



The President's Daily Brief

December 10, 1976

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~~Top Secret~~ 25X1



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FOR THE PRESIDENT ONLY

December 10, 1976

25X1

Table of Contents

South Korea: [redacted] 25X1
[redacted] (Page 1) 25X1

USSR-Libya: The communique issued after Libyan President Qadhafi's visit to the USSR from December 6-9 reflects the substantial strengthening of bilateral ties over the past two years. (Page 1)

Notes: Rhodesia; France-Canada; USSR - East Germany (Pages 3, 4, and 5)

At Annex we discuss the issue of uranium development in Australia.

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SOUTH KOREA:

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USSR-LIBYA: *The communique issued after Libyan President Qadhafi's visit to the USSR from December 6-9 reflects the substantial strengthening of bilateral ties over the past two years.*

The communique referred several times to the importance of friendship and cooperation, implying that the two sides may be working toward a protocol on consultations or principles. Neither side at this juncture is likely to be interested in a formal friendship treaty that would suggest a more tangible relationship.

Several aspects of the joint statement revealed the differences that continue to separate the two sides:

--There was no mention of the Geneva conference on the Middle East, which Qadhafi denigrated in his public remarks in Moscow.

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--References to Israel were softer than usual, presumably a concession to Soviet efforts to return the protagonists in the Middle East to the Geneva forum.

--The failure to refer to the Palestine Liberation Organization as the sole representative of the Palestinian people as well as the handling of the issue of Palestinian statehood was certainly dictated by Tripoli's ties with the more radical fedayeen groups.

The four days of talks produced several agreements:

--A shipping agreement that could increase Soviet merchant marine use of Libyan facilities.

--A program for cultural cooperation, which will presumably be limited by Libya's long-standing distrust of the USSR.

--The initialing of a document on economic and technical cooperation.

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NOTES

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Rhodesia

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Canadian French

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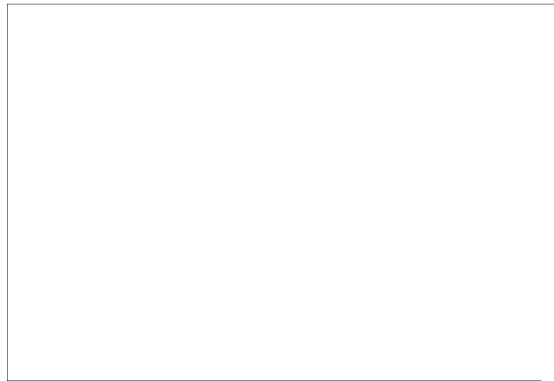
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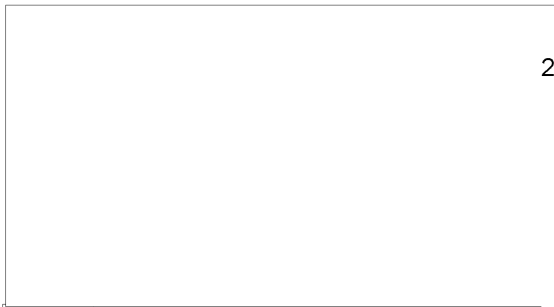
East German [redacted]

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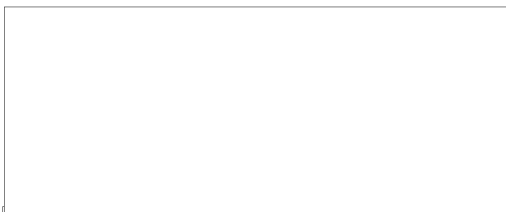
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AUSTRALIA

In contrast to the restrictive policies of its predecessor, the year-old Fraser government favors early development of Australia's vast uranium resources. The government is moving cautiously on the highly controversial issue but has already allowed resumption of some uranium mining. If existing curbs on exports and on mining in the Northern Territory are lifted, Australia will become a major supplier of uranium within the next decade.

Australia has about one fifth of the uranium reserves outside communist countries. With no plans for a nuclear power industry within the next 10 years, the Australians could export nearly all their uranium output. If the government allows producers to carry out their present plans, Australia could be exporting several thousand tons of uranium oxide per year by the end of the decade. Uranium then would become Australia's number-one export, bringing in over \$1 billion annually.

Foreign ownership in companies involved in uranium projects is limited to a maximum of 25 percent. The government also retains strict control over safeguards and marketing regulations.

Uranium development has become one of Australia's hottest public issues. Some public opinion polls indicate that a majority of the population favors uranium development for use in nuclear power; others show that Australians think nuclear development would have harmful effects on future generations. Many unions are vehemently opposed to all uranium mining.

The government has put off two politically sensitive policy decisions--whether to allow mining in the Northern Territory and whether to permit uranium exports--pending the outcome of a special environmental inquiry by a commission charged with forming guidelines for Australian uranium policy.

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The commission recently gave tacit approval for changing export policy and for mining outside the Northern Territory but also recommended stringent safeguards, government controls, and further public debate. A second report, dealing specifically with the Northern Territory, will not be ready until after the first of the year.

The government, meanwhile, will continue removing impediments to uranium development. Since the commission's first report, Canberra has announced that existing export sales commitments will be met, subject to the guidelines of the Nuclear Nonproliferation Treaty, and that projects outside the Northern Territory may proceed with environmental impact studies, a necessary prelude to mining approval.

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