



The President's Daily Brief

October 11, 1976



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CHINA: The evidence is strong that Hua Kuo-feng has been named chairman of the Chinese Communist Party and chairman of the important Military Affairs Commission to succeed Mao Tse-tung.

The US Liaison Office has observed posters specifically stating that Hua is now party chairman. Politburo member Li Hsien-nien told Senator Mansfield yesterday that Hua had "succeeded" Mao. Taken together with official media references to Hua as "head" of the party central committee, this seems to be conclusive evidence that a decision to promote Hua had been taken, presumably by the Politburo, during its continuous session from Mao's death until late last month.

Several events suggest that some sort of problem has developed:

--An official announcement of the promotion has been delayed.

--A major editorial published yesterday called for "resolute struggle" against words or actions leading to "revisionism, splitism, intrigues, and conspiracy."

--A hurried leadership meeting apparently took place on October 9.

The Liaison Office believes that serious resistance to Hua's elevation has surfaced. Li Hsien-nien's comments to Senator Mansfield on October 10, however, suggest that whatever problems have arisen have delayed rather than permanently blocked public acknowledgement of Hua's promotion.

The problem could stem from the reported purge of the four leading leftists on the Politburo.

Lower level cadre in Peking have been told that the four leftists have been arrested for alleged complicity in a coup d'etat--presumably against Hua. If cadre have been briefed, the arrests very likely have taken place.

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There are no signs of heightened security precautions in Peking, nor have we any indications as yet of military alerts in the Peking area or elsewhere in China.

In the event of a purge of this magnitude, the surviving central leaders would need to inform members of the central committee of the charges against the "leftists" and there would be an obvious need to hammer out new leadership arrangements at the levels immediately below Hua. This could account for the delay in making an official announcement about Hua's promotion.

If the four leading leftists--one of whom is Mao's widow, Chiang Ching--have indeed been purged, a major realignment of political forces has occurred.

Centrist and "rightist" civilians, together with important military leaders, would now be dominant, and a source of friction in the Chinese leadership would have been removed.

Other major appointments which have been delayed for some time might now be made. Wu Te, the "rightist" party boss of Peking, would likely become chairman of the National People's Council--the equivalent of head of state. Rumors are circulating that Hua will relinquish his job as premier. If the leftist stalwart First Deputy Premier Chang Chun-chiao has fallen, Li Hsien-nien would be a logical candidate for that important post. Li is a "rightist" and close associate of the late Chou En-lai.

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If the decision to elevate Hua to the chairmanship of the party and of the Military Affairs Commission sticks, it indicates that he has secured the strong backing of the military establishment.

Assuming Hua weathers the immediate crisis, his future relationship with the powerful commander of the Peking Military Region could prove to be the key as to whether leadership stability can be achieved.

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THAILAND: The military leaders of the National Administrative Reform Council are trying to move quickly to establish a caretaker civilian administration.

Thanin Kraiwichian, a Supreme Court justice known for conservative but not extreme right-wing views, was appointed prime minister on October 8, and a cabinet is expected to be formed within two weeks. NARC Chairman Admiral Sa-ngat



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Sa-ngat apparently hopes that the rapid formation of a civilian government will defuse the growing ambitions of some military elements for a greater political role. The expansion of the NARC to include several more army officers has soothed the army's initial disgruntlement, but some army officers on the military council are arguing for extending the longevity of that council.

Sa-ngat is also concerned about plotting by the former Thai Nation Party leaders and their allies in the military who have been deliberately excluded from the council. None of these figures hold troop commands and their chances of pulling off a successful counter-coup are highly questionable.

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Nonetheless, Sa-ngat's concerns were apparently sufficient to call a full police alert in the Bangkok area yesterday

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[Redacted] Furthermore, yesterday three high-ranking military officers were summoned by the NARC to answer questions about possible plots against the council.

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Bangkok remains quiet and the students arrested last week are beginning to be released on bail. The left is in disarray and going underground. The most serious threat to the formation of a new government would seem to lie in the ambitions of army officers who may be reluctant to give up the power that they recently received.

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LEBANON: *Little, if any, progress was made during the tripartite Syrian-Palestinian-Lebanese talks on Saturday. The outlook for the meeting today likewise appears bleak.*

Arab League mediator Hasan Sabri al-Khuli's characterization of the talks as "frank" and "objective" and the apparent lack of agreement

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Opposition to the talks by Lebanese leftist leaders, radical Palestinian commando groups, and Phalangist leader Jumayyil--all excluded from the negotiations--would appear to cast an additional doubt on prospects for success.

Late last week leftist leaders reportedly rejected in advance any settlement reached without their participation. Leftist radio broadcasts have denounced the talks as an attempt by the Syrians and Christians to split the leftist-Palestinian alliance.

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USSR: A bumper grain harvest is still expected.

Our current estimate of Soviet grain production, based on all-source information on weather and crop conditions, is 205 million metric tons, up 5 million tons from our early September estimate.

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The US Department of Agriculture puts the Soviet crop at 215 million tons. Statements made by Soviet officials concerning the prospect for this year's harvest range from 195 million tons to a new record of 222.5 million tons.

