

The President's Daily Brief



August 30, 1976

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

August 30, 1976

Table of Contents

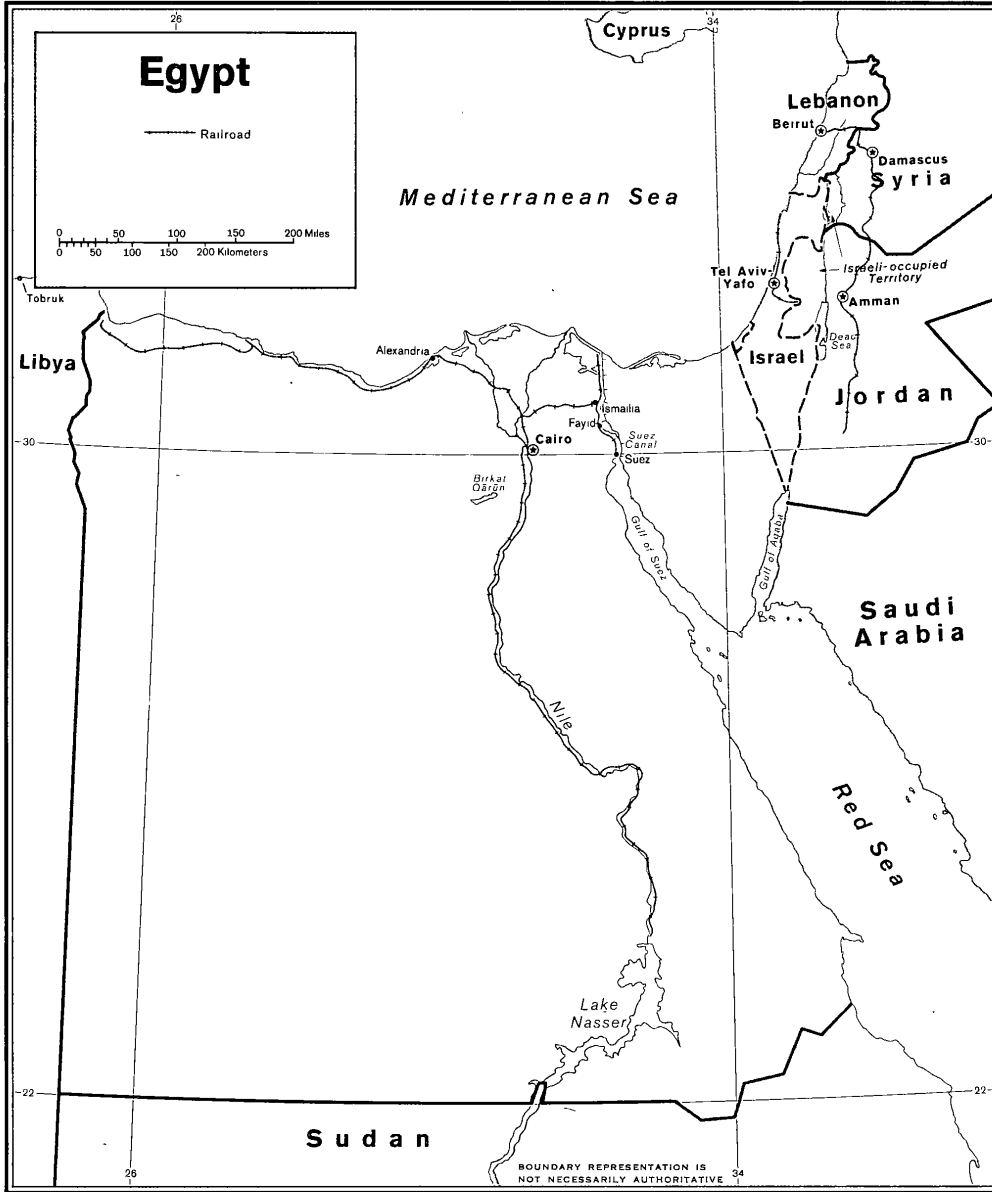
Egypt-Libya: We now have good indications that Egypt has begun to remove ground units from the vicinity of the Suez Canal, presumably for use on the Libyan border. (Page 1)

Lebanon: The key parties to the conflict are involved in more consultations prior to an anticipated meeting of Arab foreign ministers this week. (Page 2)

Iran: A group of religious extremists appears responsible for the killing on Saturday of three US civilians in Tehran. (Page 3)

Notes: USSR-US; North Korea; Kuwait; Saudi Arabia - Syria (Pages 5, 6, and 7)

FOR THE PRESIDENT ONLY



FOR THE PRESIDENT ONLY

EGYPT-LIBYA: There are now good indications that Egypt has begun to remove ground forces from the Suez Canal area, presumably for use on the Libyan border.

