



The President's Daily Brief

September 6, 1976



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FOR THE PRESIDENT ONLY

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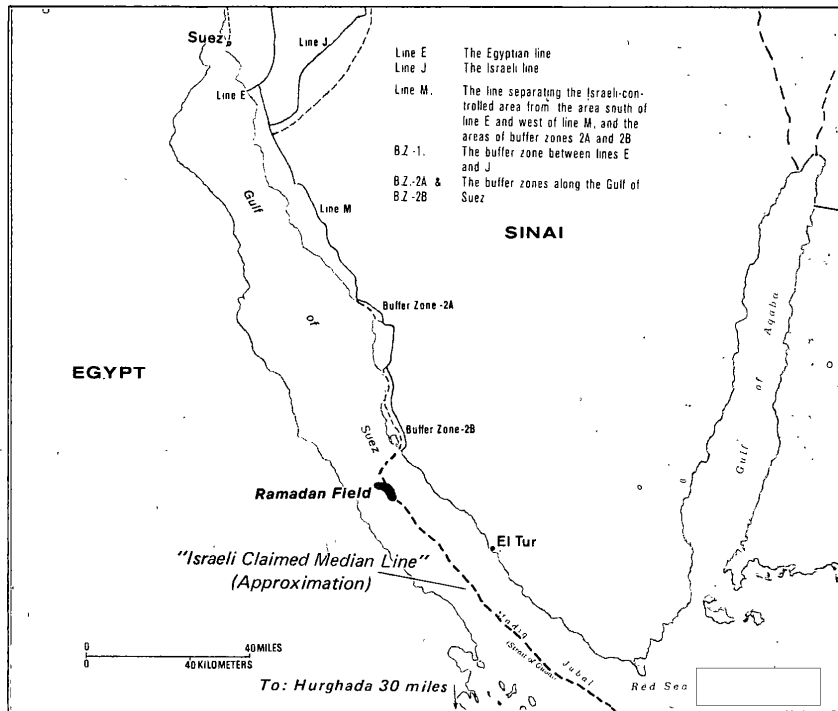
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Gulf of Suez



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ISRAEL-EGYPT: Neither Egypt nor Israel is likely to back down on conflicting claims in the Gulf of Suez. After showing the flag in the disputed area on Saturday, however, the Egyptians may be temporarily content to handle the issue through diplomatic channels.

By sending patrol boats to the disputed oil drilling site but avoiding a fight, the Egyptians probably hoped to do two things: demonstrate their determination not to be pushed around by the Israelis and galvanize the US into pressing Egypt's case harder with Israel. Foreign Minister Fahmi told Ambassador Eilts on Saturday that President Sadat considers the issue a "test case"--presumably of both Israeli intentions and US willingness to stand up to the Israelis when Washington regards Israel to be clearly in the wrong.

Israeli Foreign Minister Allon reacted defensively on Friday to the US demarche regarding the incident that had occurred earlier in the week.

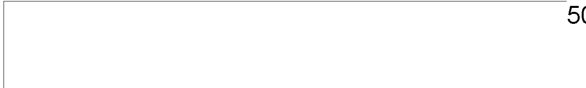
Allon accused the US oil companies of allowing themselves to be used to further an Egyptian political campaign against Israel. He also implied that Washington--by "taking sides" in what the Israelis consider to be a matter strictly between themselves and Egypt--was violating its commitment in the second Sinai accord not to support any proposal disadvantageous to Israel.

Ambassador Toon could detect no give in the Israeli position and gained the impression that the Israelis believe any retreat on their part would be interpreted in Cairo as a sign of weakness and lead to further Egyptian challenges.

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For a brief period on Saturday, Israeli and Egyptian gunboats were within several hundred meters of each other, but no shots were exchanged.



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The Israelis claim the Egyptian boats did discharge a few rounds, apparently accidentally. Later the Israelis shot two buoys that marked the drilling site out of the water.

Since then, the disputed area has been quiet. The Egyptian navy has reduced its alert status, and the two Egyptian patrol boats involved in the incident, along with two other patrol boats, are in port at Hurghada. Two motor torpedo boats from Suez may be en route to join them.

The Israelis still had two boats in the area late Saturday, but the rest of their force--three or four other patrol boats--have returned to anchorage off El Tur.

* * *

LEBANON: The announcement that Syrian President Asad, King Husayn of Jordan, and Lebanese president-elect Sarkis will meet in Damascus on September 27--shortly after Sarkis is scheduled to take office--has raised broad speculation in Beirut that an alliance among the three is in the making and that this, in turn, will help end the Lebanese conflict.

We doubt that Asad has done anything more than raise the idea of a closer working relationship among the three states in recent talks with Sarkis and the King. He is also unlikely to see such a plan as a means of bringing the Lebanese conflict to an end.

It is true, however, that Asad has been talking to Husayn for some time about ways to translate their economic and military cooperation into a loose confederation. He may view the inclusion of Lebanon in such an arrangement as a means of legitimizing Syria's presence there and of ultimately strengthening Syria's position vis-a-vis Israel.

