



# The President's Daily Brief

*September 18, 1976*

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*Top Secret<sup>25X1</sup>*



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*FOR THE PRESIDENT ONLY*

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*CHINA: As China enters the transition following Mao's death, there are indications that the military establishment is taking a more active political role, and that key civilian leaders recognize that it is likely to be a major factor in any succession struggle.*

The Chairman's death was jointly announced by the Military Affairs Commission, the country's leading military body, the Central Committee, and the State Council. Mao had been titular chairman of the MAC, thereby justifying its inclusion in the announcement. The prominence accorded this body, however, could hardly be lost on the Chinese populace.

Throughout the just-concluded mourning period and for the first time since the Lin Piao incident of late 1971, the People's Liberation Army has enjoyed roughly equal stature with the top party and government bodies in Chinese propaganda and in the treatment of messages of condolence from provincial military and civilian authorities. Peking, moreover, has passed up few opportunities to laud the PLA.

Even before Mao's death, there appeared to be a concerted effort to enhance the PLA's prestige by highlighting its role in earthquake relief work. A central directive issued in August singled out the PLA for praise in this regard.

The more conservative elements in the Chinese leadership appear to have seized on the need to rebuild after the earthquake to tone down the campaign against Teng Hsiao-ping. They may well have been behind much of the effort to focus attention on the PLA, possibly with the cooperation of Premier Hua Kuo-feng.

In his speech after the earthquake, Hua not only called for unity--a theme which runs counter to the

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thrust of the anti-Teng campaign-- but was also the first to sound a favorable note on behalf of the army.

*A community of interest between civilian conservatives and the army is likely. There have been signs for some time that the PLA is generally unsympathetic to the attacks on Teng and his followers.*

It is probably no coincidence that as Mao lay dying in August, the stature of the army increased and the campaign against Teng further moderated. At this stage, however, the military establishment is likely to be concerned with protecting its own institutional interests. To some extent it can make political gains by playing off civilian factions against each other, and for this reason, the PLA may want to leave some ambiguity in its position.

The military establishment will be concerned with pending appointments to key military positions. Mao's death leaves open the chairmanship of the MAC. Defense Minister Yeh Chien-ying, the third-ranking member of the party and a leading "rightist," has probably been in direct charge of the work of this body. Despite his reported defense of Teng Hsiao-ping last winter, it would be difficult to deny the post to him.

The position of PLA chief of staff has been vacant since Teng's political demise last April. The military establishment will be pushing for the appointment of a professional military man for the job.

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*LEBANON: Syria's last-minute decision not to send Prime Minister Khulayfawi to the tripartite meeting that convened in Shaturah, Lebanon, yesterday has diminished hopes that the talks will produce a cease-fire.*

Deputy Defense Minister Jamil, a comparatively low-level representative, is attending the talks instead. The leftist press in Beirut asserts that Syria's move proves Damascus is not seriously interested in a truce.

Although some Palestinians opposed Yasir Arafat's negotiating with anyone of lower rank than Khulayfawi, Arafat is participating in the talks along with president-elect Sarkis and Arab League mediators.

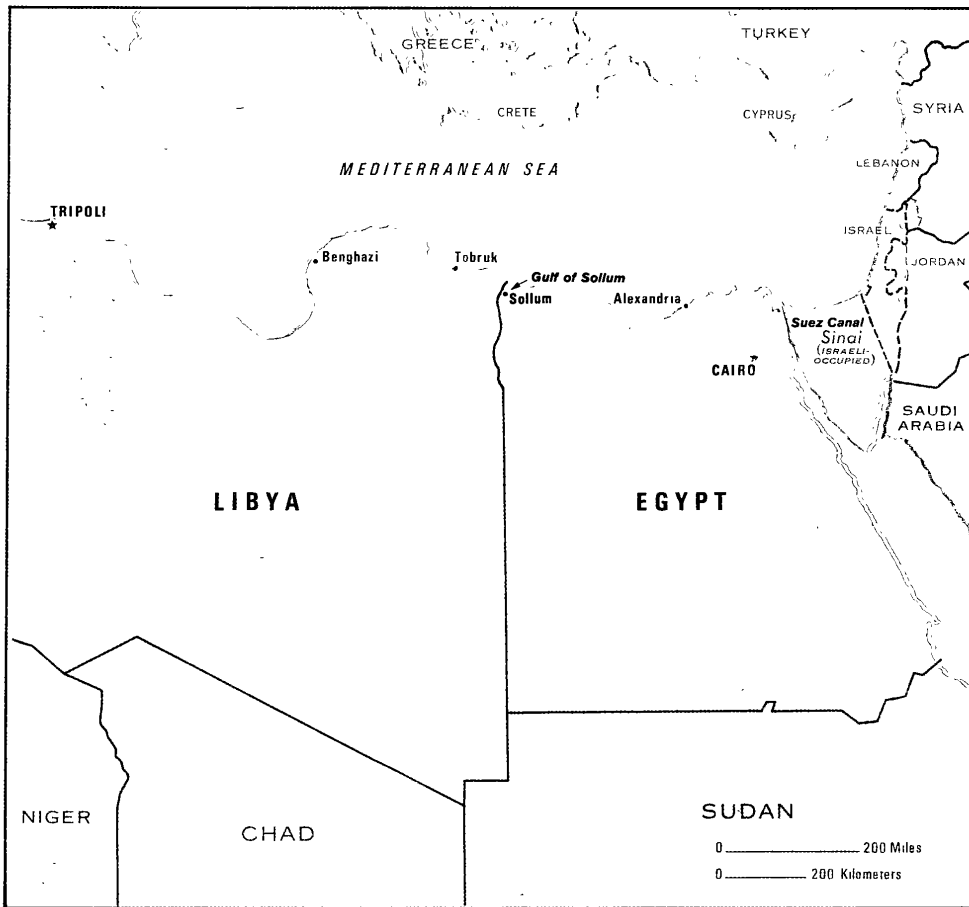
Syria's reason for lowering its profile at the tripartite conference is not clear. The Syrians may want to test Arafat's attitude before inviting him to talk with higher level officials.

