yesterday from Damascus to confer with other PLO officials and Lebanese leftist leaders about terms of a draft agreement worked out with the Syrians.*

The leftists predictably have criticized the accord for failing to include a provision for the withdrawal of Syrian forces from Lebanon. PLO leaders appear split over whether to accept the terms, which clearly favor Syria. 25X1 25X1

The Christians [redacted] [redacted] have yet to indicate whether they would accept the agreement. [redacted] [redacted] [redacted] 25X1 25X1 25X1

More volunteers, based in Libya, will apparently soon be heading for Lebanon to fight with Lebanese leftist and Palestinian forces.

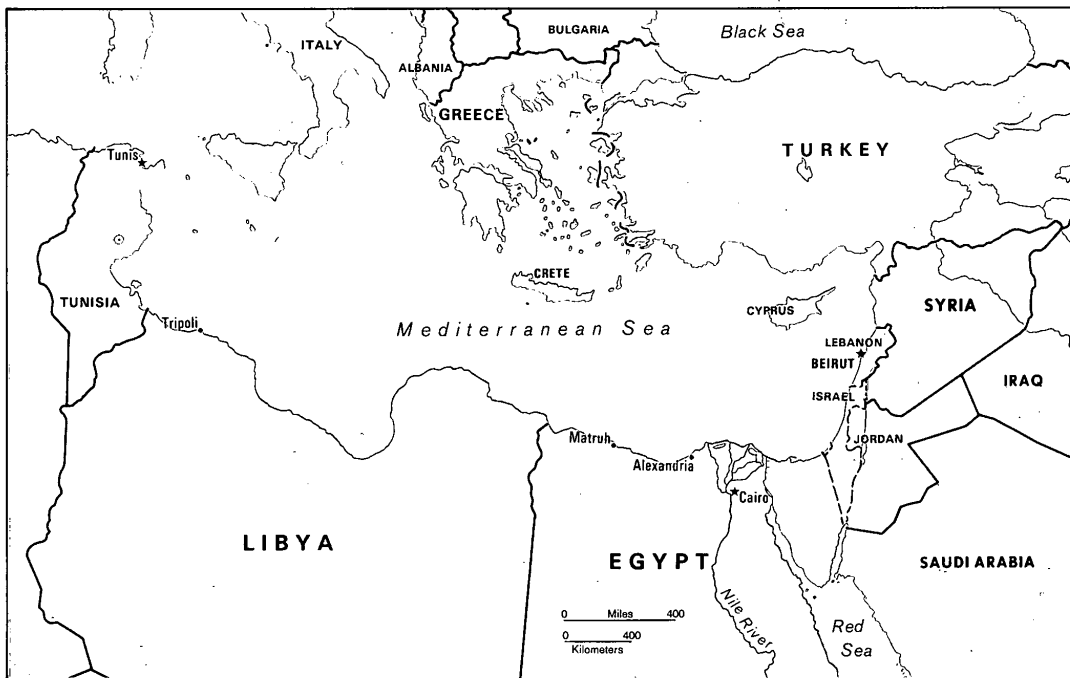
We have previously had reports of groups of about 100 transiting Egypt en route to Lebanon. [redacted] 25X1

Fatah is said to be handling the recruits, who have just completed training at a camp in Libya. The volunteers are primarily Palestinians; a small number are Lebanese.

The Palestinian and leftist forces are apparently still experiencing

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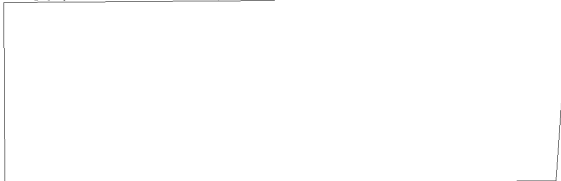


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severe shortages despite the shipment of food and arms to them by Egypt and Libya.

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EGYPT-LIBYA-TUNISIA:

Egypt continues to bolster its military strength on the Libyan border.

