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# The President's Daily Brief

*September 2, 1974*

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Exempt from general  
declassification schedule of E.O. 14176  
exemption category 5b(1),(2),(3)  
declassified only on approval of  
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**FOR THE PRESIDENT ONLY**

**THE PRESIDENT'S DAILY BRIEF**

September 2, 1974

**PRINCIPAL DEVELOPMENTS**

Soviet Foreign Minister Gromyko critically analyzed US positions on such key issues as arms control, the Middle East, and Cyprus during a wide-ranging discussion with Ambassador Stoessel on August 30.  
*(Page 1)*

Cairo has accepted a Soviet proposal that Foreign Minister Fahmi visit Moscow in mid-October. *(Page 3)*

There is no obvious candidate for New Zealand's ruling Labor Party to select as prime minister to replace Norman Kirk who died suddenly last Saturday, but Wellington's traditionally close relations with the US will probably be little affected no matter who is chosen. *(Page 4)*

A note on the new Syrian cabinet appears on *Page 5*.

**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

**USSR**

In a tour d'horizon with Ambassador Stoessel on August 30, Foreign Minister Gromyko expressed his government's confidence that relations with the US will continue undisturbed during your administration. He went on to analyze critically US positions on such key issues as arms control, the Middle East, and Cyprus.

Gromyko indicated his availability for meetings in Washington on September 25, the day after he addresses the UN General Assembly. He arrives in New York on September 16, after a brief stopover in Bonn.

The foreign minister commented that the Soviet government has been following your statements on relations with the USSR closely and has concluded that you fully endorse former President Nixon's policies.

Gromyko noted with interest Secretary Kissinger's statements on the question of most-favored-nation status for the USSR, and commented that if this problem is overcome, relations with the US will be placed on a "firmer basis."

The foreign minister complained that he was not briefed to discuss the problem of family reunification and attempted jokingly to dismiss the subject. He warned that the US should not expect "lightning-like" action on cases submitted by the embassy.

**SALT**

Gromyko characterized SALT, the arms race, and similar matters as a complex of "old but new" related problems that must be resolved piecemeal, and only after hard negotiation. He was disturbed by continued nuclear proliferation, a problem made current by India's recent nuclear test. He endorsed efforts by the US to influence countries to ratify the Nuclear Non-Proliferation Treaty and suggested that such efforts be made not on a "campaign" basis but systematically.

Gromyko repeatedly referred to SALT as one of the most important and acute problems faced by the two nations. He hoped that the US delegation would

**FOR THE PRESIDENT ONLY**

be ready to go to work when the talks resume on September 17. Quantification appeared to be a particularly bothersome problem, and Gromyko asked how one was to quantify geographic factors. He said that each side had to be objective and realize that the other's security cannot be reduced, in the end the two sides might have to rely on "natural reason." A further point was that the two countries will eventually have to face the role of those states affected by the agreements who have not taken part in the negotiations.

**The Middle East**

Gromyko characterized the Middle East situation as acute. In his view, the US approach seemed to be to engage in non-binding consultations; what the Soviets wanted was "concerted action" to resolve the problem. The two powers should jointly help the Arabs and Israelis reach agreement and not wait to reconvene the Geneva peace conference until all questions had been solved.

The USSR did not want military bases but did want an end to hostilities. Under certain circumstances, the Soviets were prepared to consider "regulation" (normalization) of relations with Israel and would back any necessary international guarantee of Israel. Gromyko mused that it would not be difficult to cause trouble, but immediately disclaimed any Soviet intention to do so.

**Cyprus**

Turning to Cyprus, Gromyko said that "frankly" he did not understand the US position. He asked why the US did not stop the Greek junta from pursuing its plans for Cyprus and why the US did not make a more effective contribution toward a settlement. He said the USSR does not believe the issue is one that involves Cyprus alone, nor is it one that can be resolved by the three-power forum at Geneva. The USSR does not seek any bases in the area, rather it wants all foreign troops removed. Gromyko said that Cyprus represents an opportunity for the US and the USSR to demonstrate the benefits of cooperation, but the US attitude prevents this from taking place.

**FOR THE PRESIDENT ONLY**

**USSR-EGYPT**

Cairo has accepted a Soviet proposal that Foreign Minister Fahmi visit Moscow in mid-October.

[redacted] Egyptian Chief of Staff Lieutenant General Gamasy will accompany Fahmi. This suggests that Cairo will seek a steady flow of new military equipment from the Soviets.

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Egyptian President Sadat has been under pressure from domestic critics to mend fences with the USSR, especially since Moscow abruptly canceled a visit Fahmi was to have made to Moscow in mid-July.

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[redacted]

**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

**NEW ZEALAND**

There is no obvious candidate for the ruling Labor Party to select as prime minister to replace Norman Kirk who died suddenly last Saturday, but Wellington's traditionally cordial relations with the US will probably be little affected no matter who is chosen. The dynamic and popular Kirk had been preeminent in his party for 10 years and had never felt the need to groom a successor.

Finance Minister Rowling, an able and shrewd politician who has visited the US on both Fulbright and leader grants, appears to be the strongest candidate to take over the leadership, in the opinion of the US embassy. Deputy Prime Minister Watt, who is now acting leader of the government, stands a chance because of a desire in the party for continuity, but he has not distinguished himself in his several cabinet positions.

Other leading contenders are Trade and Industry Minister Freer, Justice Minister Finlay, and Defense Minister Faulkner.

The opposition National Party is in no position to take advantage of any disarray in the Labor Party as a new leader seeks to establish himself. Labor's strong parliamentary majority makes it unlikely that elections could be forced before they are due in November 1975.

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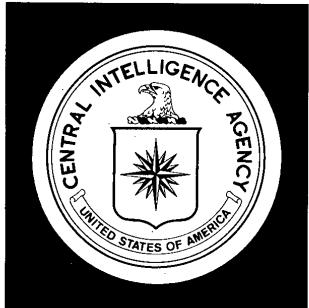
**NOTE**

**Syria:** President Asad yesterday signed a decree installing Prime Minister Mahmud al-Ayyubi's new cabinet. Ayyubi reshuffled ministries dealing primarily with domestic and economic affairs, but made no changes in the foreign, defense, interior, economic, or foreign trade ministries. A government spokesman emphasized that the changes will have no effect on Syrian foreign policy.

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# The President's Daily Brief

*September 3, 1974*

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**THE PRESIDENT'S DAILY BRIEF**

September 3, 1974

**PRINCIPAL DEVELOPMENTS**

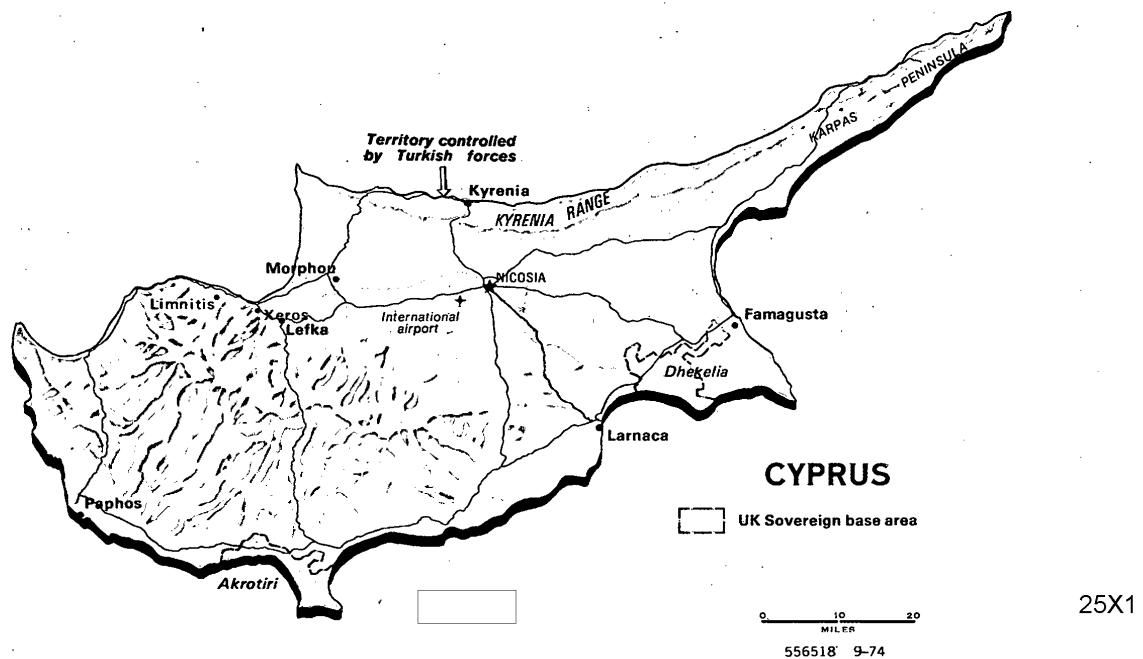
In Cyprus, acting President Clerides said he had some intimation that Greek Prime Minister Karamanlis might drop his insistence on a Turkish military pull-back as a condition for resuming negotiations. Turkish forces continued to inch forward over the weekend from the cease-fire lines. (Page 1)

[Redacted Box] 25X1

There is speculation in Phnom Penh that Brigadier General Lon Non, President Lon Nol's troublemaking younger brother, may be about to return. (Page 3)

[Redacted Box] 25X1

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**FOR THE PRESIDENT ONLY**

**CYPRUS**

Turkish Cypriot leader Denktash yesterday postponed the second in a planned series of talks with acting President Clerides following the discovery of the bodies of massacred Turkish Cypriots outside a village near Famagusta. The two leaders reportedly will resume their talks on refugees and other humanitarian issues on Friday.

The Turks are likely to use the discovery of the bodies to press their claim that a Turkish military presence is necessary on Cyprus to protect Turkish Cypriots. The discovery probably will also add further urgency to efforts now under way to transfer all Turkish Cypriots to the occupied area of the island.

Acting President Clerides told the US ambassador last Friday that he had some indication that Greek Prime Minister Karamanlis might drop his insistence on a Turkish military pullback as a condition for resuming negotiations. Clerides said that, for his part, he would soon run out of purely humanitarian issues to discuss with Denktash in their planned weekly meetings.

Clerides also expressed his concern over the possibility of fighting between Greek Cypriot extremist groups. In an effort to avoid such a development, the National Guard is starting a program to disarm the EOKA-B and other extremist groups of both right and left.

In Athens, the Greek government has decided to cancel, "due to the crisis," a US amphibious landing exercise scheduled to begin this week. The government indicated that another exercise scheduled for November might still be permitted.

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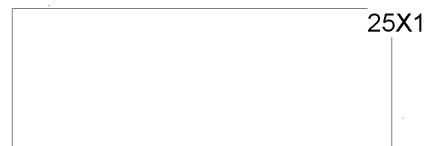
Turkish forces continued to inch forward over the weekend from the cease-fire lines. On the northwest coast the Turks reportedly advanced about one and a quarter miles west of the cease-fire line between Xeros and Limnitis. They are patrolling in villages immediately outside the British base at Dhekelia, thereby producing a new wave of Greek Cypriot refugees entering the British base.

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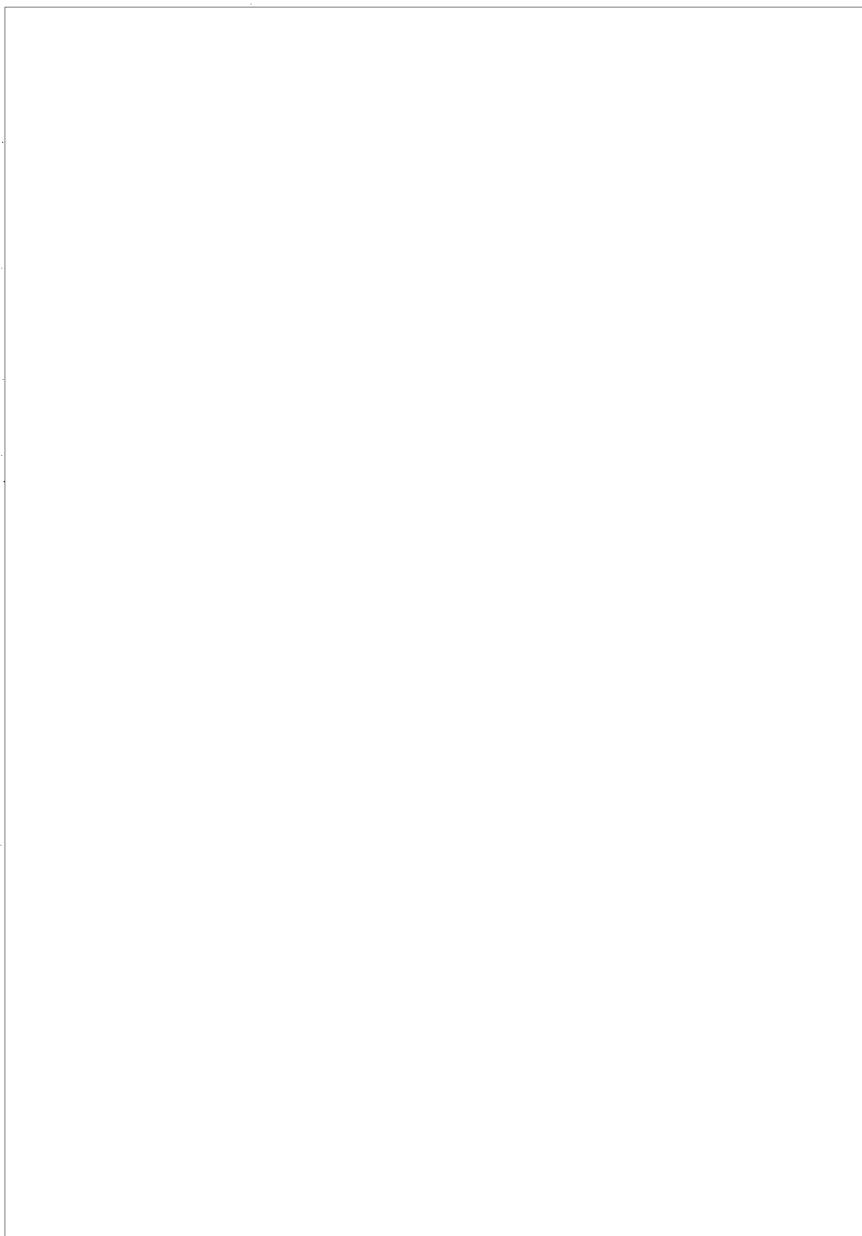
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**ISRAEL-SYRIA**



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**NOTE**

Cambodia: There is speculation in Phnom Penh that Brigadier General Lon Non, President Lon Nol's troublemaking younger brother, may be about to return. Lon Non, who was pressured into leaving Cambodia last year after his political maneuvering had antagonized much of the Cambodian political leadership, declined an appointment last month to the Cambodian embassy in Paris.

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[redacted] Lon Non is such a controversial figure that his very presence in Phnom Penh would cause political tension to rise.

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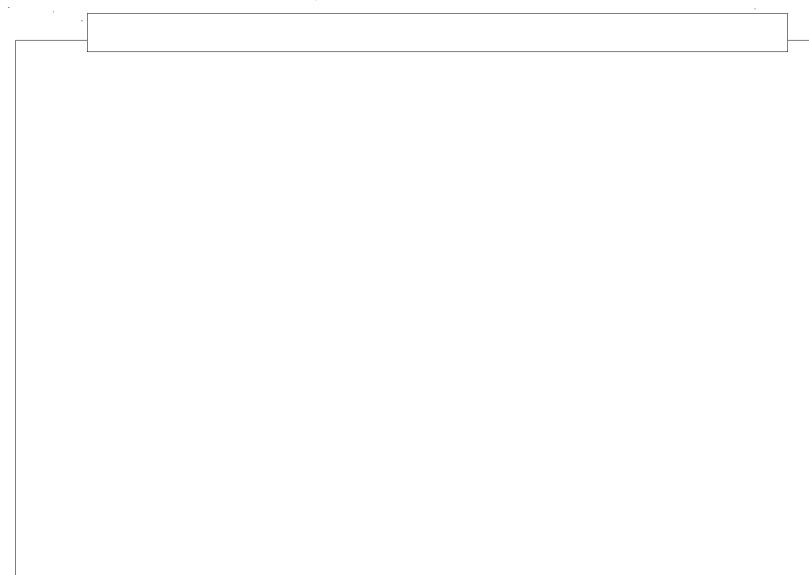


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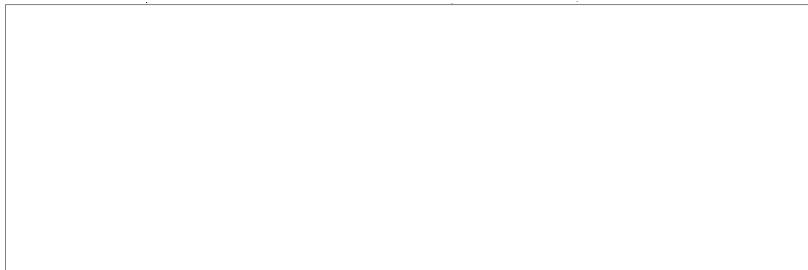
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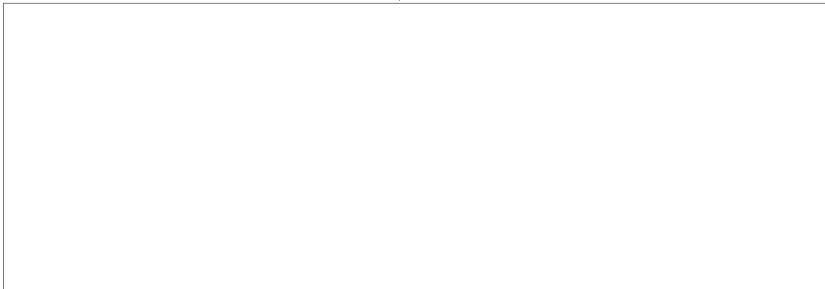
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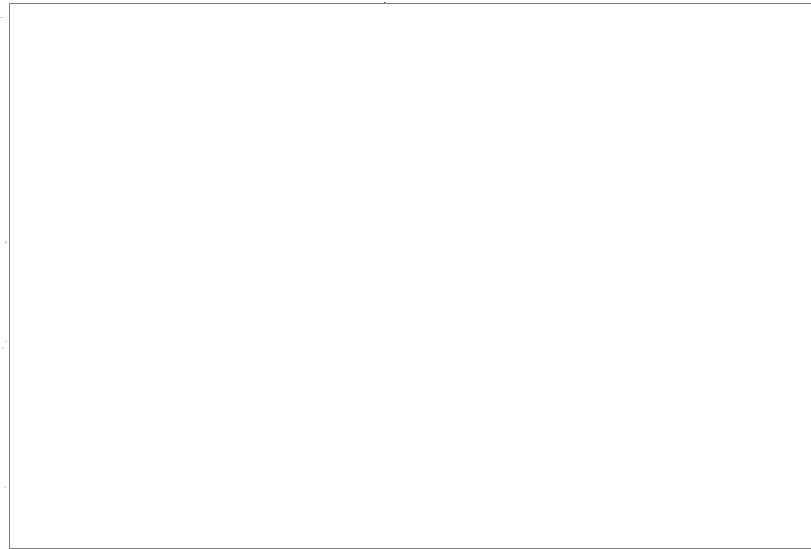
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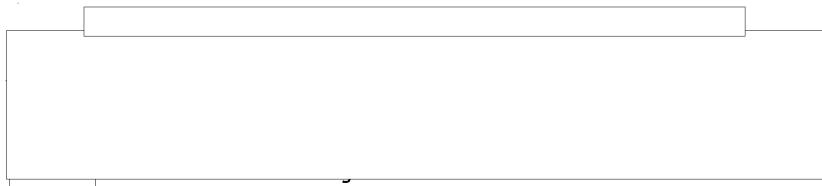
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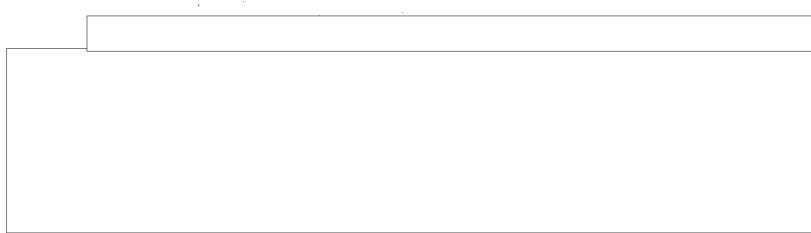
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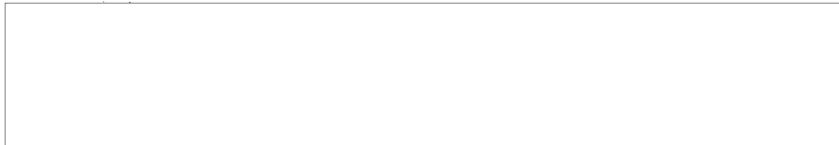
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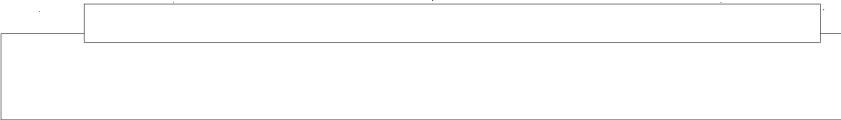
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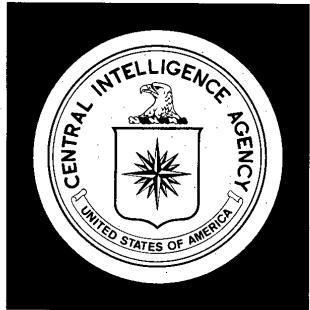


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# The President's Daily Brief

September 4, 1974

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**FOR THE PRESIDENT ONLY**

**THE PRESIDENT'S DAILY BRIEF**

September 4, 1974

**PRINCIPAL DEVELOPMENTS**

With a broad program to modernize the USSR's inter-continental ballistic missile force [redacted]

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[USSR]  
[redacted]

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(Page 2)

[redacted]  
[redacted]

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South Vietnamese President Thieu's decision to send a high-level representative to the US to lobby for more military aid reflects Saigon's growing concern over its ability to contain increased communist attacks. (Page 5)

Ethiopia,  
[redacted]

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Morocco continues to improve its military posture in the area adjacent to Spanish Sahara and Algeria. (Page 8)

South Korea has mounted a strong anti-Japanese campaign, demanding that Tokyo take action against North Korean front organizations in Japan or face a diplomatic break. (Page 9)

Notes on the USSR and Laos appear on Page 10.

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USSR

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[redacted] broad program to modernize the USSR's  
intercontinental ballistic missile force [redacted]

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USSR

[redacted] Backfire aircraft [redacted] Mos-  
cow's new bomber is soon to become operational. [redacted]

[redacted]

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Soviet Intentions

The Soviets probably intend to use the Backfire as a strike aircraft. Flying from the USSR, the Backfire could reach all of Europe, China, and the sea approaches to the USSR on two-way missions without aerial refueling. Some Backfires will probably be equipped to perform reconnaissance and electronic warfare missions.

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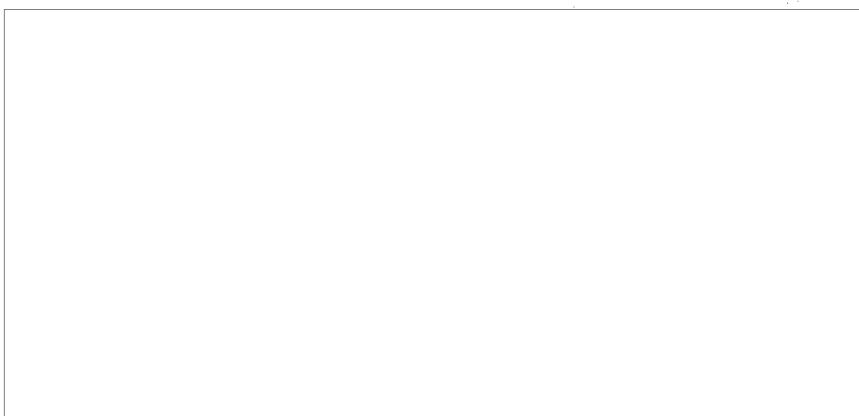
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**USSR-MIDDLE EAST**



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**SOUTH VIETNAM**

President Thieu's decision to send a high-level representative to the US to lobby for more military aid reflects Saigon's growing concern over its ability to contain increased communist attacks. Although some South Vietnamese commanders believe they can cope with the current level of fighting, they are less sure about the longer term, especially if the communists decide to launch a large offensive sometime next year.

Saigon has ordered fairly serious reductions in aircraft and ammunition usage. Combat support sorties and reconnaissance missions have in some areas been reduced by as much as 50 percent; the average reduction countrywide, according to the US military mission in Saigon, is approximately 36 percent. These reductions in air support have led some commanders to request Saigon's approval to evacuate outposts and forward positions that can be supplied only by helicopter or airdrop.

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Field and regional commanders have viewed the reductions in combat support as the chief cause of the government problems on the battlefield. Saigon's Joint General Staff apparently believes, however, that these reductions, and even further cutbacks, can be accomplished without seriously jeopardizing the country's defenses.

So far, the General Staff appears to have President Thieu's support for its position.

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If the situation deteriorates seriously, requests by field commanders for additional amounts of ammunition and air support probably will be granted.

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**FOR THE PRESIDENT ONLY**

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Meanwhile, the fighting goes on. The communists have pushed government units back from several positions in the northern provinces and near Saigon, and there are no signs of any letup. Although most of the positions the government has lost are remote and unimportant strategically, their fall nonetheless has allowed the communists to get closer to towns, government bases, and roads whose loss or interdiction would be serious.

**FOR THE PRESIDENT ONLY**

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**ETHIOPIA**

The future of the Emperor and of the monarchy as an institution are under sharp debate within the powerful Armed Forces Coordinating Committee, according to the US embassy in Addis Ababa. The Committee is the dominant political force in the country, even though it has no official status. Intensified public attacks on Haile Selassie in recent days were probably approved by the Committee.

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Over the weekend, a well-organized group demonstrated in front of the Emperor's palace and at other points in the capital, calling for him to step down. Posters depicting Haile Selassie as indifferent to drought victims appeared in Addis Ababa, and he reportedly was spat on and cursed on his way to church. The Ethiopian radio and press accused him of salting away large sums of money in foreign banks.

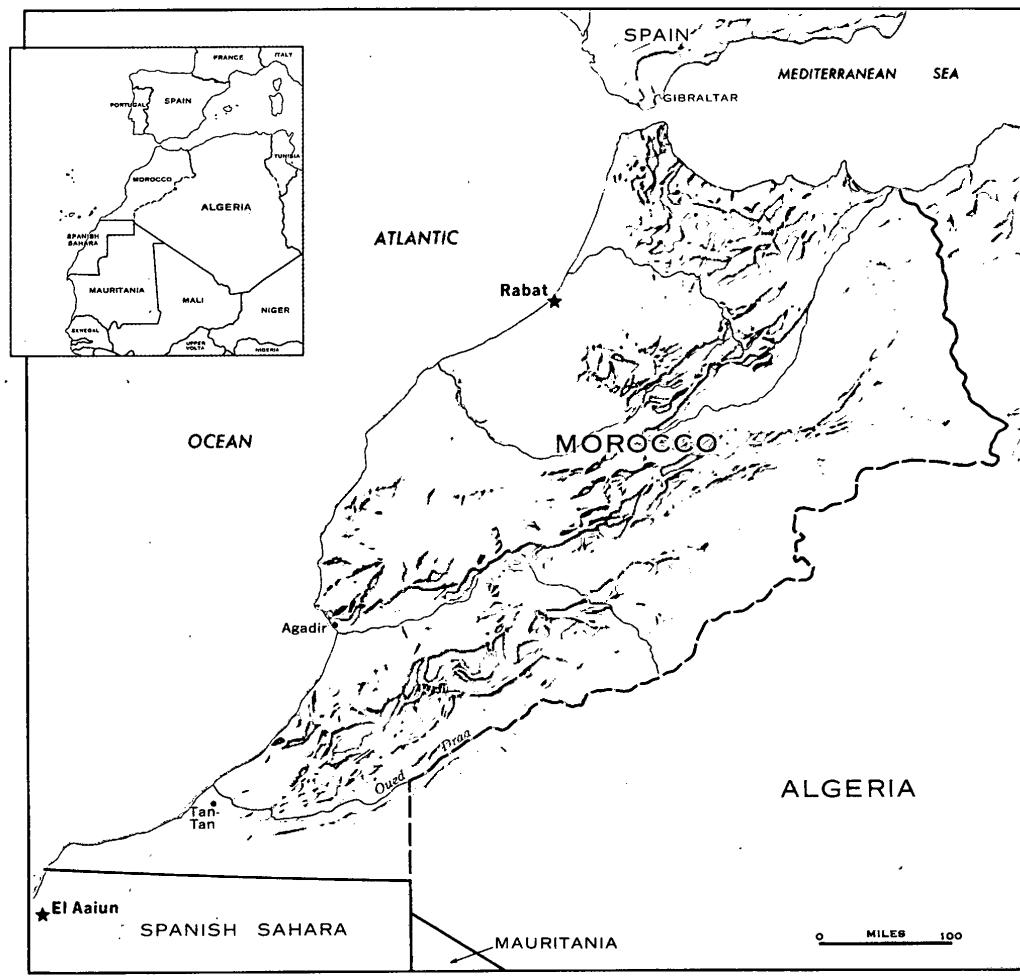
Following the demonstrations, the Committee issued a statement forbidding public protest and ordered out armed police and military patrols. The Committee apparently fears that further demonstrations could get out of hand.

Faced with mounting censure, Haile Selassie could choose to abdicate. The US embassy in London has been informed by a British official that the Emperor's grandson made an approach yesterday through the British embassy in Addis Ababa to sound out the possibility of political asylum for the Emperor in the UK.

Although some military leaders still want to retain the monarchy, the advocates of this course appear to be losing out.]

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**MOROCCO-SPAIN-ALGERIA**

Morocco continues to improve its military posture in the area adjacent to Spanish Sahara and Algeria. It is increasingly concerned that its campaign to "recover" Spanish Sahara and secure its southern borders will stimulate an Algerian military reaction.

The commander of Moroccan forces in the south claims that Algerian troops have moved some border markers to the west. He has stated he intends to re-establish control in these areas by moving in Moroccan troops.



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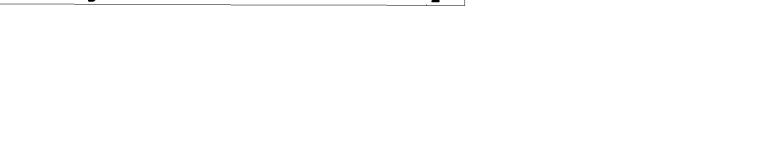
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As regards Spain, King Hassan apparently does

not want to close the door to further diplomatic contacts and is unlikely to resort to force as long as negotiations are under way.



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**JAPAN - SOUTH KOREA**

In the wake of the attempted assassination of President Pak last month, Seoul has mounted a strong anti-Japanese campaign, demanding that Tokyo take action against North Korean front organizations in Japan or face a diplomatic break.

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Seoul says, Tokyo must fully investigate the Japanese aspects of the assassination case and severely restrict the activities of pro-Pyongyang organizations in Japan. Seoul implies that Japanese failure to do this would likely lead to a diplomatic break.

Tokyo may attempt to reduce the heat by issuing a conciliatory statement, but no early resolution is in sight. The Japanese are willing to investigate, but they will probably not be able to confirm all the South Korean allegations of North Korean involvement, let alone satisfy the other demands.

Routine trade and aid dealings between the two countries have already been adversely affected, but there is no evidence that Tokyo is planning to modify its policy of diplomatic support for Seoul at the UN General Assembly session later this month. A formal diplomatic break between Tokyo and Seoul anytime soon appears unlikely.

Relations between the two could become even more tense if the Japanese prove unresponsive to Pak's demands. In this event, Seoul's [redacted] verbal blasts could escalate into action. For example, the South Korean ambassador could be withdrawn and the Japanese ambassador expelled, Japanese fishing boats could be harassed in Korean waters, or rigorous immigration controls could be imposed. Even in the absence of a diplomatic break, continuation of the present level of bickering probably would, over time, lead the Japanese in the direction of a more even-handed posture vis-a-vis the two Koreas.

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**NOTES**

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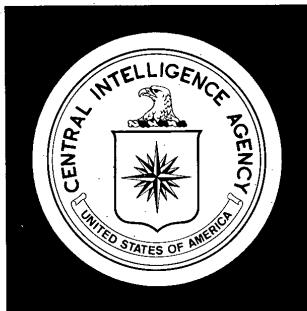
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Laos: Phoumi Vongvichit, communist deputy prime minister and foreign minister, apparently regards the Lao political and security situation as sufficiently stabilized to permit his absence from the country.


Phoumi and his non-communist counterpart, Leuam Insisiengmay, are jointly heading the coalition government during Souvanna's absence. The US ambassador reports that Phoumi is being reasonable and cooperative in this role.

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**THE PRESIDENT'S DAILY BRIEF**

September 5, 1974

**PRINCIPAL DEVELOPMENTS**

The Greeks are showing some flexibility in their requirements for the opening of serious peace talks, but the Turks have thus far made no solid reciprocal gestures. (Page 1)

Syria

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Notes on Soviet minesweeping operations in Israeli-controlled waters

Romania

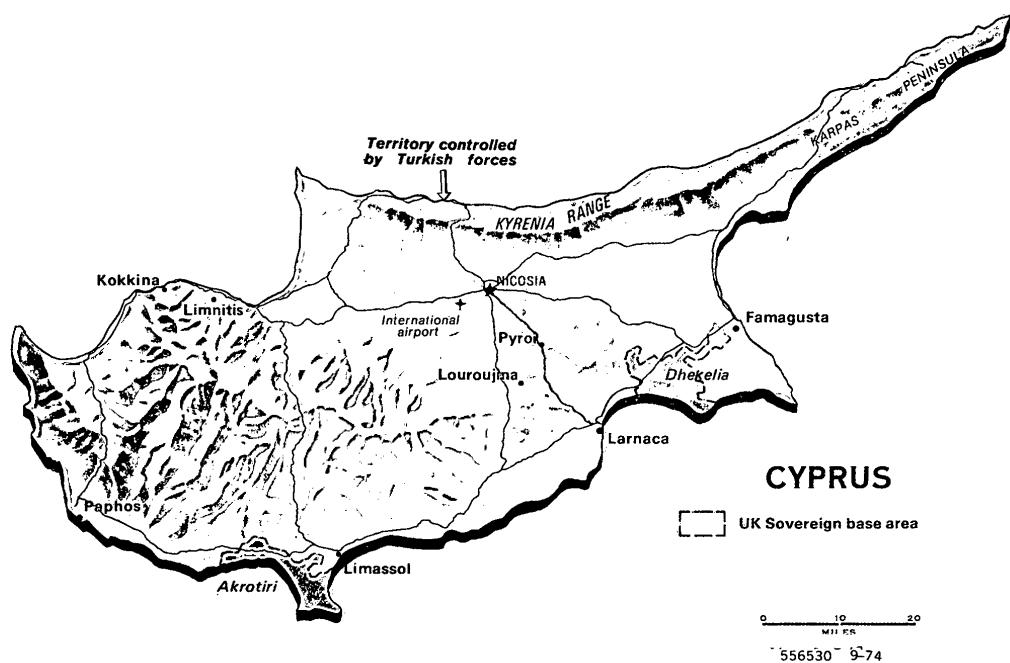
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Iran

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**FOR THE PRESIDENT ONLY**



**FOR THE PRESIDENT ONLY**

**CYPRUS**

The Greeks are showing some flexibility in their requirements for the opening of serious peace talks, but the Turks have thus far made no solid reciprocal gestures.

Prime Minister Karamanlis seems to have dropped his insistence that Turkish troops on Cyprus withdraw to positions they held before the last round of fighting, the so-called Attila line. The Greeks also seem to be prepared to accept a federation for the Turkish and Greek Cypriot communities. Athens now appears to be emphasizing the need for Greek Cypriot refugees to return to their homes, especially in Famagusta.

Ankara has not rejected proposals that it withdraw its troops, which primarily would mean moving out of the area around Pyroi southeast of Nicosia and away from the perimeter of the British base at Dhekelia, but it has been noncommittal. The Turks appear to see withdrawal and refugee questions as bargaining points to be used once negotiations get under way.

Statements made by Prime Minister Ecevit suggest Turkey would be willing to withdraw at least to the Attila line, and Ecevit has even indicated that the boundary line is negotiable. Turkish forces have not permitted Turkish Cypriots into the deserted Greek sector of Famagusta.

Nevertheless, the Turks are keeping the pressure up. Over the past week, Turkish forces have moved farther beyond the cease-fire line and by Tuesday were reported to have moved as far as Limnitis on the northwest coast.

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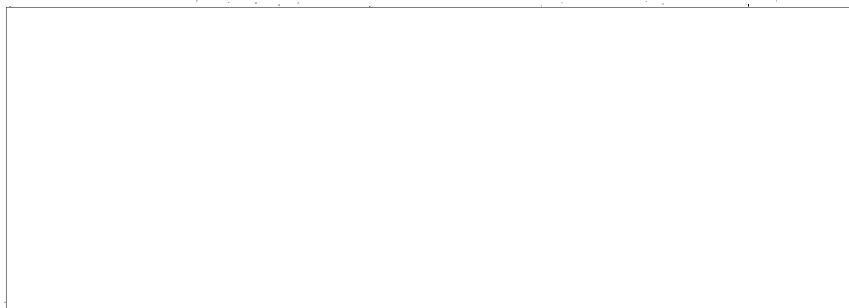
In Turkey

There are growing signs of friction within the coalition government in Ankara that may explain Ecevit's unwillingness to make significant concessions. Ecevit may, however, be examining the political impact any concessions would have in the event he decides to call for early elections.

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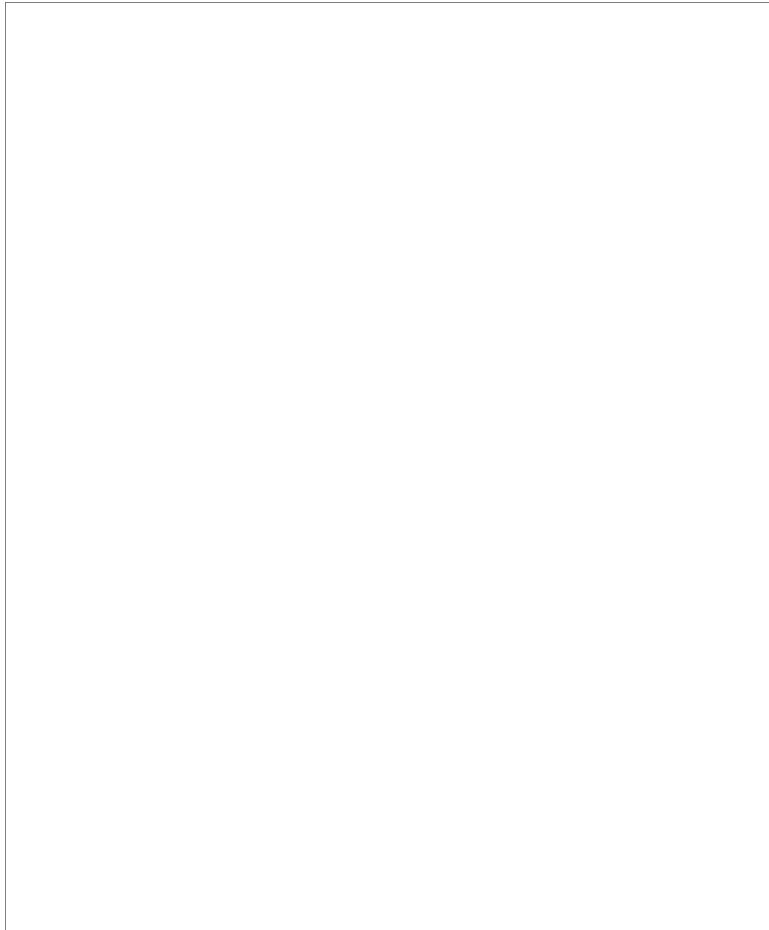
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**SYRIA**

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**NOTES**

Israel-USSR-Egypt: Israel reportedly has agreed to let Soviet minesweepers clear the Israeli-controlled portion of the Strait of Gubal. The Egyptians presented the specifics of the proposed operation, including a mid-September completion date, to the Israelis through UN channels. Bad weather has kept the Soviet minesweepers idle this week, and may again postpone completion of the mine-clearing. Operations were delayed for about ten days in July and August because of weather conditions.

