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The President's Daily Brief

October 29, 1976

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FOR THE PRESIDENT ONLY

October 29, 1976

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* RHODESIA: Both the black nationalists and the white Rhodesians are saying the guerilla war will soon increase in intensity.

[Redacted]

[Redacted] A key military commander who was originally slated to go to Geneva has stayed behind in Mozambique. [Redacted]

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Nkomo is said to be trying to recruit and expand his guerrilla forces, presumably to be in a better position vis-a-vis ZANU in a black-ruled Rhodesia.

The white Rhodesians apparently are still expecting to receive additional South African aid if the talks break down and the war expands. Rhodesian Prime Minister Smith implied this in a television interview in mid-October.

[Redacted]

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CHINA-USSR: Peking's quick rejection of Moscow's latest message to China reemphasizes the determination of the current leadership that there be no early departure from its anti-Soviet stance.

A Chinese government spokesman told foreign newsmen yesterday that the congratulatory message from Soviet party chief Brezhnev to Hua Kuo-feng--who was officially named chairman of the Chinese party this week--was rejected because "no relations" exist between the two parties. Peking rejected congratulatory notes from Moscow's East European allies for the same reason, according to the spokesman.

Last month, after Chairman Mao's death, Peking refused a sympathy note from the Soviet party Central Committee. That message was the first Soviet attempt at public party-to-party communication since 1966.

Although Moscow has virtually eliminated anti-Chinese commentary from its propaganda since Mao's death, the Chinese have continued their harsh criticism of Soviet activities and intentions. No change has been noted since the purge of leading leftists in China earlier this month. Chinese officials [redacted] described the Soviet messages as directed primarily at other countries and not a genuine signal to Peking.

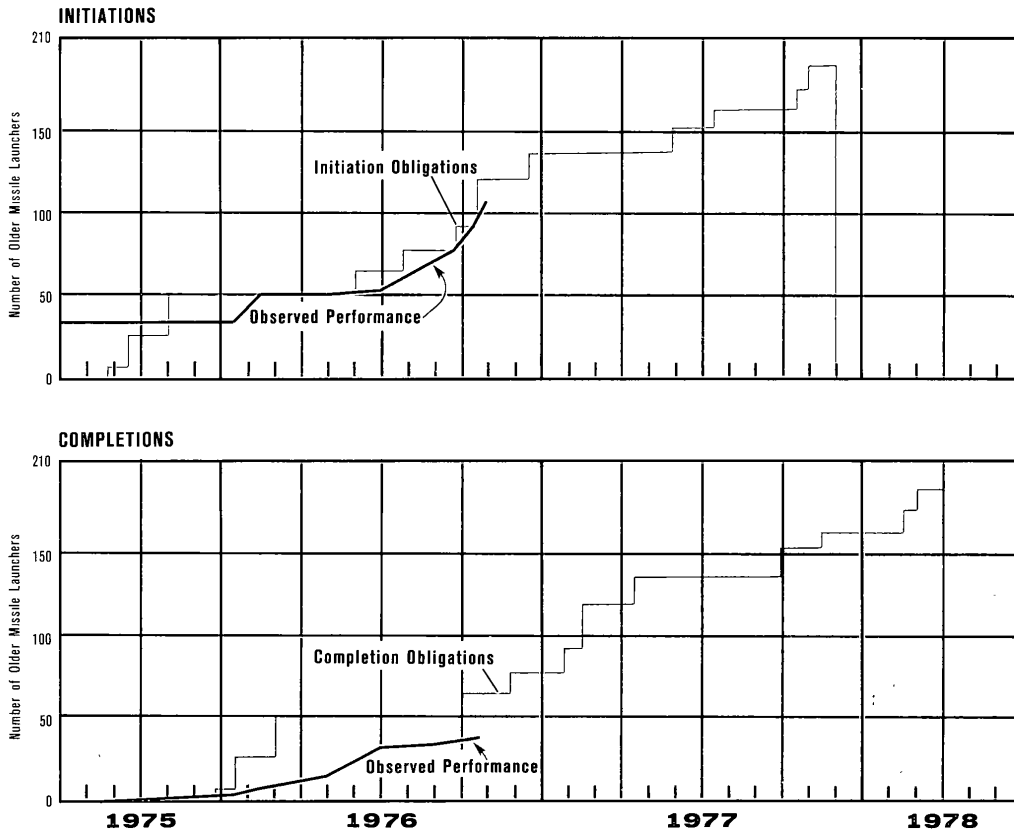
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Even those individuals who in the past have reportedly favored improved ties with Moscow presumably believe there would be little advantage in pushing their argument, at least until after the US elections when they may be able to judge better where relations with Washington are headed. They probably assume that any signal now of a Chinese interest in improved relations with the Soviets could create problems in Sino-US relations.