[redacted] that large convoys of troops, without armor, were headed west on the Cairo-Alexandria road on Sunday and Monday.

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We are still uncertain about the extent of the Egyptian buildup. In addition to the latest deployments, Cairo has sent two surface-to-air missile brigades, one MIG-21 squadron, and at least one battalion-size ground force unit to the border area over the past two weeks.

Additional ground forces apparently have been moved to the area, but we are unable to confirm their presence.

[redacted] that a newly formed armored division is taking up positions in the Matruh area.

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Tunisia, meanwhile, has taken precautions against any Libyan military moves in its direction.

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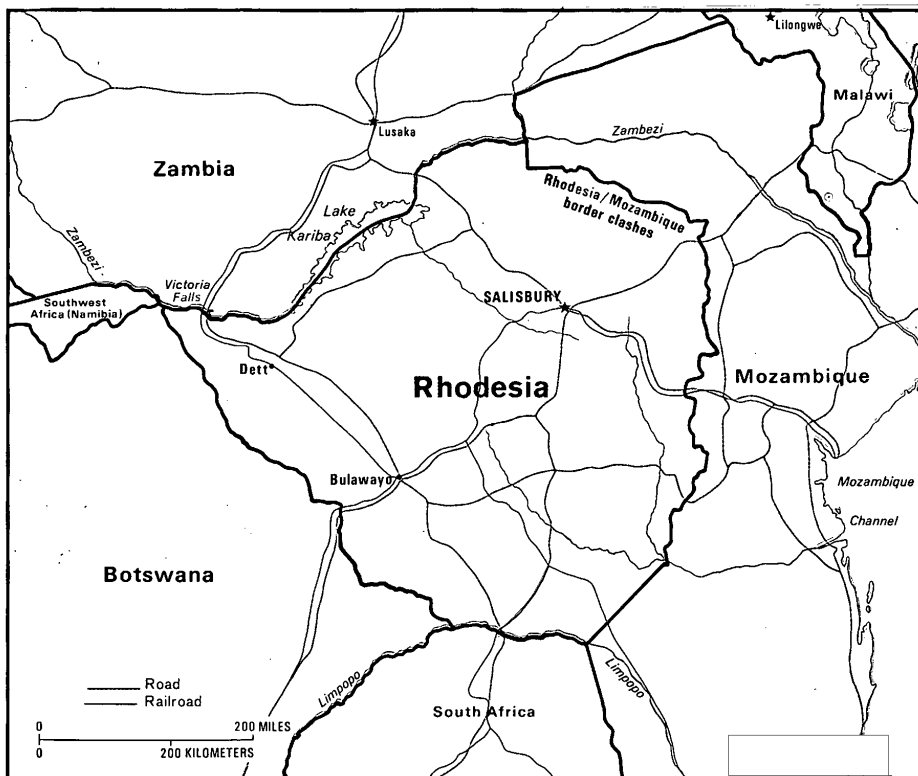
[redacted] Tunisian army units have increased their readiness and that some units along the main coastal highway from Tripoli to Tunis have been reinforced.

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KENYA-UGANDA-UK: *Kenya's foreign minister announced yesterday that Nairobi is prepared to receive a UN fact-finding mission on the Kenyan-Ugandan dispute and has invited the secretary general of the Organization of African Unity to investigate as well.*

The UK will announce today its decision to break relations with Uganda.

The Kenyan foreign minister also said he would welcome a meeting between Kenyan and Ugandan officials. Ugandan President Amin last week called for UN and OAU investigations of the dispute.

The Kenyan foreign minister spelled out to a meeting of foreign diplomats in Nairobi measures that Amin must take if he wants to relieve tension between the two countries: withdraw troops from the border, withdraw claims to Kenyan territory, and guarantee the safety of Kenyans living in Uganda.

The Callaghan government, which has been under pressure to take some form of action, has postponed the break for two weeks out of concern for some 500 British citizens remaining in Uganda. About half of these nationals have now left the country; the others apparently intend to stay.