Iran-Romania:

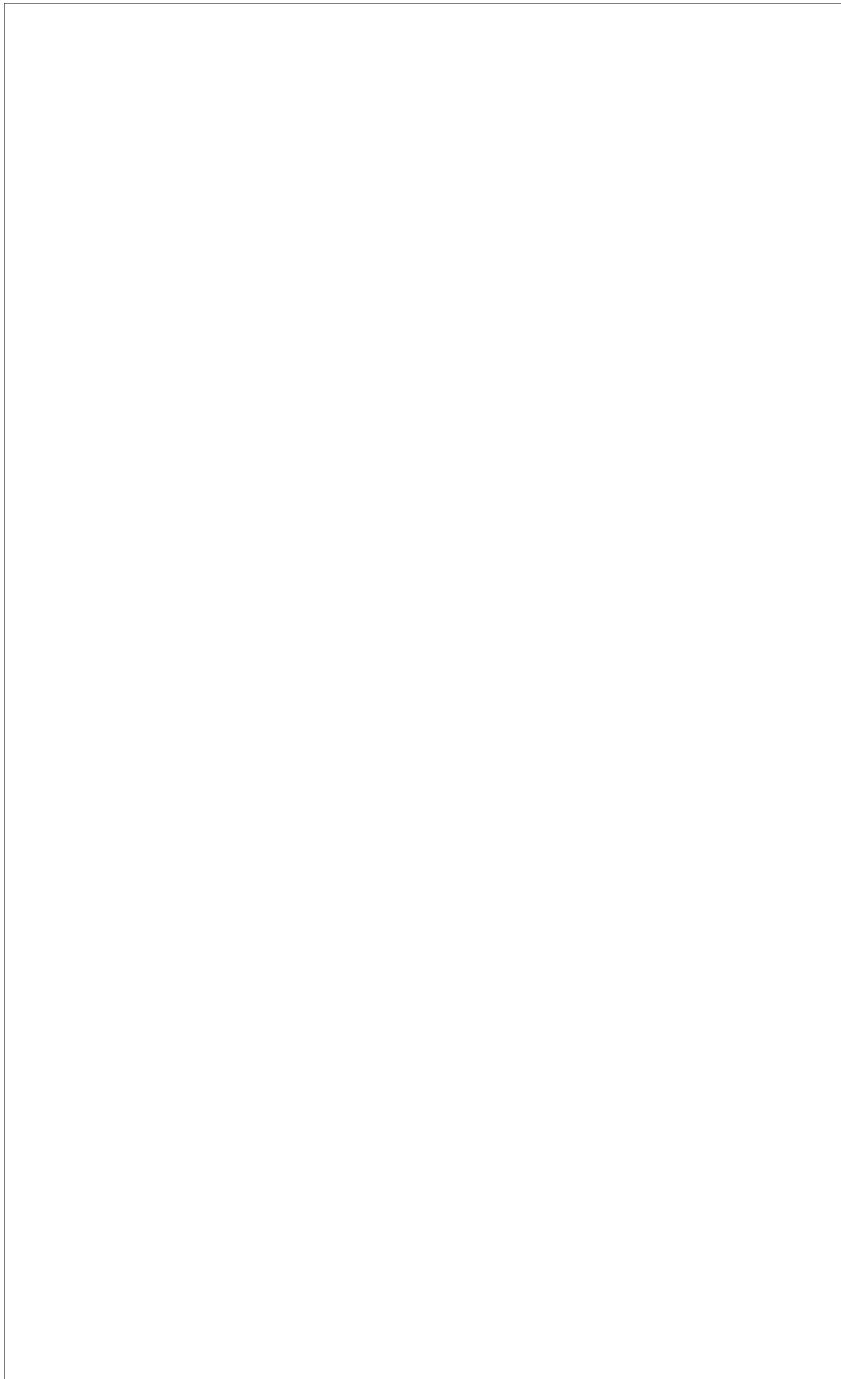
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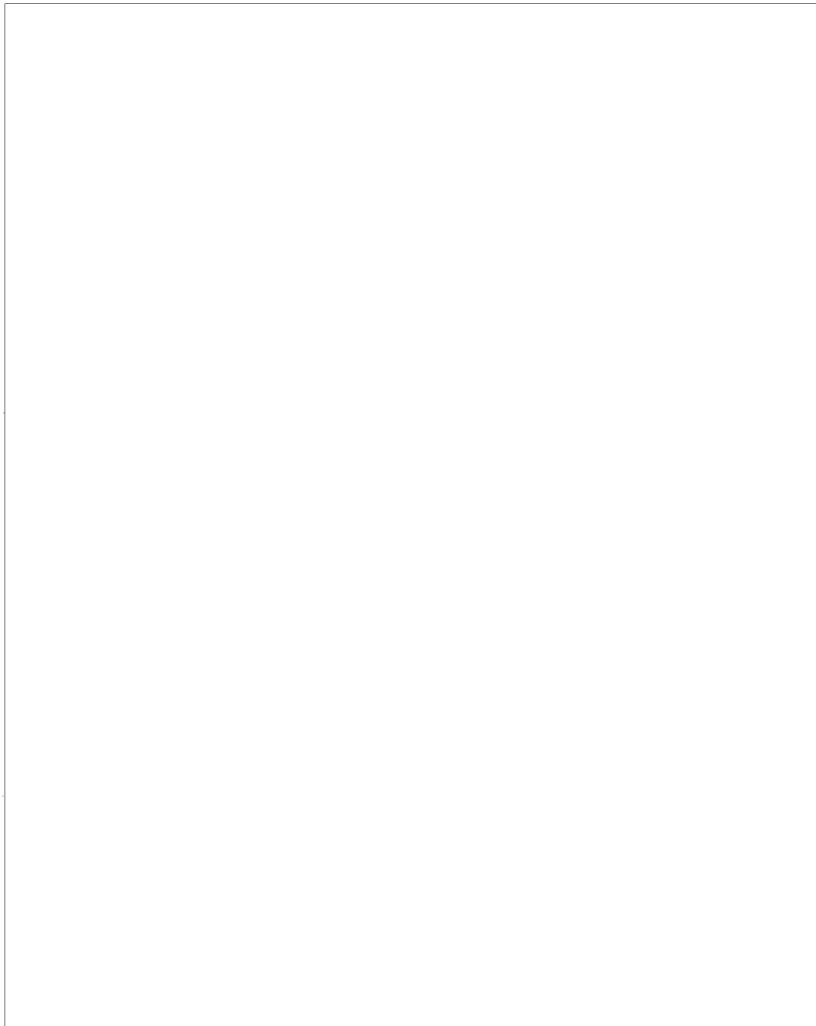


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*September 6, 1974*

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September 6, 1974

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Israel-Fedayeen: Lebanon-based fedayeen operations have raised tensions along the Israel-Lebanon border. (Page 3)

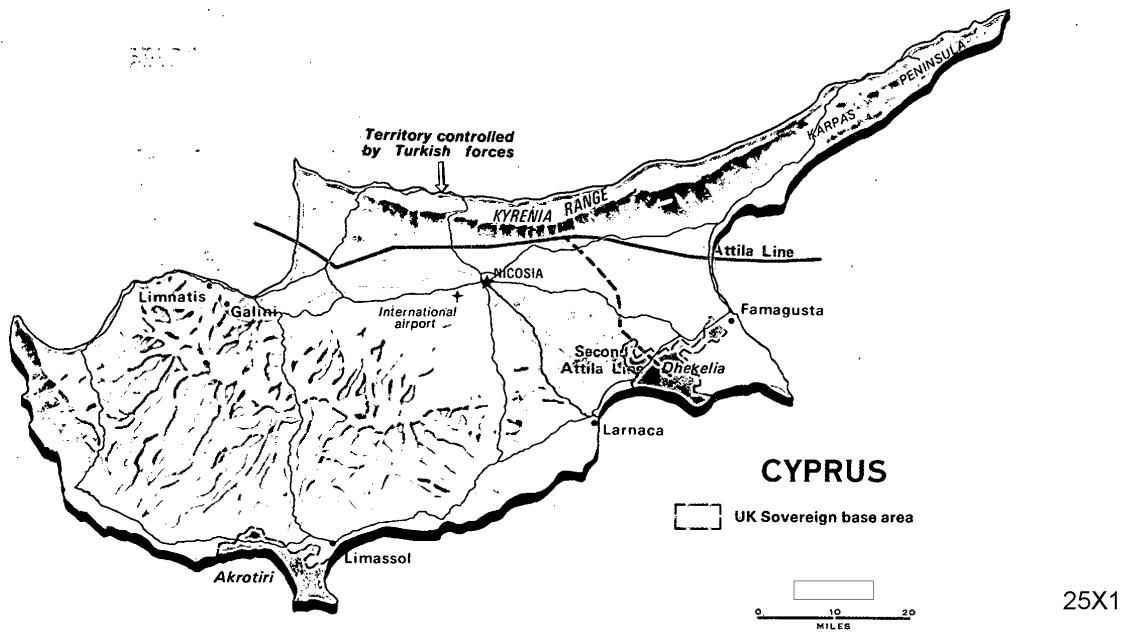
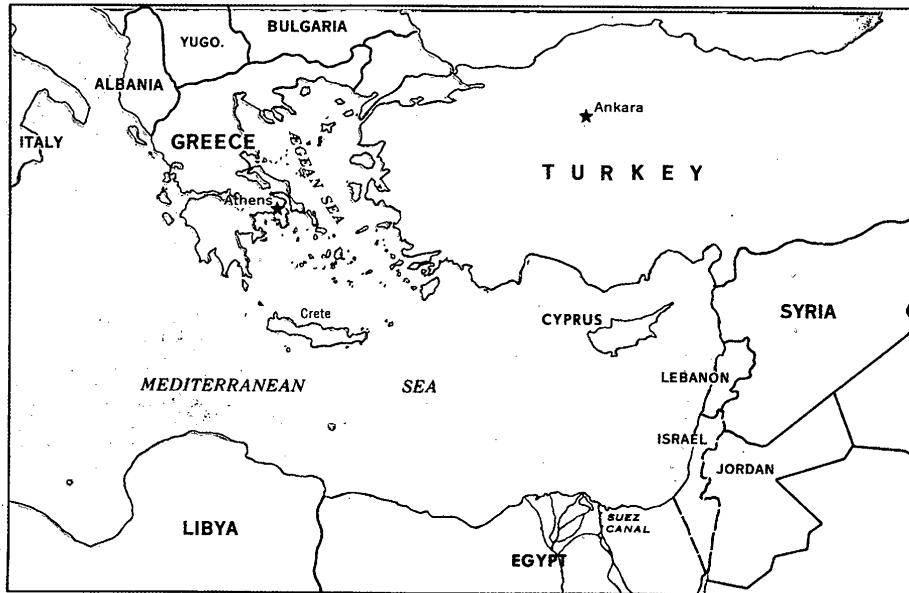
Vietnam: Hanoi appears more sanguine about achieving its goals in the South through military and political pressure. (Page 4)

Oil Exporters Increase Foreign Aid: They now play a major role in supplying economic aid to developing states. (Page 5)

Spain-Morocco: Madrid has taken steps to offset the buildup of military forces in southern Morocco. (Page 6)

Notes: UK; South Vietnam (Page 7)

**FOR THE PRESIDENT ONLY**



**FOR THE PRESIDENT ONLY**

CYPRUS

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[redacted] *The discovery of mass graves of Turkish Cypriots in recent days could provide the impetus for a third round of fighting.*

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Turkish violations of the cease-fire have increased in recent days. The capture of Limnitis yesterday reportedly was accompanied by heavy fighting in the village of Galini, and continuing Turkish encroachments in Nicosia apparently brought on heavy firing last night across the "green line" that divides the Turkish and Greek sectors of the city.

Diplomatic pressure and a growing awareness in Ankara that continued military moves are damaging Turkey's international position could cause the government to turn down the counterguerrilla operation. High-level Turkish diplomats are traveling through Europe, Asia, and the Arab states to present Turkey's position. In Bonn, a close adviser of Prime Minister Ecevit told the press that Turkey "definitely" does not intend to start a third round of fighting.

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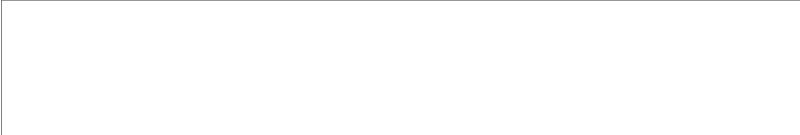
In Ankara, differences between Ecevit and Deputy Prime Minister Erbakan, the leader of the junior partner in the coalition, have flared into the open. Erbakan told reporters yesterday that the Prime Minister was harming Turkey's national interests at a time when unity was essential. Erbakan said his party wanted to stay in the coalition, but this public airing of differences has increased speculation that Ecevit will seek to form a government with some other party and call for early elections.

**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

In Athens, Prime Minister Karamanlis' political honeymoon appears to have come to an end with the formation of a new leftist party led by Andreas Papandreou. Criticizing Karamanlis for moving too slowly against members and supporters of the former junta, Papandreou said his party would press for the socialist transformation of the country and freedom from foreign intervention.

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*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

**ISRAEL-FEDAYEEN**

*Attempts by Lebanon-based fedayeen on Monday and again Wednesday to mount raids into northern Israel have raised tensions along the Israel-Lebanon border to the highest level in some weeks.*

Israeli forces intercepted both operations, but the death of two Israeli soldiers on Wednesday could provoke sharper Israeli retaliation. The Israelis had already stepped up security precautions along the border and have made artillery strikes and shallow penetration raids into southern Lebanon to disrupt fedayeen activity.

The nominally autonomous Popular Struggle Front, which claimed responsibility for the first operation, has been inactive for some time, and the operation may actually have been carried out by members of Fatah. The Popular Democratic Front for the Liberation of Palestine, which has developed close political ties and coordinated some terrorist operations with Fatah, claimed responsibility for the operation that occurred on Wednesday.

The apparent participation of two relatively moderate groups in cross-border activities probably represents an effort by moderates to refurbish their activist credentials. Moderate leaders of the fedayeen movement are being attacked by the more radical organizations for their alleged willingness to accept a political solution to the Palestinian problem.

**FOR THE PRESIDENT ONLY**

VIETNAM

*Propaganda connected with North Vietnam's National Day continues to suggest that Hanoi has reassessed the strategic situation in the South and is more sanguine about the prospects for achieving its goals through greater military and political pressure.*

Various National Day commentaries persist in calling for the forcible overthrow of the Thieu regime, a line which resurfaced in mid-August for the first time since the cease-fire. The propaganda also continues to stress "new opportunities" the Communists see, in light of recent military successes and the American political situation.

Premier Pham Van Dong struck a relatively mild tone on the war in his National Day address. In contrast with other Hanoi propaganda, which gave relatively little attention to the Paris Accords, Dong emphasized that Hanoi stood by the accords and that Communist military action was aimed only at forcing US and South Vietnamese compliance with the agreement.

An unusual editorial in the official party newspaper, however, attempted to put a more militant cast on the Premier's remarks. It attributed to Dong a theme not touched on in his speech: that a new strategic situation and "turning point" have developed in the South. Dong's remarks hinted that Hanoi's review of the situation in the South may have been marked by differences within the leadership.

Soviet and Chinese public commentary on Hanoi's anniversary was muted. The Soviets concentrated almost entirely on congratulating Hanoi on its economic achievements in the North, while Peking offered only its standard, perfunctory pledges of support for Hanoi.

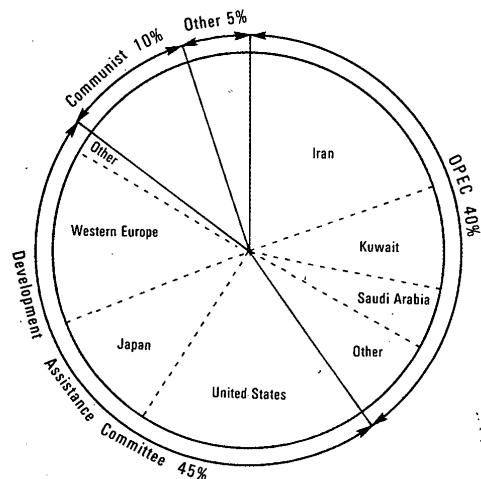
**FOR THE PRESIDENT ONLY**

### Estimated Official Bilateral Economic Aid Pledged to Less Developed Countries

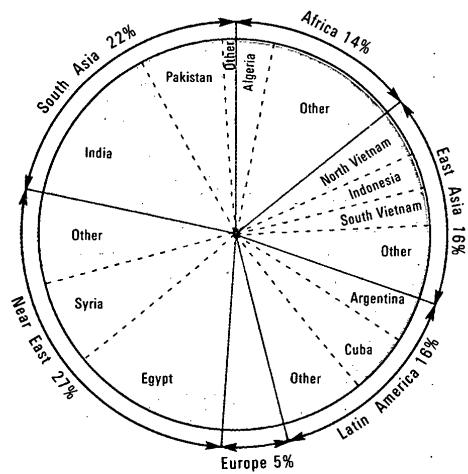
1 January-30 June 1974

Total: US \$13.4 Billion

#### By Donor



#### By Recipient



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**FOR THE PRESIDENT ONLY**

**OIL EXPORTERS INCREASE FOREIGN AID**

*Major oil exporters now are playing a major role in supplying economic aid to developing states. During the first half of 1974, members of the Organization of Petroleum Exporting Countries pledged \$5.4 billion of a worldwide total of \$13.4 billion in aid committed to the less developed countries.*

Western nations and Japan remain the Third World's principal source of bilateral aid, but their new commitments of \$6.1 billion accounted for less than half the total. Multilateral institutions, primarily the World Bank and the International Development Association, may have added \$2 billion to the \$13.4-billion figure.

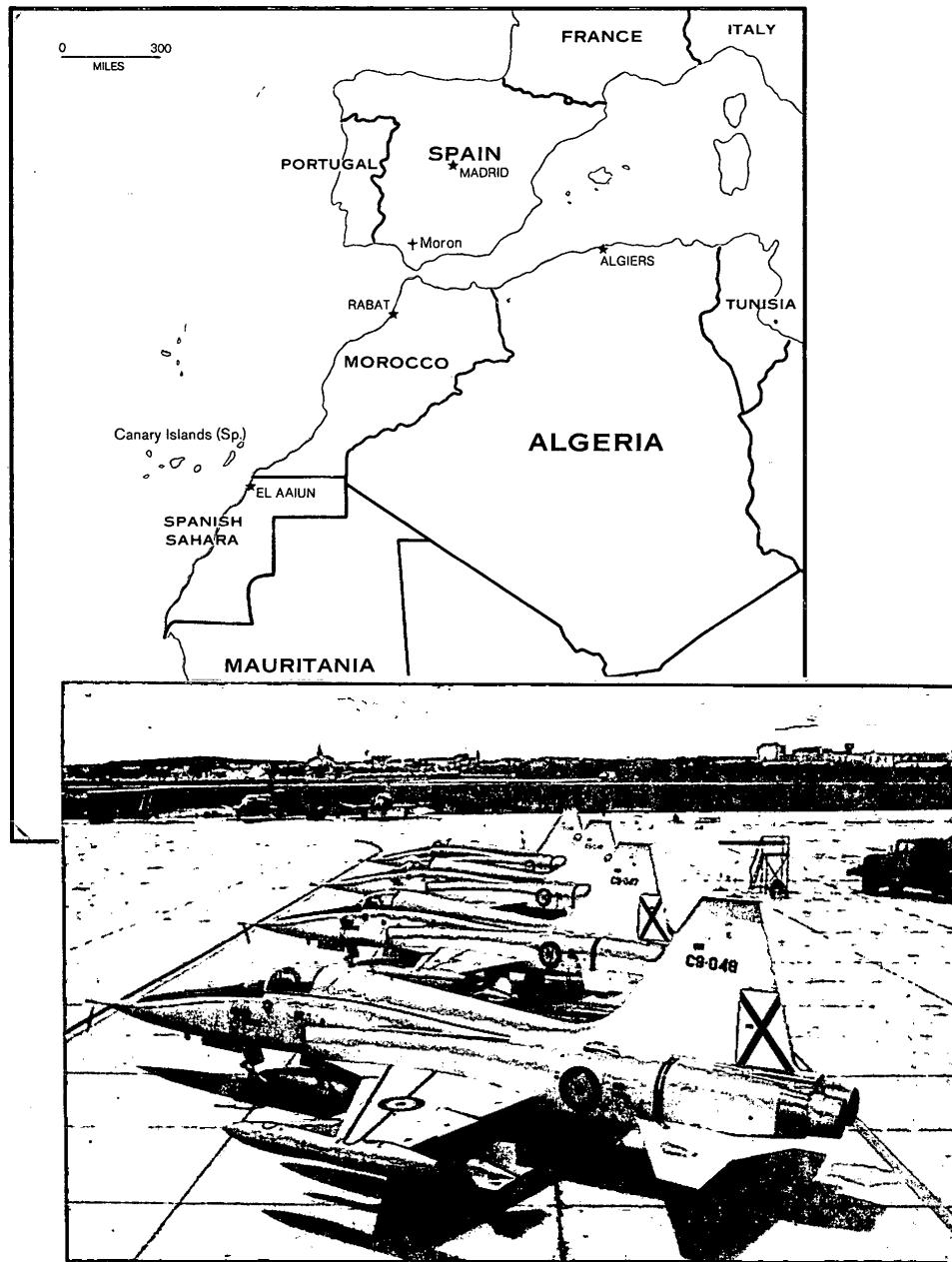
Iran provided half of the oil exporters' total. Its commitment of \$2.6 billion makes Iran a donor of equal rank with the US. Kuwait and Saudi Arabia extended about \$1 billion and \$700 million, respectively.

Forty percent of the oil producers' aid was allocated to Egypt and Syria. Another 35 percent went to India and Pakistan.

The aid to Egypt and Syria was primarily in the form of grants for war reconstruction and development. Aid to other states was largely for agriculture and industry. Only a small part, possibly as little as 5 percent, went toward helping the less developed countries cope with the high price of petroleum.

The enormous commitments of the oil producers provide opportunities for Western industrial sales of technical expertise, equipment, and institutional support. In addition, the size, geographic concentration, and emphasis on project aid of the oil exporters will prompt Western donors to re-examine the scope and magnitude of their aid programs.

**FOR THE PRESIDENT ONLY**



**FOR THE PRESIDENT ONLY**

SPAIN-MOROCCO

Even though the Spanish would like to settle the dispute with Morocco over Spanish Sahara through negotiation, Madrid has begun to take steps to offset the buildup of forces in southern Morocco. A recent message from [redacted]

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[redacted] reporting that Spain is bolstering its air forces in the Canary Islands.

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[redacted] a number of US-built F-5 tactical fighters have already moved from their mainland base at Moron to the Canaries. The source indicated that some transports also have flown to the islands, located about 150 miles off the African coast.

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Normally 40 to 45 F-5 fighters are stationed at Moron. It is unlikely that all have been transferred to the islands, in view of the lack of adequate support facilities there.

The fighters reportedly are to be used to support ground units in Spanish Sahara in the event of fighting along the border. The move of the transports will shorten the time needed to airlift the airborne battalion based on the islands to the African mainland, if that should prove necessary.

**FOR THE PRESIDENT ONLY**

***FOR THE PRESIDENT ONLY***

**NOTES**

UK

Prime Minister Wilson passed up the opportunity provided by his speech yesterday to the Trades Union Congress to disclose the precise date on which he will call a general election. He made it clear in both speech and demeanor, however, that he will try to get a new mandate next month.

SOUTH VIETNAM

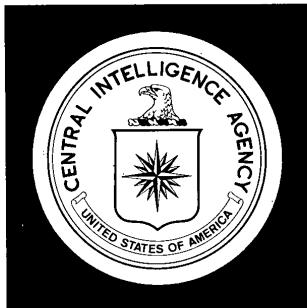
A Shell - Cities Service subsidiary has plugged and abandoned the first offshore well drilled in South Vietnam's sector of the South China Sea. Not enough oil was found at that well to justify development. Nevertheless, the high quality of the oil extracted and other data obtained during the drilling have strengthened the conviction of US oilmen that the area has high potential. The subsidiary plans to drill three to five more exploratory wells.

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# The President's Daily Brief

*September 7, 1974*

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Exempt from general  
declassification under E.O. 11652  
exemption category 5B(d)(2),(3)  
declassified only on appeal of  
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**FOR THE PRESIDENT ONLY**

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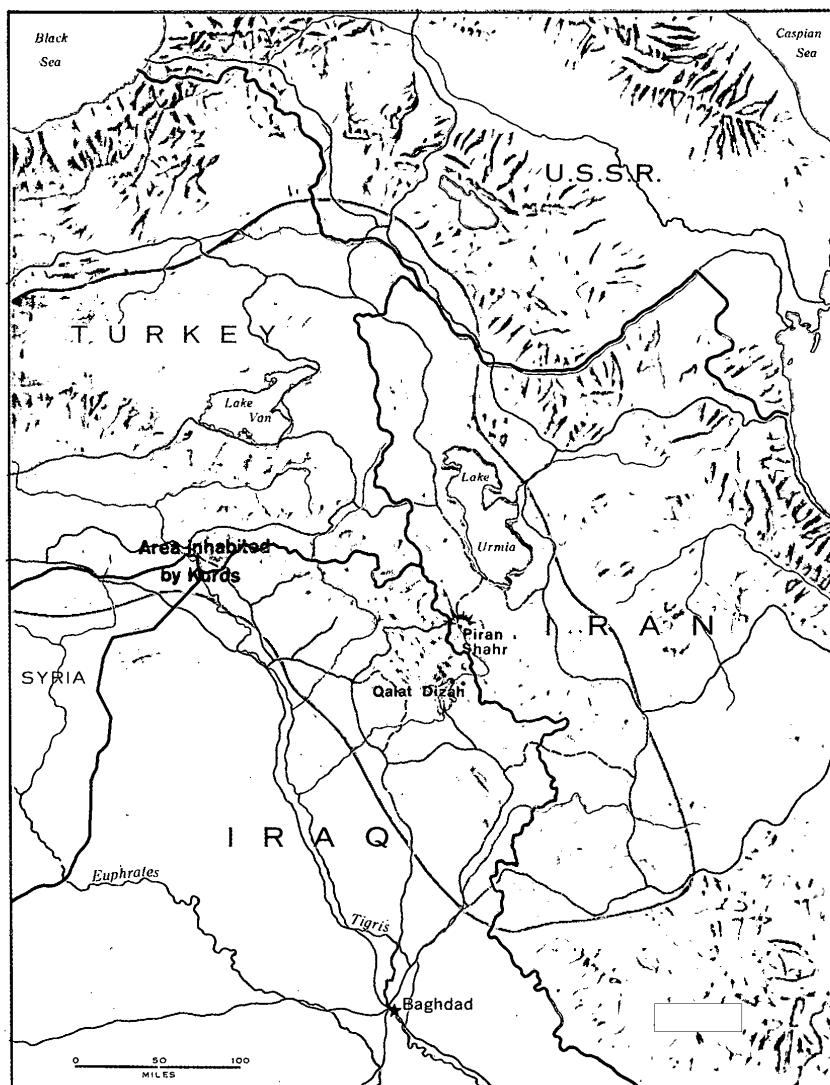
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**FOR THE PRESIDENT ONLY**



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**FOR THE PRESIDENT ONLY**

**IRAN-IRAQ**

*The Iraqi ground and air offensive that began last month has dealt a serious blow to the rebel Kurdish forces, but deep penetrations into Kurdish-held territory by the Iraqi army have prompted increased intervention by Iran.*

Iraq has now committed over half its army, some 50,000 men, to the campaign against the Kurds. This force has made progress toward its two major objectives: splitting the Kurdish forces so that they can be dealt with piecemeal, and cutting off supplies from Iran.

Last month, the Iraqis drove a wedge between Kurdish units in the north and those in the northeast. As part of their strategy to establish a fortified line parallel to the Iranian border, the Iraqis also cut a main supply route from Iran.

The Kurds' strategy has been to stage delaying actions along the front, while maintaining harassing attacks in the rear of the main battle areas.

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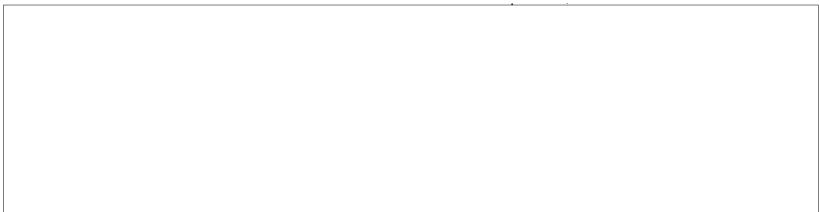
If the Kurdish military position continues to deteriorate, however, they will require not only more arms from Iran but also greater direct support by Iranian forces.

The main Iranian supply point now has been moved to Piran Shahr, some ten miles inside Iran. Two villages near Piran Shahr were struck yesterday by Iraqi SU-7 fighter-bombers. Press reports from Tehran claim that 15 people were killed. The air attack probably was not just an attempt to disrupt Kurdish supply lines but also a warning to Iran.

Tehran has submitted a complaint to the UN Security Council about this and other similar incidents and may even make some military response. After some border incidents last month, the Shah ordered his troops to retaliate for any Iraqi violation of Iranian territory.

**FOR THE PRESIDENT ONLY**

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An assessment of the broader political implications of Iraq's war against the Kurds is presented at Annex.

*FOR THE PRESIDENT ONLY*

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**CHINA**

Press reports from Peking Thursday night alleging a sudden downturn in the health of Chou En-lai were exaggerated because they were based largely on inaccurate information. Vice Premier Teng Hsiao-ping did tell the visiting US delegation, however, that the Premier's condition has deteriorated since last July, when Chou received Senator Jackson in a hospital room.

Teng has been standing in for Chou over the last few months, and there is little reason to doubt his statement on the Premier's health. Chou has been out of public view for five weeks. On Wednesday, he was absent for the first time from a meeting between Mao Tse-tung and a visiting head of state (in Wednesday's case, the President of Togo).

Although they are not trying to conceal Chou's illness, Chinese officials seem anxious to avoid alarming the populace over the Premier's condition. Earlier this week the official party newspaper carried a message from the Togolese President wishing Chou a speedy recovery. In addition, the media have carried a number of messages, signed by Chou, to foreign governments; this seems to be part of an effort to convey the impression that the Premier is still functioning.



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**FOR THE PRESIDENT ONLY**

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**CYPRUS**

Greek Cypriot leader Clerides reportedly believes that conditions are nearly ripe for him to enter into political talks and that the Greek government will support most of his conditions for negotiation. Clerides is said to be prepared to agree to the Turkish demand for a federated state, provided the Turks:

--Pull back from a section of Famagusta and permit Greek Cypriot refugees to return there.

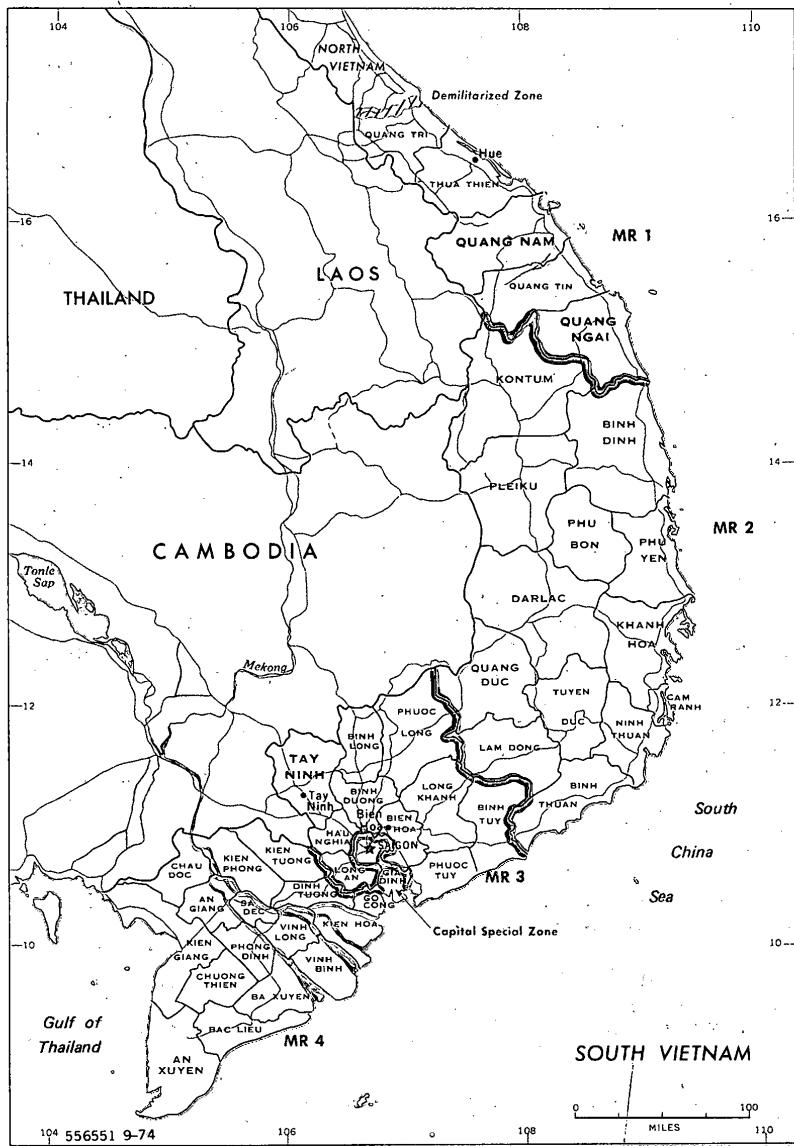
--Withdraw from some of the other territory they now hold and agree that the final boundary is negotiable.

--Withdraw a portion of their mainland troops now and announce their intent to consider additional troop withdrawals later.

Clerides met yesterday with the Turkish Cypriot leader, Rauf Denktash, and the two set up arrangements for the relief of prisoners and detainees on both sides. Priority will be given to the sick and wounded, as well as to those under 18 years of age and those over 50. The two leaders also agreed to exchange lists of missing persons and attempt to trace them. In compliance with the Geneva convention, they agreed to forward lists of prisoners and detainees to the International Red Cross.

According to the US embassy in Nicosia, senior UN officials are hopeful that Clerides and Denktash will begin to examine political questions after agreeing on humanitarian and relief matters. If representatives of Greece and Turkey can be brought into the talks at that stage, UN officials hope that it may be possible within a month to formulate the outlines of an overall solution, which could then be ratified at a reconvened Geneva conference.

The agreements on humanitarian problems came after a comprehensive survey of conditions on the island compiled by representatives of the Red Cross. The report concludes that the Turks have failed to meet even the minimum requirements of the Geneva convention. It notes that the 20,000-25,000 Greek Cypriots in Turkish-controlled areas have almost no freedom of movement and lack food and medical attention. Most of the 35,000-40,000 Turkish Cypriots in predominantly Greek areas were found to be leading reasonably normal lives.



**FOR THE PRESIDENT ONLY**

**SOUTH VIETNAM**

*Battlefield action has lessened throughout the country during the past few days, but substantial fighting probably still lies ahead in September.*

The focus of Communist attacks remains in the northern provinces where North Vietnamese troops are concentrating on government positions south of Hue. Although this area has been the scene of repeated and somewhat inconclusive combat since last spring, the government commander in Military Region 1 is concerned that the North Vietnamese may try to make a major push toward Hue. He has brought up additional forces from Quang Nam and Quang Ngai provinces as a reserve.

The communists may have sought to force just such a shift of government forces. The government units involved in the shift had been on operations designed to recover ground lost earlier to the enemy in Quang Nam and Quang Ngai. With their logistic position substantially improved since the cease-fire, the communists may attempt such whipsaw efforts against the government with greater frequency and impact.

**To the South**

North and west of Saigon, a new round of communist attacks is still expected in September after the completion of current communist supply operations and troop repositioning. Government positions near Tay Ninh City and northwest of Bien Hoa City are likely targets.

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The communist strategy in the Tay Ninh area appears to be to gain new footholds relatively close to the city and along the key logistic routes from Saigon. The communists would then be in a position during their next military campaign to bring substantial pressure on the relatively populous areas that lie near the roads, extending through Tay Ninh Province.

**FOR THE PRESIDENT ONLY**

The Weather Factor

As always in Vietnam the weather is an important factor in determining both the level and location of military action. Heavy rains are under way in the central highlands and will start soon along the northern coast. On the coast, this period initially favors the communists because the cloudy conditions hamper government air operations but do not deter ground action until the rains intensify. In the southern half of the country, where weather conditions will soon begin to favor air operations and troop movements, the government's capabilities will gradually improve.

**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

OAS

*Early removal of OAS sanctions against Cuba, probably at an inter-American foreign ministers meeting at Quito on November 11, is foreseen by Latin American governments on both sides of the issue.*

Panama's recent resumption of relations with Cuba brought to seven the number of OAS members that now have diplomatic ties with Cuba. This defiance of the Rio Treaty, under which the sanctions were imposed, has heightened concern for the continued integrity and effectiveness of the OAS. Even governments still hostile to the Castro regime now believe continuation of the sanctions policy could destroy the OAS.

A contributing factor is the widespread Latin sensitivity about outside interference in matters of national policy, which leaves the anti-Castro forces somewhat chagrined at obstructing sister republics that want to open the door to Cuba. Governmental changes in Washington, moreover, have increased concern that the US will alter its Cuban policy and leave the anti-Castro governments diplomatically isolated.

The sponsors of the resolution to review the sanctions policy have been careful to couch it in terms of a changed world situation and a spirit of detente. They recognize a continuing difference of opinion within the OAS regarding the Cuban subversive threat. For this reason, as well as to avoid provoking Castro, they hope to refrain from any discussion of whether Havana is continuing to export revolution. Using the co-existence argument, the sponsors are confident that they can secure the necessary two-thirds majority vote of the 23 members. They expect that a number of the governments once constituting a blocking one third plus one (Bolivia, Brazil, Chile, Haiti, Nicaragua, Paraguay, Uruguay, and the US) will now abstain.

The Castro regime sees no benefit in a reactivation of its suspended OAS membership and, despite Castro's stated interest in reconciliation with the US, the Cubans want no part of the OAS. They reject it as a tool of the US for dictating to Latin America and will continue to work toward its destruction. They would prefer to secure further diplomatic recognition in defiance of standing OAS sanctions and thus weaken the organization.

**FOR THE PRESIDENT ONLY**

**ARAB OIL PRODUCERS**

An oil transport company owned jointly by the Arab oil producing nations is reportedly requesting bids on six new tankers worth about \$165 million. These ships will further efforts of the oil producers to become more involved in the total range of oil-related business and industry.

By the end of the decade, the transport company plans to acquire a 10-million-ton fleet, costing about \$2 billion. This fleet together with the prospective national fleets of the Arab countries would total about 20 million tons. The ships would be able to carry about 2 million barrels per day on the Persian Gulf - Rotterdam route.

For purposes of comparison, the world tanker fleet by the end of the decade probably will exceed 400 million tons. Arab oil production in the early 1980s could range between 15 and 25 million barrels per day.

**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

**ZAIRE-PORTUGAL-ANGOLA**

*A meeting between Zairian President Mobutu and Portuguese President Spinola that was postponed late last month is now set to take place in the Cape Verde Islands on September 14.*

The Portuguese ambassador to the UN is "virtually certain" that the meeting will be attended by Holden Roberto, leader of the Zairian-based National Front for the Liberation of Angola, and by the leader of the smallest of the three Angolan nationalist organizations. According to the ambassador, the Portuguese hope to persuade the other major rebel group, the Popular Movement for the Liberation of Angola, to attend the meeting.