A preliminary review of U-2 photography [redacted] showed that one mechanized and one armored battalion of an armored division were being loaded on rail cars at Fayid near the Suez Canal. The units probably are the ones that intercepted Egyptian communications indicated were to move by rail from Fayid over a four-day period beginning on August 26.

25X1

The photography also showed that one armored and three infantry battalions normally located near the southern half of the canal were absent. Because some of these same units were not seen on the U-2 mission ten days earlier, we presume that they also probably have been sent to the Libyan border.

The Egyptians apparently are trying to minimize the impact that any withdrawal of forces from the canal would have on their capabilities opposite Israel. So far, the units' being withdrawn have come from several divisions, with no one division being seriously depleted in strength.

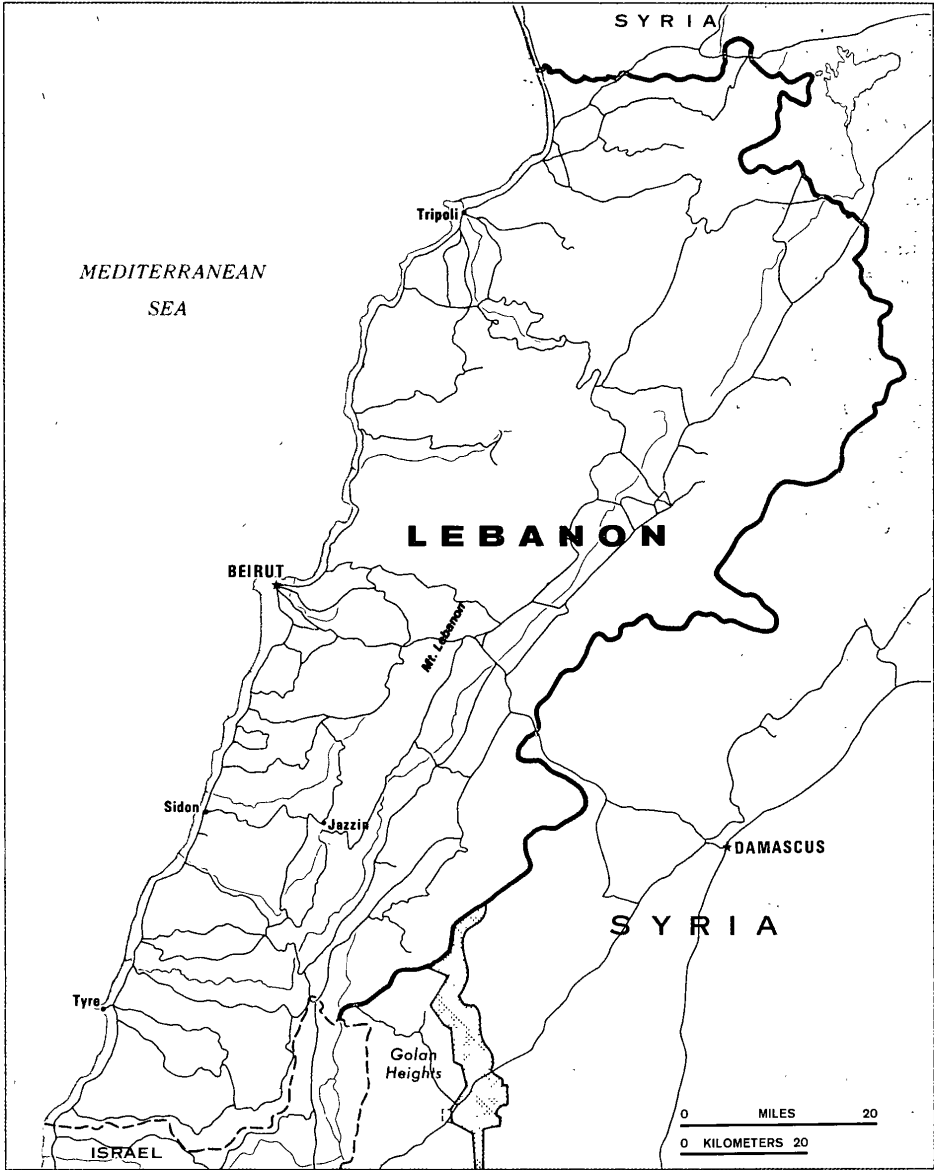
In Libya, flights of transports to eastern Libya also have continued.