The French embassy in Kampala will represent UK interests in Uganda after the break.

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RHODESIA: *Fighting, reported as heavy, occurred in northwestern Mozambique last week when Rhodesian troops with air support crossed the border.*

Increasing military manpower requirements have prompted the Smith regime to introduce legislation that for the first time would permit drafting blacks into the security forces. Blacks subject to the draft will not necessarily be used to fight the guerrillas but may be assigned to clerical and other non-combat duties in order to release more whites for combat.

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Rapidly rising military costs have compelled the government to take strict measures to ease the growing economic burden of the guerilla war. According to the Rhodesian finance minister, funds will be diverted to the military from government services affecting transportation, housing, and local government.

In an effort to stop the growing exodus of whites from Rhodesia and to preserve foreign currency reserves, the government has reduced by almost 80 percent the amount of money emigrants can take out of the country.'

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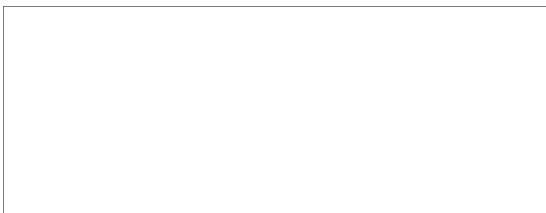
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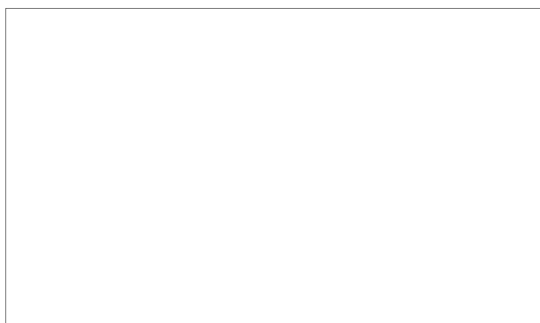
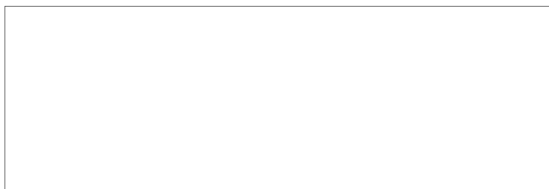
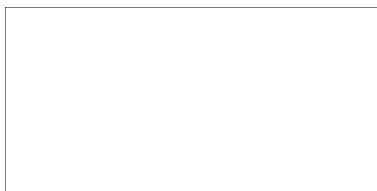
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POLAND-ITALY: Dissident Polish intellectuals last week induced the Italian Communist Party and trade union movement to intercede on behalf of 13 Polish workers convicted for participation in the June riots in Poland.

An open letter to Italian Communist Party leader Berlinguer given to foreign journalists in Poland stimulated the Italian response. The letter criticized the closed trials of the Polish workers and asked the Italian party to protest the "harsh and unjust treatment" accorded convicted strikers.

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The Italian Communist daily reported last week that the party secretariat had expressed to the Polish party Italian "concern" over the trials, particularly because of the paucity of information about them and the refusal to allow foreign journalists to attend.

The Italian party urged the Poles to exercise "moderation and even clemency" in dealing with the convicted. Italy's major trade union federation followed with a "declaration of protest" expressing "profound concern" over numerous arrests and trials.

There has been no public reaction from Polish officials. Contacts of the US embassy in Warsaw indicate that there is a "very strong" division of opinion within the Polish leadership over how best to handle the matter.

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NOTE

Several leading officials of the Soviet Institute of the USA and Canada will visit the US this summer. They have been separately invited by various organizations.

The institute is now preparing a "profile" of Governor Carter and presumably will do a forecast of the election results and the possible effects on US policy.

Among those officials who are coming to the US are Institute Director Georgy Arbatov; Valentin Be-rezhkov, chief editor of the institute's journal; and Georgy Svyatov, chief of the institute's military-technical policy section.

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