

The President's Daily Brief

November 11, 1976

2

~~*Top Secret*~~ 25X1



Exempt from general
declassification schedule of E.O. 11652
exemption category 5B(1)(2)(3)
declassified only on approval of
the Director of Central Intelligence

FOR THE PRESIDENT ONLY

November 11, 1976

Table of Contents

China: Peking's more open style in foreign policy was demonstrated last week when two top officials discussed a broad range of international issues in unusually candid terms with visiting French journalists. *(Page 1)*

Lebanon: The Syrians evidently intend to consolidate their encirclement of Beirut and then assume positions along the confrontation line in the center of the capital and in Palestinian-held west Beirut. *(Page 2)*

USSR: Several developments suggest that the Soviets have resumed an active research, development, and testing program for conventional antiballistic missile systems. *(Page 2)*

Poland-USSR: Soviet party leader Brezhnev has given his full endorsement to visiting party chief Gierek. *(Page 5)*

Notes: EC; West Germany; Greece-Turkey; UK *(Pages 6 and 7)*

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

CHINA: Peking's more open style in foreign policy was demonstrated last week when Vice Premier Li Hsien-nien and Vice Foreign Minister Yu Chan separately discussed a broad range of international issues in unusually candid terms with visiting French journalists.

In less extensive comments on Sino-US relations, Yu also used stiff language.

Li and Yu focused on Sino-Soviet relations, and both officials abruptly dismissed suggestions that Moscow had adopted a "conciliatory" attitude toward China since Mao Tse-tung's death. Yu said that the Soviets were not waving an olive branch, but a "poison arrow." He added that if Moscow really wanted to see an end to the quarreling between the two countries, it should "admit all its errors since 1960." Vice Premier Li, repeating Yu's suggestion, said the Soviet confession should be made "before the entire world."

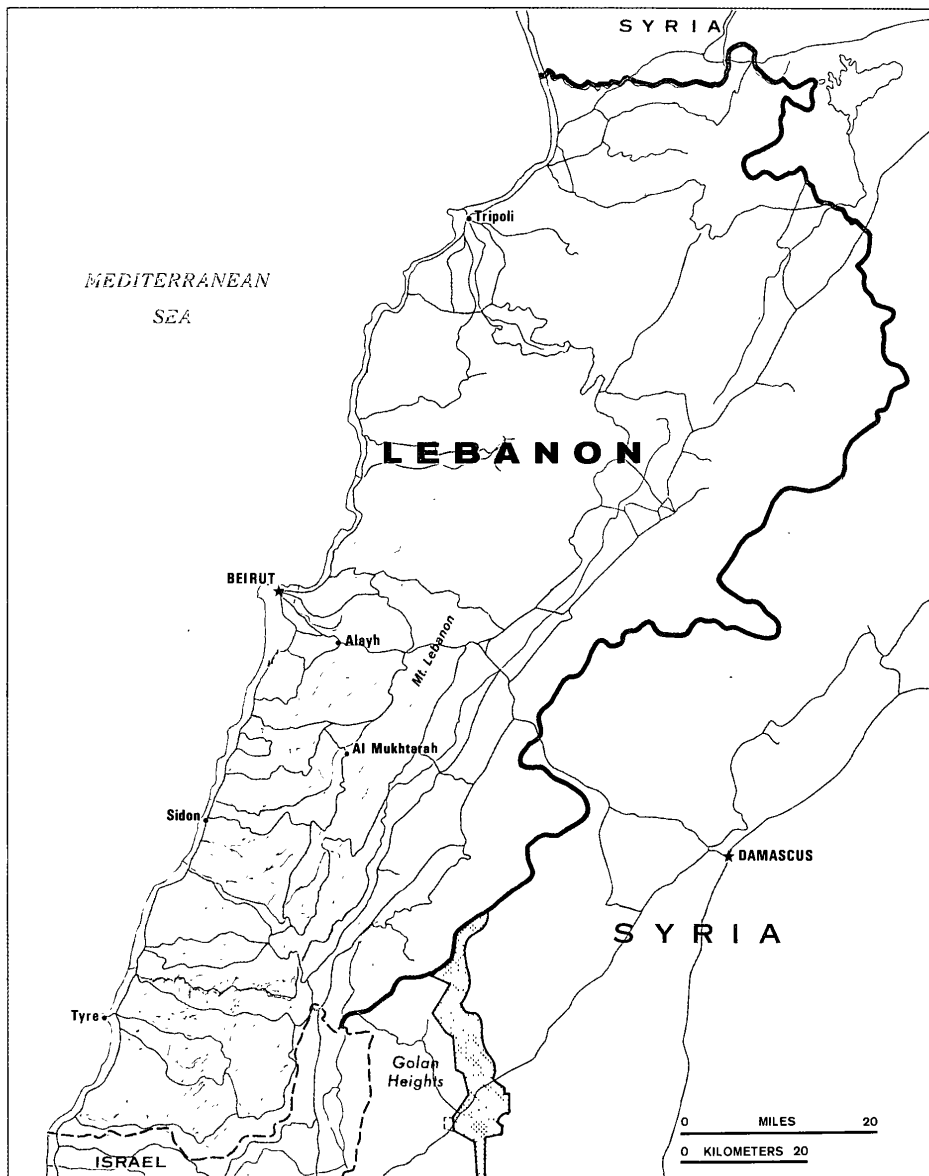
He said Peking "does not expect anything" from a new US President "elected by the bourgeoisie." The vice minister added, however, that if the US took the initiative to improve relations with China, Peking would "follow that path." Yu noted that Peking was willing to develop relations with any country on the basis of the five principles of peaceful coexistence.