Over the weekend, five C-130s and one 727 aircraft were scheduled to fly to Tobruk. This brings the number of flights there to at least 15 during the past two weeks. The aircraft probably have been moving troops and supplies to the border area.

Pravda yesterday for the first time mentioned the growing Egyptian-Libyan dispute.

A pro-Libya article criticized Egyptian leaders for alleging they

--continued



620362 8-76

FOR THE PRESIDENT ONLY

were threatening Libya because Tripoli had opposed "those Arab countries which seek separate agreement with Israel through the mediation of the USA."

The article also called upon "progressive forces" in and beyond the Arab states to thwart those who opposed Arab unity. The developments around Libya, the commentary said, attracted close attention because of "the danger of a new military conflict." The article gave no hints as to what the Soviets might do in the event of such a conflict.

LEBANON: The principal parties to the Lebanese conflict are engaged in another round of consultations prior to an expected meeting of Arab foreign ministers this week.

The secretary-general of the Arab League yesterday invited the foreign ministers to meet in Cairo on Wednesday. The group will try to arrange for an Arab summit conference on Lebanon, perhaps in early September.

The Arab League's chief mediator in Lebanon was due to return to Cairo last night after three days of trying to promote the latest League peace plan among Lebanese Christian, Palestinian, and Syrian leaders. No side has issued an unequivocal acceptance of the proposal.

Fatah leader Salah Khalaf said yesterday that the Palestinians accept the peace plan, but he tied his approval to Christian adherence to provisions reportedly requiring balanced Palestinian and Christian withdrawals from contested areas in the mountains east of Beirut. These areas are predominantly Christian, and Christian leaders are demanding a unilateral Palestinian and leftist pullback.

--continued

FOR THE PRESIDENT ONLY

Christian leaders are withholding any formal reaction to the peace plan out of dissatisfaction with its demand for Christian withdrawals and pending some indication of Syria's position. Arab League mediators talked with Syrian Foreign Minister Khaddam yesterday, but Damascus has made no comment on the proposed agreement.

The Lebanese Christians and the Syrians appear to be preparing a coordinated response to the League proposal and a strategy for the foreign ministers' meeting. A representative of the right-wing Phalanges Party visited Damascus following a meeting of Christian leaders on Friday, and Lebanese president-elect Sarkis is scheduled to travel to Syria tomorrow.

Military activity was at a relatively low level in most areas of Lebanon over the weekend.

There was almost no indiscriminate shelling in Beirut and less ground action than usual in contested areas of the capital and the central mountains. Syrian and Christian forces are continuing their attempts to consolidate their positions in the east and south, particularly near Jazzin. Shelling continues in Tripoli, with neither side making appreciable gains.

* * *

IRAN: The assassination on Saturday of three US civilians in Tehran appears to have been the work of a group of religious extremists, the People's Strugglers.

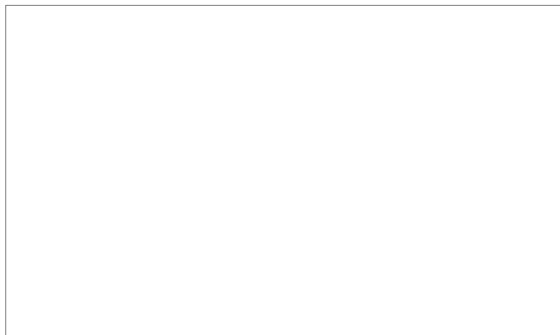
We have no direct evidence that the Strugglers were responsible for the deaths of the three Americans, but the attack was similar to their previous assaults. The Strugglers were responsible for the killing in Iran of a US army officer in 1973 and two US air force officers in 1975.

--continued

FOR THE PRESIDENT ONLY

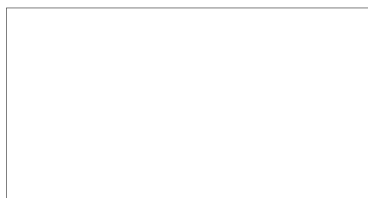
The terrorists apparently hope to provoke enough alarm within the non-official community in Iran to cause many of its members to return home. Even a limited exodus of the approximately 17,000 US civilians in the country probably would impede, if only temporarily, Iran's efforts to carry out its economic and military modernization program.