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STATUS OF DISMANTLING OF OLDER SOVIET MISSILE LAUNCHERS



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Soviet ICBM Dismantling

Obligations	March 1	June	July	August	September	October
Required number of launchers with						
Dismantling Complete	51	51	51	51	51	67
Dismantling Initiated	0	16	28	28	44	56
	<u>51</u>	<u>67</u>	<u>79</u>	<u>79</u>	<u>95</u>	<u>123</u>
Observed Performance	(Dec 4 - Mar 29)	(Mar 22 - May 17)	(Jul 9 - Aug 3)	(Aug 4 - Sep 6)	(Sep 7 - Oct 19)	
Dismantling Complete	8	13-16	33	33	39	
Dismantling in Progress	43	38-35	20	46	69	
	<u>51</u>	<u>51</u>	<u>53</u>	<u>79</u>	<u>108</u>	

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The USSR must have realized that its message was almost certain to be rejected.

The Soviets may have proceeded anyway to underscore publicly Chinese intransigence and, possibly, to test whether China's recent purge of leftists--who in Soviet eyes are the most implacably anti-Soviet element within China--had in fact made the Chinese anymore receptive to such a message.

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USSR: *Satellite photography*

[redacted]

[redacted] shows that the Soviets have completed the dismantling of six more older ICBM launchers and have begun dismantling 29 others. Twenty of the 209 original SS-7 and SS-8 launchers were not photographed, however, and additional dismantling activity may have occurred.

The Soviets now have at least 108 launchers in varying stages of being dismantled; of these 39 can be considered fully dismantled. Of the 69 others, 20 have been rendered unusable to the extent that none could be returned to operational status in substantially less time than required for new construction.

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Under the terms of the procedures established by the Standing Consultative Commission, the Soviets should have had 67 launchers fully dismantled by early October and work underway on 56 others by late October.

The Soviets, meanwhile, continue to incur additional dismantling obligations. A D-class submarine with 16 missile launchers probably will begin sea trials in late November or early December, requiring 16 additional launchers to be in the process of dismantling.

[redacted]

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* LEBANON: *Lebanese Christians and Muslims are refusing publicly to go along with the provisions of the Riyadh accord with which they do not agree.*

According to Beirut press reports, Christian leaders have now decided to accept Arab League peace-keeping forces only at a few spots in areas they control. The Christians plan instead to offer Lebanese President Sarkis a group of 30,000 Christians--matching the strength of the Arab League force--who would police Christian zones while League troops enforce security in other areas.

Sarkis is unlikely to accept the Christian offer, which would make a mockery of the withdrawal provisions agreed on at Riyadh.

The Syrians seem to be taking some steps to deal with Christian recalcitrance.

Syria has been particularly incensed by the open cooperation between the Christians and Israelis in the south and has already made representations to the Christians to stop. We also have seen indications that the Syrians have allowed some units of a Palestine Liberation Army brigade, which they dominate, to move south but cannot confirm press reports of a broader Palestinian movement.

Any Palestinians returning to the south could be headed for the three Palestinian camps on the outskirts of Tyre. The Palestinians are supposed to be withdrawing to their camps under the provisions of the Riyadh agreement.

The Syrian actions may be a propaganda gesture, allowing Damascus to pose as a partner of the Palestinians against the main enemy--Israel--and to get out from under charges that Syria is cooperating with Israel against the Palestinians. Allowing Palestinians into

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the south but keeping them well away from the border area itself could also be designed as a face-saving gesture to PLO chief Yasir Arafat to induce him to go along with an agreement that was essentially a defeat.