Yu rejected all suggestions that China was interested in foreign military aid, asserting that such proposals underestimate China's own strength--almost certainly a reference to former defense secretary Schlesinger's recent proposals.

Both officials expressed the usual Chinese unhappiness with "detente." Li said it "does not exist," and Yu charged that "certain people"--probably a reference to Secretary Kissinger--have not correctly assessed the Soviet threat, especially in Europe. Yu applauded those in Europe who were seeking to strengthen defenses against the Soviets.

* * *

--continued



620645 11 76

FOR THE PRESIDENT ONLY

LEBANON: *The Syrians evidently intend to consolidate their encirclement of Beirut, cut off outside sources of supply to combatants on both sides, and then assume positions along the confrontation line in the center of the capital and in Palestinian-held west Beirut.*

The Syrians have told the Palestinians that they aim to divide Lebanon into north, central, south, and Bekaa Valley security zones. They apparently plan to concentrate first on the central sector, which includes Beirut, and secure both the Beirut-Tripoli and Beirut-Sidon roads. 25X1

Christian and Muslim leaders continue to order their forces not to oppose the Syrians. [redacted]

25X1

[redacted] 25X1

25X1

[redacted]

25X1

* * *

USSR: *Several recent developments strongly suggest that the Soviets have resumed an active research, development, and testing program for conventional antiballistic missile systems.*

We do not believe these activities indicate a Soviet intent to violate the ABM Treaty. The Treaty allows the Soviets to replace or augment the Moscow system, but they have not yet developed a system significantly better than the Galosh that would be worth adding to the defense of the city.

Since mid-August, the Soviets have launched nine Galosh ABMs, in contrast to the previous 18 months

--continued

FOR THE PRESIDENT ONLY

when only three were fired. The Galosh--designed to intercept ICBMs above the atmosphere--is the interceptor missile of the USSR's only operational ABM system. None of the tests indicates major modifications or significantly improved performance.

After a hiatus of almost a year, the Soviets resumed flight testing on October 29 of the interceptor missile of a research and development system, designated ABM-X-3, which could be fielded much more rapidly than the Galosh system. The launch was the first time the system had been tested against a real target vehicle--in this case, an SS-4.

With an active test program, the ABM-X-3 system could be ready to field in a year or so, if the battle management radars necessary to support the system were already in place. We believe that the new radars being constructed at Olene-gorsk and Pechora will provide ballistic missile early warning, but they also have potential for ABM battle management.

Many such radars would be required to support a widely emplaced ABM system. If the Soviets continue to field such radars, especially in areas where ballistic missile early warning coverage already exists, and at the same time pursue a vigorous ABM research and development program, it would increase our concern about the possible use of these radars for ABM battle management.