The Strugglers is one of two terrorist groups active in Iran. It deplores the growth of Western, non-Muslim influences. The Strugglers' strategy is to destroy the present regime by attacking its main bases of support which, in the terrorists' eyes, include the US. 25X1

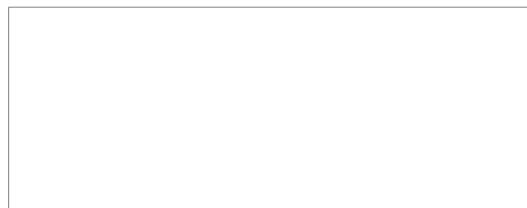
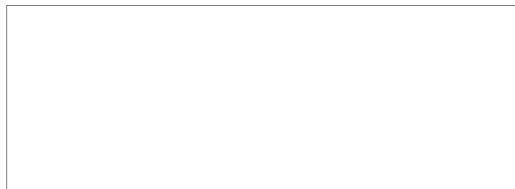


25X1

25x1



25X1



--continued



620174 7-76

FOR THE PRESIDENT ONLY

NOTES

A collision occurred Saturday morning between a Soviet nuclear submarine and a US frigate in the Mediterranean 150 kilometers southwest of Greece.

The submarine is one of two cruise missile attack submarines the Soviets normally maintain in the Mediterranean. One of the submarine's radars, its sail, and possibly its bow appeared to be damaged but the submarine seemed to be under control. Two Soviet ships, one with the commander of the Soviet Mediterranean squadron aboard, reached the submarine late Saturday.

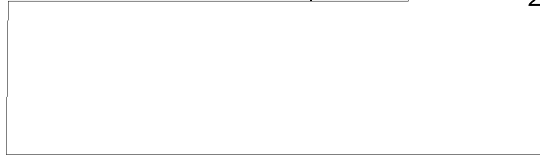
The US ship sustained some damage and was towed to anchorage west of Crete.

* * *

In an obvious pressure tactic, North Korean media is claiming that the US has already accepted Pyongyang's proposal for partitioning the Panmunjom area.

Reporting on the meeting on August 28 of the Military Armistic Commission, the North Korean news agency stated that the "US side was compelled to agree to the just proposal of our side." At the meeting, the Communists deflected US requests that North Korea provide interim assurances of the safety of UN personnel in the Panmunjom area and withdraw its guard posts from below the military demarcation line as preconditions to further negotiations at lower level staff meetings.

The situation along the Demilitarized Zone remains quiet. 25X1



--continued

FOR THE PRESIDENT ONLY

North Korean patrol boats this morning seized a South Korean fishing boat that reportedly had inadvertently strayed into North Korean territorial waters. Such incidents have occasionally occurred in the past, but the timing of this one so soon after the August 18 incident is likely to aggravate tensions and give the North Koreans additional propaganda ammunition against the South and the US.

* * *

Kuwait's 15-year experiment with a parliamentary system ended suddenly yesterday when Emir Sabah al-Sabah dissolved the National Assembly and suspended key sections of the constitution.

The ruler's action came shortly after the resignation of the cabinet of Prime Minister and Crown Prince Jabir al-Ahmad, the country's most important political figure. The Prime Minister, who has already been asked to form a new cabinet, said he quit because of the failure of the legislature to cooperate with the executive branch.

The government has issued new rules designed to curb the Kuwaiti press. A publication will be suspended if it is shown that it serves the interest of a foreign state or if its policies are against the national interest. In addition, government approval will be necessary for the publication of any statement by a foreign country. These controls are in part aimed at keeping Kuwait out of intra-Arab world squabbling.

--continued

FOR THE PRESIDENT ONLY



620361 8-76

FOR THE PRESIDENT ONLY

* * *

Saudi Arabia apparently has begun to withdraw its forces from Syria.

A convoy of Saudi cargo trucks moved through Jordan on Friday, according to the Saudi attache in Amman, en route from Syria to Tabuk in northern Saudi Arabia. The US defense attache in Damascus reports that the transfer is expected to be completed by mid-October.

The Saudis announced in mid-July that they planned to withdraw their 5,900-man brigade from Syria. The unit had been stationed south of Damascus since October 1973. The Saudis also plan to pull their 5,600 troops out of Jordan, but we have seen no information on the timing of that move.

The withdrawal probably is related to the long-planned modernization of Saudi units at Tabuk, where they will begin conversion to mechanized units with equipment purchased from the US.

Top Secret