The Syrians probably assume that the Christians are sufficiently strong in the south to cope with additional Palestinian units without incurring the threat of Israeli retaliation. In any case, south Lebanon is virtually the only area of the country where the fedayeen can go if they are pulling out of Mount Lebanon, the Beirut suburbs, or any of the other areas specified in the Riyadh agreement.

The Syrians still seem determined to keep the area near the Israeli border quiet.

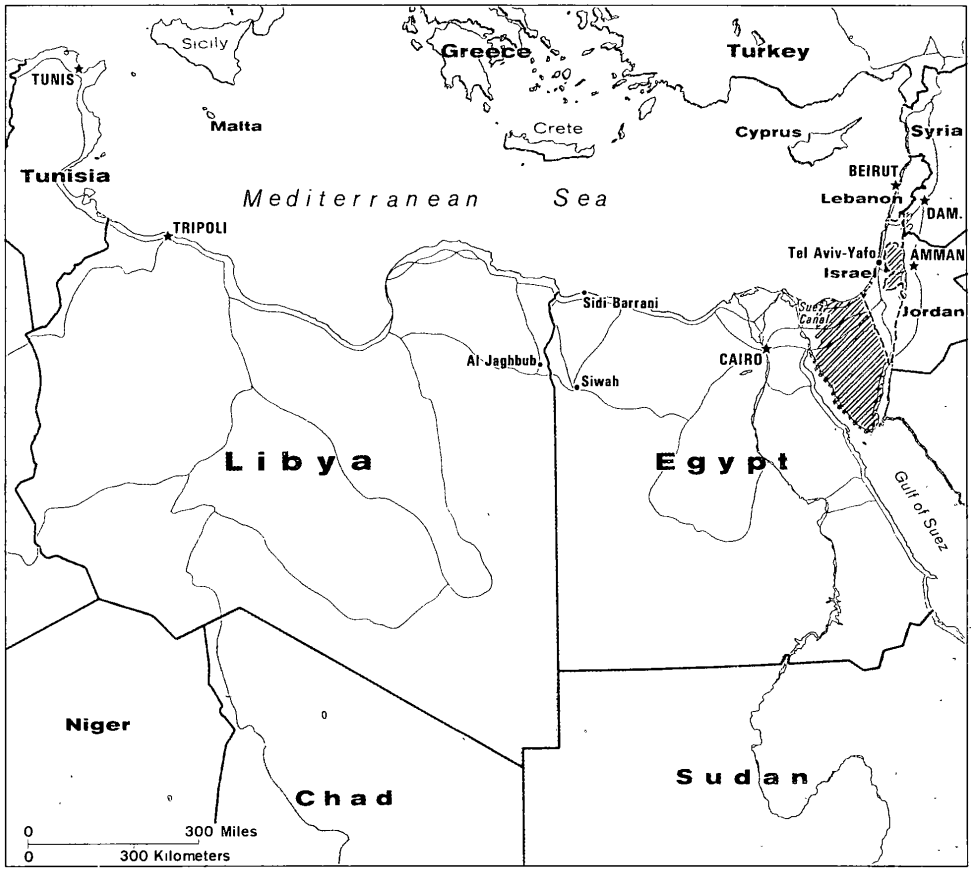
Syrian Foreign Minister Khaddam told Ambassador Murphy yesterday that Damascus had contacted all parties involved in the situation in the south and was exerting a major effort to prevent trouble on the border.

Palestinians and Muslims in Bint Jubayl were shelled by Christians and Israelis yesterday, and artillery duels took place in two other areas near the border.

There were small-scale clashes, sporadic shelling, and some sniper fire in Beirut and its suburbs yesterday. The city is still relatively calm, however, and the death toll has dropped dramatically.

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EGYPT-LIBYA: *Satellite photography* [redacted]

[redacted] *shows no significant changes in military forces on either side of the Egyptian and Libyan border. Heavy haze and clouds over most of the area, however, hampered our ability to monitor developments.*

The Egyptians continued work on the new airfield at Sidi Barrani started in mid-summer. The field is still not ready for air operations. New air defense associated electronics equipment observed at Siwah airfield suggests that Egypt expects to use that field as an auxiliary fighter airstrip.

