



The President's Daily Brief

August 13, 1976

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FOR THE PRESIDENT ONLY

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Table of Contents

Lebanon: Christian forces overran Tall Zatar refugee camp yesterday. (Page 1)

Turkey-Greece: The UN Security Council will hear Turkish Foreign Minister Caglayangil today before considering the dispute formally raised yesterday by Greek Foreign Minister Bitsios. (Page 2) 50X1

Jordan - Saudi Arabia: [REDACTED]

OPEC: Oil exports from OPEC countries are likely to rise by 1 million barrels per day this quarter--the same as during the first two quarters of 1976. (Page 4) 50X1

South Africa: Rioting in three black townships near Cape Town has resulted in at least 27 deaths--the highest toll since the June riots. (Page 5)

Notes: USSR-Algeria; Egypt-Libya (Pages 7 and 8).

FOR THE PRESIDENT ONLY



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LEBANON: *Christian forces overran Tall Zatar refugee camp yesterday.*

Only a few Palestinian fighters continued to hold out against the Christians. Several thousand civilians and combatants reportedly fled Tall Zatar early yesterday morning as Christian militiamen stormed the camp. 50X1

Some Christian leaders recognize that their handling of the camp's surrender and their treatment of prisoners will largely determine the intensity of Palestinian reprisals. 50X1



Even if the Christians show restraint, the surrender of Tall Zatar will be a serious psychological blow to the Palestinians and their leftist allies, who have taken heavy casualties in defending the camp. They view the Christian attack on Tall Zatar not only as a challenge to the Palestinian presence in Lebanon, but also as a symbol of the Christians' determination not to yield their predominant power in Lebanon.

The fall of the camp will place increased strain on the leadership of the Palestine Liberation Organization.

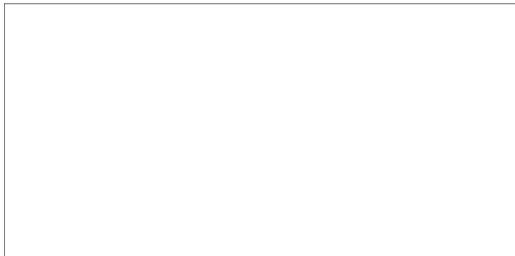
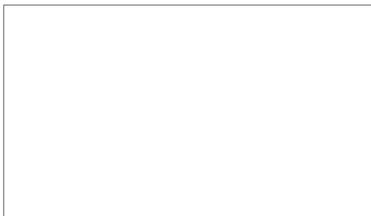
Militants will accuse PLO chief Yasir Arafat and those favoring compromise with Syria of leaving the Palestinians vulnerable to such attacks and of failing to muster sufficient outside help.

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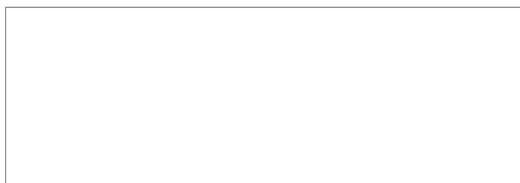
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TURKEY-GREECE: *Greek Foreign Minister Bitsios, addressing the UN Security Council yesterday on Aegean tensions, accused Turkey of committing "arbitrary and provocative" acts.*

Bitsios asked the Council to call on the Turks to suspend their seismic research in disputed portions of the Aegean Sea. The Council will hear Turkish Foreign Minister Caglayangil this afternoon before responding.

Bitsios would doubtless also like a Council endorsement of Athens' application to the International Court of Justice earlier this week for a ruling on the Greek-Turkish dispute over Aegean seabed rights. Greek Prime Minister Caramanlis reportedly realizes, however, that the Security Council is unlikely to favor either party to the dispute. He is said to hope that the UN discussions will at least bring international pressure to bear on the Turks to renew bilateral talks on Greek-Turkish differences and ultimately persuade Ankara to accept third-party arbitration once bilateral talks have resumed.

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The Turks, loath to admit any wrongdoing in carrying out research in disputed areas of the Aegean, are unlikely to be enthusiastic about any Security Council resolution. They could probably accept a document that cautioned restraint on both sides, emphasized bilateral negotiations, and hinted at some future opinion from the International Court.

A draft resolution circulating among Security Council members yesterday would seem sufficiently moderate to satisfy Turkey, but Caramanlis' ability to sell such a document to Greeks demanding a sterner response would hinge on future Turkish activities in the Aegean. After a cabinet meeting yesterday, Turkish Prime Minister Demirel told reporters he hoped the research ship Sismik I would complete work in its present area of operation by the weekend. He said the ship would then begin the third leg of its exploration.