The Angolan liberation movements are long-standing and bitter rivals, and in recent years have been seriously weakened by organizational problems of internal feuding. The Portuguese apparently hope that Mobutu can influence them to reconcile their differences and negotiate for the territory's independence. Mobutu, a principal supporter of Angolan liberation, is determined that an independent Angola be governed by leaders friendly to Zaire. He will attempt to convince the Portuguese that Holden Roberto is the dominant nationalist figure in Angola.

**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

SOUTH KOREA - JAPAN

The [redacted] raid yesterday morning on the Japanese embassy in Seoul by a group of South Korean youths and a large demonstration there today are only the most dramatic of a series of developments that have intensified strains between the two countries.

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Japanese Foreign Minister Kimura's initial response to the attempted assassination of President Pak on August 15 was viewed in Seoul as unsympathetic. Over the past week, Kimura has become the focus of South Korean anger because of other statements which Seoul believes cast doubt on Japan's commitment to the security of South Korea and, more important, on the continuing primacy of the South in Japan's policy toward the two Koreas.

Seoul is pressing hard for redress from Japan in the form of public statements and diplomatic actions, including an expression of policy from Prime Minister Tanaka himself before he leaves late next week to visit Brazil, Mexico, Canada, and the US, where he will meet with you on September 21.

Further Strains in the Offing

A Japanese Socialist Party delegation which arrived in Pyongyang on September 5 can be expected to provide loud support for the North Korean cause. There is also an anti-Pak campaign under way in Japan which is pointed toward a massive leftist rally in Tokyo on September 19. The South Koreans will find still further fault with Japan on October 2 when a high-level North Korean delegation arrives for a meeting of the Inter-Parliamentary Union, the first time North Korea has participated in the work of that body.

FOR THE PRESIDENT ONLY

## IRAQ, IRAN, AND THE KURDS

*Although Iraqi forces have made gains over recent weeks, Baghdad will probably not be able to destroy Kurdish forces before late October, when bad weather will ground Iraqi aircraft and halt mechanized military operations. The Kurds' ability to withstand the Iraqi drive hinges in large part on the Shah's willingness to do whatever is necessary to keep the dissident movement alive. If the Kurds' military position continues to deteriorate, they will require not only stepped-up deliveries of arms from Iran, but possibly more direct involvement by Iranian forces.*

Despite the recent setbacks, Kurdish morale appears good. There are more volunteers ready to join the Kurds than there are weapons to supply them. Reports from Kurdistan indicate that the rebels are more unified than ever; large numbers of educated Kurds, who in the past have been cool to Barzani's conservative leadership, are now reported to be joining rebel forces.

Later this year the Kurds may be able to re-take some of the positions they have lost recently, but they will need more equipment in order to hold them next summer. Even with poor equipment, the Kurds are likely to fight on. They fought the last war against the Iraqis in 1970 despite severe supply deficiencies.

The Iranian Role

For some time Iran has provided the Kurds with equipment, munitions, and military advisers. It also provides food, medicine, and money, and maintains refugee camps for Kurds who flee the fighting. Tehran admits only to providing humanitarian aid. According to the Iranians, the current fighting has pushed the refugee total over 70,000.

Iraq's recent successes have prompted the Kurds to ask for increased support, and Tehran has made a positive but limited response. Iranian army and gendarmerie units along the border have been reinforced [redacted] and used in show-of-force maneuvers.

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***FOR THE PRESIDENT ONLY***

Of greater significance, however, was the movement last month of Iranian artillery to the border where, for the first time, it was used to support a Kurdish counterattack against Iraqi armor in the Qalat Dizah area.

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**The Shah's Options**

Unless the Shah reverses himself, the likelihood of direct clashes between Iraq and Iran increases as Baghdad's troops push closer to the border. The Shah might deepen Iran's involvement if he concludes that this is the only alternative to a crushing defeat of the Kurds. The use of Iranian artillery represents a step in that direction and shows that the Shah considers continued Kurdish resistance important enough to justify a more direct Iranian role. The Iranians, of course, will do their best to ensure that this military aid remains unprovable in international forums.

Barring a sudden collapse of the Kurdish resistance, Iran's most likely course is to intensify what it is already doing. It could increase artillery support from Iranian territory, provide heavier and more sophisticated weapons, and even stage diversionary border incidents farther south to draw off Iraqi forces. Border violations such as the Iraqi bombing yesterday of two Iranian villages near Piran Shahr--the main supply depot for the Kurds--could be used by Tehran to justify launching a limited military action along the border. The Shah might also agree to send more Iranian personnel in mufti to help the Kurds.

Open intervention by Iranian ground forces seems unlikely. This would force Arab governments, recently courted by Iran, to choose between it and Iraq--a fellow Arab state. It also would undermine Iran's efforts to strengthen ties with neighbors who already are apprehensive about its growing military power.

**Bilateral Relations**

The Shah believes his interests are well served by Baghdad's preoccupation with the Kurdish problem and by Iraq's isolation in the Arab world. He therefore wishes to keep Kurdish resistance alive, and shows little interest in a rapprochement with Iraq, with whom he has long been at odds.

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***FOR THE PRESIDENT ONLY***

**FOR THE PRESIDENT ONLY**

The Iranians believe the greatest threat to their goals in the Persian Gulf is the growth of radicalism, and Iraq is seen as its chief sponsor. The Kurdish rebellion puts domestic political strains on the Baghdad regime, drains resources, and inhibits Iraqi efforts to sponsor subversion against the Shah and other traditional Gulf rulers.

Iraq, on the other hand, is under pressure from several Arab countries to seek an accommodation with Iran as a prerequisite for resolving the Kurdish problem. Moreover, domestic political divisions have been deepened as a result of the current fighting and threaten the stability of the Iraqi regime.

There have been some signs over recent months that the Iraqis were seeking rapprochement with Iran. Baghdad took the lead, for example, in starting preliminary bilateral talks on a range of outstanding issues, including border demarcation, in Istanbul last month. After two weeks, however, the meetings ended with not much sign of progress.

Baghdad's View'

We do not know whether the Iraqi air strike near Piran Shahr signals a radical change in Baghdad's policy. The bombing was apparently intended in part as a warning to the Shah against stepping up deliveries of military equipment to the Kurds and against increased involvement of the Iranian army on the side of the rebels. The strikes indicate that the Iraqis are probably prepared to use air power against Iranian artillery, mortar and anti-tank units along the border suspected by Baghdad of having given fire support to the Kurds.

The Iraqis are aware of the risks incurred in carrying out air strikes against Iranian territory. With a large part of their ground forces tied down against the Kurds, the Iraqis are not able to engage in major ground actions against Iran. Hence, Baghdad will seek to avoid an outright military confrontation.

Implications for Iraq

The unending war with the Kurds could become an increasingly onerous political liability for the regime. If the army gets bogged down later this year, political infighting could grow in Baghdad. There could be an open power struggle at the top between President Bakr and Baath Party strongman Tikriti, who have been at odds for some time. Other possibilities include a move against the two leaders by Baath

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Party critics with army support, or an independent move by the army. In the past two months, there have been signs of increasing military dissatisfaction with the prolonged, inconclusive war.

Tikriti put his reputation on the line when the fighting began in March by promising the Baath Party that the war would be over in September, but his position remains strong. He controls the party security apparatus, which gives him early warning of potential troublemakers both within the party and the army.

Even if the Iraqi regime were overthrown, there probably would be no sudden shifts in domestic or foreign policy--except perhaps for the handling of the Kurdish question. The Iraqis are so heavily dependent on the Soviet Union for deliveries of sophisticated weaponry that any regime that takes power is unlikely to loosen ties with Moscow.

Soviet Stakes

Moscow's interest in protecting and improving its position in Iraq has led it to become deeply involved in supporting Baghdad against the Kurds, despite significant misgivings about Iraqi policy. Soviet military assistance and advice have played a major role in the successes the Iraqi military has achieved.

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During the past ten days, Soviet air transports have apparently delivered sorely needed arms to Iraq.

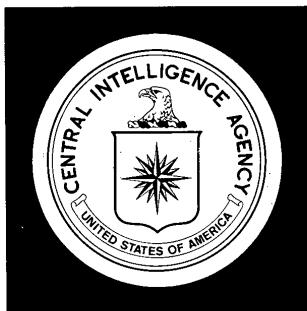
The Soviets are concerned that Iranian involvement will lead to increased Iraqi demands for support, and eventually endanger Soviet-Iranian relations. Soviet support for Iraq has impeded Moscow's attempts to improve ties to Tehran.

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# The President's Daily Brief

September 9, 1974

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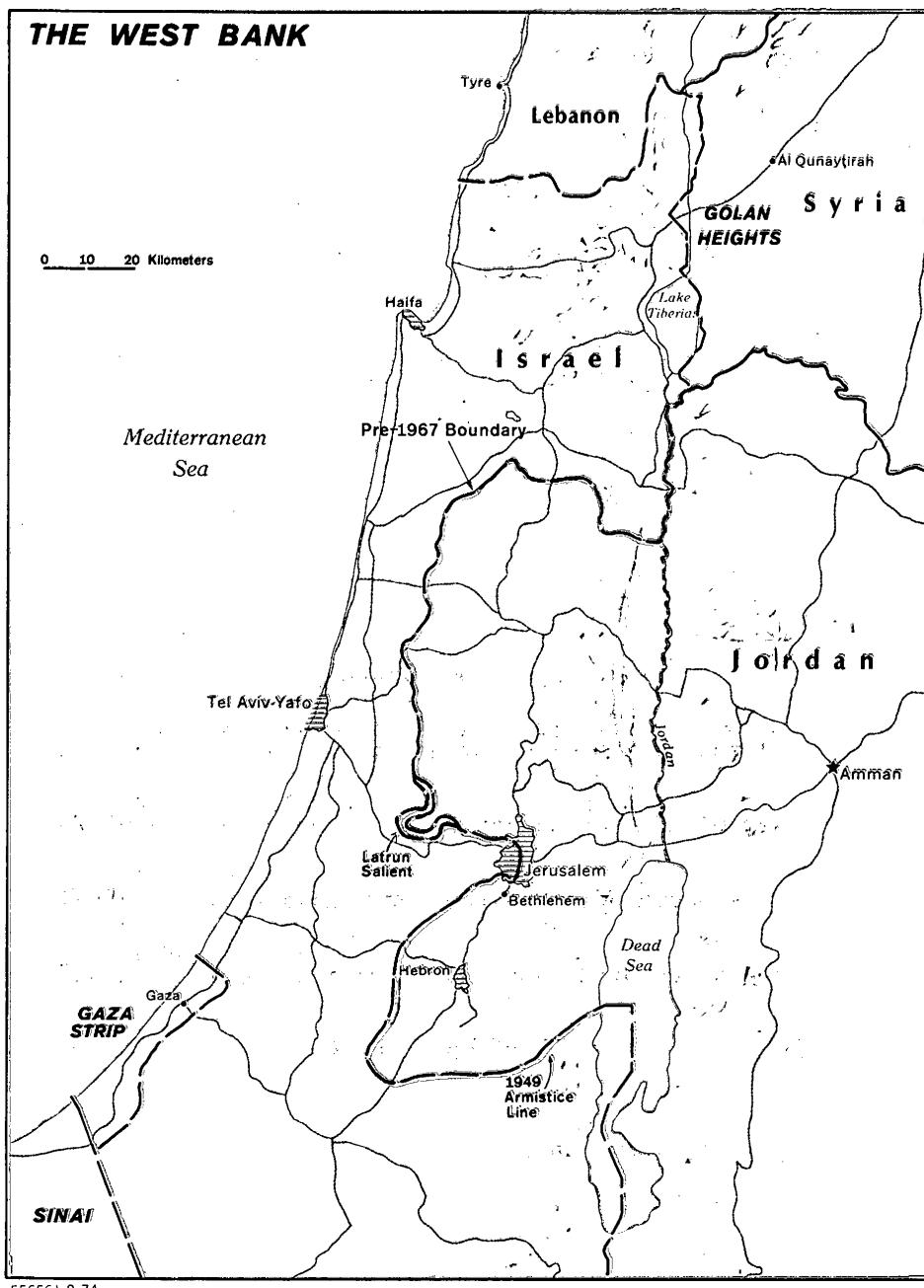
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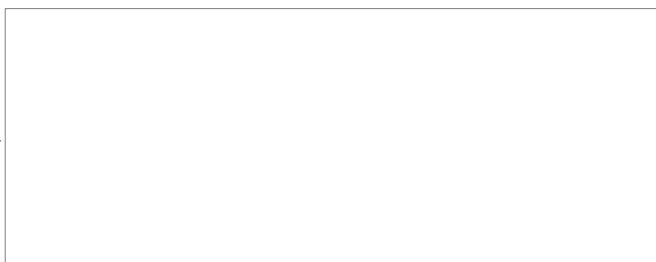


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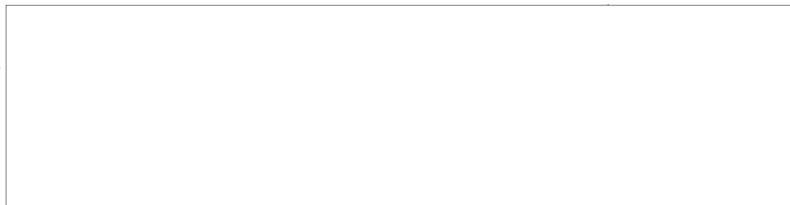
**FOR THE PRESIDENT ONLY**

**EGYPT**

*The Egyptians have come up with a compromise approach designed to give the Palestinians a limited role in negotiating a return of the territory occupied by Israel in 1967 on the West Bank of the Jordan River. Recently, the Arabs have been uncharacteristically united in insisting that Middle East negotiations focus on this issue before all others; they have, at the same time, been characteristically at odds over the question of the Palestinians' proper role in such talks.*



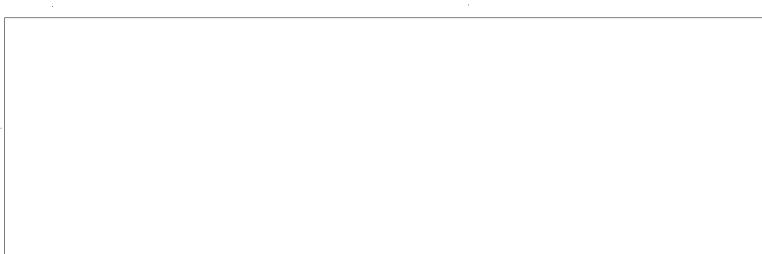
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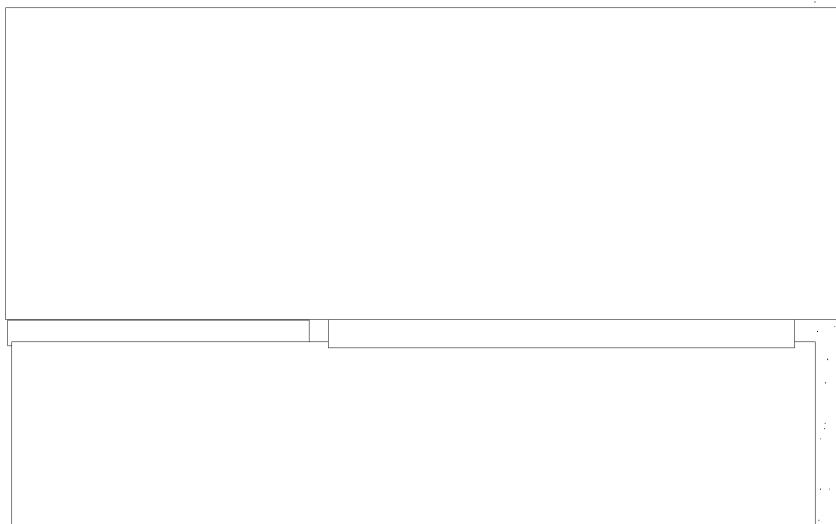
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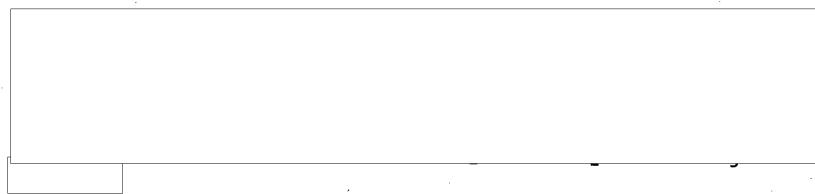
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*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

IRAQ

[redacted]  
the Soviets have given Iraq MIG-23 fighters and the SA-6 surface-to-air missile system. The MIG-23 is the most sophisticated aircraft in any Arab inventory. Syria is the only other country to receive this aircraft. The SA-6 missile is highly effective against planes flying at low and medium altitudes.

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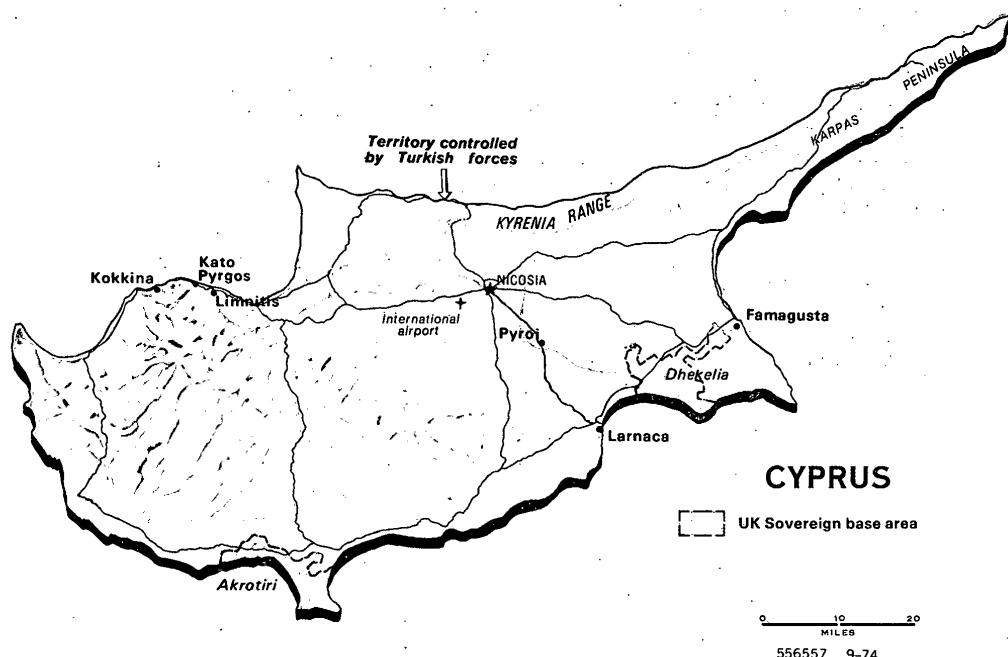
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The USSR has been particularly responsive to Iraqi requests for modern weapons. Iraq is the only foreign country to receive the supersonic TU-22 medium bomber.

**FOR THE PRESIDENT ONLY**



**FOR THE PRESIDENT ONLY**

CYPRUS

*Athens has eased its terms for resuming negotiations on the Cyprus question.*

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Athens' new flexibility complements that of Clerides. He and Turkish Cypriot leader Denktash reportedly agreed on Friday that the best solution would be a geographically based federal system.

Meanwhile, Turks from the mainland are establishing an administration in the northern third of the island, according to the US embassy in Nicosia. Turkish Cypriot leader Denktash's authority appears limited to Nicosia.

On the military side, the Turks have complained to the UN that Cypriot National Guard forces from Kato Pyrgos have been firing on Turkish positions west of Limnitis. The Turks are threatening to destroy Kato Pyrgos unless the firing stops. This complaint could be a pretext for a Turkish thrust to Kokkina.

**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

**ARGENTINA**

The "declaration of war" on the government issued Friday by extreme leftists of the Peronist movement is likely to provoke firm action against them. Before the declaration, the Peronist government was reluctant to move forcefully against the leftists because of their nominal Peronist allegiance.

Mario Firmenich, leader of the Montonero guerrilla organization, called for armed struggle against the government at a press conference Friday, which was held in secret. Six small labor and student groups joined Firmenich in the decision to go underground.

Firmenich claimed that the government's "repression" had forced the Montoneros to return to their earlier strategy of armed resistance. He acknowledged a personal role in the killing of former president Aramburu in May 1970 and added that the Montoneros were responsible for several recent killings, kidnappings, and bombings, which he said were carried out to signal the opening of the "popular resistance" campaign.

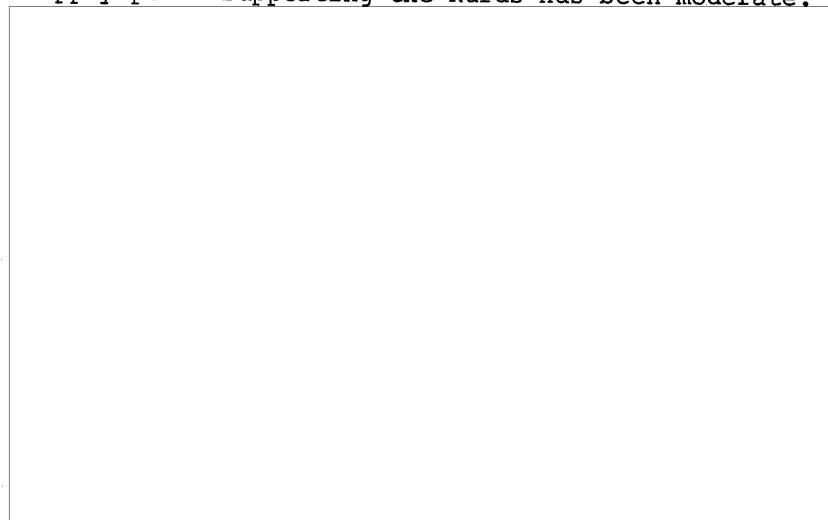
After the formal break by the Montoneros, President Maria Estela Peron met with the interior minister and military service commanders to lay plans for dealing with the guerrillas. The armed forces seem ready to take a stronger hand in the battle against terrorism. A special counterinsurgency group was recently formed within the Ministry of Defense.

**FOR THE PRESIDENT ONLY**

**NOTES**

Iran-Iraq: Tehran's reaction to the bombing by Iraqi planes Friday of two villages near Iran's main supply point supporting the Kurds has been moderate.

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India: [redacted]

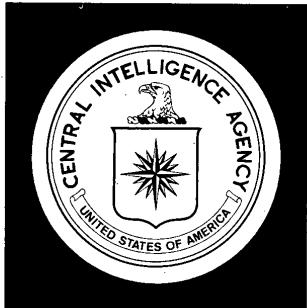
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*[Handwritten signatures]*



# The President's Daily Brief

*September 11, 1974*

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*FOR THE PRESIDENT ONLY*

September 11, 1974

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USSR: Jewish emigration from the Soviet Union to Israel in 1974 is down 32 percent from the same period in 1973. (Page 5)

Notes: USSR; Mozambique; Egypt - South Yemen; and Cambodia (Page 6)

*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

GREECE

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Foreign Minister Mavros is trying to rally economic and political support in Western Europe on the Cyprus issue and related matters.

[REDACTED]

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25X1

Mavros said Greece would participate in negotiations leading toward a federal solution on Cyprus if the Turks first provided Athens with a face-saving gesture. He said a symbolic withdrawal of Turkish forces from current lines or permission for a return of Greek Cypriot refugees to Famagusta would be acceptable.

The Greeks will argue during negotiations that the division of the island must be proportionate to the population. Turkish Cypriots constitute about 18 percent of the population, but Turkish forces now occupy approximately 40 percent of the island.

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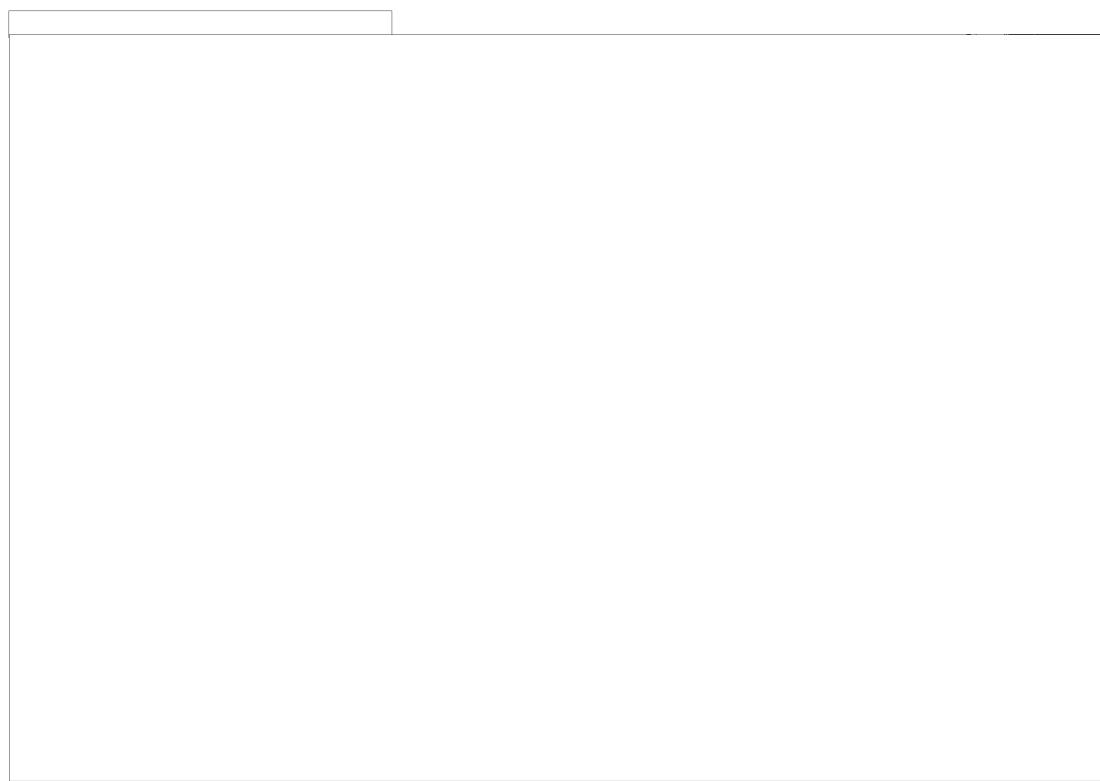
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There have been indications that Karamanlis wants to restructure, but not dismantle, cooperative agreements between Athens and Washington.

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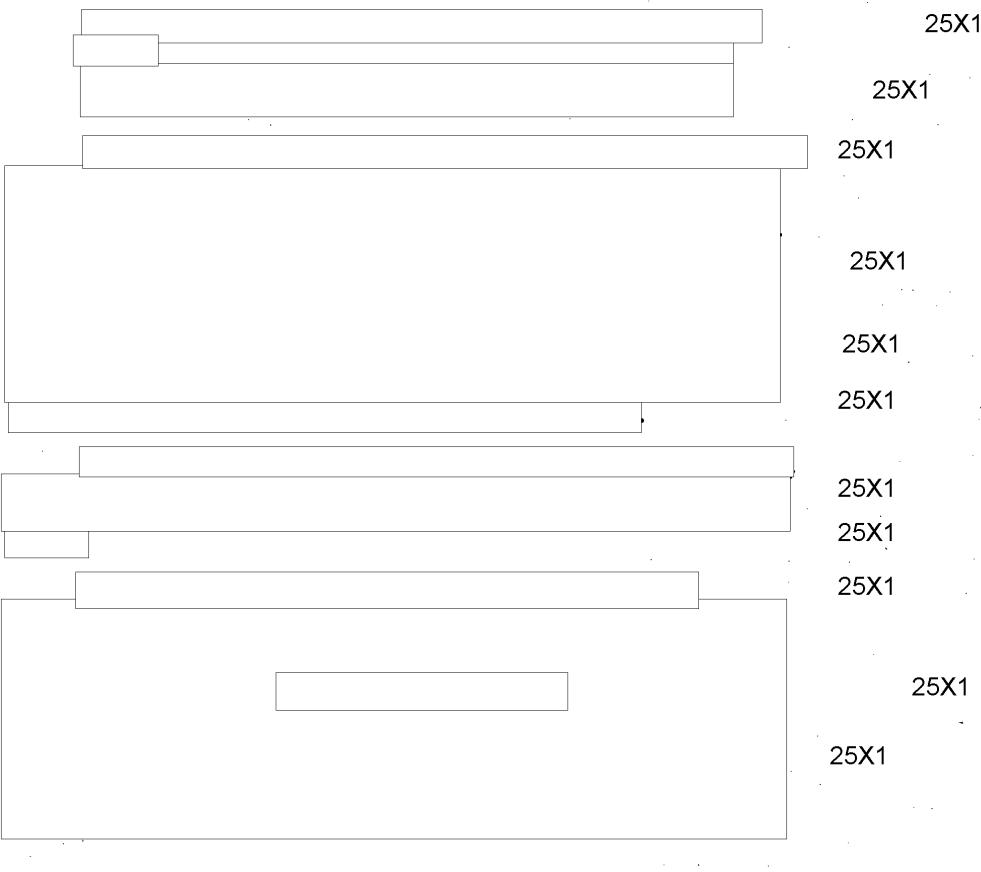
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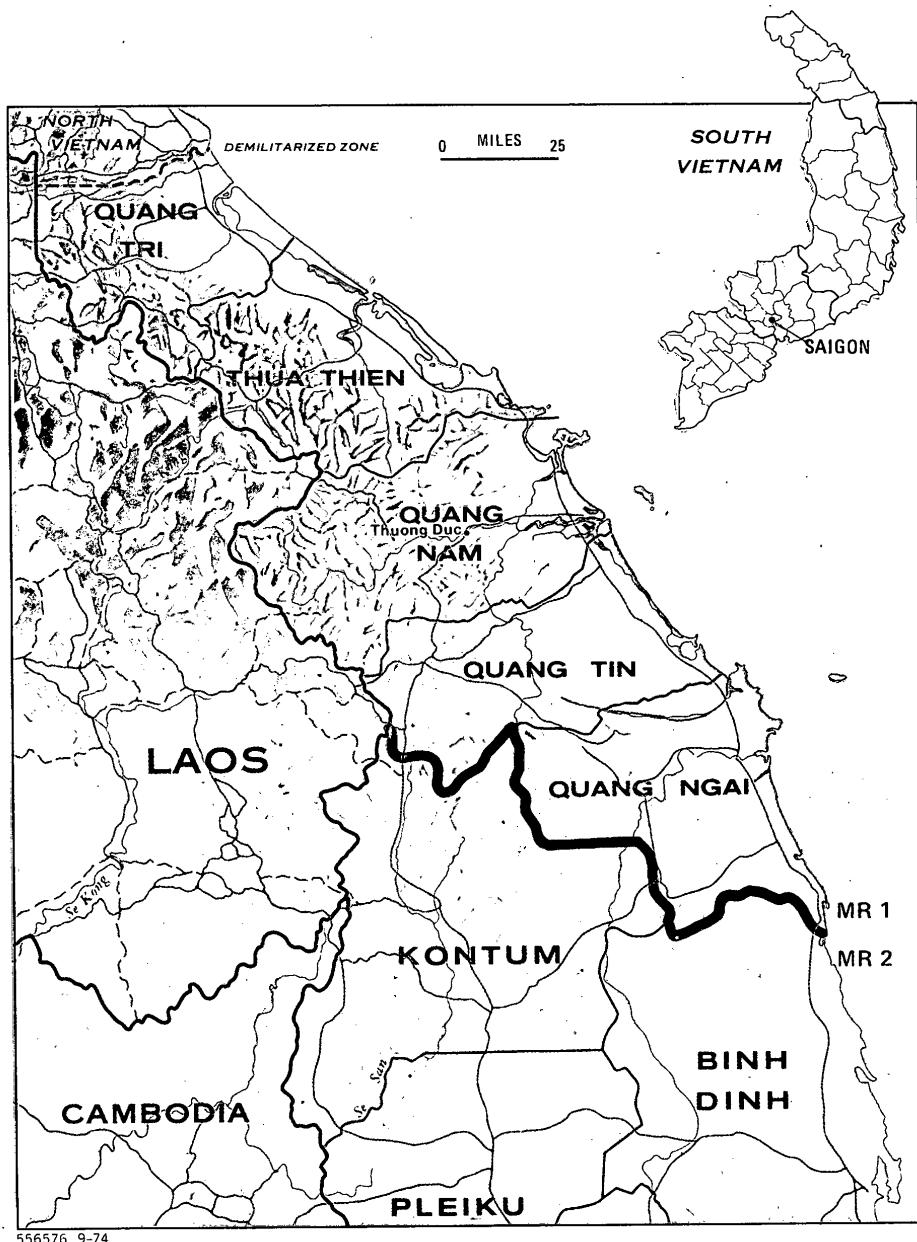
USSR

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*FOR THE PRESIDENT ONLY*



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**FOR THE PRESIDENT ONLY**

**VIETNAM**

*A potentially significant battle developing around the district town of Thuong Duc in Quang Nam Province symbolizes some of the changes in the character of the war since the cease-fire.*

In past years, South Vietnamese counterattacks usually quickly forced the withdrawal of Communist forces from towns they had captured. Now, however, the Communists have the advantage of a logistic network developed since the cease-fire that provides them with the maneuver capability and resupply capacity to defend towns they have taken.

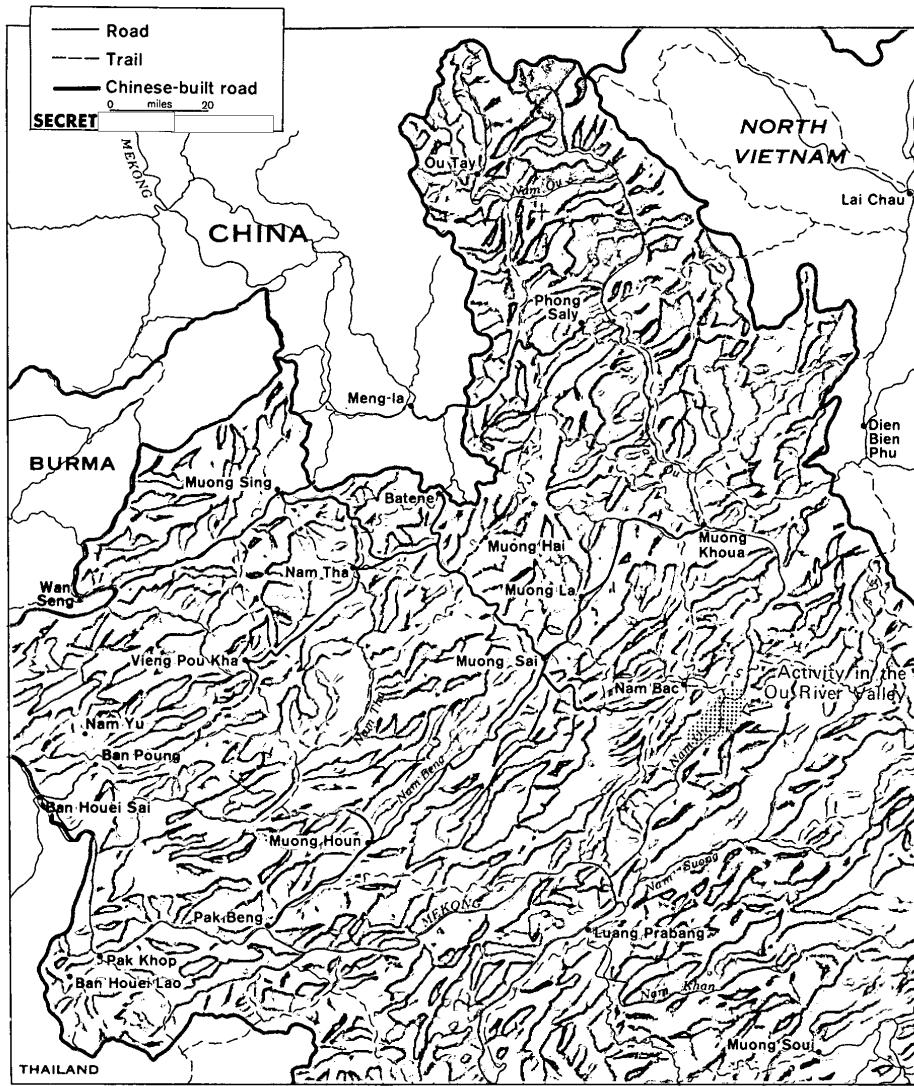
The First Brigade of the government's experienced Airborne Division has been cautiously attempting to retake Thuong Duc, which was captured by the Communists in the summer offensive. Government forces have been slowly moving to control high ground around the town before mounting an assault.

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South Vietnamese commanders are planning to send reinforcements. The Communists would like nothing better than to hang a substantial defeat on the First Airborne Brigade.

**FOR THE PRESIDENT ONLY**

## Chinese Road Network in Northwest Laos



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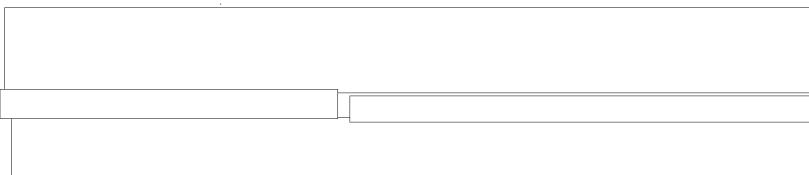
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**FOR THE PRESIDENT ONLY**

CHINA-LAOS

*Chinese road building in northern Laos during the coming dry season may focus on construction of a road toward the royal capital of Luang Prabang. Completion of such a route would provide the Pathet Lao with direct access to their forces in the capital area.*

25X1



25X1

For some time there have been indications that a route to Luang Prabang would eventually be included in the Chinese road-building effort. Last year the Chinese began to extend the road system from Muong Sai toward Nam Bac in north central Laos. In May of this year a Chinese regiment, probably an engineer unit, moved into the Ou River Valley southeast of Nam Bac near an established supply point only 62 miles from Luang Prabang.

25X1

In recent months, monsoon rains have prevented the 23,000 Chinese engineers and support troops in Laos from making any substantial additions to the road system. Road construction activity should pick up again soon with the advent of the dry season.

**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

USSR

*Jewish emigrants from the USSR to Israel during the first eight months of 1974 numbered 13,700, a drop of 32 percent from the same period of 1973, when 20,287 received permission to leave.*

The Dutch embassy in Moscow, which represents Israeli interests, reports that about 1,500 have departed monthly since May of this year. The Dutch believe that the decline in departures is not attributable to any increase in the rate of Soviet rejections of exit applications. Such refusals are running at about 10 percent, the usual rate. The Dutch see the decline instead as the cumulative effect of constraints, including the financial hardships experienced by Jews who make application to leave the USSR and the uncertainty of conditions in Israel.

Some 145,000 Soviet Jews reportedly have formal invitations from Israel. Many are delaying applications for permission to leave, possibly in the hope that Western efforts to negotiate a reduction of the costs and risks involved in emigration will succeed.

**FOR THE PRESIDENT ONLY**

***FOR THE PRESIDENT ONLY*****NOTES**

25X1

USSR: [redacted]

25X1

Mozambique: The rebellion by dissident whites that broke out last Saturday in Lourenco Marques fell apart yesterday. In a final announcement yesterday morning, the dissidents agreed to give up in order to avoid further violence. The envoys from Portugal who met with the rebels Monday night have returned to Lisbon without comment, but it seems unlikely that they offered any significant concessions. Lisbon cannot revoke its agreement with the Front for the Liberation of Mozambique, and the front is not likely to offer its political opponents a place in the transitional government--the dissidents' basic demand. Front officials have announced that they will begin setting up the transitional government in Lourenco Marques next week. The front will appoint a prime minister for the territory and two thirds of the cabinet.