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On the Libyan side, the photography confirms [redacted] that Libya is improving an old airstrip at Al Jaghbub, opposite the Siwah oasis. Work on the strip is still at a preliminary stage, but we estimate that only small utility aircraft and helicopters will be able to use the field when it is completed.

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Analysis of U-2 photography [redacted] indicates that the 15 or so Egyptian infantry battalions that moved to Cairo for the parade on October 6 commemorating the 1973 Arab-Israeli war apparently have returned to the west bank area of the Suez Canal.

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The photography also shows that Egypt continues to maintain enough equipment on the east bank of the Suez Canal to support about eight infantry battalions--the maximum number allowed under the terms of the Sinai II agreement. Based on their onsite inspections, UN observers have reported that Egypt is maintaining eight battalions in its limited armaments zone.

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UNITED KINGDOM [redacted]

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NOTES

* *The Castro regime is planning radio and television interviews with several alleged CIA agents living in Cuba.*

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[Redacted]

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The Cubans have invited selected foreign journalists to cover the interviews, which reportedly were to have started on Wednesday. Havana may have delayed the program to avoid giving the impression of interfering in US politics.

Castro, speaking at a memorial service on October 15 for the victims of the Cubana air crash in Barbados, said a CIA agent was actually working for Cuban intelligence. This person [Redacted]

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[Redacted] apparently is to be the highlight of the coming interviews.

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In addition, Castro has promised to surface a number of other people,

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[Redacted]

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* *The Soviet announcement yesterday that Moscow plans to spend 17.2 billion rubles on defense in 1977 uses a figure that is much too low.*

This figure is some 200 million rubles less than last year's announced defense budget. However, the single item labeled "defense" in the annual state budget is virtually useless as an indicator of the true size of the USSR's annual defense spending because it has never been defined, and it appears to be manipulated for political purposes. Moreover, it is far too low to cover the cost of procuring, operating, and maintaining a force the size of the Soviet military.

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We estimate that total Soviet defense spending in 1970 prices for the year 1975 was 50 to 55 billion rubles--about three times the announced figure for that year--and that defense spending has, in real terms, been going up by 4 to 5 percent a year since 1971.

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The Mexican government has allowed the peso to depreciate to 25.8 pesos to the US dollar from its previous level of 19.7. Although the move was announced as a refloat of the peso, the Central Bank is supporting the peso at the new rate.

The decision appears to be a gamble to stem the flight of capital which reportedly has averaged \$100 million weekly since the peso was first floated on September 1.

The Bank of Mexico apparently sees the current exchange rate as temporary and probably hopes to revalue the peso after the bank holiday of November 2. The peso, in fact, is undervalued.

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With Lower House elections in Japan only about five weeks away, the ruling Liberal Democrats have decided to postpone a divisive leadership struggle in favor of pre-election unity at their convention on Sunday.

Opponents of Prime Minister Miki late last week publicly called for Deputy Prime Minister Fukuda to replace Miki as party president and prime minister. Fukuda decided against forcing a showdown at the convention, at least partly because of sentiment in the party favoring resolution of the issue after, rather than before, the election.

A serious effort to replace Miki will probably be made shortly after the election, when by law the entire cabinet must resign and a new prime minister elected by the new Diet. The present Diet will probably be dissolved shortly after the 50th anniversary of Hirohito's reign as Emperor on November 10, with the election itself most likely falling on December 5.

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• China has apparently started producing its first indigenously designed fighter-interceptor, the Hsi-an A.

Recent satellite photography and [redacted] 25X1 [redacted] at least three and perhaps four aircraft have been built. We have noted an increase in flight activity by the Hsi-an A. The Hsi-an A is a twin-engine, delta-wing jet fighter similar to but larger than the single-engine MIG-21.

The aircraft is apparently powered by the same Soviet-designed engine that is used in the MIG-21; engine characteristics noted in test flights by the new fighter are identical to characteristics of

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the MIG-21 engine.

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We expect testing of the Hsi-an A to continue, but, in the meantime, China will probably produce the aircraft for operational units. The new fighter will probably not be entering these units in quantity, however, before 1978.

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