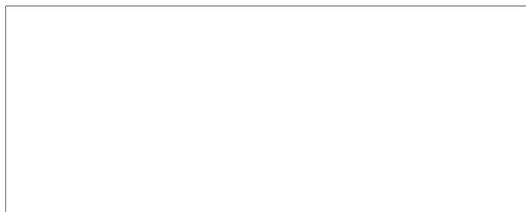
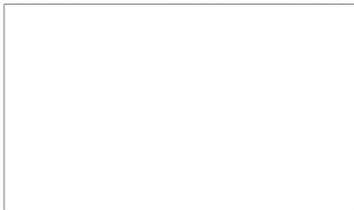
There apparently has been no significant change in the status of Greek and Turkish forces since Wednesday, although both are maintaining a high state of military readiness and could react immediately to an incident or military attack.

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JORDAN - SAUDI ARABIA:

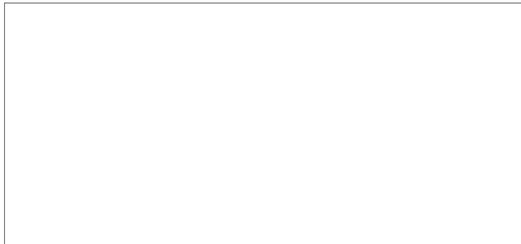


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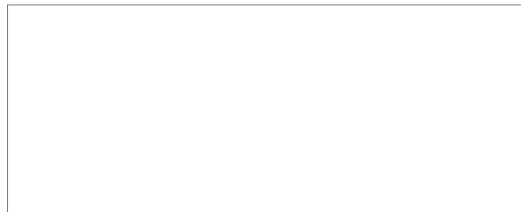
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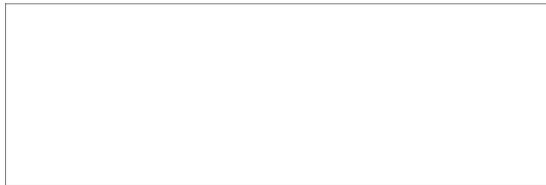
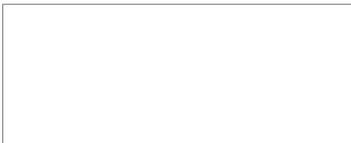


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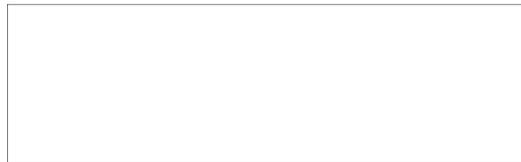


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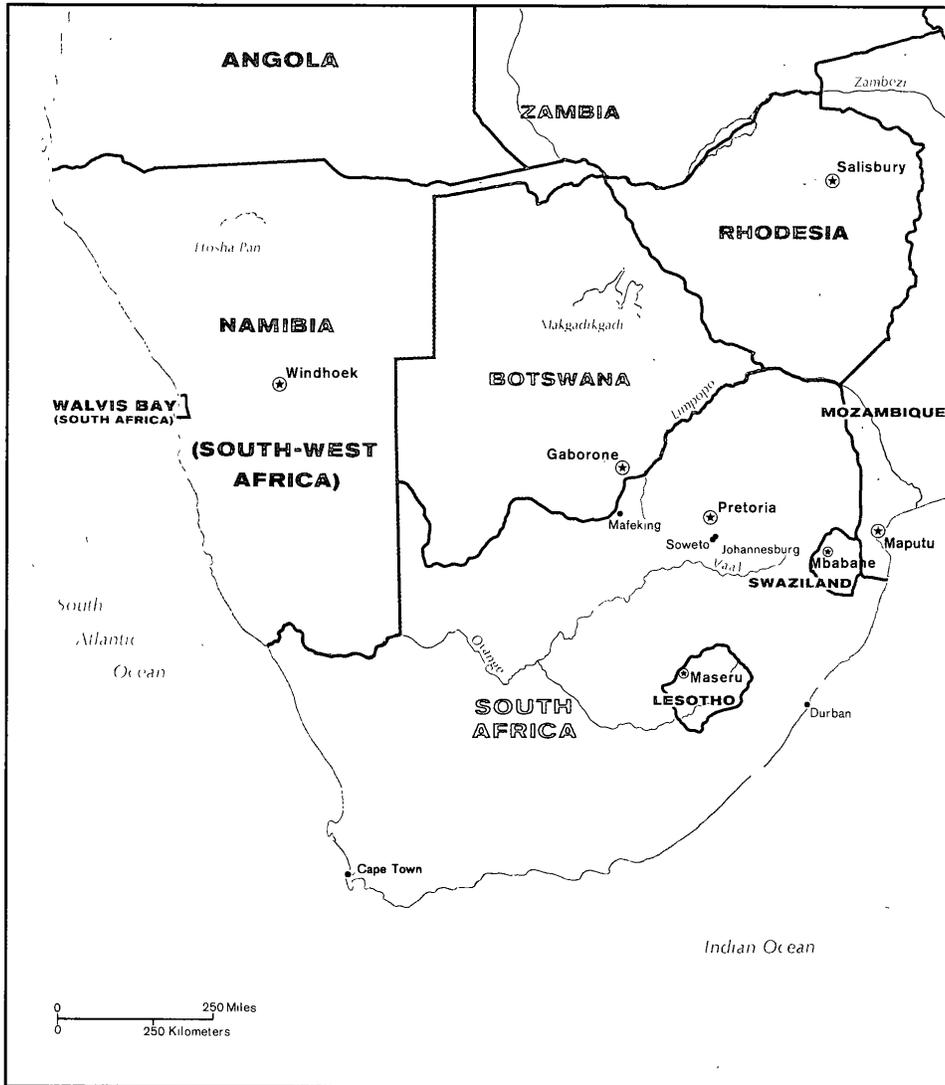