*Egyptian President Sadat broadcast an address aimed at the Lebanese people yesterday that emphasized Egypt's commitment to the unity and independence of Lebanon.*

Although Sadat criticized Syria's role in Lebanon, his remarks were intended mainly to highlight Egypt's recent entry into efforts to negotiate a settlement and to show support for Sarkis on the eve of his visit to Cairo.

Sarkis is likely to ask Sadat to urge the Palestinians to be more flexible. He may also broach the sensitive subject of Egypt's efforts to resupply the Palestinian and Lebanese leftist militias.

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LIBYA-EGYPT: Overhead photography of late August and early September shows that both Libya and Egypt have strengthened their ground forces near their border.

Analysis of photography [redacted] indicates that Libya may be forming a second armored brigade in the Tobruk area. A tank battalion also probably has been moved into defensive positions some 30 kilometers (18 miles) from the border with Egypt. 25X1

Continuing analysis of the photography on the Egyptian side indicates that Cairo has sent an artillery battalion and a company of armored personnel carriers to the Sollum area, in addition to the previously reported tank battalion.

Egyptian warships conducted another naval exercise in the Gulf of Sollum yesterday, according to intercepted communications. Over the past several days a Soviet frigate and a merchant ship have joined the tug that the Soviet navy has been keeping in this area despite the Egyptian announcement that the Gulf was closed for 10 days, beginning last Saturday, for naval maneuvers.

The continued military activity apparently has not been accompanied by significant political action by either Egypt or Libya.

Libya did release three Egyptians this week who had been held on espionage charges but also resumed personal attacks on President Sadat in Libyan media.

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PORTUGAL: [redacted]

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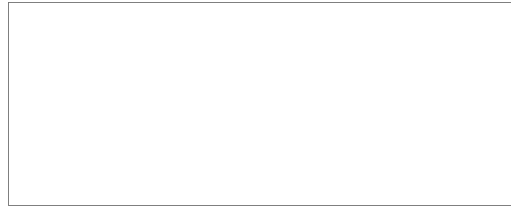
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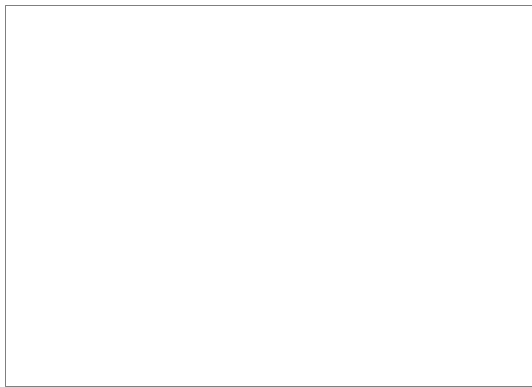
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NOTES

*The Panamanian government has launched an anti-US propaganda campaign, alleging US involvement in inciting looting and vandalism during the recent protests over price increases.*

The government is holding several persons it claims are US servicemen involved in the disturbances. The US embassy, however, has information that only one US serviceman was actually arrested on a protest-related charge.

In addition to diverting attention from the country's economic difficulties, Panamanian strongman Torrijos also hopes the campaign will put pressure on the US to renew canal treaty negotiations on key issues prior to the US elections-- or at least place the onus for further delays on the US.

There is a growing chance Panama will formally raise the canal issue at the UN General Assembly.

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*Spanish Foreign Minister Oreja [redacted] conferred with [redacted] Soviet officials in Spain this week on arrangements for a meeting with Soviet Foreign Minister Gromyko.*

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The Soviet officials [redacted] [redacted] conveyed Gromyko's acceptance of Oreja's earlier proposal for a meeting during the UN General Assembly session which begins next week.

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A meeting between the two foreign ministers could be a move toward establishment of diplomatic relations. The Soviet Union reportedly indicated interest in establishing diplomatic ties last March.

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The Soviet commercial presence in Spain has grown steadily since a trade agreement was signed in 1972. Four joint Spanish-Soviet companies are now operating in Spain, and the Soviet airline recently inaugurated regular flights to Madrid.

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*The latest satellite photography over Cuba shows no apparent change in the status of the radar associated with the Soviet SA-5 surface-to-air missile system.*

The radar was seen for the first time [ ] at a Soviet sigint collection facility near Havana. We have not yet detected any signals associated with the radar. It is the only component of the SA-5 missile system ever seen outside the USSR. 25X1

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