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Egypt - South Yemen: [redacted]

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25X1

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25X1

Cambodia: A representative of Prince Sihanouk and an official of the Lon Nol government reportedly met in Bonn last week. This would be the first contact between the two sides since the Cambodian conflict began in 1970. [redacted]

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[redacted] As a result of the meeting, Sihanouk may be sounded out on whether President Lon Nol's departure could serve as the basis for a peaceful settlement. Sihanouk and the Khmer Communists have consistently rejected any compromise with the Lon Nol regime.

***FOR THE PRESIDENT ONLY***

*Top Secret*



# The President's Daily Brief

*September 12, 1974*

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**FOR THE PRESIDENT ONLY**

September 12, 1974

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Libya-US: Hints that Libyans want better relations. (Page 5)

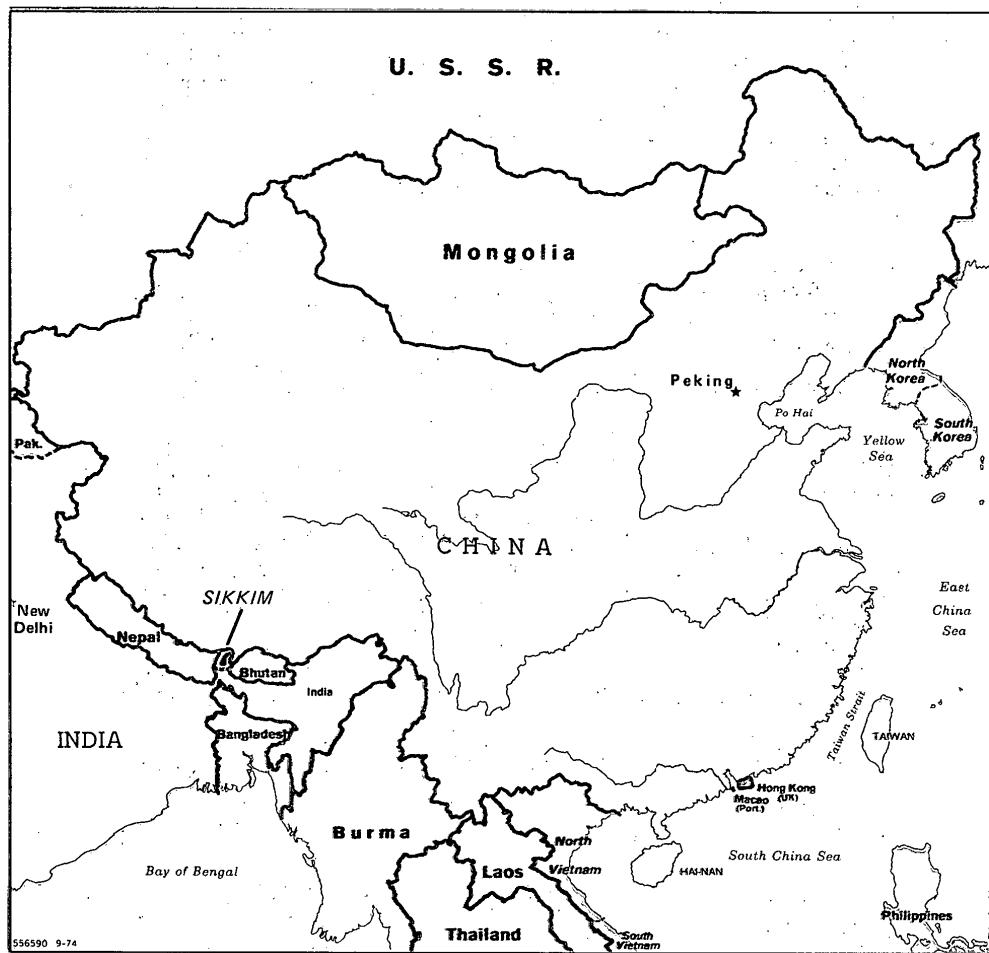
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Turkey: Turks to consider proposal to keep opium out of illegal channels. (Page 8)

Notes: Egypt-Israel; Mozambique (Page 9)

**FOR THE PRESIDENT ONLY**



**FOR THE PRESIDENT ONLY**

**CHINA-INDIA**

*India's absorption of Sikkim as an "associate state" last week has brought an unusually strong Chinese attack on Indian policy.. A Chinese Foreign Ministry statement expressed indignation over India's "annexation" of Sikkim and pledged support for those in Sikkim and India who resist New Delhi's action.*

The Chinese are now using harsh language normally reserved for the USSR. Peking has accused India of reckless expansionism, comparable to the Soviet invasion of Czechoslovakia, and has personally attacked Mrs. Gandhi.

Peking's harsh reaction appears to reflect concern over the security implications of a stronger Indian position along China's southwest frontier, particularly in light of New Delhi's treaty ties to Moscow and India's nascent nuclear strength.

[redacted] 25X1

[redacted] concerns were evident in the Foreign Ministry statement, which charged that Moscow was "the boss behind the scenes as well as the abettor of India expansionism," and said India was emboldened to act as it did in Sikkim by its nuclear test in May.

[redacted] 25X1

[redacted] 25X1

[redacted] 25X1

The Sikkim issue has seriously damaged prospects for improvement in China's relations with India, and more direct Chinese involvement could cause further deterioration.

[redacted] 25X1

[redacted] 25X1

**FOR THE PRESIDENT ONLY**

**ETHIOPIA**

*The military deposed Emperor Haile Selassie early this morning.*

Preliminary reports indicate that the monarch's son, Asfa Wossen, will succeed him on the throne. The Armed Forces Coordinating Committee has dissolved parliament and suspended the constitution. Military courts are also being formed.

Troops and tanks were in evidence in Addis Ababa early today, but the city otherwise was calm. The international airport reportedly is closed and all flights suspended. A daily curfew has been instituted for the hours of darkness, and demonstrations and strikes are banned. There have been no reports of disturbances in the provinces.

The ouster of Haile Selassie appears to have been thoroughly prepared and accomplished in the generally bloodless manner which has thus far characterized the Ethiopian revolution. The Emperor had gradually been stripped of all power, isolated, and subjected to increasingly abusive propaganda attacks. Most of the aristocracy, including some members of the royal family, is under military detention.

The apparent decision to retain the monarchy in an extremely attenuated form suggests that those on the Armed Forces Coordinating Committee who favor a genuinely constitutional regime and a reconciliation of most elements in Ethiopian society still have the upper hand.

Future prospects depend in large part on what the military committee does with Haile Selassie. Radicals on the committee have been pressing for his trial and possible execution, while the moderates appear to have favored allowing him to live out his life under their control in one of his palaces in the countryside.

Crown Prince Asfa Wossen [ ] is in his late fifties, [ ]

25X1

[ ] He is in Europe and may be unwilling to return to Ethiopia.

**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

**JAPAN - SOUTH KOREA**

*Last minute efforts to ease tensions between Japan and South Korea foundered when Seoul rejected a draft of Japanese Prime Minister Tanaka's personal letter to President Pak.*

Foreign Minister Kim told the US chargé that the major difficulties Seoul had with the letter were that Japanese admissions of responsibility for not preventing the assassination attempt on Pak were "too obscure" and that Japanese promises to curb terrorist actions aimed at South Korea were "too weak."

Although Seoul has apparently indicated a willingness to negotiate further, Tokyo maintains that the rejected draft is a "final position." Kim claimed that, barring any new signal from Tokyo, his government is prepared to proceed with its "previously prepared position"--presumably the recall of its ambassador in Tokyo.

**FOR THE PRESIDENT ONLY**

OPEC

*Oil ministers of the Organization of Petroleum Exporting Countries meet today in Vienna; they are expected to set oil prices for at least the next three months. While almost anything can happen, the odds favor a slight price increase.*

The OPEC economic commission will reportedly recommend a 14 percent price increase to offset inflation in the industrialized countries. Kuwait and Venezuela have endorsed the proposal as a bargaining chip to make sure that oil prices are not lowered. They are expected to compromise on a price freeze.

If a small price increase is approved, it will probably take the form of increased company taxes. Both Venezuela and Kuwait favor this because it will put the onus on the oil companies. Venezuela is likely to increase taxes on the companies no matter what OPEC as a group decides.

Oil Supply

Venezuela has announced a plan to cut its oil output to 2.6 million barrels per day in 1975. In fact, Caracas reportedly will offer to cut its production immediately to 2.5 million if necessary to support high oil prices. This would drop Venezuelan production by 600,000 barrels a day below average production for the first six months of 1974 and 900,000 barrels a day below its production level before the Arab-Israeli war.

No plans to cut output in other countries have been reported, but with storage tanks nearing full capacity and the surplus running at an estimated 1.5 million barrels a day, some other OPEC countries may be forced to cut production soon.

**FOR THE PRESIDENT ONLY**

LIBYA-US

*There have been a few recent straws in the wind that Libyan leaders are considering modifying their generally hostile attitude toward the US. Middle-level Libyan officials have intimated as much, and President Qadhafi himself has passed up recent opportunities to rake the US over the coals. The latest hint came a few days ago, when Libya's ambassador to Syria, Ahmad Khayal, told US embassy officials that Tripoli wants to improve relations with Washington. Khayal was apparently expressing his own interpretation of signs from Libya.*

Your congratulatory message to President Qadhafi early this month on the anniversary of the Libyan coup was apparently well received. Khayal described it as a "good move." He went on to suggest a simultaneous reappointment of ambassadors as a specific step toward rapprochement.

The Libyans have left the ambassadorial post in Washington vacant since their ambassador was recalled in November 1972 to stand trial for alleged misdeeds committed under the monarchy. The US' most recent ambassador to Libya retired from the post in December 1972.

Khayal said his government is recalling many of its diplomats abroad for consultations and reappointments. He seemed to imply that Tripoli would find it easier to name an ambassador to Washington as part of a wider shuffle of its diplomatic corps.

**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

**EGYPT**

*The Foreign Ministry has instructed its ambassadors to seek support for inscription of the Palestinian issue as a separate item on the agenda of the UN General Assembly session that convenes next week. Foreign Minister Fahmi has made similar overtures in Cairo to the ambassadors of key UN members.*

The Egyptians appear to have focused on this stratagem, mapped out initially by the Palestine Liberation Organization and supported by the Arab League last week, as a means of cajoling the PLO into cooperating on broader peace negotiating issues. Cairo probably thus hopes to induce the PLO to agree that Jordan should negotiate for the return of the Israeli-occupied West Bank.

The Arabs have thus far avoided serious controversy among themselves on these sensitive issues, even though Jordan and the PLO are both members of the committee drawing up a strategy at the UN.

The general outlines adopted by the Arab League--scaled down from original PLO demands--do not call for either observer status at the UN or recognition of the PLO as the "sole" representative of the Palestinians. The proposed UN resolution apparently would affirm that the Palestinians constitute "a nation" and are entitled to the right of self-determination. As far as the General Assembly itself is concerned, the Arabs have limited themselves to urging that the PLO be invited to name a representative to speak to the assembly.

The Egyptians will press the question of Palestinian self-determination, while trying to steer the UN debate clear of other inflammatory issues that they believe would cause problems for the US. In their view, a resolution affirming this concept would give the Palestinians hope in the future of establishing a separate state on the West Bank, after Jordanian-Israeli negotiations.

Cairo has also told its ambassadors that a UN resolution focusing on the Palestinian situation as a political issue rather than as a refugee problem will ease PLO inhibitions about participating in a Geneva conference. The PLO has rejected UN Security Council Resolution 242 as a basis for peace negotiations because it recognizes the Palestinians' status only as refugees.

**FOR THE PRESIDENT ONLY**

**CYPRUS**

The leaders of the Greek and Turkish Cypriot communities reached agreement yesterday to release all detainees who are either very old or under the age of 18, as well as the sick and wounded and university students and teachers. The date of their release will be announced tomorrow at the next scheduled meeting between the two leaders.

Disagreement continues, however, as to where the remaining prisoners are to be released. The Greek Cypriots insist that the prisoners should be let go where they were captured or at their place of origin, to avoid any implication of a concession on population exchange. The Turkish Cypriots, on the other hand, oppose any scheme that would require Turkish Cypriots to return to villages within Greek Cypriot areas.

\* \* \*

A Soviet delegation headed by Deputy Foreign Minister Ilichev left Moscow yesterday for Ankara, Nicosia, and Athens.

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[redacted] The timing of the mission may be related to the opening of the UN General Assembly later this month.

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**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

**TURKEY**

*The Turkish cabinet meeting today will consider a proposal put forward by special UN Emissary Sir Harry Greenfield for a system of processing poppies that would help keep opium out of illegal channels.*

Greenfield told the US ambassador in Ankara that he found a considerable number of Turkish officials, including Prime Minister Ecevit, in favor of his proposal. His scheme forbids lancing the poppy pod in the field to obtain the raw opium and, instead, requires the collection of poppies in straw form by state monopolies.

During the first year the straw would have to be exported for processing to recover the derivatives used for legitimate medical purposes, but the plan calls for the early construction of a processing plant in Turkey. In the interim, Greenfield claims it might also be necessary to subsidize the farmers temporarily if they obtain a lower price for the straw than they would for raw opium.

Ecevit reportedly told Greenfield that there is no serious obstacle to making the changes in Turkish law that would be necessary to adopt the straw processing system. Greenfield was impressed with the cooperative attitude displayed by the Turks on this issue. The US embassy in Ankara has been less reassured by Turkish attitudes toward other proposed control measures, such as reducing the number of acres cultivated and requiring poppy cultivation to be in areas close to main roads.

*FOR THE PRESIDENT ONLY*

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NOTES

Egypt-Israel:

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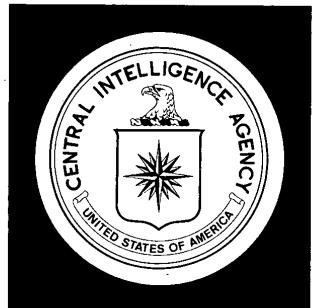
Mozambique: Disorders are continuing despite the collapse Tuesday of an incipient rebellion by dissident whites. A total of 100 persons had been killed and 250 wounded up to last night in street violence in the black areas of Lourenco Marques. Local authorities in the city have declared martial law and instituted a curfew and they are being joined in making public appeals for calm by leaders of the Front for the Liberation of Mozambique.

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# The President's Daily Brief

*September 13, 1974*

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**FOR THE PRESIDENT ONLY**

September 13, 1974

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**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

ETHIOPIA

*The Ethiopians have taken the removal of Emperor Haile Selassie quietly. So far, the military's take-over has triggered no disorders. Ethiopia's leading military figure, General Aman, has emerged as head of the provisional government; he is now prime minister as well as minister of defense.*

US Chargé Wyman was summoned to Aman's office late yesterday to receive the general's personal assurance that "the armed forces desire to maintain a strong and friendly relationship with the US."

The new military government says it will rule until a popularly approved constitution comes into effect. The military, however, gave no timetable for a return to barracks. A special military tribunal will try former and present government officials charged with corruption and abuse of power.

General Aman is in his early fifties. He has reportedly been working closely with moderate members of the Armed Forces Coordinating Committee. The committee was the moving force behind the Emperor's removal. It is made up of some 100 middle-grade officers and enlisted men from all the armed forces and the police, and has dominated the political scene for months.

The military is still pressing Haile Selassie to yield money he is believed to have banked overseas. He has thus far refused, saying that he has already given the bulk of his fortune to his children and grandchildren. If he continues to resist, the military may bring him to trial. If he yields the money, they may let him go into exile.

The committee has stated that Haile Selassie's sickly son, 57-year-old Crown Prince Asfa Wossen, would be a "figurehead" and would carry the title of "king," rather than emperor. The Crown Prince, who has been in Europe since early 1973, has been slowly recovering from a stroke that left him incapacitated. He was unassertive even before he became ill, and he would be easily manipulated by the committee.

Should the military be unable to get Asfa Wossen or someone else to become monarch, they may switch to a republic with General Aman as Ethiopia's first president.

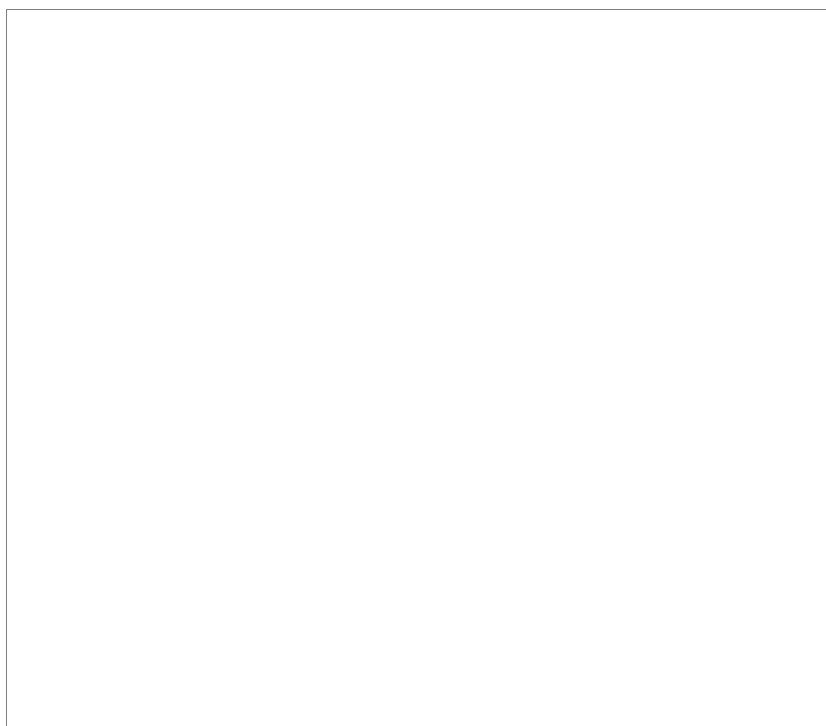
**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

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SOUTH KOREA

25X1



*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

**YUGOSLAVIA**

President Tito confirmed in a speech yesterday that a small group of pro-Soviet "cominformists" has been put on trial for anti-party activity. His description of the plotters as Stalinists who were supported from abroad will lead almost all Yugoslavs to believe that Moscow has been meddling in Yugoslav affairs.

25X1

[redacted] the group is made up of aging Serbs who sided with Moscow when Stalin expelled Tito from the Cominform in 1948. They tried to form a second, pro-Soviet communist party in Yugoslavia last June, but were promptly arrested. Some members have evidently admitted under interrogation that they still have ties to like-minded Yugoslav emigres in the Soviet Union.

25X1

Tito told the same story, but added that the plotters had held a "party congress" and elected "someone who is outside our country" as party chief. He mentioned no names [redacted]

25X1  
25X1

[redacted] Tito left no doubt, however, that the results of the trials will be published, even at the risk of embarrassing the Soviets. He demanded that the group be condemned as an example to all those tempted to engage in factionalism.

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25X1

Tito's speech marks the first time in several years that he has publicly stressed the threat of subversion from the Soviet Union. He had worked with Brezhnev since 1971 to bury the legacy of suspicion and mistrust stemming from the break with Stalin. Only last April he defended his rapprochement with Moscow by flatly rejecting rumors of any threat from the East.

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**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

**SPAIN**

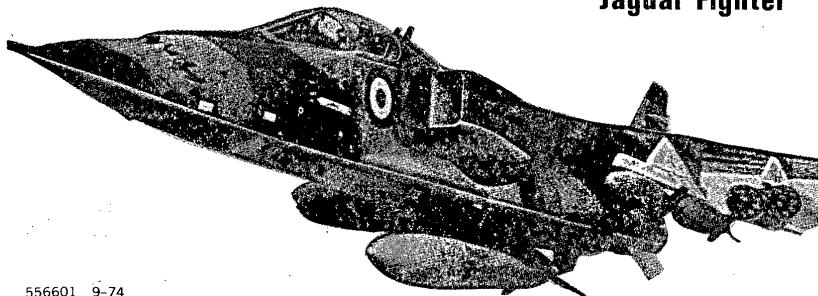
*In a recent interview with the Spanish news agency, Prime Minister Arias defended the gradual liberalization program that he announced last February. Publication of the interview leaves no doubt that Arias' proposals have the backing of General Franco.*

The airing of Arias' views may have been timed to quell rumors that Franco is displeased with Arias and the cabinet, and is considering replacing them with extreme rightists. Franco reassumed power as chief of state on September 2 after an illness that forced him to appoint Prince Juan Carlos acting chief of state in mid-July.

Arias denied that resistance by rightists to the idea of allowing political associations (limited political parties) has prevented progress toward liberalization. He expressed the hope that a government bill setting up such associations will be ready before the end of the year.

The Prime Minister cited the significance of the political changes ahead in explaining that he expects little political tranquility over the coming months. Arias expressed confidence, however, that the government will be able to foster and guide these changes without being swept away by them.

**Jaguar Fighter**



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*FOR THE PRESIDENT ONLY*

[REDACTED] OMAN

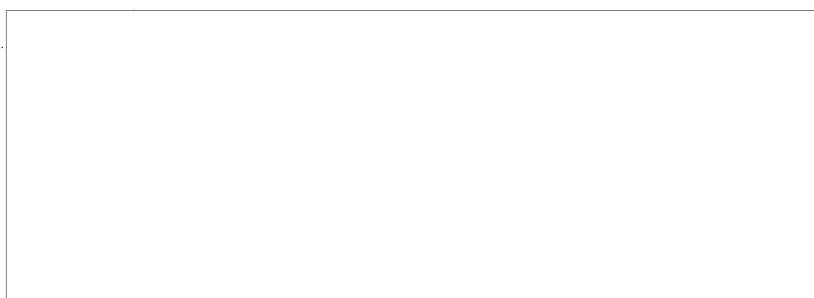
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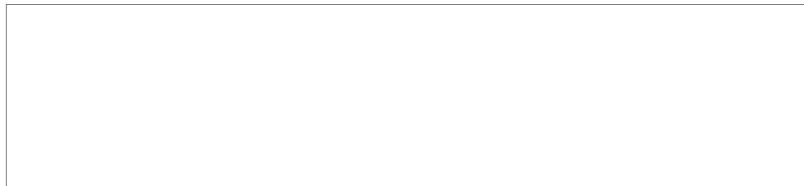
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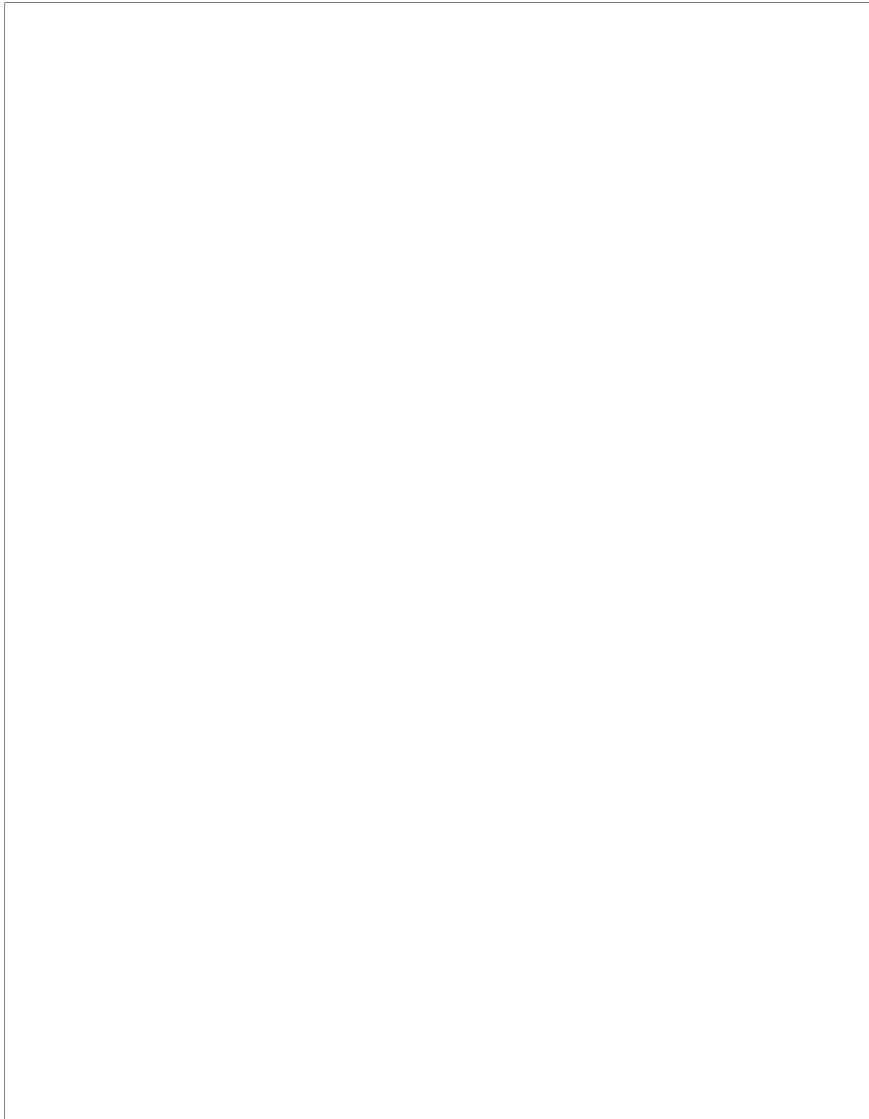
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Meanwhile, Oman has ordered 12 Jaguar tactical fighter aircraft and 28 Rapier surface-to-air missile units from the UK at a cost of about \$200 million. The Jaguars are scheduled for delivery over a period of two and a half years. Apparently no schedule has been arranged for Rapier deliveries. Oman wants these weapons to increase its capabilities against South Yemen, Oman's principal external threat and backer of the guerrillas in Dhofar.

US observers contend that Oman's need for the sophisticated air defense system is highly debatable. The decision of the Sultan of Oman to make the purchase may retard the country's civil development plan. In August, a revised government budget projected a deficit of \$26 million, largely due to increased defense spending.

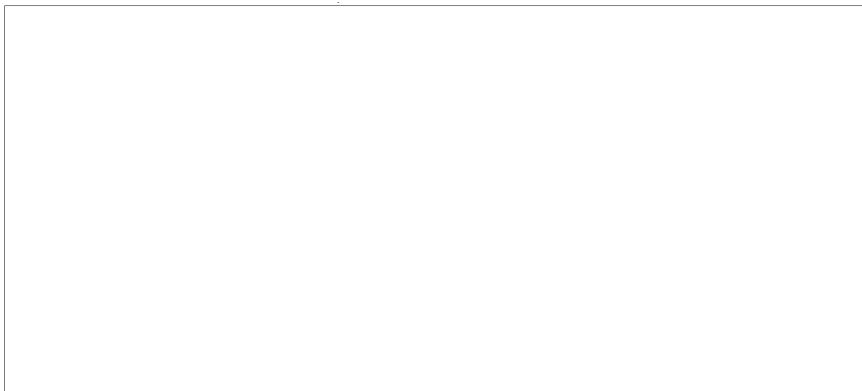
*FOR THE PRESIDENT ONLY*



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**FOR THE PRESIDENT ONLY**

NOTES



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USSR-Cuba:

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USSR-NATO:

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South Vietnam: Signals intelligence shows that headquarters units of the North Vietnamese 304th Division and subordinate regiments have moved to an area extending from the South Vietnam - Laos border into eastern Laos. The division has been operating in the northern province of Quang Tri. This is the first sign that it may be preparing to move to a new battlefield. There is no indication as to when it may move or its possible destination. Before moving, the division probably would establish communications with the logistic headquarters responsible for transporting units through the infiltration system. By intercepting such communications, we may detect any movement and learn the destination.

**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

Brazil - Middle East: The Brazilians used the recent visit of the Saudi foreign minister to stress their pro-Arab shift on Middle East issues. At a reception for the Saudi visitor, Foreign Minister Silveira declared that peace in the Middle East requires "withdrawal from all territories conquered by force and recognition of the rights of the Palestinians." Silveira's remarks cap a period of unprecedented Brazilian diplomatic activity in the Middle East, and underscore Brazil's continuing preoccupation with retaining access to crucial oil supplies. Seventy-five percent of the oil Brazil uses comes from abroad, most of it from the Middle East.

*FOR THE PRESIDENT ONLY*

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# The President's Daily Brief

*September 14, 1974*

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Exempt from general  
declassification schedule of E.O. 14176  
exemption category SR(1)(2)(3)  
declassified only on approval of  
the Director of Central Intelligence

***FOR THE PRESIDENT ONLY***

September 14, 1974

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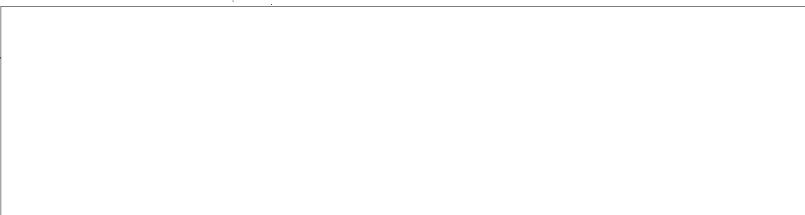
***FOR THE PRESIDENT ONLY***

**FOR THE PRESIDENT ONLY**

**SYRIA-ISRAEL**

*US Ambassador Murphy in Damascus has pointed out to Syrian Chief of Staff Shihabi Syrian violations of the Disengagement*

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Shihabi initially questioned the accuracy of the report, but volunteered to check. Yesterday he acknowledged to the ambassador that some local field commanders had in fact violated the accord "unintentionally," and said that the artillery pieces would be removed. Shihabi may have confused the new SA-6 unit in question with another SA-6

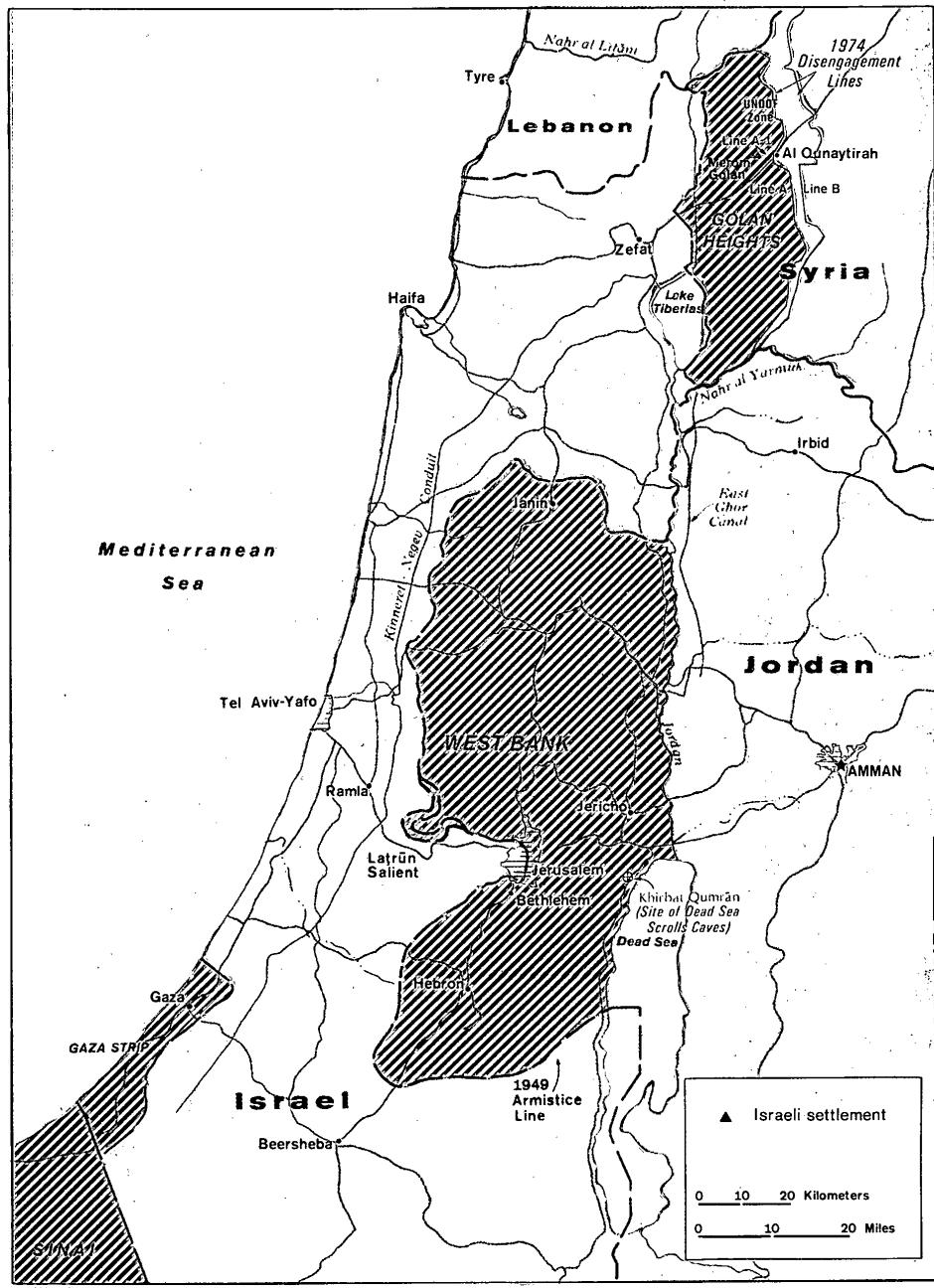
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[redacted] and is a borderline case as a possible violation.

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The violations probably were committed by local commanders without the knowledge of Shihabi or President Asad. We doubt that Syrian leaders would want to risk damaging their credibility with your administration at this time. Moreover, the Syrians' cooperativeness is probably designed to undermine the impression the Israelis have tried recently to create that Syria is on the verge of renewing the fighting.

**FOR THE PRESIDENT ONLY**



**FOR THE PRESIDENT ONLY****ISRAEL - ARAB STATES**

*The Israelis have inaugurated a new mining complex in the Golan Heights just west of Al Qunaytirah, near the Israeli-Syrian disengagement line. Minister of Commerce and Industry Haim Bar-Lev, who officiated at the opening on Wednesday, said the \$950,000 complex would be "another anchor" for the Israelis in the Golan Heights.*

As if to underscore the political importance of Israeli activities in the area, Bar-Lev pointed out that the separation line with Syria would have been drawn differently--presumably giving more territory to Syria--were it not for the Israeli settlements on Golan. [redacted] the semiofficial Jewish Agency said this mining complex--near Kibbutz Merom Golan--together with a planned Israeli rural center, would help fill the gap between settlements in the northern and southern Golan Heights.

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Meanwhile, Jordanian newspapers are claiming that two groups of Israelis are planning to establish unauthorized settlements on the West Bank. Government-sponsored dailies in Amman have carried reports that 300 orthodox Jewish settlers are "assembled and organized" to build a settlement near Jericho. The newspapers also cite reports that another group, which attempted last July to establish an unauthorized settlement in the heavily Arab northern West Bank area, will try again during the Jewish holidays over the next two weeks. The would-be settlers hope that the government will hesitate to break the sanctity of the holidays by forcibly removing them.

The Jordanian press articles reflect the intense concern Israeli settlement activities in occupied territories generate in the Arab world, where they are seen as evidence that Israel is not prepared to return these territories to the Arabs. King Faysal, especially, has made it a point to express to US officials his disquiet over such Israeli actions.

**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

SOUTH KOREA - JAPAN

*Seoul and Tokyo remain deadlocked over the wording of a proposed letter from Prime Minister Tanaka to President Pak in which Tokyo is attempting to satisfy strong Korean demands concerning responsibility for last month's assassination attempt on Pak.*

The Japanese have stated publicly that there will be no more concessions on the substance of the letter; the Koreans have warned both publicly and privately that unless a more accommodating draft is negotiated they will take diplomatic action against Tokyo. Such action--probably including the recall of Seoul's ambassador to Tokyo--seems likely soon, barring some last minute face-saving arrangement.

Anti-Japanese demonstrations continue in Seoul,

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[redacted] No significant protest materialized, however, when Tanaka arrived in Mexico on September 12, and Seoul's capacity for sparking demonstrations in other Western Hemisphere capitals is limited.

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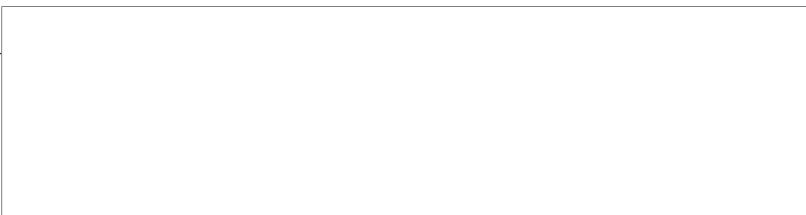
**FOR THE PRESIDENT ONLY**

CYPRUS

*Acting President Clerides and Turkish Cypriot leader Denktash made some progress yesterday in their third weekly session on humanitarian issues. In a later session, they reportedly tackled broader political issues, including prerequisites for opening formal peace negotiations.*

The two Cypriot leaders agreed--in a meeting with UN representatives--to begin releasing sick and wounded prisoners Monday and to follow with the release of special categories of prisoners. They deferred action on a general release of prisoners and on reunification of families.

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Most differences between the Greek and Turkish Cypriots now involve timing rather than substance. The Greeks concede that some form of federated state organized along geographic lines is now the only realistic solution, but they refuse to negotiate until the Turks make some concessions. The Turks, for their part, appear willing to withdraw from some of the territory they occupy and to permit some Greek Cypriots to return to their homes--particularly in Famagusta. They see these, however, as concessions to be made in the course of negotiations, not as preconditions for talks.

**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

**ETHIOPIA**

*The new military government appears to be settling down to business as Addis Ababa returns to normal. Tanks have been withdrawn from the capital; military and police patrolling has decreased; and the airport has reopened.*

The government has announced a few more cabinet changes, but the Armed Forces Coordinating Committee has directed most civilian ministers, diplomats, and officials to stay on until further notice.

There is no sign that Crown Prince Asfa Wossen, the military's choice as a figurehead successor to Haile Selassie, has decided to return from Geneva

[The Crown Prince and his 21-year-old son, Prince Zara Yacob, the second in line to the throne, are reported to be pondering their next move.]

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The military may have designated Asfa Wossen with the realization that he might be reluctant to return home. The committee may have hoped this apparent move to preserve the monarchy would mollify those opposed to the removal of Haile Selassie.

The most immediate problems to be faced by the military government may come from radical youth and students who are scheduled to return to classes later this month. The students are already unhappy with the committee's announcement that they should hold themselves ready to participate in development and drought-relief projects in the countryside. The military ignored violations of its ban on demonstrations by students who favored the removal of Haile Selassie, but it might react differently if faced with student protests on other matters.

**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

WESTERN EUROPE

*Political and business leaders in Western Europe, searching for solutions to inflation and large payments deficits, are becoming increasingly pessimistic about Europe's ability to cope economically. Many are afraid that a lack of concern in Washington for Europe's problems, coupled with the inability of the European Community to provide leadership, will discourage countries from seeking joint approaches to these problems.*

British Chancellor of the Exchequer Denis Healey warned recently that, because of their interdependence, European countries cannot all hope to reduce their trade deficits soon; cutthroat competition would only doom the weaker countries to economic and political chaos. Referring to the anti-inflationary policies of the US and West Germany, he added that strong efforts to reduce domestic demand could precipitate a global economic slump.

West German Chancellor Schmidt, who has become increasingly preoccupied with Europe's economic problems, confided to Ambassador Hillenbrand earlier this week that he too is deeply pessimistic about the prospect for economic stability in Western Europe. Despite efforts by Bonn to help Italy cover its oil bills, the Chancellor feels that Italy--and perhaps Great Britain--are approaching bankruptcy. This, in his view, could lead to a serious recession in Western Europe or even a depression that West Germany could not escape. The Chancellor's gloom is reinforced by his belief, as an economist, that the new approaches suggested so far hold little promise.

Schmidt made an explicit plea that the US take Europe's problems into account when framing economic policy. He complained that high US interest rates not only draw money from German banks but attract Arab dollars which are sorely needed in Europe to cover the huge trade and payments deficits resulting from the high cost of petroleum.