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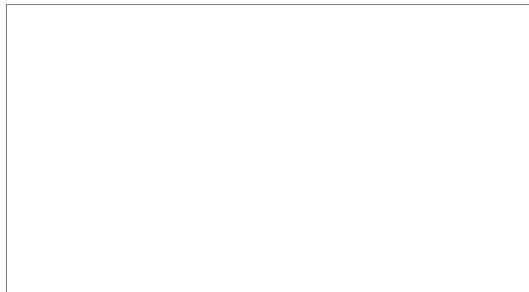
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Husayn referred obliquely to this possibility during his visit to Moscow early this summer when he spoke of "building a new reality" between Jordan and Syria and linked this to the "national role" Syria is playing in Lebanon.

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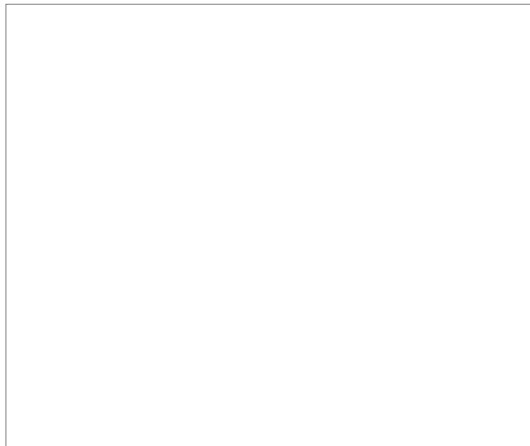


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Three bombings on Friday in Homs, a town on the northern border with Lebanon, will surely add to the growing uneasiness in the Syrian military. Eight people were reportedly killed when a bomb exploded at a bus station, and another explosion blew up a generator that provides most of the city's electricity. We have no details as yet on the third bombing.

Arab League representatives, who convened on Saturday, decided to postpone the summit until the third week of October. Despite protests from Lebanese Christians, the conference will be held in Cairo.

The decision to postpone the summit probably derives, at least in part, from a desire to give president-elect Sarkis time to form his new government before participating in the meeting.

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HIJACKING: We have not yet established the identity of the hijackers who seized a KLM DC-9 airliner late Saturday.

The aircraft--which was bound from Malaga to Amsterdam--was seized 20 minutes after a refueling stop in Nice. Three men, apparently all Arabs, carried out the hijacking and demanded the release of eight prisoners held in Israel in exchange for not blowing up the aircraft.

The plane eventually landed at a small airfield in Larnaca, Cyprus. According to press reports, the hijackers agreed to release the 75 passengers and five crew members in return for safe conduct to another country, apparently Libya.

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The Palestine Liberation Organization reportedly refused to negotiate with the hijackers, and has condemned their action. The radical Popular Front for the Liberation of Palestine headed by George Habbash has denied responsibility for the hijacking.

Nothing has been heard from Wadi Haddad who recently broke with the PFLP and who was responsible for the recent hijacking that ended at Uganda's Entebbe airport.

LIBYA: Undersecretary for Foreign Affairs Durdah issued a sharp rebuttal on Saturday to recent remarks by you and Governor Carter concerning Libya's involvement in international terrorism.

Durdah's diatribe was delivered to about a hundred journalists covering the celebration of the seventh anniversary of President Qadhafi's coup. Most were from Third World and communist countries.

Durdah accused "US presidential candidates of competing for votes in a Zionist environment," and lamented that Libya's support for the Arab cause had made it a target of the US.

Within hours of Durdah's press conference, President Qadhafi granted a private interview to Arnaud De Borchgrave of Newsweek in which he emphasized his desire to begin a dialogue with the US.

It is not unusual for the Libyans to lash out at the US in public while privately making conciliatory overtures. Moreover, Qadhafi may calculate that he must argue strongly against charges that Libya is involved in terrorism at a time when he suspects the Egyptians are preparing to use the pretext of Libyan recklessness to invade his country.

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Japan
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North Korea and the United Nations Command reached initial agreement Saturday as to the separation of military forces in the Joint Security Area at Panmunjom.

Minor differences were resolved when the Koreans accepted a UNC counterproposal on passage of non-military personnel and vehicles across the Military Demarcation Line.

Pyongyang approached these negotiations seriously and appeared anxious to see them brought to a successful conclusion. Presumably the North Koreans hope this agreement will help them in their image-building efforts in the wake of the Panmunjom incident of August 18.

The South Koreans have been informed of the agreement and have expressed their general satisfaction.

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The Turkish seismic research ship is carrying out its work in international waters, where it is being shadowed by two Greek ships, according to the Turkish press.

The Aegean situation will be one of the topics discussed at an extraordinary meeting of the Turkish national security council today.

Greek Prime Minister Karamanlis, in a major speech on Saturday, expressed willingness to negotiate with Turkey in "patience and calm" despite Turkey's "high-handed actions" in the Aegean.

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