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OPEC: Oil exports from members of the Organization of Petroleum Exporting Countries are likely to rise by 1 million barrels per day this quarter--the same as during the first two quarters of 1976.

From October to December the increase may be even greater, as importers attempt to build stocks in anticipation of another price hike in December. Earnings from oil for the year will probably total \$123 billion, almost \$20 billion above the 1975 level.

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OPEC's current-account surplus is growing because of both higher oil earnings and reduced import expenditures.

For 1976 as a whole, we expect the aggregate OPEC current-account surplus to total about \$41 billion, compared with \$34 billion for 1975. This surplus should increase the foreign official assets held by OPEC countries from \$100 billion on January 1 to perhaps \$135 billion by the end of the year. Their foreign reserves would then be nearly half again as large as the total reserves held by the seven major developed countries--the United States, West Germany, Japan, the United Kingdom, France, Italy, and Canada.

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SOUTH AFRICA: Rioting in three black townships near Cape Town has resulted in at least 27 deaths--the highest toll since the June riots.

Violence began Wednesday afternoon when police tried to disperse students who were marching from school to school, calling on others to join in a boycott of classes. Adults joined in skirmishes with police, arson, and some looting. Further clashes with police occurred yesterday morning.

Prime Minister Vorster yesterday called a meeting of all members of the ruling National Party who are members of Parliament. The meeting is scheduled for September; the full Parliament will not convene until January. Vorster presumably feels compelled to present some program for coping with racial tensions.

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The Prime Minister's only public comment on the second round of student disorders--which began in the Johannesburg area on August 4--was to the effect that the government will neither tolerate further violence nor make concessions to dissidents.

Consultations between government leaders and authorized spokesmen for urban blacks have been suspended. Vorster's apparent intention is to show firmness until he believes the militant students have been suppressed and then resume consideration of limited concessions to urban blacks.

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NOTES

The USSR reportedly delivered 19 MIG-21s to Algeria earlier this month, bringing the number supplied this year to 44 and Algeria's total inventory of MIG-21s to 88.

The aircraft purchases fall under an arms accord of 1975 valued at \$450 million to \$500 million. Algeria sought the arms last fall because of growing tensions in its dispute with Morocco over Western Sahara. Although tensions have eased somewhat since then, Algiers continues to support Polisario Front guerrillas seeking independence for the territory.

The USSR has tried to straddle the Western Sahara issue, but its military deliveries to Algeria have strained its relations with Morocco. Rabat has suspended negotiations with the USSR for a 20-year arrangement on phosphate development.

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Egypt claims to have evidence that Libya is recruiting and training Egyptians for sabotage operations similar to the bombing last Sunday of a government building in Cairo.

The bombing was carried out by an Egyptian who has confessed that he was trained in Libya.

Cairo newspapers reported on Wednesday that three Egyptians who had been trained in Libya for sabotage operations recently turned themselves in to Egyptian security authorities. Two of the defectors alleged that 17 other Egyptians were in the camp where they were trained.

We have no reason to doubt the basic Egyptian charge, although Cairo could be embellishing evidence of Libyan activity.

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Al Ahram, Cairo's leading daily newspaper, yesterday quoted a "responsible military source" as saying that armor, infantry, paratroop, and air defense units are being sent to the Libyan border. The source said the reinforcements are intended to protect Egypt's western border and prevent the infiltration of saboteurs.

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