Chancellor Schmidt characterized French President Giscard's effort to restore movement to the European Community as largely psychological. He said his meeting with Giscard in Paris last week was disappointing because the French leader showed little willingness to join in formulating a Community-wide energy policy. Schmidt sees little chance for reducing oil prices without joint action.

**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

**MOZAMBIQUE**

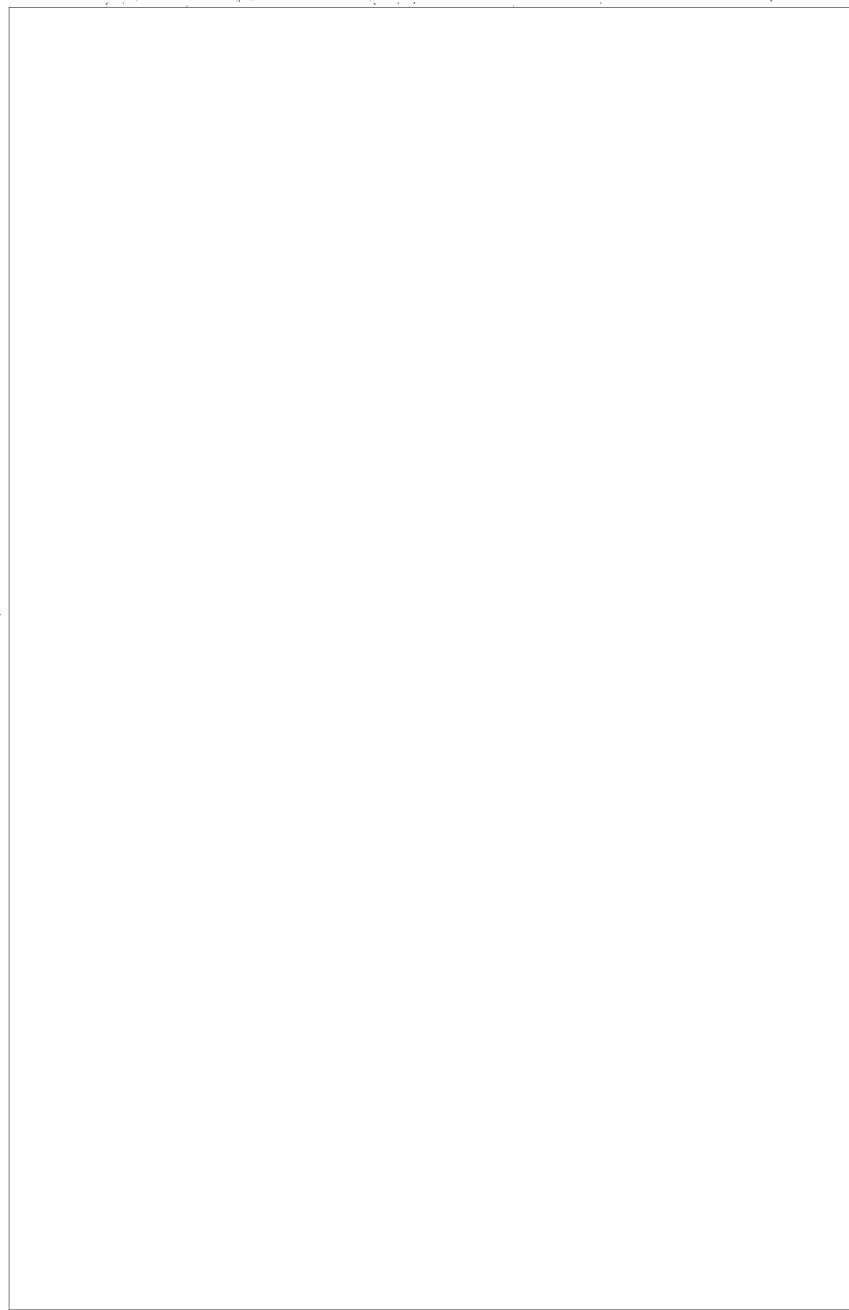
*Order has been largely restored in Lourenco Marques after several days of disturbances, but racial tension is likely to remain high for some time.*

Security forces have been mopping up after the rioting that came when blacks reacted to the short-lived rebellion by dissident whites last weekend. Local authorities are delivering food supplies to the black suburbs where most of the violence occurred. Stores and markets there, virtually all white-owned, were looted and burned during the rioting. Many whites have fled to South Africa and Swaziland.

White resentment could flare up again with the arrival, expected soon, of officials of the Front for the Liberation of Mozambique to take up positions in the transitional government that will prepare Mozambique for full independence next June. Security forces, however, are likely to move quickly to check any fresh outbreak of violence. The Portuguese high commissioner, who will govern jointly with a front-appointed prime minister until June, arrived Thursday in Lourenco Marques.

Although the front has pledged to build a multi-racial society in Mozambique, many whites are likely to remain skeptical. Neither the front nor the Portuguese show any desire to allow anti-front political organizations--white or black--a role in running the country.

**FOR THE PRESIDENT ONLY**



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*FOR THE PRESIDENT ONLY*

## NOTES

USSR: 

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USSR: We now estimate that the Soviet grain crop this year will come to 198 million tons. Although lower than the original goal of 205.6 million tons, this would still be the second highest crop in Soviet history. The amount of wheat produced this year, however, is likely to be much less than last year--85 million tons compared with 110 million tons. There are no indications so far that the USSR intends to purchase large quantities of grain on the world market. Grain prices this year, unlike 1972, are high, and the Soviet Union should have large stocks on which to draw after last year's bumper harvest.

North Vietnam: North Vietnamese fighter aircraft, which were recently sent to the southern part of the country, have been in the air almost daily since early this month. Some have flown very close to the Demilitarized Zone. Many of the recent flights probably have been for training and area familiarization in connection with the reopening of bases in southern North Vietnam. The shift of fighters to the south may also reflect North Vietnamese concern that Saigon might send aircraft across the Demilitarized Zone in retaliation for widespread communist attacks along the north-central coast during July and August.

*FOR THE PRESIDENT ONLY*

FOR THE PRESIDENT ONLY

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## THE PALESTINIANS

The chairman of the Palestine Liberation Organization, Yasir Arafat, faces a dilemma; he must make concessions to Jordan's King Husayn on negotiating Israel's withdrawal from the West Bank or risk exclusion from the next round of Middle East peace talks in Geneva. Although he has been advised to be less adamant by the Egyptians, the Syrians, and the Soviets, Arafat is holding to the position that the Palestinians alone can negotiate the return of the West Bank and that they should be allowed a separate delegation at Geneva. He would like to delay making concessions to Jordan as long as possible so that he can make a strong case that they were forced on him by other Arabs. This would enable him to withstand more easily the inevitable attacks by Palestinians who object to any dealings with Husayn.

[redacted] This annex will treat the divisions within the ranks of the fedayeen and the relative influence of moderates and radicals.

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The Moderates

Yasir Arafat, as chairman of the Palestine Liberation Organization, holds a post of uncertain tenure, but for the moment he is in a fairly strong position to commit the PLO to negotiations should the Palestinians be invited on what Arafat regards as acceptable terms. He is supported by his own fedayeen organization Fatah, the Syrian-controlled Saqla, and the Popular Democratic Front for the Liberation of Palestine.

The long-range policies backed by these groups have for some months included three basic elements:

- Willingness to create a Palestinian government-in-exile.
- Willingness to attend the Geneva talks.
- Willingness to accept a truncated Palestinian state.

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FOR THE PRESIDENT ONLY

**FOR THE PRESIDENT ONLY**

As long as Arafat is backed by Saiga, the fedayeen group second in size to his own Fatah, he will be free to work toward Palestinian participation in the peace talks. Despite his personal disputes with Saiga chief Zuhayr Muhsin, Arafat will receive at least reluctant support from that organization as long as Syria remains willing to work toward a peaceful settlement of Middle East issues.

The Marxist-oriented Popular Democratic Front for the Liberation of Palestine is small, but is admired by many Palestinians for its ability to mount terrorist attacks on Israel. It backs Arafat in his inclination to seek, through negotiations, a Palestinian state limited to the West Bank and Gaza, but is not inclined to support any overtures by the Palestinians to the Jordanians. Nayif Hawatmah, head of the PFLP, advocates the overthrow of King Husayn rather than rapprochement with him. Hawatmah has close ties to the Jordanian Communist Party and to radical groups on the West Bank.

The moderates won only a vague and heavily qualified endorsement of their policies from the Palestine National Council, the legislative arm of the PLO, at its session in Cairo last June. It was an endorsement, however, that Arafat can and will interpret to his own ends if he is invited to take an active part in negotiations.

The Palestine National Council also approved Arafat's proposal to expand the PLO's powerful Executive Committee from nine to fourteen members. Four of the five new members are sympathetic to Arafat's policies, with the result that he is now firmly in control of the committee.

The Rejection Front

The three most radical fedayeen organizations within the PLO are the Popular Front for the Liberation of Palestine, the Popular Front for the Liberation of Palestine--General Command, and the Arab Liberation Front. They continue to oppose all proposals for Palestinian participation in peace talks. Cooperating loosely under the guise of the Rejection Front, these groups have mounted a propaganda campaign to undercut Palestinian support for Arafat's policies

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**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

In mid-August, the three radical groups issued an ultimatum to PLO leaders that they end their co-operation with Egypt in seeking a formula under which the Palestinians would be able to participate in negotiations. The radicals threatened to withdraw from the PLO within three weeks if their demand was not met. The deadline passed without the threat being carried out, but it remains likely that they will withdraw should Arafat commit the PLO to attendance at the talks.

The radicals' reluctance to follow through on their threats or to challenge Arafat directly probably stems from their lack of confidence in the Arab states that support them. Neither the Popular Front for the Liberation of Palestine nor the Popular Front for the Liberation of Palestine--General Command have direct ties to any Arab government and are almost always in some financial difficulty. They must rely on unpredictable levels of financial and operational support from Libya, Iraq, and private Persian Gulf sources. The radical leaders almost certainly fear that their Arab backers would be of little help to them in any military encounter with the larger fedayeen groups or the security forces of the conservative Arab states.

The small Arab Liberation Front, unlike the other radical groups, is almost totally controlled by the Iraqi government. This assures it constant support, but also leaves it vulnerable to the vagaries of Iraqi policies. Baghdad opposes an Arab settlement with Israel, but its interest in keeping on reasonably good terms with the established leaders of the PLO, the major Arab states, and the Soviet Union tempers its willingness to allow the ALF to work vigorously against Arafat's diplomatic initiatives.

Resort to Terrorism

The two independent radical groups will almost certainly increase their international terrorist activities if the moderate leaders of the PLO declare that they will accept a compromise with Jordan or enter into peace negotiations. These groups have the capability to mount terrorist operations both inside Israel and abroad.

**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

Were Arafat convinced that their activities constituted a threat to the PLO and should be restricted, he--or the Lebanese, with his complicity-- could force the closure of several of their bases in Lebanon. This could virtually end their ability to mount cross-border raids into Israel, but it would be much less effective in preventing international terrorist incidents. Such incidents could still be planned and supported from Libya, Iraq, the smaller Gulf states, and probably from Beirut itself.

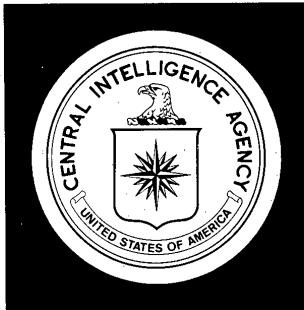
The less radical fedayeen groups--Fatah, Saiqa, and the PFLP--have for the present abandoned spectacular forms of international terrorism presumably to demonstrate their responsibility while working toward some role in negotiations. At the same time, they are continuing to mount occasional attacks inside Israel, both to confirm their activist credentials to other Palestinians and to keep the pressure on Arab and Western governments to deal with the Palestinian question.

Should the PLO finally be excluded from the peace talks and Egypt, Syria, and Jordan pursue a settlement without the Palestinians, it is virtually certain that Arafat and his supporters would revert to terrorist tactics. The current restraint of such leaders as Salah Khalaf, head of Fatah's Black September Organization, for example, is clearly based on the opportunistic premise that the Palestinians stand to gain more from joining in negotiations than from opposing them. Should this assessment be proved wrong, they will feel that the only way they can keep their positions is to demonstrate through the use of terrorism that no solution to the Middle East problem is possible without a solution to the Palestinian problem.

**FOR THE PRESIDENT ONLY**

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# The President's Daily Brief

*September 16, 1974*

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~~Top Secret 25X1~~

Exempt from general  
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**FOR THE PRESIDENT ONLY**

September 16, 1974

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**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

**USSR-EGYPT**

*General Secretary Brezhnev wants to  
schedule a summit meeting with Egyptian  
President Sadat [redacted]  
[redacted] before Sadat makes his trip to  
Washington this fall. [redacted]*

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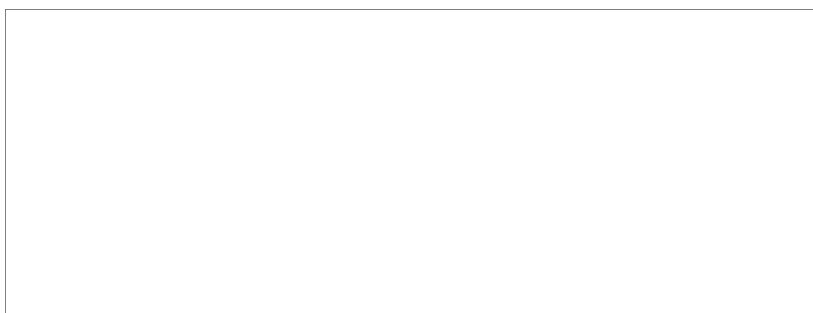
[redacted] a site for  
the summit--one of the matters that has hitherto  
delayed plans for talks. Sadat has insisted that  
Brezhnev come to Cairo, but Brezhnev has been un-  
willing. Sadat's new emphasis on increasing Egypt's  
influence in South Yemen and in the Gulf region at  
Moscow's expense is another issue that could further  
aggravate Soviet-Egyptian relations before talks can  
be arranged. Egyptian Foreign Minister Fahmi pre-  
sumably will discuss these problems when he goes to  
Moscow next month.

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**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

ARAB STATES - ISRAEL



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Israeli aircraft attacked fedayeen concentrations in southern Lebanon yesterday for the first time in over a month. According to Israeli authorities, the attacks were limited to targets in the Mount Hermon area. Earlier in the day, Israeli artillery shelled targets in southern Lebanon.

*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

SOUTH KOREA - JAPAN

*Seoul and Tokyo pulled back over the weekend to avoid a showdown between the two countries. The government radio in Seoul announced yesterday that progress had been made toward settling the dispute, and that US mediation had helped greatly.*

The South Koreans have agreed to accept a letter from Prime Minister Tanaka, which expresses regret over last month's assassination in Seoul, but Tokyo must provide in the letter further assurances of its promise to curb plotting in Japan against Korean President Pak. The Japanese have agreed.

Although tensions have eased, difficult negotiations are still likely over the form and content of the additional Japanese assurances. Seoul continues to press for an explicit Japanese commitment to crack down on Chosen Soren, the pro-Pyongyang association of Korean residents in Japan that Seoul holds responsible for the death of President Pak's wife. Tokyo may find it difficult, however, to come up with a clearcut pledge without violating Japanese laws which protect the freedom of organizations such as Chosen Soren.

**FOR THE PRESIDENT ONLY**

**TURKEY**

*The rift in Turkey's governing coalition deepened over the weekend as Deputy Prime Minister Erbakan, leader of the junior party in the coalition--the National Salvation Party--directly challenged Prime Minister Ecevit. Ecevit, who has been finding the Salvationists increasingly troublesome partners, will decide today whether or not he will resign.*

Erbakan and seven other cabinet ministers refused to sign a decree authorizing Ecevit to make a trip this week to Scandinavia as the official representative of the Turkish government. Erbakan said Ecevit could travel as a representative of his own Republican People's Party or as a "resigned prime minister." Erbakan is miffed that he was not designated to act as prime minister during Ecevit's absence. Ecevit appointed instead a member of his own party.

Ecevit's difficulties with his right-wing partner go back to last May, when 20 Salvationists broke party ranks to vote against the government on a crucial bill. Ecevit has been further annoyed by Erbakan's political maneuvering and unhelpful statements on Cyprus; he has been avoiding appearances with Erbakan in public.

A government crisis now--coinciding with sensitive negotiations over Cyprus--would be ill-timed. Even if the government does not collapse, the functioning of the cabinet as a unit has been seriously impaired by the rift between Ecevit and Erbakan.

**FOR THE PRESIDENT ONLY**

NOTES

Cyprus: Acting Cypriot President Clerides announced Saturday that Archbishop Makarios, as President of Cyprus, will address the next session of the UN. He affirmed that a "common line" exists between himself and Makarios on handling the Cyprus problem. The US embassy in Nicosia notes, however, that Clerides recognizes Makarios' potential--and probable intention--to undermine both Clerides' own position and the ongoing negotiations between Greek and Turkish Cypriot leaders.

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France: [redacted]

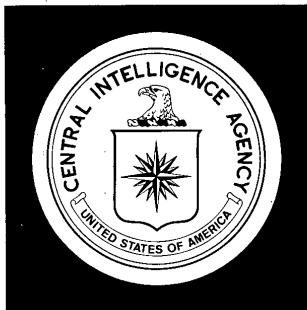
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Israel: The ruling body of Israel's National Religious Party voted yesterday to rejoin Prime Minister Rabin's coalition government, a move which should broaden the coalition's narrow base of 61 seats in the 120-member Knesset. The leadership of Rabin's Labor Party previously approved his formula for compromising differences with the Religious Party. Rabin's next step will be to seek the consent of the other three parties in the governing coalition. If they react as expected, the net result will be seven additional seats. Although the small Citizens Rights Movement has threatened to leave the coalition if the Religious Party joins, leaders of the remaining two parties have indicated that they can go along with Rabin's compromise formula.

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# The President's Daily Brief

*September 17, 1974*

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declassified only on appeal of  
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*FOR THE PRESIDENT ONLY*

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**FOR THE PRESIDENT ONLY**

**TURKEY**

Prime Minister Ecevit will ask his Republican People's Party today to ratify his decision to resign and thereby end the coalition with the right-wing National Salvation Party. Ecevit told a press conference yesterday that if the party supports this move, he will formally submit his resignation to President Koruturk and seek new elections.

Referring the matter to the party is a mere formality, but it gives Ecevit more time to plan his next move, and even to reconsider if prospects for forming a new government appear doubtful. Ecevit's break with the National Salvation Party seems final this time, but he has drawn back from the brink on at least one other occasion since the fragile alliance was formed last January.

A collapse of the coalition would not automatically bring about elections. If Ecevit wants to take advantage of the increased popularity he has gained from his actions regarding Cyprus, he will have to find support for new elections outside his own party in parliament. A majority vote is needed to call elections before those scheduled for 1977, and opposition parties would probably be reluctant to risk losing seats in the national assembly.

Ecevit's other options include forming a minority government or another coalition. He would presumably find it as difficult to obtain support for a minority government as he would for calling elections. Suleyman Demirel has already said his Justice Party--the major opposition group--would vote against a minority government.

Ecevit may attempt to form a coalition with the small right-of-center Democratic Party. Such a coalition would give Ecevit the needed majority in parliament, but the two parties would have to overcome significant ideological differences. There are rumors that the Democratic Party has already agreed to join a coalition or to support a move to call elections.

If Ecevit formally resigns, the present government will continue to serve on a temporary basis until a new one is formed. An interim government would assure continuity, but it would lack the necessary support in parliament to approve new programs. It took Ecevit three months to put together a coalition after the indecisive elections in October 1973.

***FOR THE PRESIDENT ONLY***

USSR

*The Soviets may be starting to deactivate silos for the SS-8 intercontinental ballistic missile. This is the first sign that Moscow intends to deactivate silos for older missile systems.*

[redacted] the SS-8 complex at Omsk [redacted] shows that the missiles have been removed from all three of the silos there and the doors have been left open. Several silo components have been removed and are stacked nearby. Nothing done so far, however, would prevent reinstallation of the missiles and return to operational status.

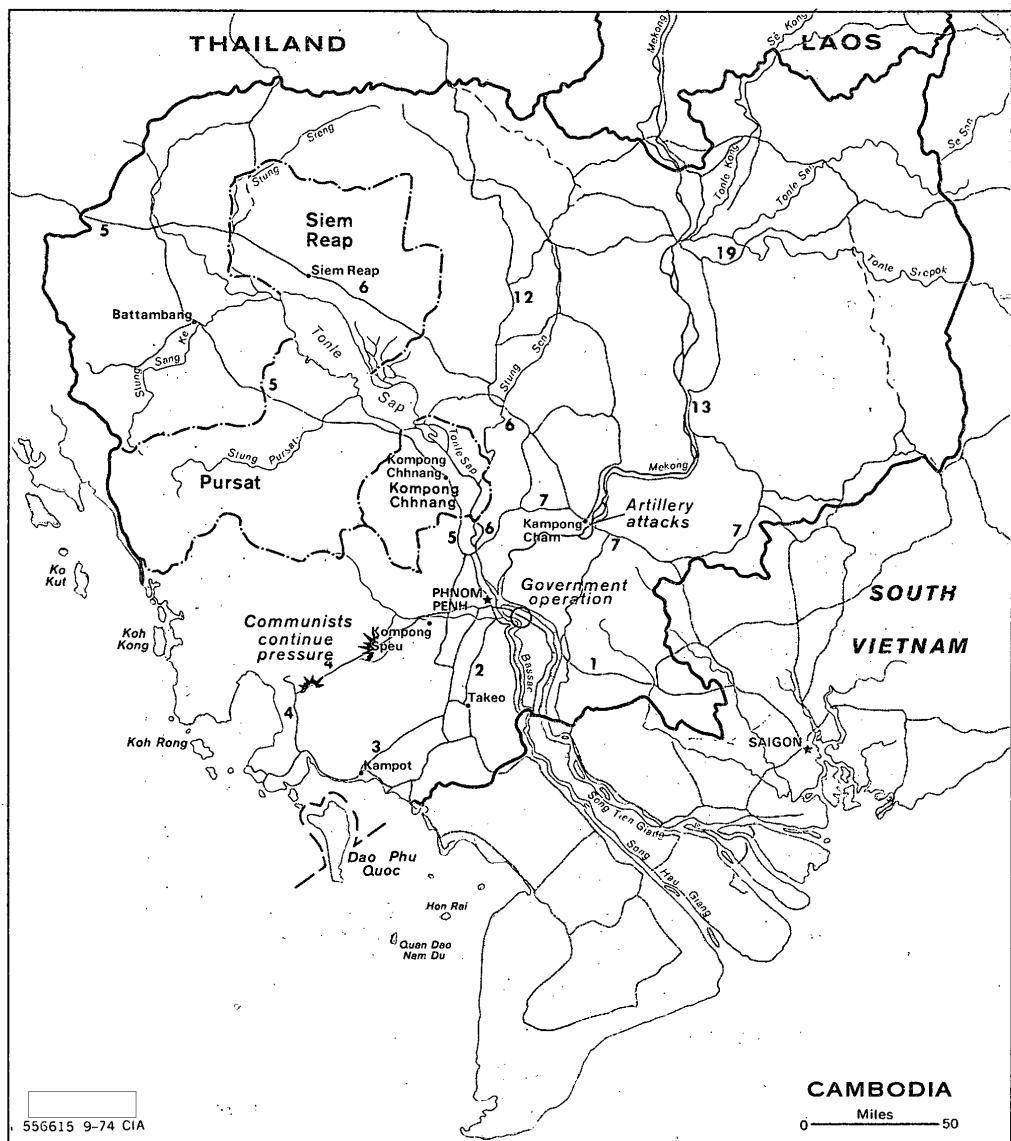
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Only limited numbers of SS-8s were put in service. There are nine silo launchers and ten launch pads for the missile.

The SS-8 and SS-7 are Moscow's two oldest operational ICBMs; both of them were put in service in the early sixties. Over the past three years, 17 above-ground SS-7 sites--each containing two launch pads--have been in a reduced state of readiness; we no longer consider them operational. These pads were not dismantled in accordance with the procedures agreed to by the SALT Standing Consultative Commission, however, and they could be restored to operational status in a short time.

The Soviets still have 90 operational launch pads for the SS-7; they have not altered the 66 silos where SS-7s are installed.

***FOR THE PRESIDENT ONLY***



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**FOR THE PRESIDENT ONLY**

CAMBODIA

*The major government operation south-east of Phnom Penh, which began in late August, has stalled completely. Although Cambodian army troops initially pushed back the insurgents, government forces have now lost the initiative, and the Communists have moved their units into blocking positions.*

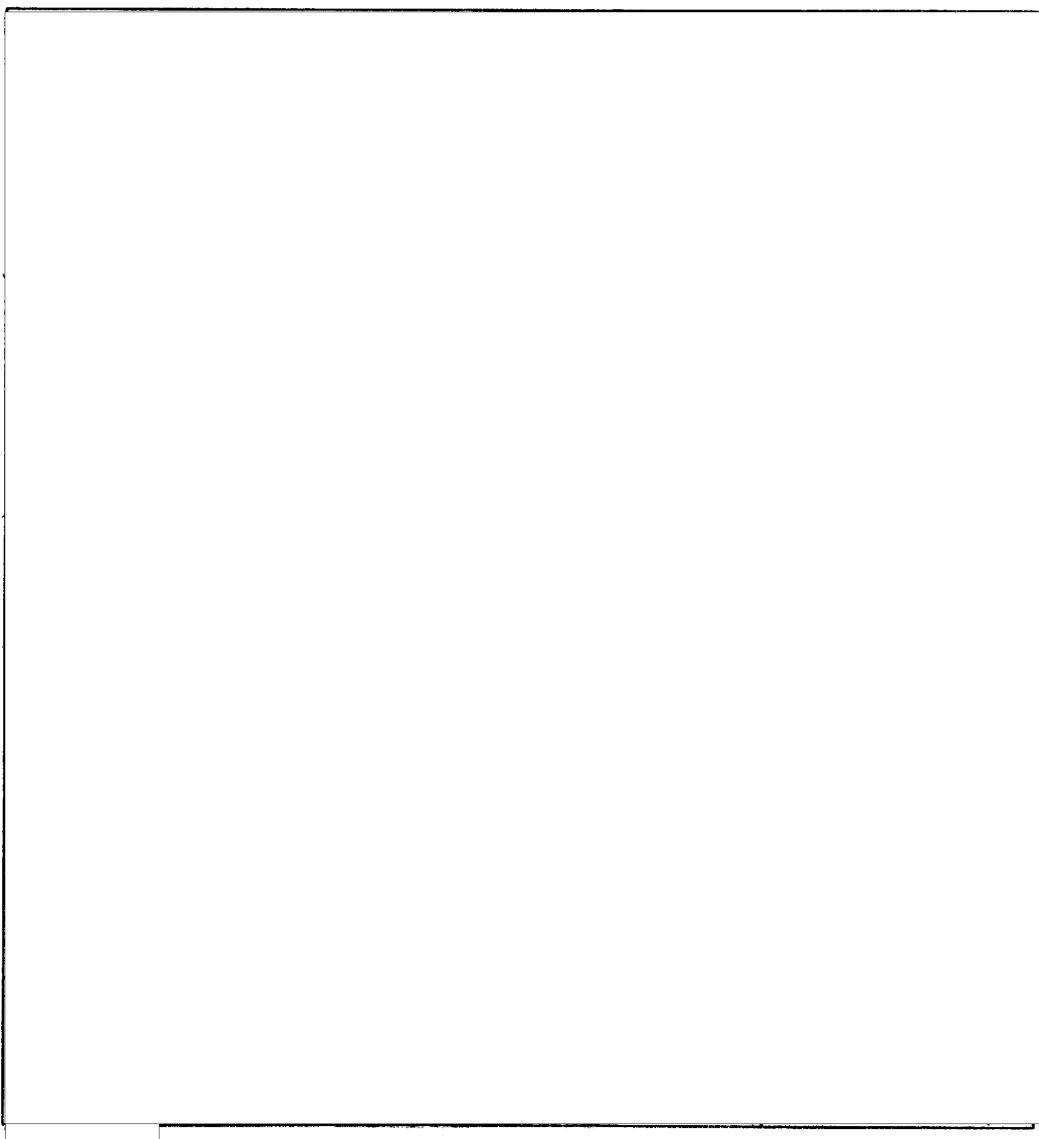
The poor performance is the result of flooding, caution on the part of government commanders, and the withdrawal of some units for rest. There is little prospect for any break in the stalemate in the near future. Moreover, the operation has not gained the favorable publicity that government leaders hoped would benefit their cause at the UN.

In other parts of the country, fighting continues to seesaw. Government forces have launched clearing operations around several widely separated provincial capitals. The most successful of these efforts have been conducted in Siem Reap Province, where the government has increased its territorial holdings significantly, and in Kompong Chhnang and Pursat provinces, where over 20,000 civilians have been freed since early August.

The Communists are maintaining pressure on government defenses along Route 4 southwest of the provincial capital of Kompong Speu. In the past few days, they have hit Kompong Cham City with artillery fire for the first time in nearly a year. The shellings against Kompong Cham are probably an effort to keep government units tied down; there is little evidence that the Communists are planning any major ground attacks against the city.

**FOR THE PRESIDENT ONLY**

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*FOR THE PRESIDENT ONLY*

**NOTES**

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France - Indian Ocean: The French navy is sending another squadron of ships to the Indian Ocean next month. The aircraft carrier Clemenceau will be accompanied by a frigate, a destroyer, and two oil tankers. The move presumably reflects continuing French concern that the Indian Ocean not be left solely to US and Soviet domination. In April of this year, Paris sent a squadron of three ships to the Indian Ocean for a cruise of about six months. The carrier-led force apparently will replace the squadron now on patrol, suggesting that Paris intends to maintain an increased naval presence in the Indian Ocean.

*FOR THE PRESIDENT ONLY*

*Top Secret*



# The President's Daily Brief

*September 18, 1974*

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**FOR THE PRESIDENT ONLY**

September 18, 1974

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Greece-NATO: Athens has taken formal steps to withdraw from NATO's integrated military structure. (Page 1)

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Iraq-Iran: Baghdad's offensive against the Kurds suffered a serious setback this past weekend. (Page 3)

Cyprus: One third of the island's once relatively prosperous inhabitants are destitute. (Page 4)

West Germany - USSR: No breakthroughs resulted from Foreign Minister Gromyko's recent visit to Bonn. (Page 6)

Notes: Turkey; Laos; Japan - South Korea; Bolivia-USSR (Page 7)

**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

**GREECE-NATO**

*Athens has taken steps to withdraw from NATO's integrated military structure. These steps could be reversed, but NATO is preparing for negotiations on the Greek withdrawal.*

NATO Secretary General Luns announced on Monday that the Greek delegation had told him that, effective immediately, Greek representatives will not attend meetings of the Defense Planning Committee, Defense Review Committee, Executive Working Group, and Nuclear Planning Group. The Greeks want to continue to participate in the Military Committee during the withdrawal period.

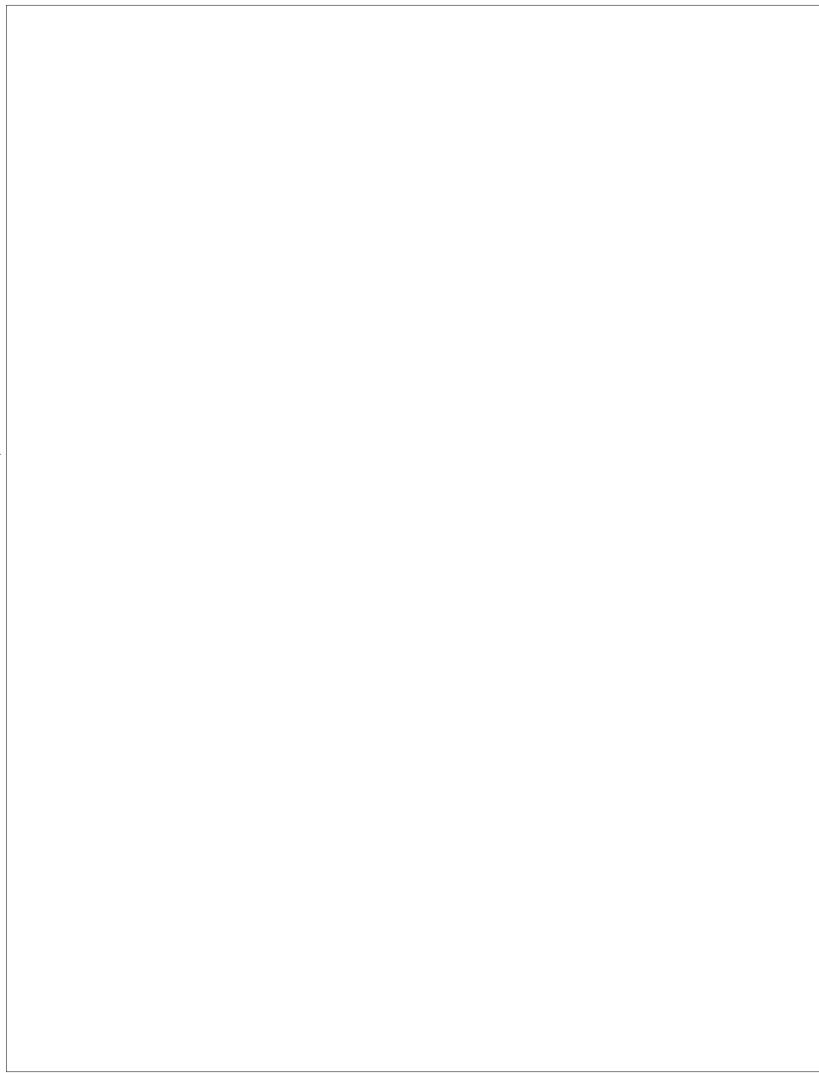
The Supreme Allied Commander has just received official notification from the Greek commander in chief that Greek forces ceased to be committed to NATO on August 14.

Those aspects of Greece's future relationship with NATO of most importance to the other allies are still undefined. Athens has made no decision about the future of US and NATO forces and facilities in Greece. Nor has Athens yet made known whether it will continue to participate in NATO's early-warning air defense network or what it will do about NATO's basic communications system, which passes through Greek territory.

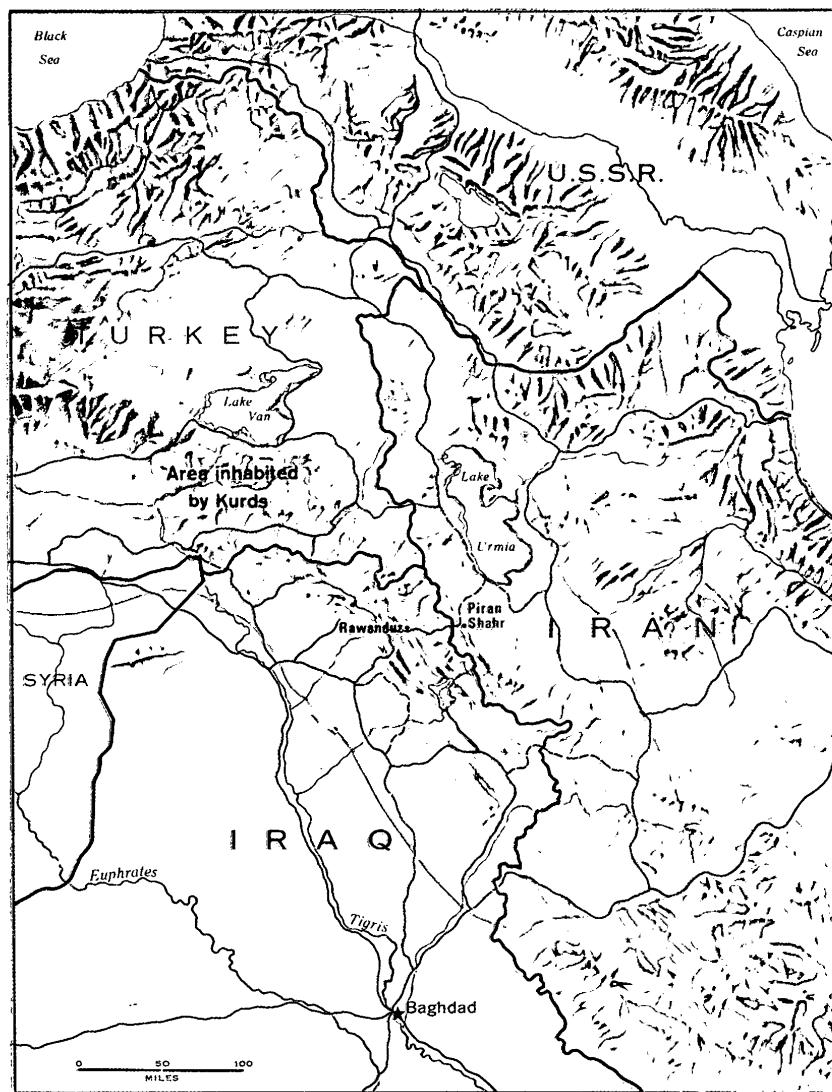
*FOR THE PRESIDENT ONLY*

SOUTH KOREA - CANADA

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*FOR THE PRESIDENT ONLY*



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**FOR THE PRESIDENT ONLY**

**IRAQ-IRAN**

*The Iraqi offensive against the Kurds suffered a serious setback this past weekend when Kurdish forces repulsed an attack northeast of Rawanduz, reportedly killing 300 Iraqis. Baghdad began this latest phase of its offensive on September 9 in an attempt to divide the Kurdish forces, separating those in the north from their supply points along the Iranian border.*

*The Kurds probably were supported by Iranian mortars firing from inside Iraq.* [redacted]

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*The Kurdish leadership considers this success one of the most significant since the hostilities began in March. The Iraqis reportedly now realize that their offensive is failing. As winter approaches, they probably will have to return to smaller-scale local actions.*

**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

CYPRUS

The recent hostilities in Cyprus have left destitute 225,000 persons--one third of the population of the once relatively prosperous island. According to a recent report of the UN High Commission for Refugees, which is coordinating relief efforts, some 179,000 persons have fled their homes and another 46,000 are in localities that are surrounded by hostile forces.

Humanitarian talks between Greek Cypriot leader Clerides and Turkish Cypriot leader Denktash have produced some encouraging results. The two agreed on September 11 to release sick and wounded prisoners and those who are very old or under the age of 18, as well as university students and teachers. A limited exchange of wounded prisoners has already begun.

Prospects for the solution of the refugee problem seem less encouraging, however. The Turks have let it be known that while they may eventually allow some Greek Cypriots to return to their homes in the north, they will not permit them to constitute more than a minority. Thus most Greek Cypriot refugees will either have to stay in the south or emigrate. Those who choose to stay and settle in the Greek Cypriot sector will be bitter and are likely to become a threat to the peace of the island for a long time to come.

The great majority of displaced persons (164,000) are Greek Cypriots who have fled to the southern part of the island. Approximately 50,000 of this group are in the British sovereign base areas. There are also close to 8,000 homeless Turkish Cypriots in the north and another 7,800 in the British bases. In addition, UN authorities estimate that there are 20,000 Greek Cypriots isolated in their villages in the north and 26,000 Turkish Cypriots living in similar situations in the south.

Food, medical assistance, and housing are the principal needs.

**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

--Food and medical supplies appear to be improving.

--Housing remains critical.

Most refugees live in tents, but some do not have any shelter. The tents will be inadequate once cold and rainy weather begins in October.

The government hopes that many Greek Cypriot refugees will be able to move in with relatives or friends. It is also considering requisitioning hotels and completing unfinished apartment buildings for temporary housing. Even with these efforts, a substantial group would lack satisfactory accommodations. Nonetheless, the government has banned emigration because it does not want the numerical preponderance of the Greek Cypriot community to be reduced. Instead, it hopes that a settlement will soon be reached with the Turks allowing some, if not all, refugees to return to their homes. The Greek Cypriots are particularly interested in sending back the estimated 40,000 who fled Famagusta prior to its takeover by the Turks.