In the same area at Sary Shagan where the ABM-X-3 is being developed, the Soviets recently began construction of what appears to

--continued

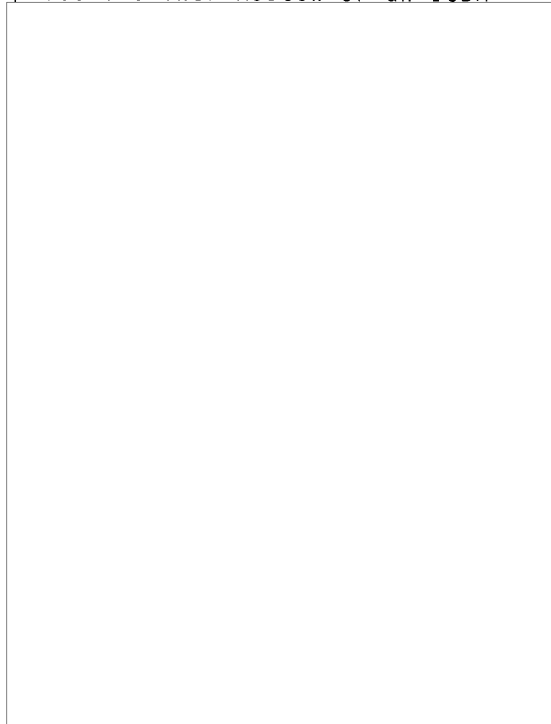
FOR THE PRESIDENT ONLY

be a new ABM launcher for initial tests of a high acceleration interceptor similar in concept to the US Sprint. At least three years of flight testing would be required before the new interceptor missile could be operational.

Construction of what may be four ABM silo launchers at Sary Shagan has recently begun. When these are completed, the total of operational test launchers could be 13. The ABM Treaty allows the Soviets a total of 15.

The Treaty permits the Soviets an ABM system with 100 launchers to protect either Moscow or an ICBM

25X1



* * *

--continued

FOR THE PRESIDENT ONLY

POLAND-USSR: *Soviet party leader Brezhnev has given his full personal endorsement to visiting Polish party chief Gierek, who is seeking a public show of Moscow's support in the face of severe domestic problems.*

In a Kremlin speech on Tuesday, Brezhnev referred to Gierek as the "true son of People's Poland," "an eminent statesman" of the international communist movement, and the great friend of the Soviet Union.

Brezhnev endorsed Gierek's policy of "radical modernization of all Polish industry" and implied that the Soviets would give some additional help, saying that "we help each other in a brotherly way" to strengthen our economies. Brezhnev noted that the Poles face "tricky problems," but expressed confidence that Warsaw would successfully implement its programs.

The official talks between the high-level Polish party-state delegation and the Soviets concluded Wednesday morning. No details have been released on what the Soviets are prepared to do to ease Poland's current difficulties. A Polish diplomat indicated earlier, however, that "significant" economic agreements would be signed, and a Soviet diplomat in Warsaw claimed that the Poles would get 90 percent of what they want.

* * *

--continued

FOR THE PRESIDENT ONLY

NOTES

The EC finance ministers, meeting this week in Brussels, decided to delay any action on possible Community assistance to the UK until the results of Britain's negotiations for a \$3.9-billion IMF loan are known.

The Nine reportedly concur on the need for both individual and collective efforts to assist the UK. General agreement was reached on the method the EC will adopt in assuming Britain's \$486-million share of the EC credit granted Italy in 1974--which the UK wants repaid by December 9.

25X1

* * *

25X1

West Germans

25X1

25X1

25X1

[Redacted]

25X1

[Redacted]

25X1

[Redacted]

--continued

FOR THE PRESIDENT ONLY

25X1

25X1

25X1

* * * 25X1 25X1

	Greece
Turkey	

25X1

[Redacted]

25X1

[Redacted]

25X1

25X1

* * *

The UK government of Prime Minister Callaghan suffered a significant defeat in the House of Commons early this morning following the surprising legislative defection of right-wing Labor members of Parliament.

We have no information as yet that Callaghan intends to call for an immediate vote of confidence to erase the stain of defeat. Earlier this year then - prime minister Wilson recovered from an embarrassing parliamentary defeat caused by leftist defections by calling for and winning a confidence vote.

If Callaghan chooses this same course, there will be intense pressure from fellow Labor members of Parliament as well as from powerful trade union leaders on the rebels to return to the fold.

FOR THE PRESIDENT ONLY

Top Secret