We still believe that the USSR this year will purchase abroad about 14 million tons of grain, a little more than half the amount bought in 1975. This would cost roughly \$2 to \$2.5 billion compared with the nearly \$4 billion spent for last year's purchases. Of this amount, the US probably will supply about 10 million tons.

The USSR has bought 6.3 million tons under the first year of the US-USSR grain agreement and must buy about 500,000 tons more wheat to satisfy the provision that the first 6 million tons be equally divided between wheat and corn.

With a grain crop of 205 million tons and expected imports, Soviet grain supplies will be sufficient to maintain the momentum to rebuild livestock herds, improve the quality of bread and other consumer products, and start restocking depleted grain reserves.

So far, the Soviets have promised little grain to their traditional customers. We expect probably 2 to 3 million tons of grain will be shipped to Eastern Europe. Should the Soviet harvest exceed our current expectations, Eastern Europe might well press for additional amounts of grain from the Soviets but will remain dependent on Western suppliers during the 1976/77 marketing year.

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INDIA

The increasingly authoritarian trend that has marked Prime Minister Indira Gandhi's decade in office will reach a new benchmark this fall when parliament approves, as it surely will, a constitutional amendment that will institutionalize unprecedented power in the executive branch.

The most important provisions of the omnibus amendment:

- Unequivocally establish the prime minister as the supreme authority in government.
- Institutionalize many repressive measures in effect since Gandhi imposed a national emergency in June 1975.
- Sharply curtail the judiciary's power to challenge legislation and to safeguard civil liberties.

Beyond this, Gandhi will have carte blanche during the next two years to amend the constitution further under the pretext of removing "difficulties" that stand in the way of implementing the new amendment.

Gandhi's Leadership Style

Gandhi's intolerance of criticism and her reluctance to compromise made it almost inevitable that her administration would grow progressively more authoritarian. She has repeatedly sought full freedom of action.

The Prime Minister delegates little authority. She consults with a small circle of relatives and aides rather than the cabinet but makes all important decisions herself. There is little opportunity for policy debate or innovative ideas.

Revising the System

Gandhi charges that the judiciary represents the elite and that the Supreme Court's "narrow" interpretation of the constitution has blocked social justice. The pending amendment will bar the Supreme Court from challenging the substance of any

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new amendments and will substantially limit the purview of the state courts. It will enable the executive to tighten its control over the selection and assignment of judges at all levels. Nonetheless, the judiciary probably will retain a fair degree of independence and continue to rule against the government in some cases involving civil or corporate matters.

The constitution, as it now stands, vests wide powers in India's indirectly elected presidents although they have traditionally refrained from using these powers and assumed titular roles. The new amendment will clearly subordinate the president to the prime minister. An addition to the constitution of 10 "fundamental duties of citizens" exemplifies the shift in emphasis from individual rights to one's obligations to the state.

Democratic Facade

Gandhi is highly sensitive to foreign criticism about her political crackdown and manipulation of the constitution. This may at least partially account for her decision to preserve a facade of democratic procedures.

Parliament will continue to be elected by universal suffrage. New procedural rules establish shorter sessions and limited debate. Parliament's principal task has clearly become that of approving Gandhi's decisions.

Following parliamentary approval of the amendment, endorsement by at least half the 22 state governments is required before it can take effect. This will be easy as the Congress Party or one of its allies controls all elected state governments; the federal authority administers several troublesome states where elected governments have been temporarily suspended.

Public Support

Gandhi's actions since June 1975 have stirred little negative public reaction, largely because of economic improvements since then. Gandhi's supporters credit the emergency action for the economic upturn, but two beneficent monsoons are at least responsible.

The educated middle class generally supports the emphasis on discipline and resulting improvements

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in bureaucratic performance. The military also backs Gandhi, and she usually honors their desire not to be drawn into internal security matters. The masses are mostly apathetic or unaware of changes in the system.

Some intellectuals, particularly those educated in the West, are despondent over the loss of traditional democratic rights. Gandhi has used economic pressures and other threats to force the once lively free press to conform and abide by rules that restrict criticism of the government or exposure of problems that would embarrass the government.

State governments tend to resent the concentration of power in New Delhi, but local leaders realize the futility of bucking the prime minister. The handful of opposition parties are divided and demoralized, with some of their leaders still in jail.

India is not in the same category with repressive dictatorships that exist in some third world countries. While tens of thousands of Indians have been arrested for political and economic offenses since June 1975, many were released after short jail terms. Only extremist political parties have been proscribed. Police brutality, while not unknown, is uncommon. Except for those arrested for emergency-related offenses, Indian citizens continue to enjoy most of the internationally recognized human rights. The security forces are ubiquitous, but no attempt has been made to transform them into a personalized force dedicated to preserving Gandhi's rule.

Prospects

Gandhi is not likely to use her enhanced power to implement important social and economic changes. She recently stated that reform in the countryside must come from education and persuasion rather than by force. She seems unwilling to face the serious political problems that would accompany an attempt to upset the status quo through far-reaching policies aimed at redressing basic inequities in Indian society.

As she faces each new crisis, Gandhi's sense of mission and self-righteousness seems to grow stronger. Her assumption of full responsibility for government performance and the certainty of future economic crises could bode ill for Gandhi's future popularity and eventually for political stability in India.

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