The problems associated with the displaced Turkish Cypriots in the north are not as severe. Not only are there fewer Turkish Cypriot refugees, but there are a large number of Greek Cypriot-owned dwellings available in north Cyprus that have been abandoned by their owners.

In addition to the refugees, there are over 5,000 prisoners, detainees, and hostages who were taken during the hostilities, according to the International Red Cross. Two thirds of this group may be civilians.

The international community has responded to the plight of the refugees with substantial but still inadequate contributions of cash and supplies. The UN High Commissioner has approached several governments for donations amounting to \$9 million for immediate short-term requirements and has asked for an additional \$13 million to carry the relief through the end of the year.

**FOR THE PRESIDENT ONLY**

WEST GERMANY - USSR

*Soviet Foreign Minister Gromyko's just completed visit to Bonn brought no major advances in bilateral negotiations but, for the sake of Chancellor Schmidt's trip to Moscow in late October, both sides publicly proclaimed that progress was maintained.*

Neither side dwelt on the dispute this summer over establishment of the Federal Environmental Office in West Berlin. Schmidt gave assurances, however, that no other offices would be established in the city without careful consideration of political as well as legal factors.

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Gromyko pressed hard for an expansion of trade and economic cooperation, seeking German government credits and subsidies for large-scale Soviet industrial projects. Schmidt has been under pressure from some advisers to grant such aid, but he stuck to his position that the need to control inflation rules out any grand financial gestures at this time.

The Soviet foreign minister made a strong effort to get Bonn's support for bringing the European security conference to an end as early as possible. He hinted at flexibility on the question of freer movement of peoples and ideas, provided that Bonn accepted the Soviet concept of noninterference in internal affairs.

Schmidt would like to see the conference concluded by early next year but does not want to abandon Bonn's hopes that the final conference document clearly acknowledge the right to alter borders by peaceful means.

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Schmidt's discussion with Gromyko on the negotiations in Vienna on troop reductions produced no signs of flexibility in the Soviet stance.

**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

NOTES

Turkey: Prime Minister Ecevit reportedly will formally submit his resignation to President Koruturk today and seek approval from the national assembly for an election in December. Ecevit's action will end the shaky coalition with the National Salvation Party, and he may form a minority government to serve until the election. The Justice Party, the major opposition group in the assembly, wants no election before mid-1975 because it worries that Ecevit might win a majority by capitalizing on the popularity of Turkey's intervention in Cyprus. Ecevit may already have sufficient votes from other parties in the assembly to hold an election this year.

Laos: US civilian contract pilot Emmet Kay was released today after more than 16 months imprisonment by the Lao Communists. He was turned over to US authorities in Vientiane. Kay's release sets the stage for the first phase of prisoner exchanges--beginning tomorrow--called for by the 1973 Lao accords. The initial exchange will take place in Communist-controlled territory on the Plaine des Jarres in north Laos. According to coalition government spokesmen, the non-Communist side will hand over 7 Lao nationals and 173 North Vietnamese prisoners; the Pathet Lao will release 20 Lao nationals and 150 Thai volunteers.

Japan - South Korea: Tokyo and Seoul appear to have broken the impasse in their bilateral relations. Both sides early today reached agreement on an oral statement acknowledging a degree of Japanese "responsibility" in the recent assassination attempt on President Pak. It will be delivered by a Japanese envoy, probably on September 19, when he brings a letter of apology from Prime Minister Tanaka. Both sides gave ground during last-minute haggling over the wording of the oral statement.

Bolivia-USSR: President Banzer reportedly will send a high-level military contingent to the USSR later this month to take another look at a Soviet arms offer he rejected earlier this year. Banzer directed his arms request to the US, but was not satisfied with the US reaction to those requests. The Bolivians want to upgrade their ground forces, partly in reaction to the arms buildups in neighboring Peru and Chile. Bolivia now has only 10 US-made tanks received from Venezuela earlier this year, 53 other armored vehicles, and 24 howitzers.

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# The President's Daily Brief

*September 19, 1974*

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**FOR THE PRESIDENT ONLY**

September 19, 1974

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OAS-Cuba: A resolution to reconsider sanctions against Cuba will be discussed today at a meeting of the permanent council. (Page 3)

Cuba: Cuba's economic outlook has brightened considerably this year. (Page 4)

North Korea: Pyongyang has turned to the West for major supplies of modern machinery and equipment. (Page 5)

Notes: Syria-Israel; India; France - Saudi Arabia - Egypt (Page 6)

**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

**TURKEY**

*President Koruturk, as expected, accepted Prime Minister Ecevit's resignation yesterday and has asked him to continue in office until a new government can be formed.*

Ecevit has told US Ambassador Macomber that it might take three to four weeks to form a new government, but assured him that this would not inhibit Turkish policy regarding Cyprus. He claimed that even the matter of making concessions in order to reach a political settlement could be handled during an election campaign.

There is little doubt, however, that Ecevit's leadership on the Cyprus issue will be affected and that concessions will be harder to make during a campaign. The Greeks have concluded that Cyprus will shortly take a back seat to politics in Turkey, and the Karamanlis government reportedly is even more eager than before to use the opportunity to hold its own national elections prior to the end of the year.

Once Koruturk has consulted with political party heads, he will, in all likelihood, name Ecevit to form another government. Ecevit's Republican People's Party has the largest representation in the 450-seat National Assembly, although it falls 41 votes short of a majority.

Democratic Party leaders have indicated they favor Ecevit's plan for early elections and Ecevit told Macomber that a coalition with the Democrats, which would give him a majority, was "likely, although not certain."

If Ecevit fails to organize a majority coalition, the President could still ask him to form a minority government or he could ask another political leader to try to form a government. In the latter case, there would probably be an effort to form a rightist coalition.

**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY****OPEC**

A straight application of the OPEC formula increasing member governments' take by 3.5 percent would indicate that the weighted average cost to the producing companies for crude oil will increase by at least 33 cents, to \$9.84 per barrel. Our analysis of the outcome of the OPEC meeting last week and of prevailing prices suggests, however, that the increase will be closer to 40-50 cents.

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[redacted] company profits on their crude oil operations in the Gulf are on the order of 40 to 50 cents per barrel. If this is correct, it is likely that most of the increased cost of oil will be passed on to the consumer.

Saudi Arabia was the dissident at the OPEC conference. The Saudis would not go along with the increases in royalties and taxes. They did say, however, that they would raise the average price of Saudi oil about 13 cents per barrel--still 20 cents below the stated objective of OPEC.

This would make Saudi oil the cheapest in OPEC. We believe, however, that the Saudis were posturing, and as in the past when the time comes to settle accounts with Aramco, the Saudis will insist on receiving retroactive revenue that will at least equal the OPEC formula. Aramco will doubtless price its oil with this in mind.

Other decisions at the OPEC conference included:

--As of January 1975, the rate of inflation in industrialized countries will automatically be taken into account when the oil producers adjust prices.

--A working committee will study a new system for long-term oil pricing.

--A study will be made on the subject of supply and demand. In the meantime, a number of countries reportedly have decided to cut back production.

*FOR THE PRESIDENT ONLY*

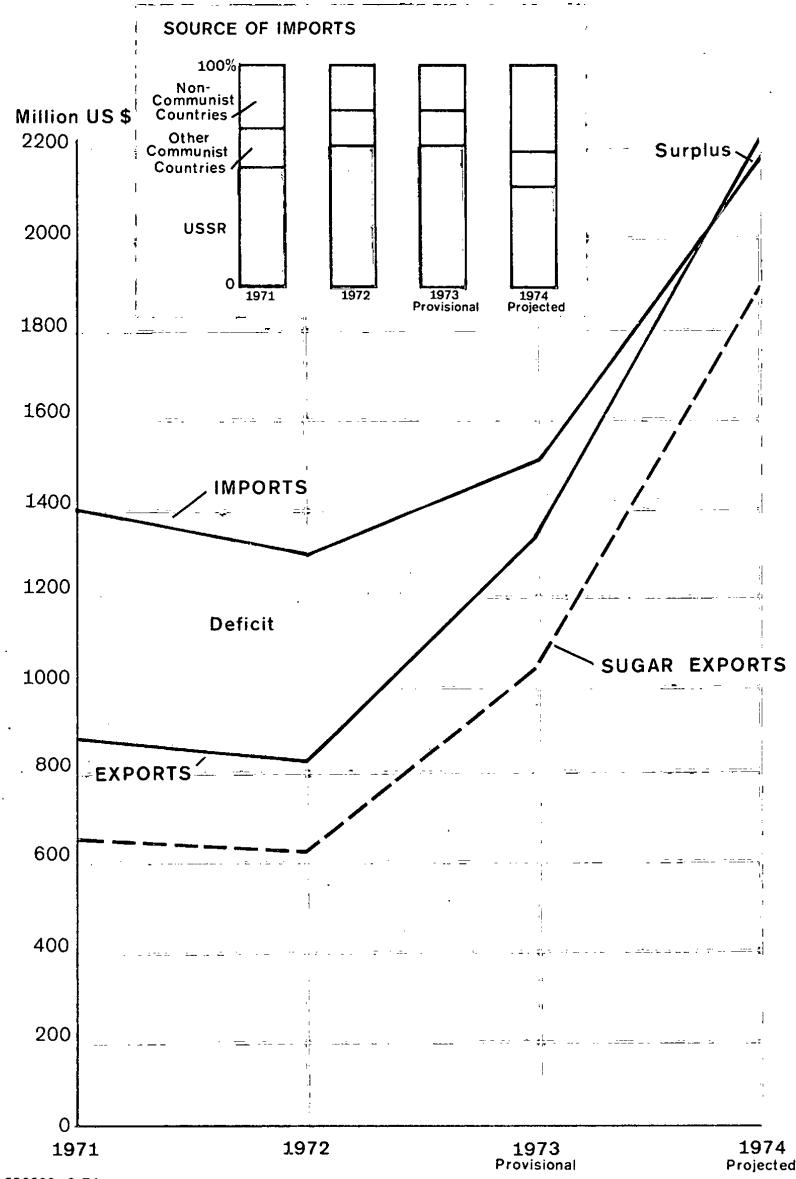
OAS-CUBA

*The resolution to reconsider sanctions against Cuba will be discussed today at a meeting of the permanent council. There is practically no opposition to raising this question, but debate may develop over the lack of any mention of Cuban subversion in the resolution.*

The three sponsoring governments--Costa Rica, Venezuela, and Colombia--prefer to avoid the subversion issue. They fear that Castro would react unfavorably to any new OAS effort to hold him up to judgment, and that this would cancel out the progress that has been made toward normalizing Cuba's relations in the hemisphere. Brazil, Chile, Uruguay, and Bolivia have noted the draft's failure to raise the question, however, and will present amendments. Whatever terms are finally endorsed, an examination of the issue seems assured.

A meeting of foreign ministers to take the final tally for and against continuing the sanctions will probably be scheduled for November.

*FOR THE PRESIDENT ONLY*

**CUBA: FOREIGN TRADE**

**FOR THE PRESIDENT ONLY**

CUBA

*The economic outlook for Cuba has brightened considerably this year. The improvement, which has put the economy on the soundest footing since Castro took over, is due to:*

--A tripling of world sugar prices.

--A good sugar harvest of six million tons.

--A substantial increase in economic assistance from non-communist countries.

Export earnings, almost all from sugar, are likely to jump more than 65 percent, to \$2.2 billion in 1974. This would enable Havana, for the first time under Castro, to avoid a trade deficit.

Because of the sharp rise in price, Cuba will earn more than \$1 billion from the sale of 35 percent of the sugar crop to non-communist countries, compared with \$320 million in 1973. The rest of the crop is being sold to communist countries, principally the USSR.

Increased imports from non-communist countries this year will go a long way toward neutralizing the lingering effects of the US denial program. Imports of several thousand US-designed Argentine automobiles and trucks, under a \$1.2-billion Argentine trade credit, will assist the ailing transport sector. Credit purchases of Canadian locomotives and coastal tankers will also help.

Over the next several years, economic assistance from non-communist countries probably will average about \$250 million a year. This is about half the amount Cuba receives from communist countries.

**FOR THE PRESIDENT ONLY**

NORTH KOREA

*Pyongyang has quietly turned to the West for major supplies of modern machinery and equipment.*

This is a deliberate policy shift to reduce North Korea's dependence on the USSR and other communist countries for capital equipment. The plant import program is aimed at developing export-oriented industries and at strengthening industries supplying goods for agriculture, food processing, and consumer manufacturers.

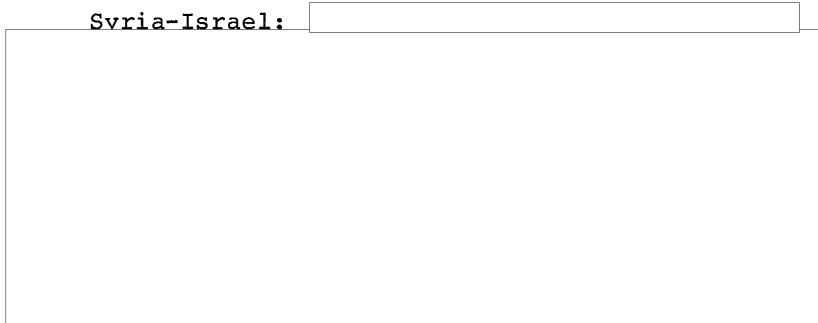
The North Koreans also have attempted to circumvent the US trade embargo by working through third parties. Pyongyang seems particularly interested in US-made mining equipment and aircraft.

Since 1970 the North Koreans have signed contracts with firms in Japan and Western Europe for more than \$500 million worth of industrial plants and related equipment. Current negotiations could increase the value of the plant import program to \$1 billion. Medium-term Japanese and West European credits--for record grain imports as well as for capital imports--permitted North Korea to run a trade deficit with non-communist trading partners of almost \$170 million last year.

*FOR THE PRESIDENT ONLY*

NOTES

Syria-Israel:



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India:

[redacted] will take place in late September or early October. The source said the test has been scheduled earlier than originally planned because analysis of the first one has been completed and because the government believes the time is politically appropriate.

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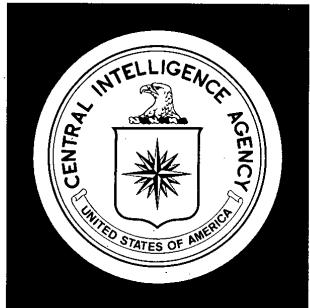


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# The President's Daily Brief

*September 20, 1974*

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***FOR THE PRESIDENT ONLY***

September 20, 1974

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Argentina: Terrorism increases. (Page 5)

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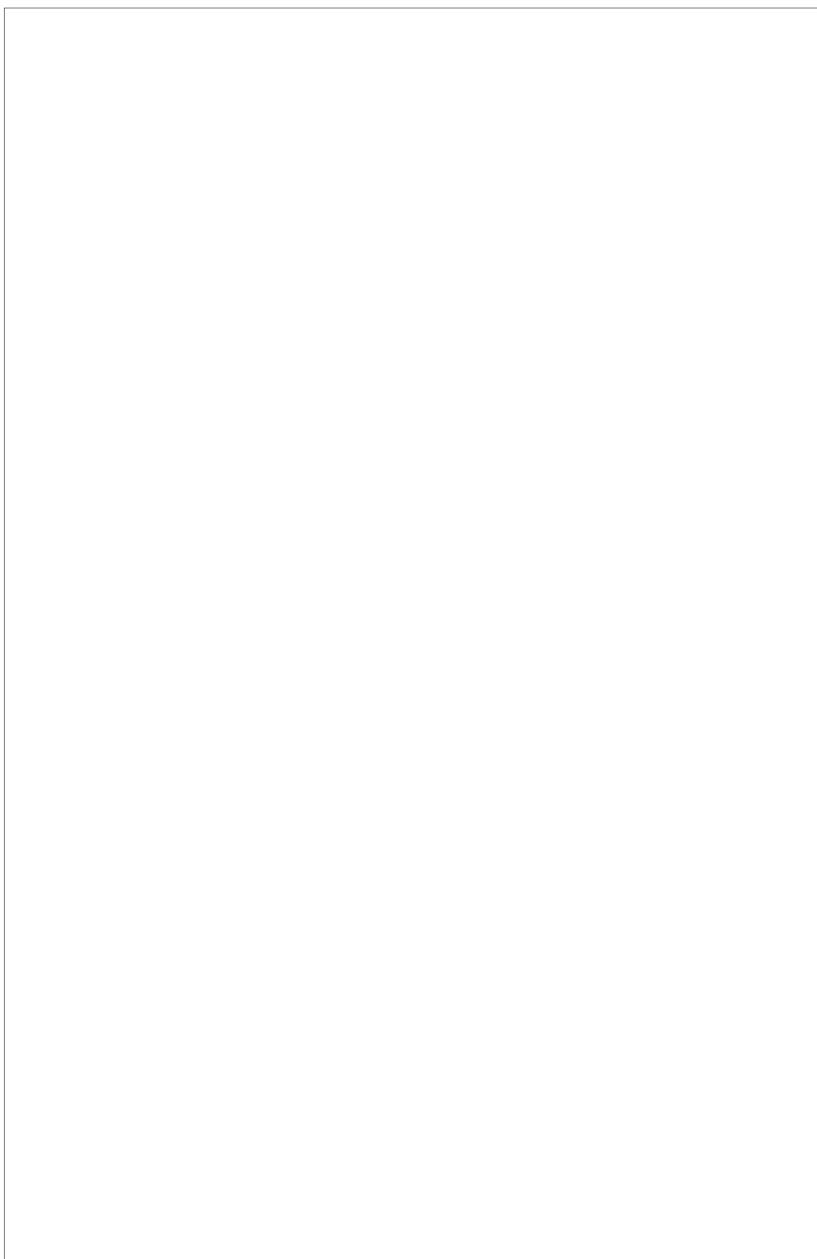
Annex: [redacted] Japan [redacted]

***FOR THE PRESIDENT ONLY***

*FOR THE PRESIDENT ONLY*

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YUGOSLAVIA



*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

**CYPRUS**

*The UK is stalling in the face of increasing pressure from Ankara to release about 8,500 Turkish Cypriots who have taken refuge in the British sovereign bases on Cyprus.*

The British High Commissioner in Nicosia believes that the Turks will take matters into their own hands in a few more days and try to evacuate these refugees. Before that happens, Britain is prepared to agree to the transfer of the refugees to Turkey, from where they would probably go to the Turkish-occupied zone of Cyprus.

As part of an effort to buy time, the British flew Turkish Cypriot leader Denktash yesterday to the bases to visit the refugees. Greek Cypriot leader Clerides had already visited the refugees from his own community; he has asked only that the UK take no action on the refugees until he has made some progress in his negotiations with Denktash on other issues. Clerides is scheduled to meet Denktash again today.

The British are reluctant to deprive Clerides of a bargaining chip, but believe that a unilateral military action by Ankara to evacuate the refugees would halt the negotiations altogether.

The US embassy in Nicosia believes that the Denktash trip might increase the pressure for release of the Turkish Cypriot refugees rather than reduce it. The group has been holding demonstrations in favor of a transfer to Turkey and is becoming increasingly difficult to handle. Most have become convinced that they can no longer return to their own homes on Cyprus.

**Soviet Interest**

The USSR continues to try to be more actively involved in Cyprus affairs. A delegation headed by Deputy Foreign Minister Ilichev has arrived in Cyprus from Ankara to take soundings on Moscow's proposal for an international conference on Cyprus. Clerides had told the press that he agrees with Moscow on the need to find new ways to guarantee Cyprus' independence as a state; Denktash has followed Ankara's line in rejecting such a proposal. Soviet public comments about Cyprus have taken on

**FOR THE PRESIDENT ONLY**

an increasingly pro-Greek tone, but Moscow still avoids open criticism of the Turks. The Soviets have treated Ankara's negative position on their proposal gingerly, both publicly and privately.

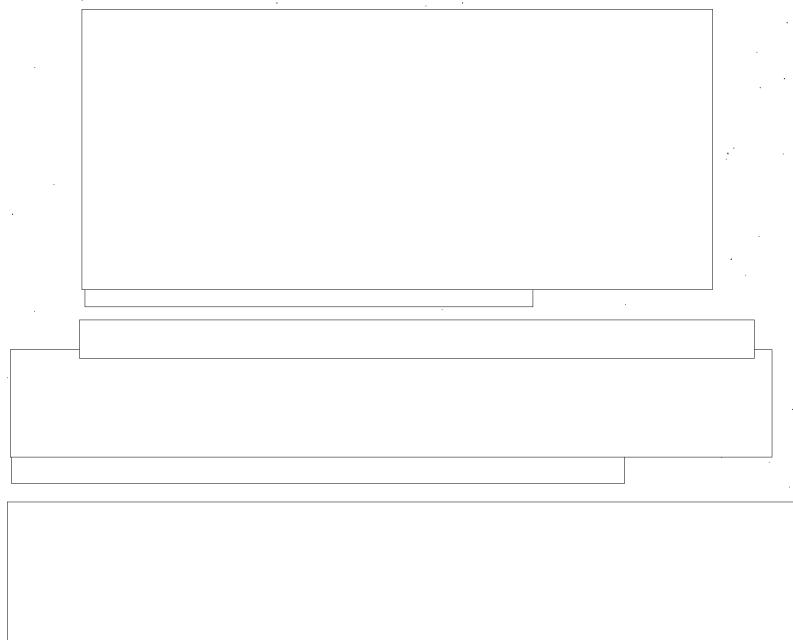
Archbishop Makarios

Archbishop Makarios made his sharpest attack to date on the US in connection with the Cyprus affair in an interview earlier this week in Le Monde. He accused the US of wanting to partition the island so that Cyprus may become part of NATO and permit bases there. The archbishop also criticized acting President Clerides for failing to control Greek Cypriot terrorism. Coupled with Makarios' plans to address the UN General Assembly as the legal president of Cyprus, the interview appears designed to upstage Clerides and possibly to derail the current negotiations on Cyprus in which the archbishop plays no role.

**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

**EGYPT-FRANCE-UK**



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*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

**ARGENTINA**

*In the worst outbreak of terrorism since Maria Estela de Peron assumed power 12 weeks ago, over a hundred bomb explosions and a dozen killings have occurred within the past few days. This violence follows the Peronist Montonero guerrillas' break with the government on September 6. The Montoneros are making good on their declaration of "war" against the government.*

The Montoneros, who fought against the military dictatorship to help Juan Peron return to power, have a strong political base among left-wing Peronist youth and labor groups. Because of the rightward trend begun by Juan Peron and continued by his widow, the leftists have turned back to armed struggle in hope of bringing down the regime they helped reinstate. The Montoneros are well armed and organized to conduct spectacular terrorist acts.

The government's immediate concern is with Montonero-inspired trouble at the universities. Sentiment in favor of the Montoneros runs high among students, from whom the organization recruits most of its activists. If the government chooses to use force in putting down student opposition, it will risk swelling the ranks of the Montoneros and other terrorist groups claiming to fight against increased "repression."

**Threat to Foreigners**

Although foreign businesses were not singled out as principal targets by the Montoneros, US and other foreign companies are likely to be frequent targets. For the most part, however, the US presence has been reduced to minimum visibility--both officially and unofficially. Like many other foreign companies, US firms have recalled their nationals and replaced them with Argentines. The effect on US nationals should be tangential, unless the terrorists launch a determined drive against the US diplomatic community--a possibility that cannot be ruled out.

*FOR THE PRESIDENT ONLY*

Police Performance

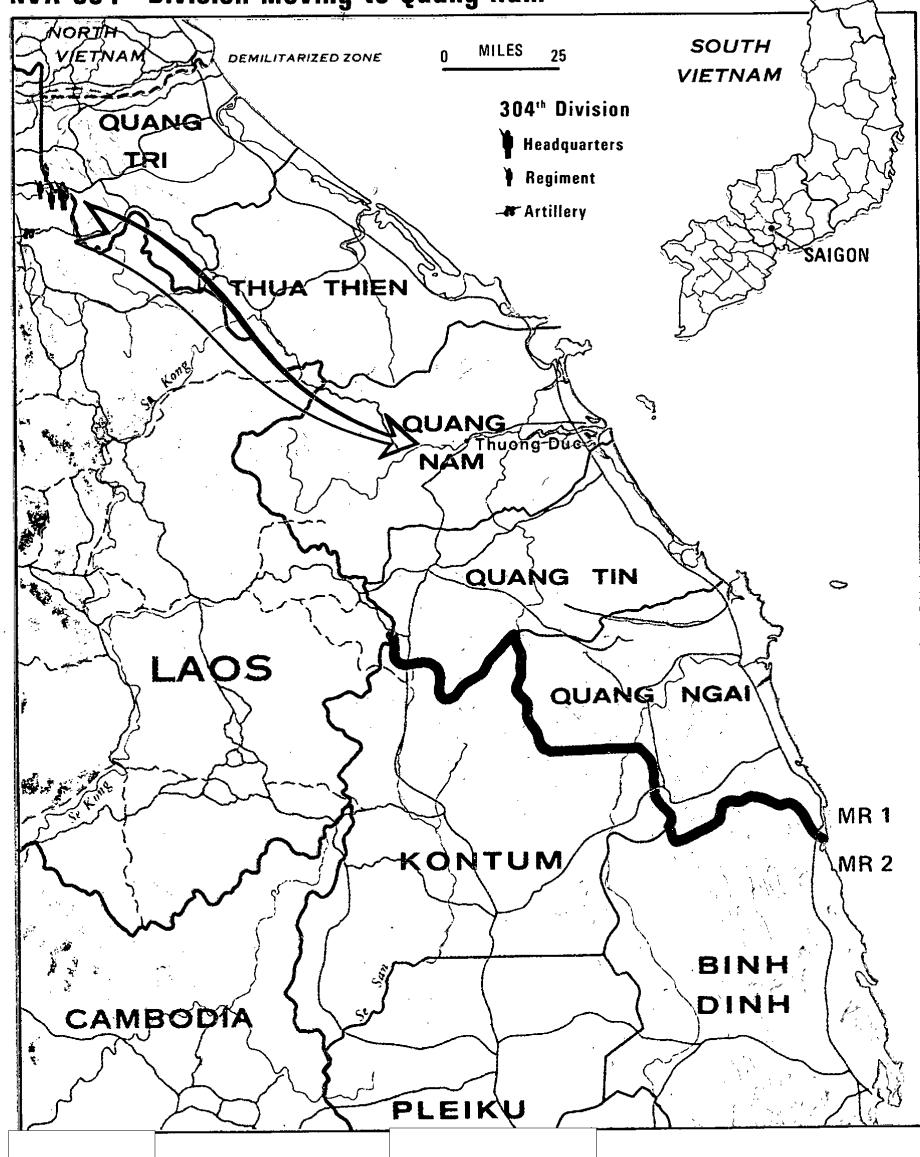
The poor performance of police in the counter-terrorism effort has increased the prospect that the military will be forced to take a more active role.

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The military is still committed to a constitutional government, but should the situation threaten a breakdown of authority or should Mrs. Peron show signs of wavering, military leaders may demand a more active and direct role in the political process.

*FOR THE PRESIDENT ONLY*

**NVA 304<sup>th</sup> Division Moving to Quang Nam**



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**FOR THE PRESIDENT ONLY**

NOTES

South Vietnam: Recently available intercepted messages confirm that units of the North Vietnamese 304th Division did participate in the Quang Nam Province fighting during August, and also suggest that the entire division may be moving to that area. Such a transfer would offset the two airborne brigades which the government has sent to the province. Although the move of the 304th may be largely defensive, fresh troops and firepower might encourage the Communists to carry out additional ground operations before weather deteriorates in this sector beginning next month. Fighting in Quang Nam Province has declined in recent weeks, but government forces have made little headway in their drive to recapture Thuong Duc and other positions lost to the Communists in July and August.

South Korea - Japan: A special Japanese envoy arrived in Seoul yesterday bringing with him a personal letter to President Pak from Prime Minister Tanaka and assurances--negotiated in advance--that Tokyo accepted a degree of responsibility for the assassination in Seoul last month. The envoy also promised that Tokyo would take action to curb anti-Pak activities by Koreans in Japan. Both Seoul and Tokyo have acknowledged publicly that US mediation played an important role in bringing about a settlement.

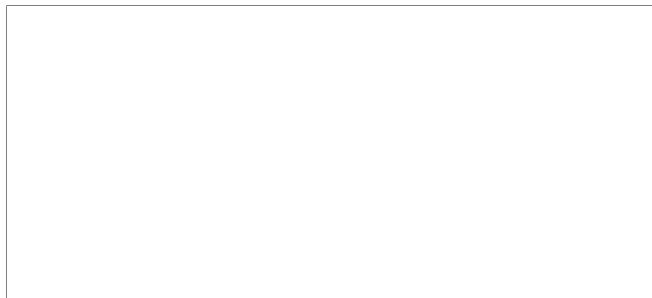
Ethiopia: Ethiopian labor unionists have joined students in demanding the end of military rule and the formation of a broadly based government in which civilians would share power. The military has threatened to use force if labor and students mount a physical challenge. The Armed Forces Coordinating Committee faces civilian demands before it has resolved the dispute within its own ranks on the pace of political change. The head of the provisional military government, General Aman, sides with the faction that favors a slower pace toward constitutional civilian rule. His power relative to the military committee, however, remains unclear.

*FOR THE PRESIDENT ONLY*

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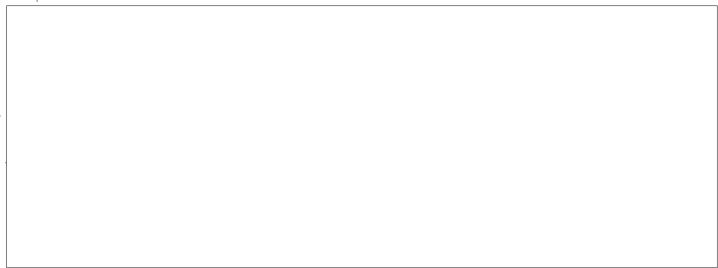
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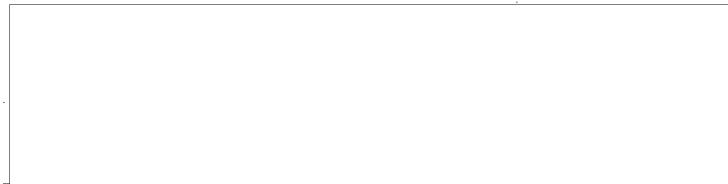
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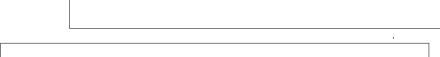
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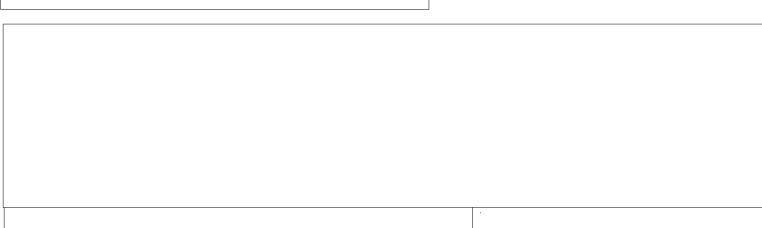
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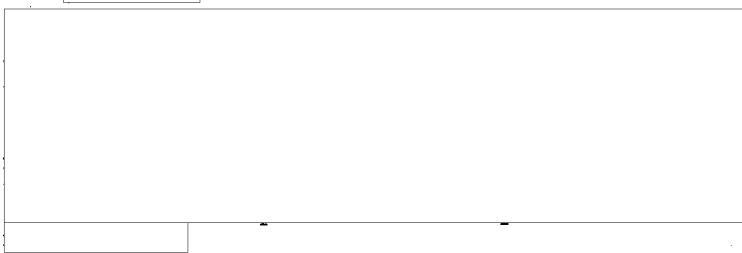


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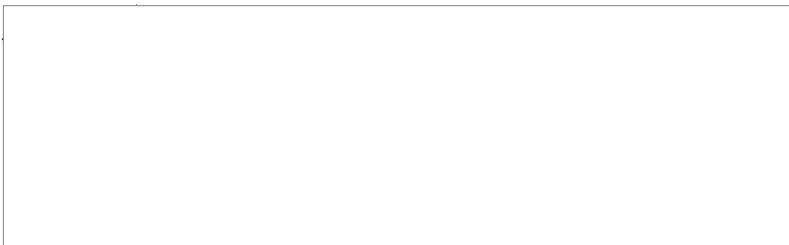
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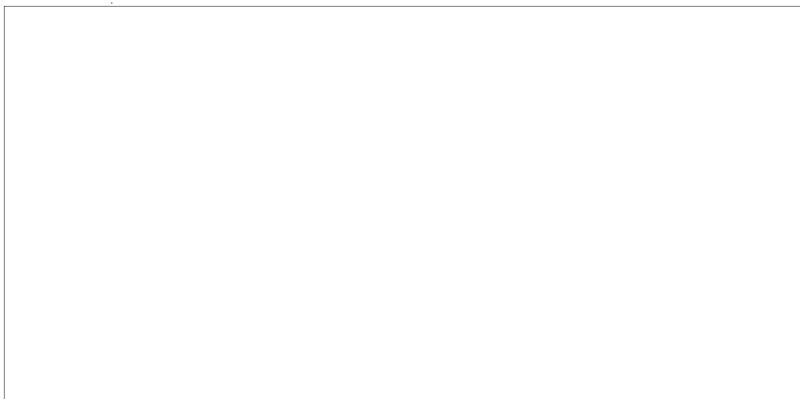
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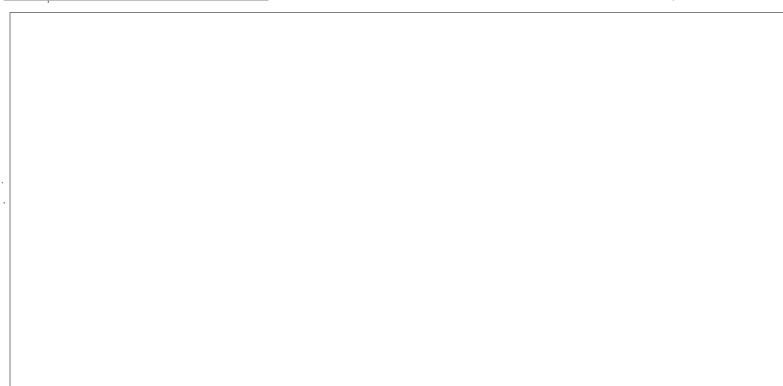
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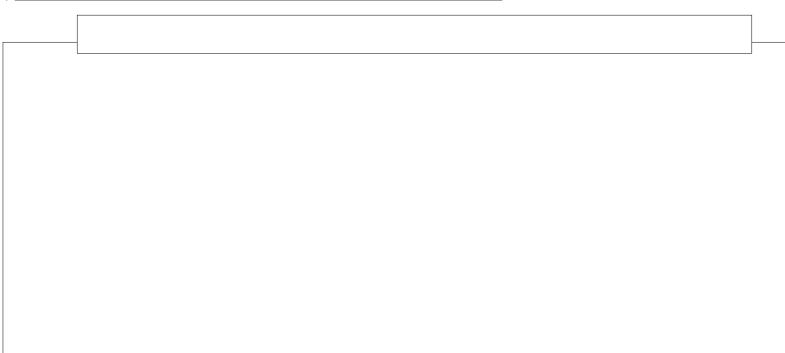
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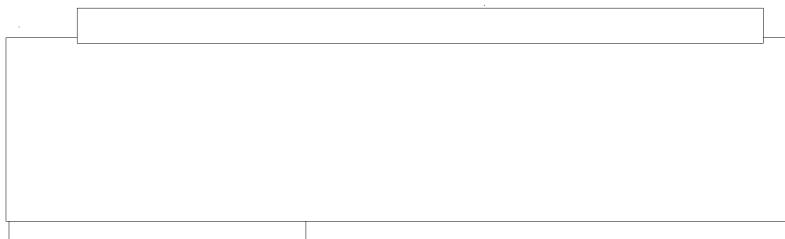
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*Saturday*



# The President's Daily Brief

*September 21, 1974*

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**FOR THE PRESIDENT ONLY**

September 21, 1974

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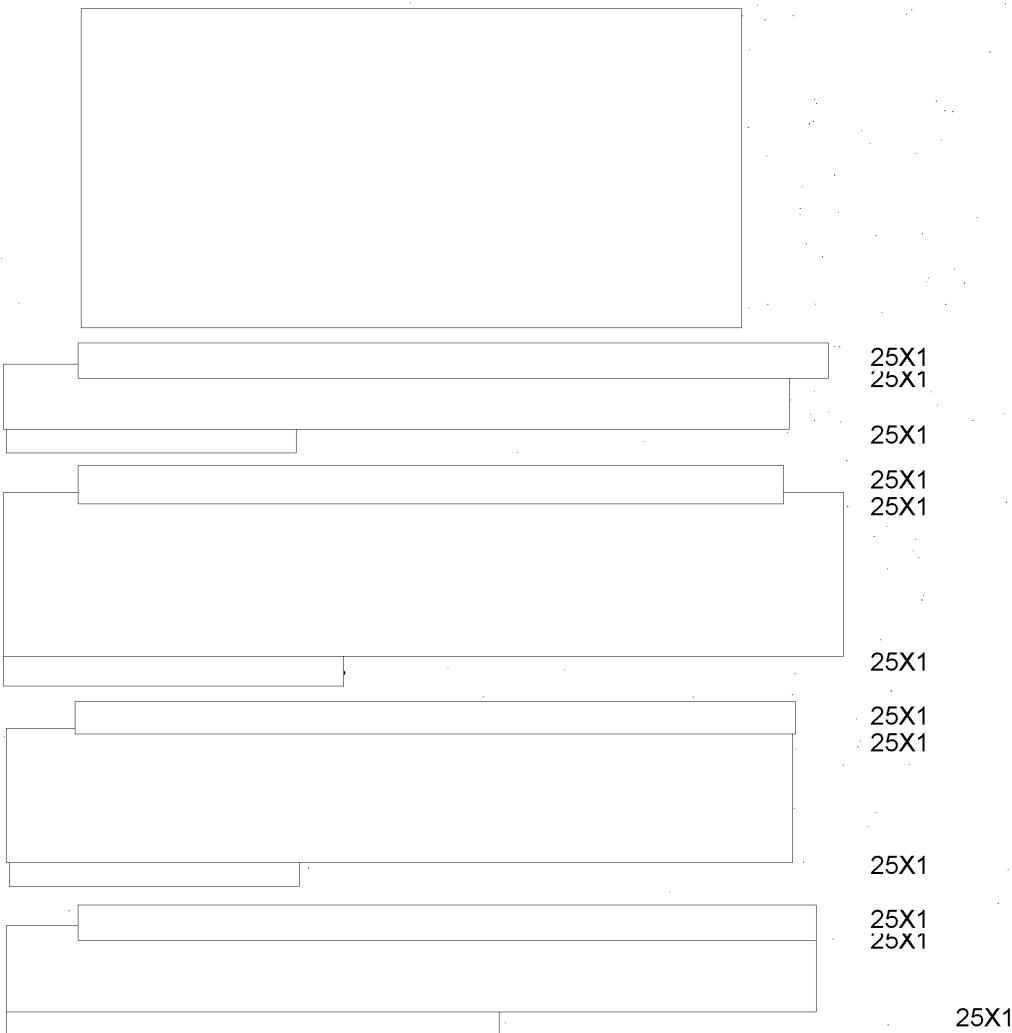
Notes: Laos - North Vietnam; Japan; China; USSR; USSR-Egypt; Japan (Pages 4 and 5)

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SYRIA



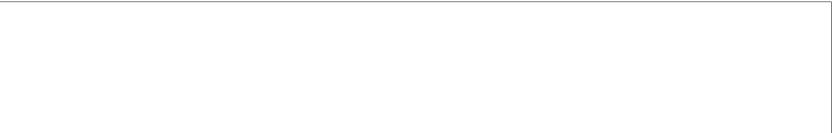
*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

BRAZIL - UN - MIDDLE EAST

*Brasilia may go beyond its recently stated call for the removal of Israeli forces from occupied territories when Foreign Minister Silveira speaks to the UN on Monday. He reportedly will call for establishment of a separate Palestinian state.*

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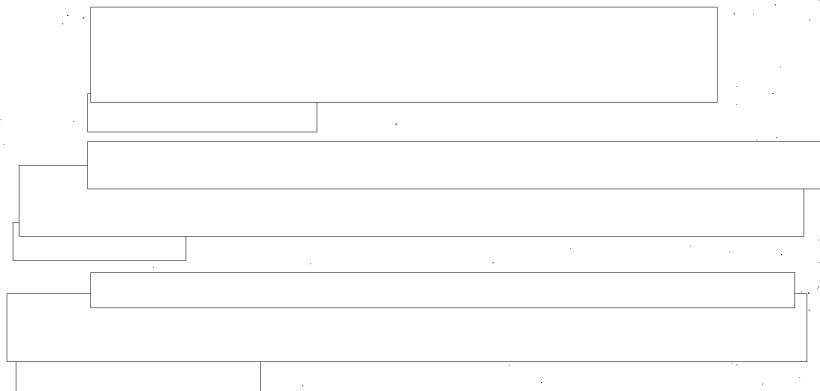
The US embassy in Brasilia has noted that during the recent visit of the Saudi Arabian foreign minister, Silveira failed to mention UN Resolution 242 in expressing support for an Israeli withdrawal. This apparently deliberate omission has provoked speculation that Brazil may call for reimposition of the 1947 UN partition resolution that would divide Palestine into separate Arab and Israeli states. When queried on this point by the US ambassador, Silveira did not exclude a return to the "original" boundaries.

Some members of the Brazilian government and military establishment reportedly distrust Silveira and he may not, in fact, have wide backing for his proposed statement at the UN.

**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

USSR



*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

NOTES

Laos - North Vietnam: Hanoi reportedly has agreed to construct a road network from northern Laos to the seaport of Vinh in southern North Vietnam during the next year or so. The project apparently will involve primarily the upgrading of an existing route. Hanoi, however, is to provide workers, funds, and material. Implementation of the agreement would help legitimize North Vietnam's presence in Laos and could be used by Hanoi as one means of continuing to keep troops there under the guise of construction workers. The agreement was negotiated by Sotth Phetrasy, the coalition's communist economic minister who is heading up the Lao government's first aid-seeking mission to Asian communist countries.

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Japan: [redacted]

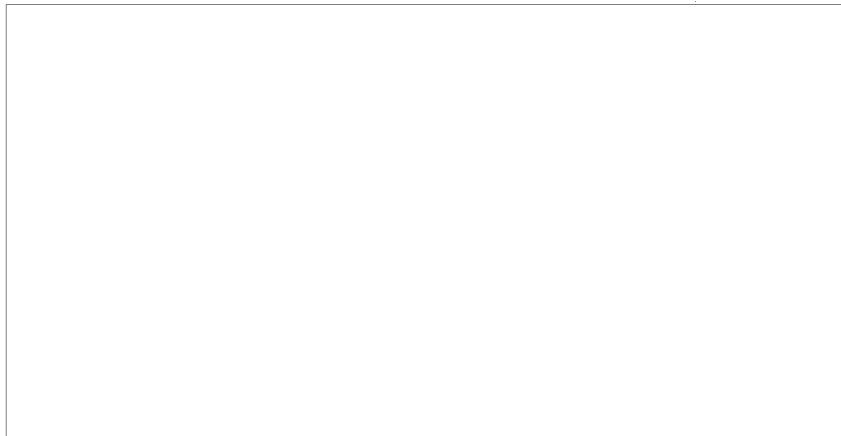


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China: The Chinese leadership is obviously interested in having ailing Premier Chou En-lai meet foreign visitors when his health permits, and yesterday he received Mrs. Marcos, wife of the Philippine President, in a hospital. Chou's return to the hospital--he was first hospitalized in June and subsequently released--indicates that he is still very ill. Chou had previously missed meetings with three heads of state; his appearance on this occasion supports other evidence that his health is better and attests to the importance China attaches to improvement of relations with the Philippines.

**FOR THE PRESIDENT ONLY**

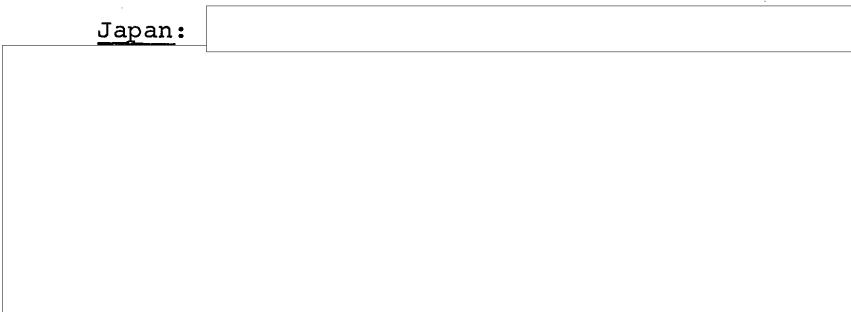
*FOR THE PRESIDENT ONLY*



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USSR-Egypt: Moscow reportedly is prepared to honor Cairo's long-standing contract for MIG-23s, but President Sadat may reject the offer. Within the last month the Soviets have delivered two ship-loads of spare parts and ammunition. By holding out the promise of the MIG-23s, Moscow may be hoping to whet the appetite of the Egyptian military for continued supplies of Soviet equipment and offset Egyptian interest in buying arms from France and the UK. Sadat may refuse the MIG-23s because the Egyptian air force prefers to acquire French Mirage-5s--an aircraft roughly similar to the MIG-23. The air force would like to get some high-altitude MIG-25s from the USSR.

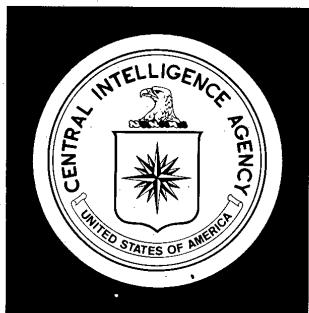
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# The President's Daily Brief

*September 23, 1974*

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**FOR THE PRESIDENT ONLY**

September 23, 1974

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Arab States - PLO: Egypt has made a significant concession to the PLO by recognizing it as the "only legitimate representative of the Palestinian people." (Page 1)

Cyprus: Agreement to begin releasing prisoners this week may bring movement on the larger question of population transfers. (Page 2)

Cambodia: Government economic reforms enacted a week ago have drawn strong criticism. (Page 4)

Note: Cuba (Page 5)

**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

**ARAB STATES - PLO**

*Egypt made a significant concession to the Palestine Liberation Organization on Saturday when it publicly stated its support for the PLO as the "only legitimate representative of the Palestinian people." The statement came at the end of two days of talks in Cairo between Egyptian, Syrian, and Palestinian officials.*

Egyptian President Sadat almost certainly modified his stand to ease strained relations with PLO leader Yasir Arafat, and to reduce the likelihood that the Palestinians will attempt to subvert further progress in Middle East negotiations. In July, Sadat had joined Jordan's King Husayn in declaring that the PLO represented only Palestinians residing outside the Kingdom of Jordan.

Arafat will interpret the Egyptian move as a major gain, but he is likely to remain dubious about the extent of Egyptian support. The Cairo communiqué did not call for a Palestinian role in negotiating an Israeli withdrawal from the occupied West Bank, an omission suggesting that Cairo continues to see that as Amman's right.

Jordan reacted to Egypt's repudiation of its earlier pro-Jordan stand by issuing a government statement yesterday that said Jordan has "frozen" its position until the Arab summit--now set for late October--and will not participate in further negotiating activities.

The Jordanians also refuse to meet with Egypt, Syria, and the PLO to work out a common Arab policy. Syrian Foreign Minister Khaddam had invited the Jordanians to a larger meeting when he stopped on his way home to brief Husayn on the results of the tripartite meeting.

**FOR THE PRESIDENT ONLY**

CYPRUS

*Agreement to begin a general release of prisoners this week indicates that acting Cypriot President Clerides may be willing to compromise on the larger question of population transfers.*

Last Friday, Clerides agreed with Turkish Cypriot leader Denktash that Turkish Cypriot prisoners will be permitted to travel to the Turkish-controlled sector in the north. Clerides also reportedly agreed to permit the UN Peace Force to transfer Turkish Cypriots out of the Larnaca area on the southeast coast to the Turkish-controlled area.

Clerides and Denktash meet the question of population transfers head on next Friday when they discuss family reunification. The Greek Cypriot leader probably hopes that by letting some Turkish Cypriots move north, the Turks will be more flexible on the return of Greek Cypriot refugees to their homes.

25X1

Soviet Involvement

Soviet Deputy Foreign Minister Ilichev's visit to Ankara, Athens, and Nicosia kept alive Moscow's Cyprus proposal, but achieved minimal substantive results.

Ilichev was most warmly received in Nicosia. After his initial meeting with acting President Clerides last Wednesday, the two sides noted their "identity of views" and called for the withdrawal of "all foreign forces" from the island. They also stressed the need to find new ways to guarantee Cyprus' independence.

**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

Turkish Cypriot leader Denktash was much less enthusiastic and said after his meeting with Ilichev that he still opposed Soviet efforts to arrange a broader peace conference.

During his earlier stop in Ankara, Ilichev went out of his way to avoid offending the Turks. He offered explicit Soviet approval of a federated state. In a further attempt to keep bilateral relations on the right track, Ilichev promised that the Turkish finance minister would have a "most fruitful" visit to Moscow in October.



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Politics in the Fatherlands

Press reports from Athens claim that several cabinet ministers, including Foreign Minister Mavros, will resign to campaign for elections. Prime Minister Karamanlis has not set a date, but the press says elections will probably be held on November 24.

In Ankara, Prime Minister Ecevit is meeting strong opposition to his effort to call new elections this year. Leaders of the Justice Party and the Republican Reliance Party oppose him. The Democratic Party, with whom Ecevit is seeking to form a coalition, has opposed early elections, but apparently is reconsidering the question.

**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

CAMBODIA

*Government economic reforms enacted  
a week ago have drawn strong criticism.*

The reforms were prompted by the country's rampant inflation and the prospect of a substantial cut in US economic aid. In order to bring domestic prices more in line with world levels, prices for both domestic and imported rice were greatly increased. The reforms also provided for steep price increases for petroleum products and for a major devaluation of Cambodia's currency.

The stiff commodity price increases have not, however, been matched by promised salary increases for civilian government and military personnel. President Lon Nol is worried that the situation may already be getting out of hand. He fears there may be more pillaging of food stocks such as government troops carried out in markets near Phnom Penh and in the Kompong Som area this past weekend.

The President is also concerned that serious unrest may occur when non-combat garrison troops in Phnom Penh and in provincial capitals learn that their pay increases will be substantially lower than those for combat troops and government functionaries. Teachers, students, and leftist dissidents could well try to exploit such a situation.

\* \* \*

The President's troublemaking younger brother, Brigadier General Lon Non, has returned to Cambodia after more than a year in exile. It is doubtful that Lon Non would have come home without his brother's acquiescence. Some political backlash could result if the controversial general prolongs his stay. Political squabbling that could be generated by Lon Non's return would only harm Cambodia's cause in the UN during the critical credentials debate.

**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

NOTE

Cuba: Less than 24 hours after the Organization of American States unanimously voted to study lifting its sanctions, Cuban President Dorticos made a speech espousing liberation movements in what appeared to be a deliberate effort to disrupt OAS action. The Castro regime would prefer a sharp split in the OAS on the question of sanctions in hopes of damaging the organization. During ceremonies in Havana on Saturday honoring visiting Tanzanian President Nyerere, Dorticos also had kind words for Venezuela that were obviously intended to encourage the Perez administration to restore ties with Cuba unilaterally.

**FOR THE PRESIDENT ONLY**

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# The President's Daily Brief

*September 24, 1974*

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**FOR THE PRESIDENT ONLY**

September 24, 1974

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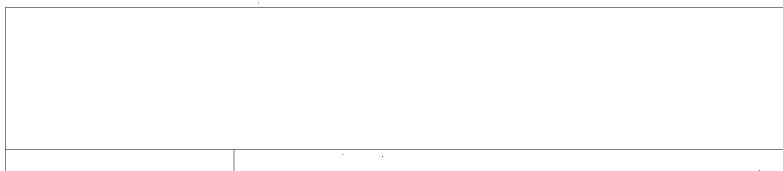
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SAUDI ARABIA

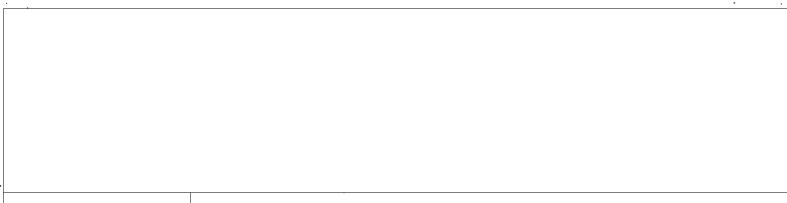


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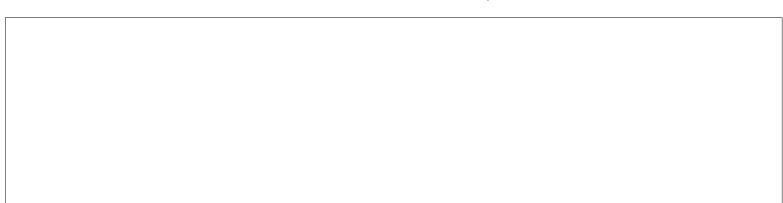
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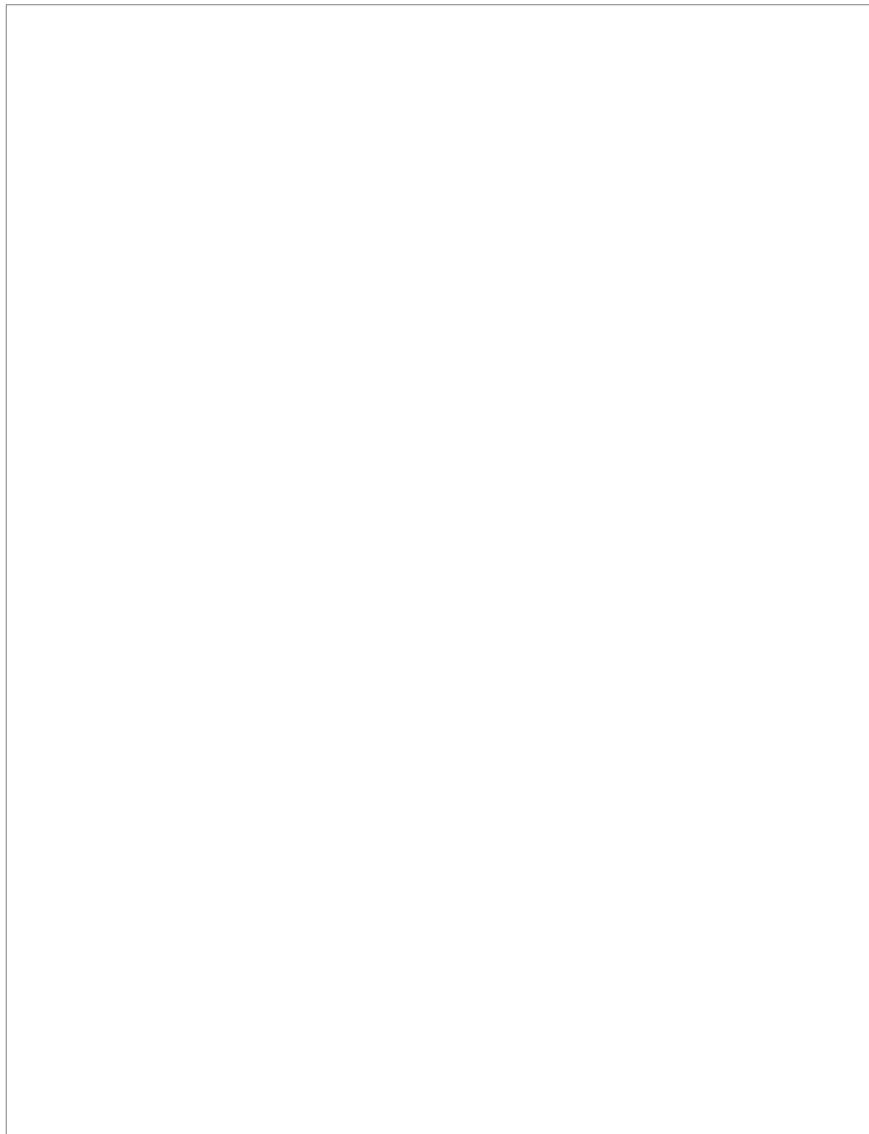


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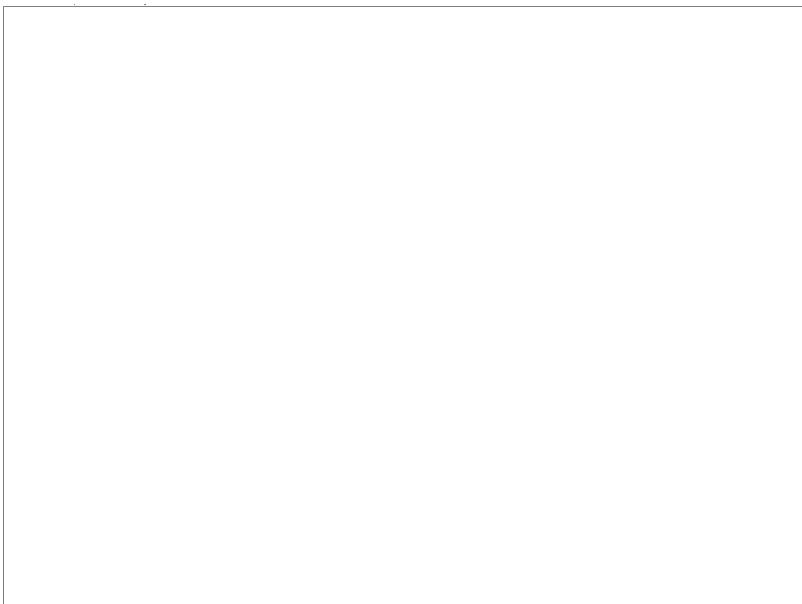
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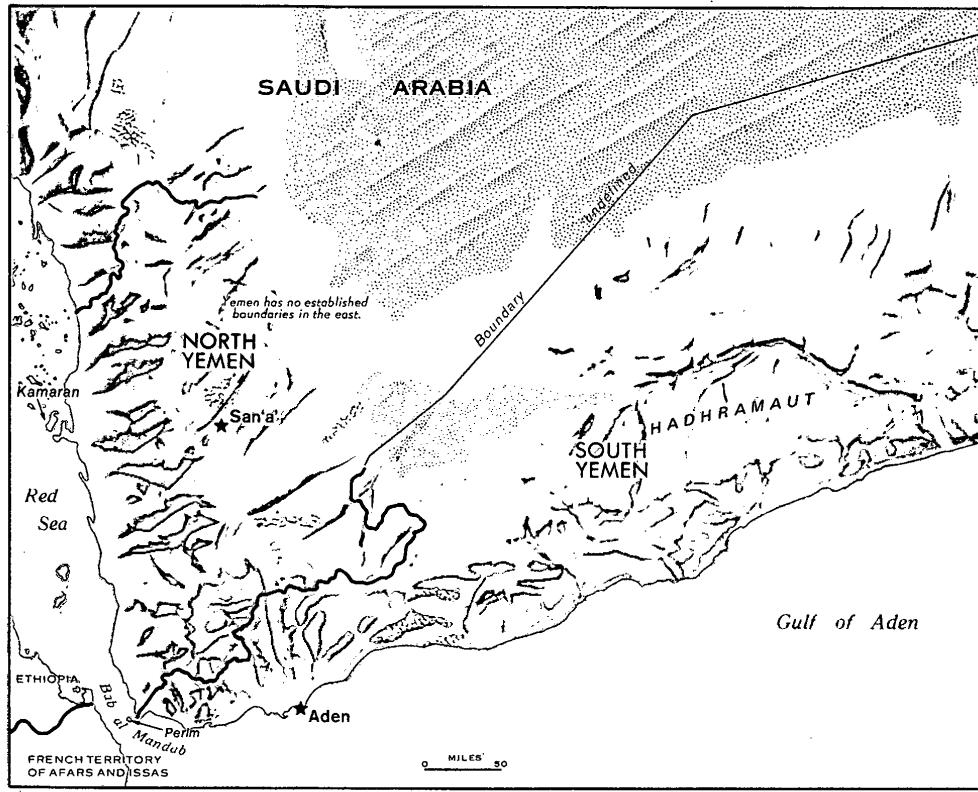
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IRAN-IRAQ



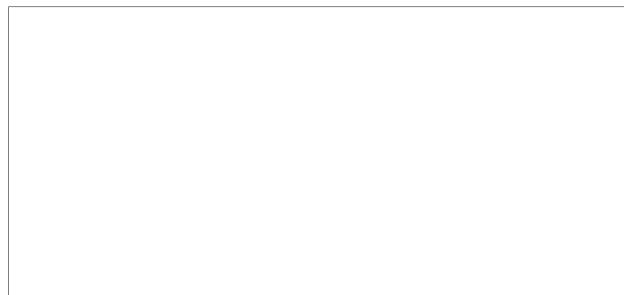
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*FOR THE PRESIDENT ONLY*

EGYPT - SOUTH YEMEN - USSR



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The Egyptians, who are coordinating their strategy with Saudi Arabia, hope to diminish Soviet influence in South Yemen and exert a moderating influence there.

South Yemen, on its side, wants to attract both badly needed Saudi financial aid and Egyptian technical assistance. The South Yemenis may also hope this new arrangement will persuade the Saudis to stop supporting groups that launch raids into South Yemen from bases in Saudi Arabia.

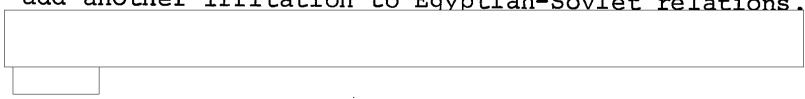
The South Yemenis, however, may have misled the Egyptians about their willingness to loosen ties with Moscow. The Soviet Union is Aden's chief source of arms.



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From Moscow's point of view, Cairo's actions add another irritation to Egyptian-Soviet relations.



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At the same time, Moscow has been urging South Yemen to moderate its foreign policy somewhat. The Soviets presumably are anxious to forestall any efforts by conservative Arabs to oust the Marxist regime in South Yemen.

*FOR THE PRESIDENT ONLY*

***FOR THE PRESIDENT ONLY***

MBFR

The fourth round of force reduction negotiations opens today in Vienna. Soviet Foreign Minister Gromyko suggested last week that Moscow would make some new proposals in the talks. Most West European participants, however, believe there will be little progress during this round and advocate that the West not offer any concessions to the Soviets.

During a meeting [redacted]  
 last week, Gromyko said that only equal percentage reductions based on the present force relationship would be acceptable to Moscow, and objected to the West's concept of a common ceiling. The Soviet foreign minister added that the Soviets would take "new initiatives." [redacted]

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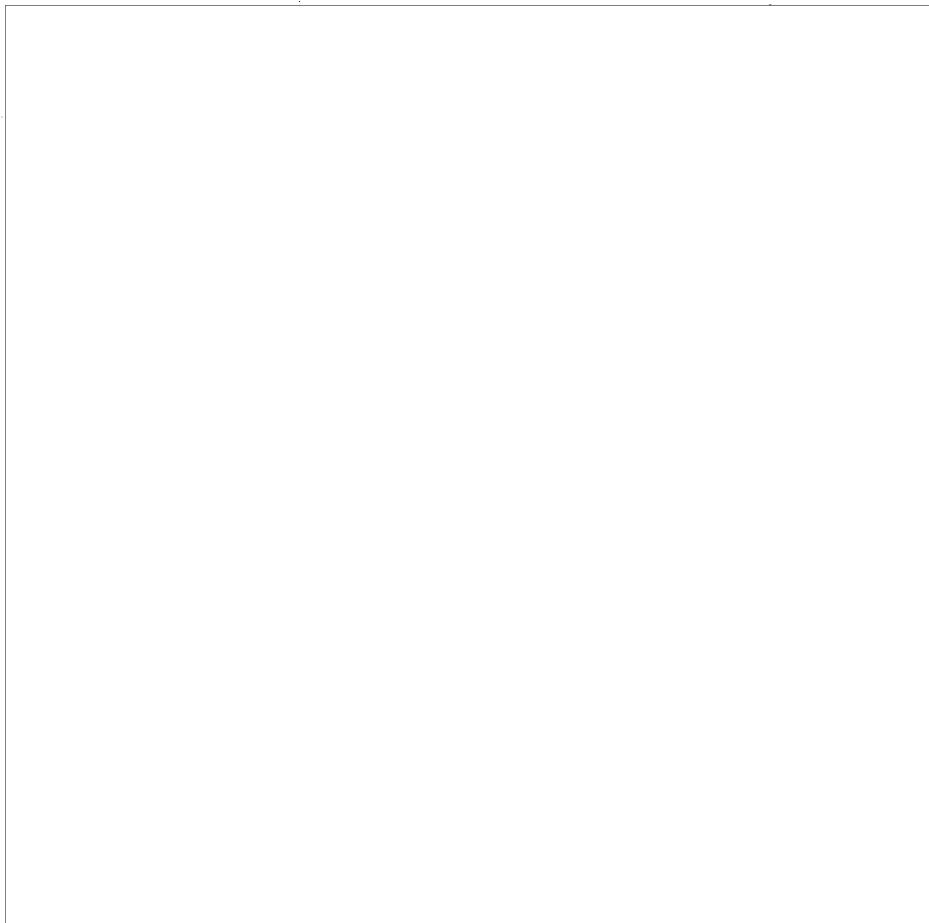
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Most of the other Western negotiators share the West German view that the Soviets will show little flexibility. The West Europeans apparently believe that the Soviets wish to continue to stall in Vienna until a firm date is agreed for the concluding phases of the European security conference. Moscow wants to conclude that conference with a summit meeting, and the course of the negotiations in Vienna and Geneva has shown that Moscow is reluctant to move in the force reduction talks until the West agrees to the summit meeting. The West Europeans presumably also believe that the Soviets will wish to assess further the new governments in Europe and the US before moving in Vienna.

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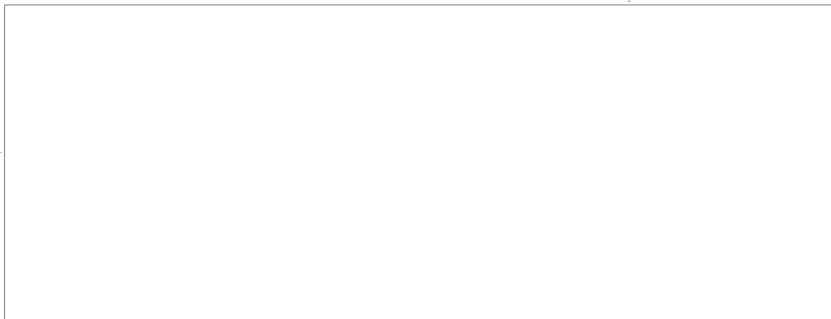
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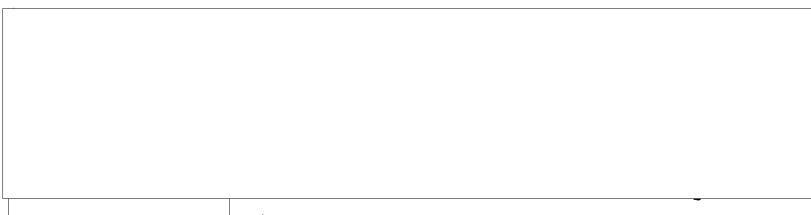
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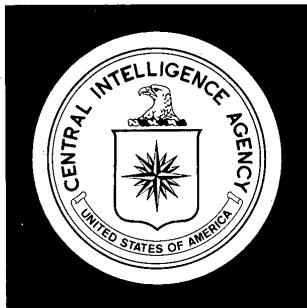
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Greece: The new civilian government took another step toward national elections yesterday when it lifted a ban on the Greek Communist Party. Last week the cabinet approved a new electoral law and a special law is in the works that will outline qualifications for political parties. Most reports indicate that Prime Minister Karamanlis will pick an election date in late November, allowing him to capitalize on his image as a returned hero and also getting the Greeks to the polls before the badly fragmented left can organize some sort of common front.

Ethiopia: Crown Prince Asfa Wossen's announcement of his willingness to return to Ethiopia and to become a constitutional monarch will force the military to define its views on the monarchy. The military designated the ailing Crown Prince as a figure-head successor to Haile Selassie about two weeks ago. It may have done so on the assumption that he would be unable or unwilling to return, and its announcement of his selection may have been a ploy to prepare the Ethiopian people for the gradual abolition of the monarchy. Meanwhile, the failure of university authorities in Addis Ababa to appear on the day of registration yesterday heightens the possibility of renewed student unrest.

*FOR THE PRESIDENT ONLY*

*Top Secret*



# The President's Daily Brief

*September 25, 1974*

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**FOR THE PRESIDENT ONLY**

September 25, 1974

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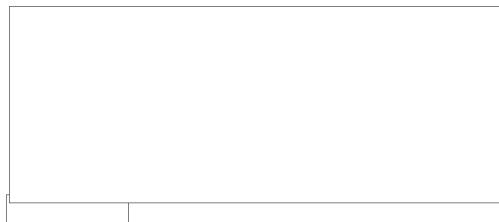
Notes: Pakistan-Afghanistan; USSR-Libya; Israel-Egypt; Japan-China; Ethiopia (Page 10)

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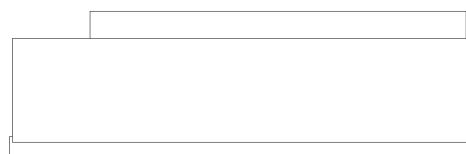
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ITALY



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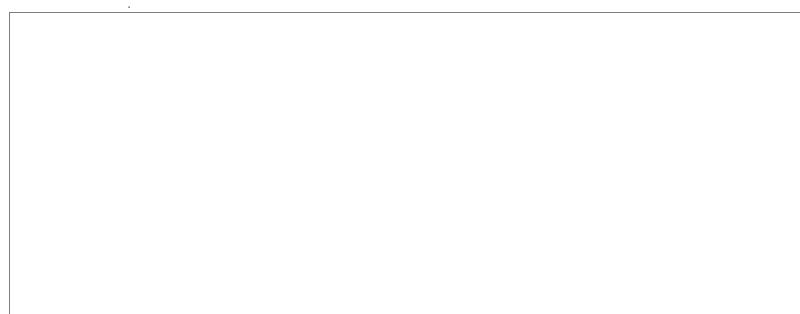


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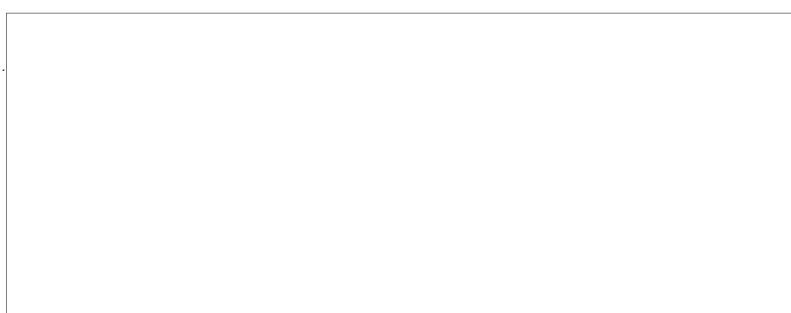
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*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

**REACTION TO OIL SPEECHES**

*Governments everywhere appear to be trying to assess the implications of the speeches you and Secretary Kissinger made Monday on artificial rigging of oil prices. Few have reacted publicly; many of them are probably looking for ways to avoid offending either the US or the oil exporters.*

The West Germans, for example, have told the press they would have no comment because they are "striving to improve relations with the Arabs." The British Department of Energy urged consultations between producers and consumers, keeping the needs of developing countries in view.

**OPEC Responses**

Oil exporters were defensive. Most, like Iranian Prime Minister Hoveyda, justified high oil prices with references to the high cost of Western manufactured goods. Representatives of OPEC were most aggressive, denying that oil prices had been used politically or that inflation began with oil price hikes. These spokesmen argued that oil rates had been adjusted because of inflation. OPEC, they said, had acted only to reduce "windfall profits made by international companies, mostly American companies."

Sheikh Zayid, President of the United Arab Emirates, was more conciliatory, supporting cooperation to cut prices of all products in international trade. He claimed that oil-exporting states are ready to lower their prices in return for lower prices on manufactured goods and food. Saudi Oil Minister Yamani initially endorsed your appeal for interdependence in world resources, but in a later interview cautioned, "as a friend," that the US should avoid actions that oil producers and developing states will view as "economic imperialism." Kuwaiti Oil Minister Abd-al-Rahman al Atiqi warned that consumer states could hurt their own interests by forming a front. He explained that it would put the oil states on alert to protect their own interests.

**Venezuela**

Twice within the past week, Venezuelan President Carlos Andres Perez has publicly criticized your remarks on the world energy crisis and aggressively defended the right of Venezuela and other countries

*FOR THE PRESIDENT ONLY*

to get a better deal for their raw materials on the world market. In a public statement yesterday, Perez again defended his administration's oil-pricing policy. Some officials are saying Venezuela plans new taxes that may have the effect of raising the price of Venezuelan oil. Perez has made clear that his administration is not picking a fight with the US and wants to maintain cordial relations with Washington.

Middle East Press

The Arab press has reacted sharply, giving wide circulation to an Iraqi-controlled Beirut newspaper's headline charging that you threatened to seize Arab oil by force of arms. A Syrian-subsidized paper in Beirut claimed that the US threatened nuclear war over petroleum. Only one commentator has cautioned that the Arab states cannot win a food-versus-oil confrontation with the US. Amman radio highlighted your call for a comprehensive world energy plan and cooperation between exporters and importers.

One Israeli commentary has appeared, in the influential paper Ma'ariv, saying that US leaders are wrong to assume that there is any usefulness to approaching Arab oil producers.

Communist Reaction

The Soviets have avoided reporting the proposals on global food and energy policies and economic interdependence contained in your speech to the UN last week. Tass has reported only that your speech in Detroit "contained a warning" to petroleum-producing countries that had increased their prices. A Radio Moscow broadcast in Arabic last night quoted the Kuwaitis as viewing your call for a conference of Western oil-consuming states as the first step toward creating a bloc "hostile" to the oil-exporting countries.

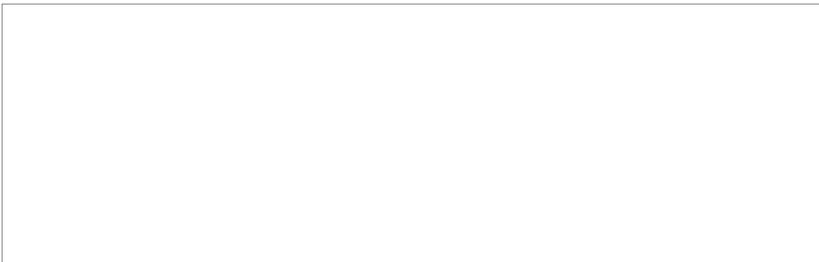
As of this morning, there has been no mention on Peking Radio of either your speech in Detroit or Secretary Kissinger's speech at the UN. Radio Hanoi called the tone of your speech harsh, but its report was brief and relatively straightforward.

## FOR THE PRESIDENT ONLY

## CAMBODIA

The potential for serious civil disorder in Phnom Penh is probably at its highest level in over a year. Public discontent, sparked earlier this month by the dispute with South Vietnam over offshore oil exploration, has now been magnified by unpopular economic reform measures.

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Under these conditions, the return of Brigadier General Lon Non--President Lon Nol's younger brother--to Phnom Penh is particularly untimely. Not only is Lon Non anathema to leading politicians, such as Sirik Matak, he is also thoroughly distrusted by students and teachers who hold him personally responsible for disturbances in March 1973 in which a number of demonstrators were killed or wounded. Although Lon Non

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[redacted] visit will only be a brief "vacation," US officials believe that he will try to stay. His presence in Phnom Penh is another dangerous ingredient in an already worrisome mix

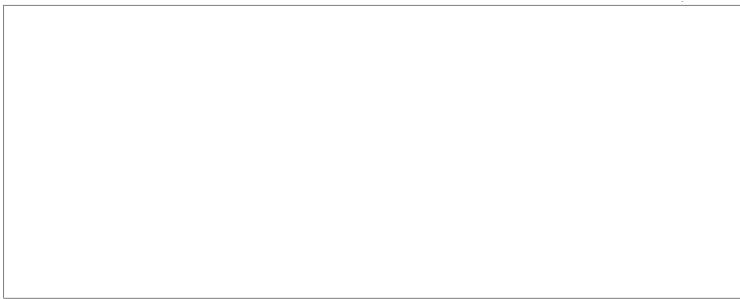
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The government's ability to deal with serious disorders also could be affected by the very campaign it has mounted to retain its UN seat. Prime Minister Long Boret--by far the most able government leader--has been abroad lobbying on the UN issue almost constantly since early August. When Boret returns to Cambodia after addressing the General Assembly next month, Deputy Prime Minister and Education Minister Pan Sothi--who has been handling the government's relations with students and teachers--is scheduled to depart for the UNESCO conference in Paris. A credentials challenge is expected at this conference which could strongly influence the outcome of the General Assembly vote.

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*FOR THE PRESIDENT ONLY*

USSR

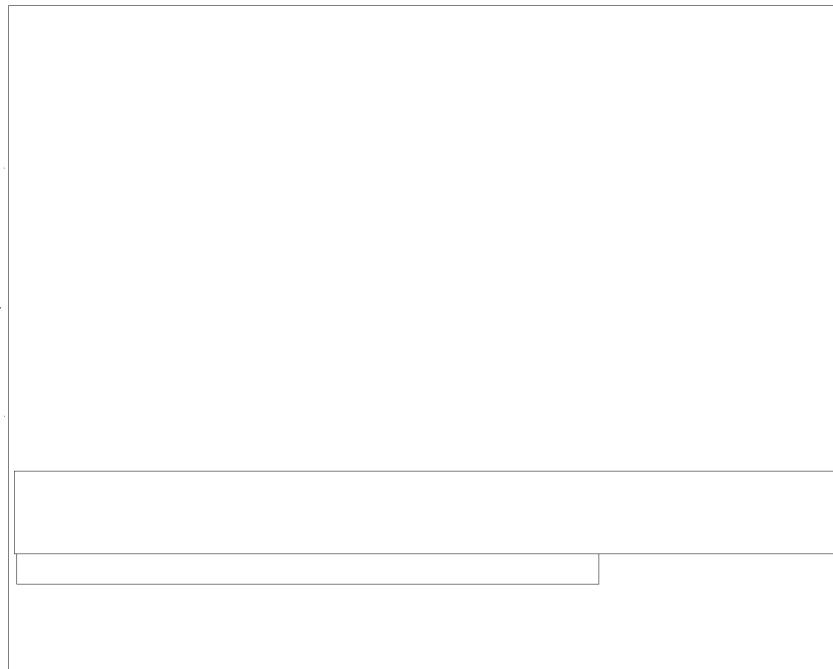


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USSR-CHINA



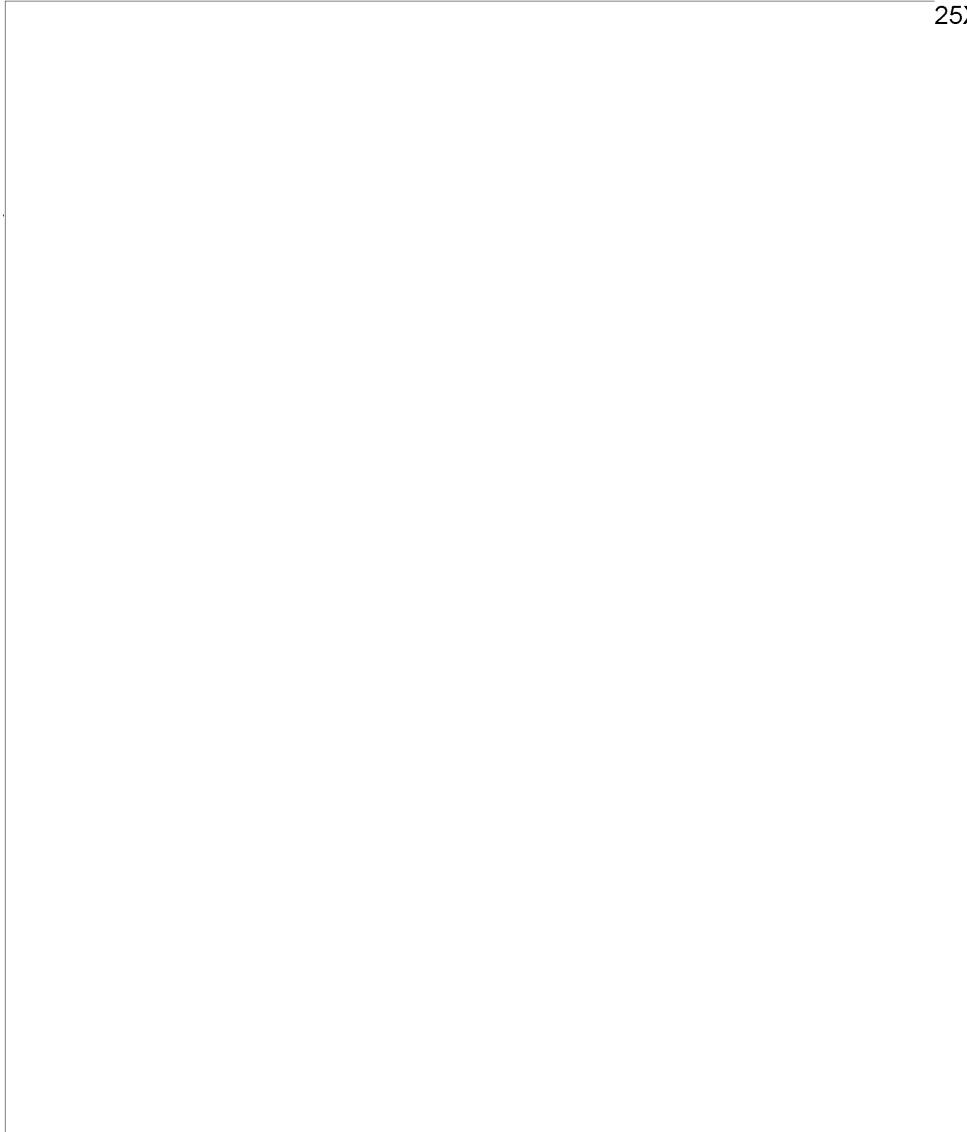
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**TURKEY**

*The Democratic Party yesterday rejected Prime Minister Ecevit's invitation to join in a coalition government, but the Democrats appear to have left the door open for further negotiations. The wording of the rejection shows that the Democrats balked at Ecevit's insistence on an election this December.*

Ecevit has little choice now but to give up on the idea of an early election. The Democrats were his best chance to obtain the parliamentary majority necessary to approve an election. He may make another proposal to the Democratic Party, possibly suggesting an election next spring, and there are signs that the Democrats would be more receptive to such an offer.

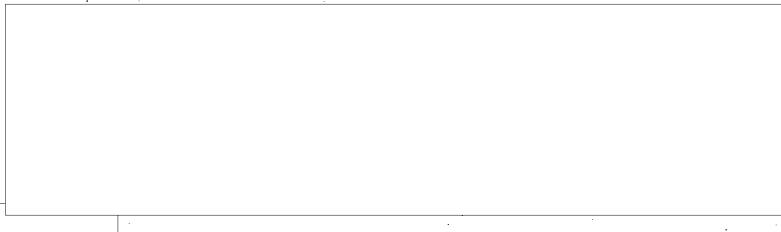
If Ecevit is unable to move the Democrats into a coalition, he may try to form a minority government. If both efforts fail, President Koruturk could ask Suleyman Demirel, leader of the opposition Justice Party, to try to organize a coalition. In any event, Ecevit will continue to head the caretaker government until a new government is formed.

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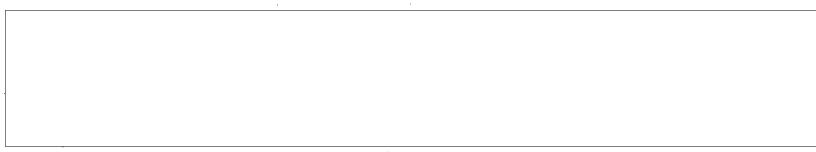
**FOR THE PRESIDENT ONLY**

BANGLADESH

*Plotting to overthrow the government  
of Prime Minister Mujibur Rahman is likely  
to continue, despite the inability of the  
opposition to demonstrate effective popu-  
lar support.*



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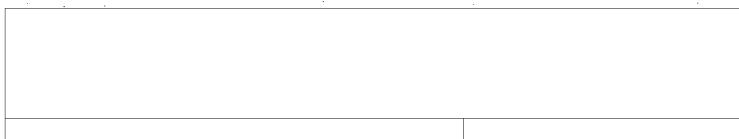
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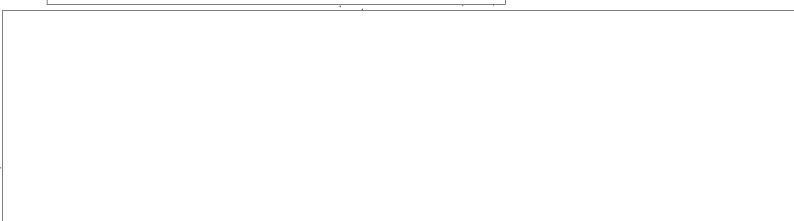
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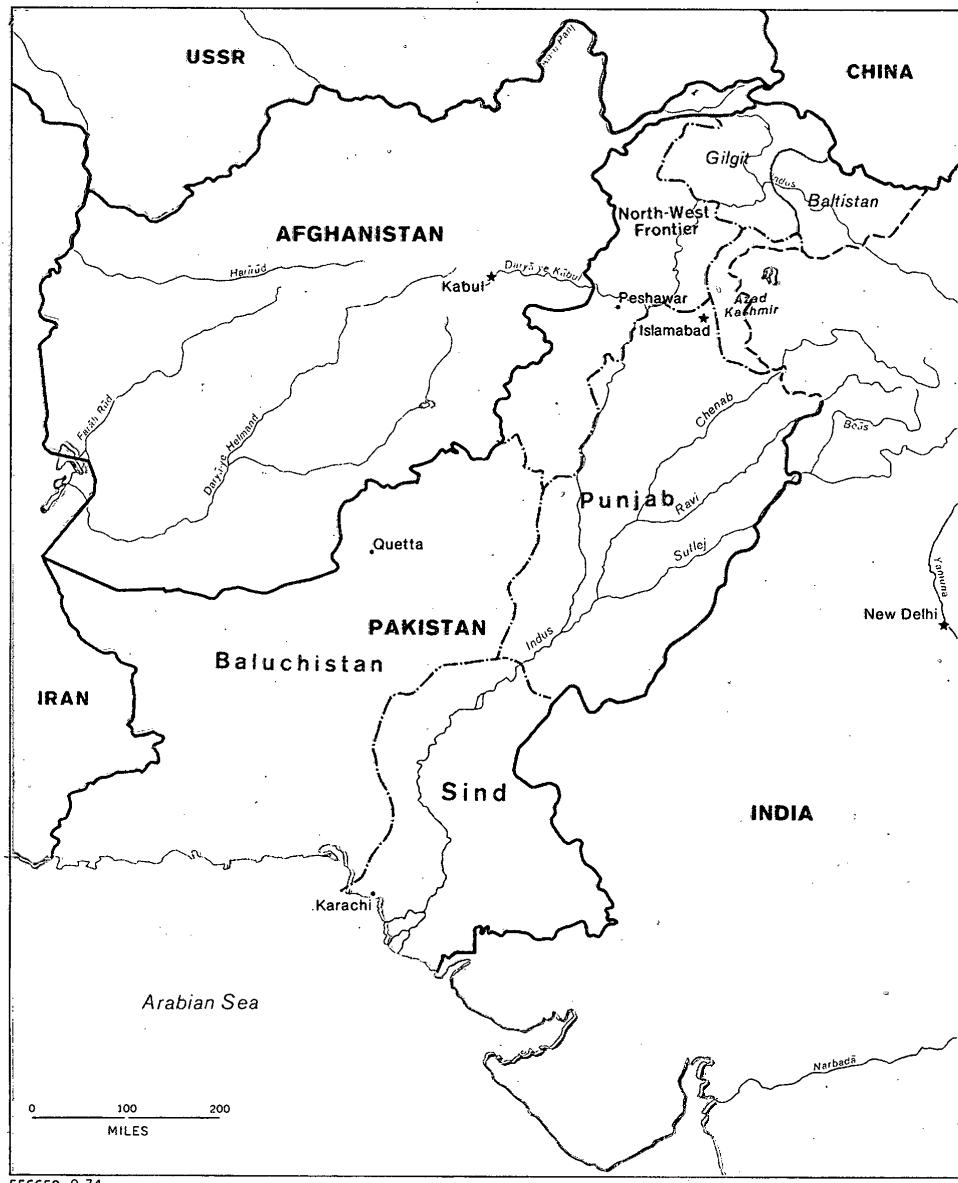
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*FOR THE PRESIDENT ONLY*

## NOTES

Pakistan-Afghanistan: Pakistani military operations against tribal insurgents in Baluchistan Province will probably lead Afghanistan to increase its anti-Pakistan propaganda even further, but there is little evidence that either country is preparing for hostilities. Despite the long-standing border dispute between the two nations and Afghan sympathy for Pakistani dissidents, Afghan President Daoud knows his army is much weaker than Pakistan's. Moscow and New Delhi have given Kabul substantial economic and military assistance, but Daoud cannot be sure that either would come to Afghanistan's rescue in the event of a war with Pakistan.

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USSR-Libya: More Soviet technicians reportedly are scheduled to arrive in Libya soon, most of them to set up training programs in the use of Soviet-supplied missiles. The scope of the Soviet-Libyan arms deal, which was signed last spring, and the withdrawal of Egypt's military advisory mission may have prompted Tripoli to accept additional Soviet personnel. An expanded presence, however, would not give Moscow the pervasive role that the Egyptians had. The Libyans remain suspicious of Soviet intentions and will keep Soviet advisers under close scrutiny.

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Japan-China: With a view toward boosting sales to China, Tokyo's Export-Import Bank has, after protracted negotiations, formally approved its first loan to Peking in ten years, a \$30-million credit which will help finance Peking's purchase of a 300,000-metric-ton ethylene plant worth nearly \$50 million. Over \$80 million in other Exim Bank loans to Peking are due for final approval this year, and more loans are likely to be approved next year. Japanese exports to China, although relatively small, are growing rapidly. Sales totaled over \$1 billion in 1973 and are likely to reach \$1.5 billion this year. Japan has run a small surplus in its trade with China, but large imports of Chinese crude oil could reverse this trend by the end of the decade.

Ethiopia: The Confederation of Ethiopian Labor Unions has called a general strike for today--its response to the arrest of three of its leaders on Monday. An extended strike would bring serious economic dislocation and would increase chances for more unrest. The strike call coincides with signs of opposition outside the capital. A popular provincial governor, who has eluded arrest, has taken to the countryside with a few armed retainers. The military regime reportedly has also provoked the Danakils, warlike nomads in northeastern Ethiopia. The military ordered their leader to turn himself in but backed down when threatened with armed tribal resistance to any arrest attempt.

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*Top Secret*



# The President's Daily Brief

*September 26, 1974*

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*Top Secret*

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**FOR THE PRESIDENT ONLY**

September 26, 1974

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CEMA-EC: The Soviets have invited EC Commission President Ortoli to Moscow. (Page 6)

Australia - New Zealand: Both countries have devalued their currencies in the face of foreign exchange deficits. (Page 7)

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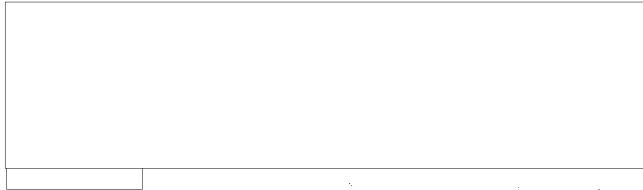
At Annex we discuss the situation in Chile as the military junta moves into its second year.

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USSR

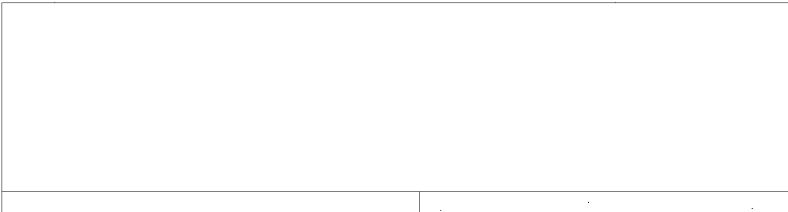
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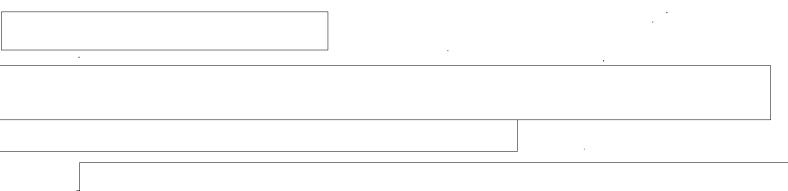
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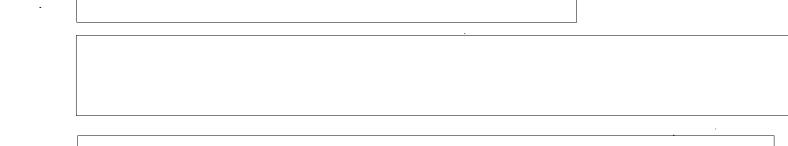
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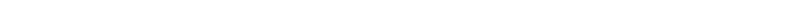
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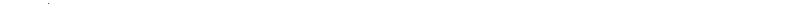
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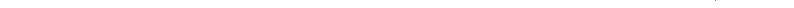
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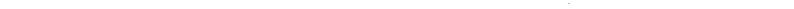
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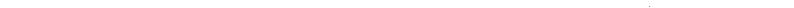
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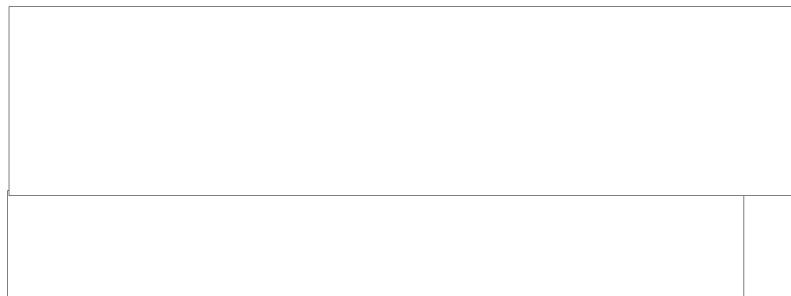
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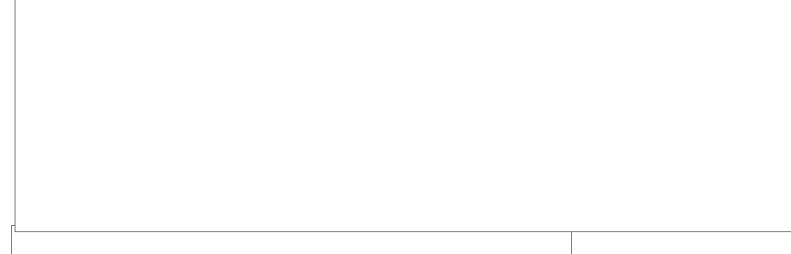
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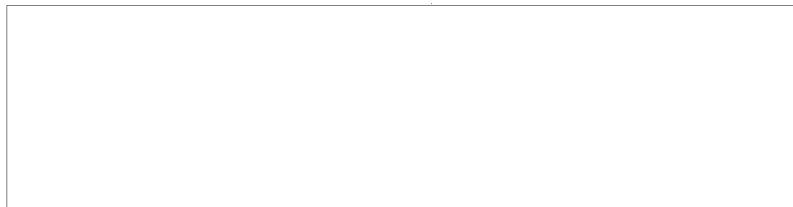
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**LEBANON**

*Prime Minister Suh stepped down yesterday after 14 months in office when several cabinet ministers critical of the government's handling of internal security and economic problems threatened to withdraw.*

President Franjiyah could ask Suh to add some new faces and simply reorganize the cabinet, but the President appears more likely to designate another political leader to assemble a new group. In either case it could take several weeks to come up with a slate acceptable to the powerful confessional and political blocs represented in parliament. Franjiyah, a Christian, will follow Lebanese convention and appoint a Sunni Muslim prime minister.

The President may believe that Lebanon's problems demand a more assertive leader than the lack-luster Suh, but any candidate would hold to the same basically moderate policies espoused by Suh. A group of powerful members of parliament agreed on Tuesday to a program calling for the appointment of a "strong" prime minister capable of instituting widespread reforms. They also want a clear-cut defense policy.

Palestinian leaders have played no direct role in the present situation. Regular violations of security restrictions by fedayeen forces, however, have led to periodic Israeli violations of Lebanese territory, demonstrated the government's inability to protect residents of southern Lebanon, and stimulated criticism of the central government by residents of the south.

**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

**WEST GERMANY**

*Chancellor Schmidt hopes to announce soon a package deal with East Germany that would show further progress toward regularizing relations. Schmidt probably hopes that the deal can be announced in time to assist the coalition parties in two important state elections late next month. The East Germans' apparent readiness to make some concessions shows that they are not averse to helping Schmidt in this way.*

There have been several well-publicized meetings this month between East and West German officials, but the package deal has been negotiated in secret.

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**FOR THE PRESIDENT ONLY**

CEMA-EC

*The Soviets have invited EC Commission President Ortoli to Moscow in a new move toward establishing relations between the EC and the Soviet-dominated Council for Mutual Economic Assistance. CEMA Executive Secretary Fadeyev said his organization is interested in scientific, technical, and economic cooperation with the EC.*

The invitation follows a number of informal soundings on official contacts between the EC and the East European group during the past two and one-half years. Brezhnev first acknowledged the "reality" of the EC in March 1972.

It is likely the Soviets want the EC to recognize CEMA as a supranational entity. This would enhance the status of CEMA and give Moscow firmer control over the economies of its East European allies, particularly in the sensitive area of their relations with the West.

The EC is reluctant to concede that CEMA is in any real sense an analogous organization or that the CEMA Secretariat has any of the independent authority possessed by the EC Commission. The Commission has an interest in gaining jurisdiction over the economic dealings of EC countries with the CEMA countries, but it would prefer to deal with individual CEMA countries. The Commission, nevertheless, eventually may have to agree to some kind of intermediary role for CEMA.

**FOR THE PRESIDENT ONLY**

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AUSTRALIA - NEW ZEALAND

*Canberra and Wellington have devalued their currencies in the face of foreign exchange deficits.*

Australia's 12-percent devaluation is aimed at holding down imports and avoiding further increases in unemployment. In the fiscal year ending in June, the country's balance of payments shifted from a massive surplus to a \$1-billion deficit, the first in 7 years and the largest in 22 years.

The reversal occurred in part because of the rapid growth of imports; this in turn resulted from higher commodity prices as well as from a deliberate policy of liberalizing imports. Because of labor complaints about rising unemployment, Canberra already is considering placing quantitative restrictions on auto imports and increasing controls over textile purchases.

Australia's international financial position remains relatively strong, however. The trade deficit is still fairly moderate. Foreign exchange reserves, although 20 percent below last year's peak, amount to some \$5.5 billion. In addition to the fast growth of imports, the deficit reflects falling world market prices for some key Australian exports, especially beef and wool.

New Zealand, which devalued its currency 9 percent, has more pressing trade and payments problems. While its imports are rising rapidly, foreign demand for its wool, meat, and other primary products is extremely weak. Official foreign exchange reserves at the end of August dropped to \$675 million, about half the level of a year ago. To help avoid a serious financial bind, Wellington is seeking large overseas loans, including loans from oil-exporting countries. Government officials, for example, are negotiating for a \$140-million loan from Iran.

## FOR THE PRESIDENT ONLY

## NOTES

Egypt: President Sadat formally relinquished the post of prime minister to Muhammad Hijazi yesterday. Hijazi, formerly the first deputy prime minister, has been serving as prime minister in all but name for some months.

Ethiopia: High unemployment and threats by the military to have strikers fired apparently intimidated the workers, and the general strike called yesterday fizzled. The military still holds the three labor leaders whose arrest precipitated the strike call. In another development, the official government newspaper has attacked Crown Prince Asfa Wossen, who recently indicated he is considering the military's invitation for him to return to Ethiopia as a figurehead monarch. Such attacks, appearing with the obvious approval of the military, suggest that the military does not favor his return to Ethiopia, even as a figurehead, and may be preparing to declare a republic.

Zaire-Portugal-Angola: [redacted]

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Brazil: In his speech at the UN, Foreign Minister Silveira repeated Brazil's call for Israeli withdrawal from occupied territories, and for a settlement "attending to the rights" of the Palestinian people. Silveira thus underscored Brazilian determination to improve relations with Arab oil suppliers, but avoided going so far as to call for establishment of a separate Palestinian state. Just last week there were hints that he was planning to take that step as well. Those Brazilian government and military officials who distrust Silveira and who think his recent overtures to the Arabs have been too effusive may have been at least partially responsible for restraining him.

*FOR THE PRESIDENT ONLY*

## CHILE

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*The military junta has moved into its second year with its reservoir of popular goodwill basically intact. It remains determined to depoliticize the country's institutions before returning them to civilian hands. The prospect is for at least several more years of military government. Junta President Pinochet appears to have assumed a mediating role between hard-line conservatives and moderate advocates of a populist-style government.*

There have been some limited moves toward less austere economic policies and less iron-fisted attitudes. In a speech on September 11 marking the anniversary of the military take-over, Pinochet announced that the government was moving to arrest the decline in real wages that has brought hardship to workers.

A new policy calls for automatic quarterly wage readjustments to keep pace with the cost of living. This effort to ease the economic squeeze on wage and salary earners appears to be a victory for moderate officers who have been urging that political factors be given more weight in economic policy-making.

There recently has been some progress in the fight against inflation. The inflation rate in July and August was somewhat below the monthly average for the first half of 1974. If this lower rate is maintained, inflation for the year will total about 350 percent, compared with the 710 percent registered in 1973.

The overall economic outlook, however, is clouded by falling world copper prices. Production will increase next year, but if prices remain low export earnings will drop. Meanwhile, storm damage and delayed plantings this June will mean a continued need for a million tons of imported wheat, and the price of imported fuel is likely to remain high.

Human Rights

Pinochet's anniversary speech brought a major announcement on human rights. He declared that the government was ready to release many political prisoners and challenged Cuba and the Soviet Union to do likewise. Not expecting a response from those countries, Chile already is moving to free some prisoners.

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*FOR THE PRESIDENT ONLY*

Appreciation of the negative impact the government's repressive image has had, especially on its ability to purchase arms from traditional suppliers, has been a key factor in prompting the junta to take steps to curb abuses of human rights.

Some Chileans remain implacably opposed to the military government. The major leftist groups, which suffered most from the downfall of Allende, are trying to reorganize, but divisions similar to those that impeded united leftist action during the Allende years complicate an already difficult underground existence.

Most leftists inside Chile believe that armed violence would be counterproductive, but extremists do not accept this view and weapons remain available. Any plans for action probably have been set back, however, by government successes in its continuing campaign against potential terrorists.

The second year of military rule could bring further movement toward a more humanistic military rule. The trend in this direction is at best wavering, however, and it could be turned around by a variety of possible events:

- economic reverses and an erosion in popular support;
- leftist violence;
- death or incapacity of Pinochet and succession (under the statute of the junta) of Admiral Merino, or a struggle over the junta presidency;
- a confrontation with Peru.

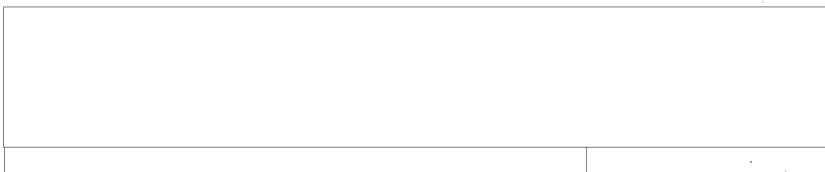
Foreign Affairs

Peru's military buildup and desire to recover territory it lost to Chile in the War of the Pacific (1879-1883) remain the junta's number one foreign policy problem. There is much suspicion between the two countries, despite their public protestations that relations have never been better. Chile's main concern is its inability to match Peru's recent arms acquisitions--especially Soviet tanks--with modern arms of its own.

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The junta realizes it can ill afford a serious deterioration in relations with the US, and two of the three copper expropriation cases left over from the Allende years already have been amicably settled, while direct negotiations are in progress on the third. Nevertheless, Chile's effort to avoid international isolation may lead it in some instances to side with the nonaligned nations against the "superpowers," especially on economic issues.

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# The President's Daily Brief

*September 27, 1974*

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**FOR THE PRESIDENT ONLY**

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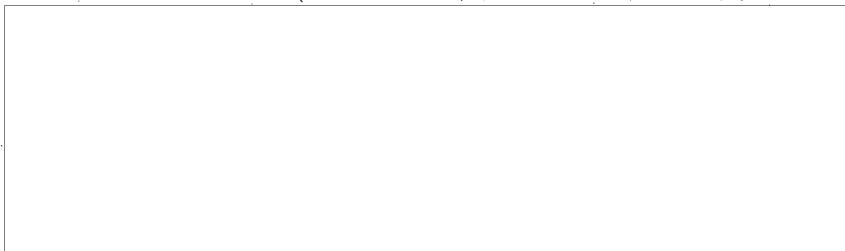
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**CAMBODIA**

Rumors of an impending move by senior Cambodian army officers against the Lon Nol government are circulating in Phnom Penh. Coup rumors have gone the rounds in past times of stress, and there is no clear sign that any group is actively preparing to move soon. The rumors themselves, however, add to the general unrest stemming from recent economic reform measures.



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**PORUGAL**

*A forthcoming rally to support President Spinola has sharpened differences between factions within the government and heightened tensions in Lisbon.*

Media coverage of the rally, now set for Saturday, has connected Spinola with a resurgence of fascism that may be difficult for him to live down. Nonetheless, if the rally is successful, Spinola's position will have been strengthened. He will then be able to move ahead with his efforts to establish a system of government less vulnerable to a take-over by authoritarian elements on either the right or left.

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[redacted] Widespread violence might encourage a power grab by conservative forces. Incidents of violence could also serve as a pretext for Spinola to dismiss Prime Minister Goncalves. Spinola has been dissatisfied with the Prime Minister's management of the government, particularly the decolonization process.

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The Portuguese press has already suggested that the Communists are considering pulling out of the government because of defeats they have suffered in the cabinet recently.

**FOR THE PRESIDENT ONLY**

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**ISRAEL**

*Prime Minister Rabin appears to have been trying since mid-September to prepare the Israeli public for a more flexible approach toward Middle East peace negotiations.*

Increasing numbers of Israelis have decided that a new war, even if won, would not solve anything, and that political answers to the Arab-Israeli conflict must be found. These Israelis recognize that any political approach must involve concessions.

Rabin's moves, nevertheless, will distress influential people inside and outside the government who oppose territorial concessions. The US embassy has noted that a significant minority of Israelis remain convinced that no amount of Israeli moderation will bring peace closer.

One of Rabin's prime efforts has been to make the Israelis aware of his view that the US will bring additional pressures on Tel Aviv in the tough negotiations that lie ahead. The Prime Minister has stressed in press interviews that the nature of US relationships in the area has changed since the October war.

Early this week Rabin told the press that he had a "clear and detailed peace map" to use with Arab peace negotiators; Israeli government leaders have previously maintained that no maps would be prepared until detailed discussions were to be held with the Arabs on possible Israeli withdrawals.

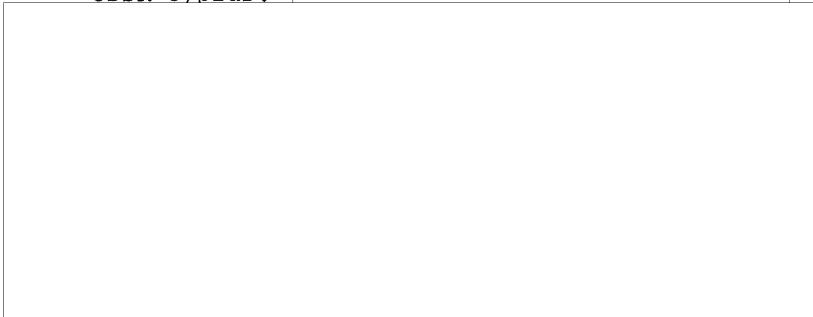
Public statements by Defense Minister Peres and Chief of Staff Gur, meanwhile, show a marked moderation of the strident militancy shown toward Syria during the past few months. Peres, whose warnings against Syria have been among the toughest, called on Syria "not to believe that Israel does not want agreement, when in fact we are ready to make peace." Chief of Staff Gur, who has frequently accused Syria of violating the disengagement agreement, cautioned against exaggerating the seriousness of Syrian violations, noting that, as with all agreements, various interpretations are possible.

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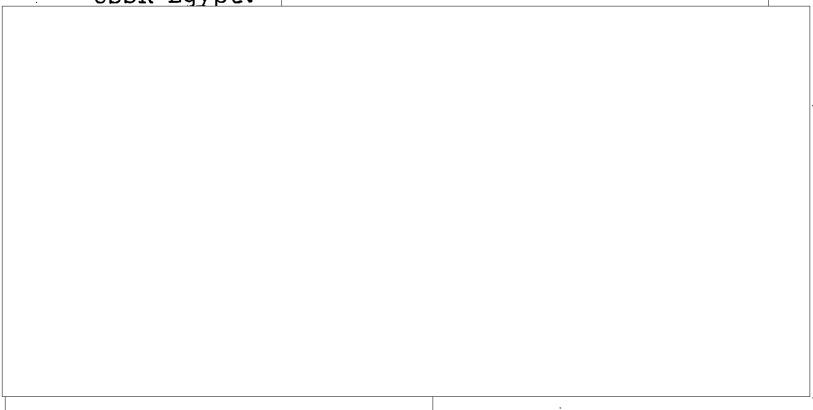
NOTES

USSR-Cyprus:



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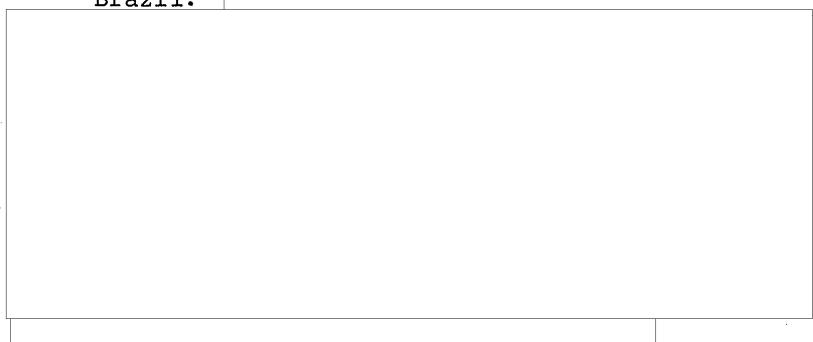
USSR-Egypt:


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Brazil:

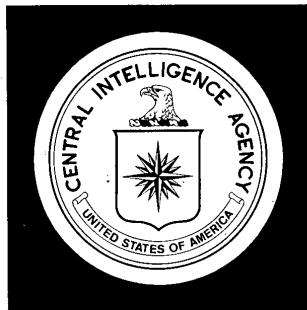
  


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# The President's Daily Brief

September 28, 1974

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*FOR THE PRESIDENT ONLY*

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**FOR THE PRESIDENT ONLY**

OIL PRODUCERS

*OPEC members will earn an estimated \$100 billion from oil exports in 1974.*

Actual receipts during the year for this oil will approximate \$85 billion; the difference between these figures is explained by a lag in payments. Producing countries are paid generally about two months after the oil is shipped.

Actual OPEC receipts for oil are expected to rise from \$31 billion in the first half of 1974 to \$54 billion in the second half--a 75-percent increase. Oil company payments in the second half will fully reflect the January 1974 price increase, and full payments for participation oil will begin in October. In addition, retroactive payments for participation oil received in the first half from Iran, Libya, and Saudi Arabia will be made beginning in September.

Because of a quarterly bulge related to the timing of payments, OPEC oil receipts during October will reach nearly \$12 billion. The transfer of this large sum could well create uncertainty in financial markets and spark speculative capital movements.

**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

**INDIA**

*New Delhi once again faces grain shortages because of a poor summer monsoon.*

About two thirds of annual grain production is grown during the monsoon period from June through September and harvested from October through December. The monsoon also provides soil moisture for the winter sowing of spring crops, as well as much of the water stored for irrigation.

The US embassy estimates the grain harvest this fall at between 58 and 62 million tons. This would be 1 to 5 million tons larger than in 1972, the most recent poor harvest, but this year India is worse off. Government stocks on July 1, 1974, were only 4 million tons; in July 1972 they were 9 million, and the population has grown by 26 million since then.

The outlook is still not as bad as it was during the mid-1960s, when successive drought years required grain imports of 20 million tons over a two-year period. Nevertheless, India will have to import 6 million tons of grain before June 1975 in order to prevent widespread unrest.

To date, India has arranged to import 3.1 million tons of grain, including 1.8 million tons from US commercial sources. On Monday, the Indian embassy in Washington requested PL-480 grain shipments. This reverses New Delhi's position, held since the Indo-Pakistani war in late 1971, that India would not accept PL-480 assistance.

**FOR THE PRESIDENT ONLY**

USSR

A Soviet foreign trade official has told the US Deputy Chief of Mission in Moscow that the USSR will make no large purchases of US grain in the near future, but he declined to declare Soviet intentions beyond December.

Soviet reluctance to reveal import plans probably stems from genuine uncertainty about the size of their crop and the course of world grain prices, as well as from the secretive nature of the Russians. We believe that this year's harvest, although good, will be about 198 million tons--some 7 million tons below the Soviet plan. This may force a small reduction in stocks or limited purchases of foreign grain to meet domestic requirements and external commitments.

The Soviet official said that data on the size of this year's grain crop was not yet available, but would be announced at the meeting of the US-USSR Joint Agricultural Committee at the end of October. He also indicated that the US government would get no warning of specific Soviet import requirements before any contacts with US grain exporters. Concluding on a conciliatory note, he commented that he would be interested in knowing what level of Soviet purchases of feedgrains for the remainder of this year "would not be burdensome."

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ARAB STATES

*Jordanian ambassadors in Cairo and Damascus have received soothing responses to their protests over the communiqué from the recent Egypt-Syria-Palestine Liberation Organization meeting in Cairo that recognized the PLO as the "only legitimate" representative of Palestinian interests.*

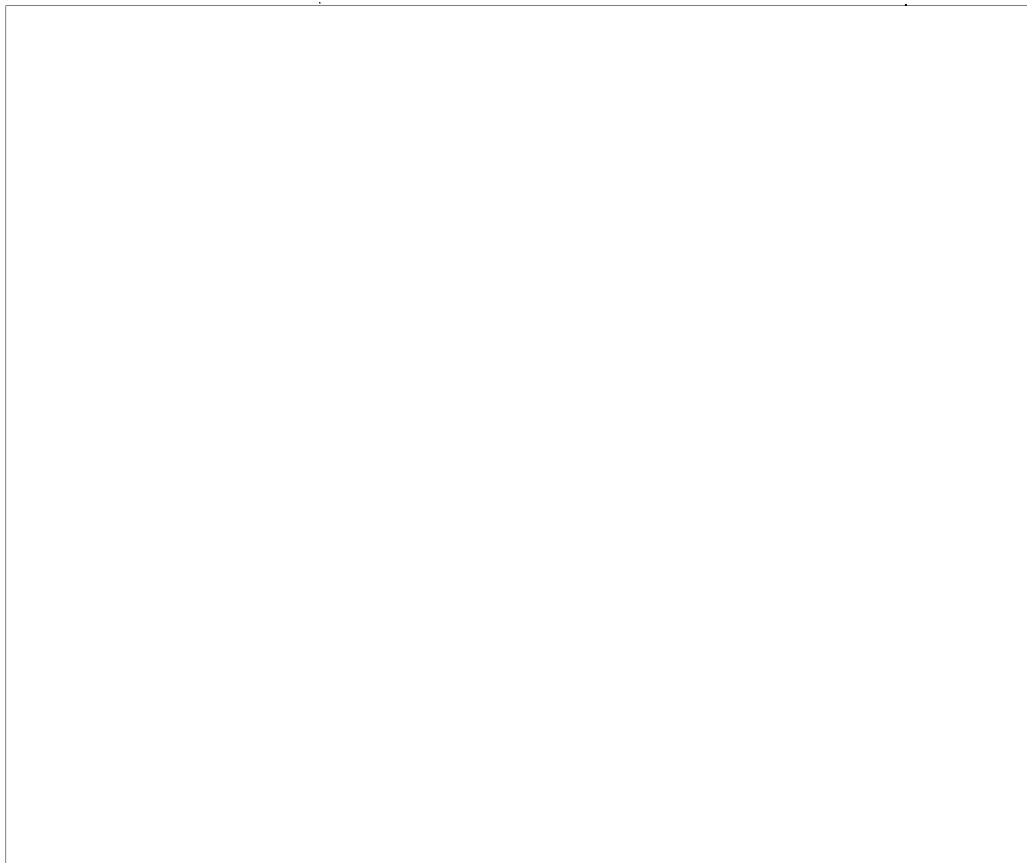
We believe that Sadat and Asad both look on the Cairo communiqué as a necessary inducement to get the "moderate" and majority PLO leaders committed to negotiations, and that the two presidents hope to inveigle Husayn back into line as well. This task will be complicated by the hostility and suspicion with which Husayn and his prime minister regard Sadat, and Asad may have to take the lead in proposing some formula that reasserts Jordan's essential role in dealing with Israel for the recovery of West Bank territory.

Egyptian government officials have taken some pains to explain away a brief flurry of anti-Jordanian comments in the Cairo press, and US Ambassador Eilts in Cairo believes President Sadat still hopes to bridge Egyptian-Jordanian differences and will continue active diplomatic efforts to do so.

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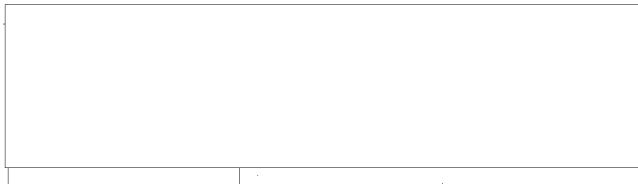
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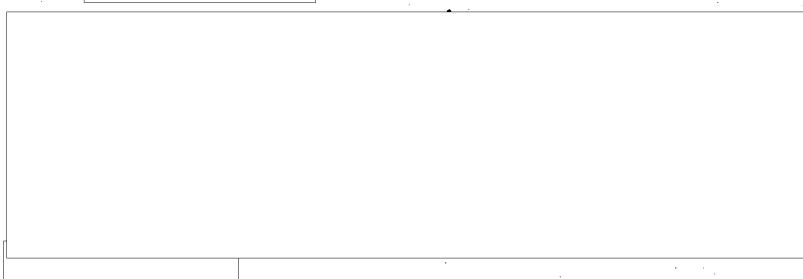


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ISRAEL-EGYPT



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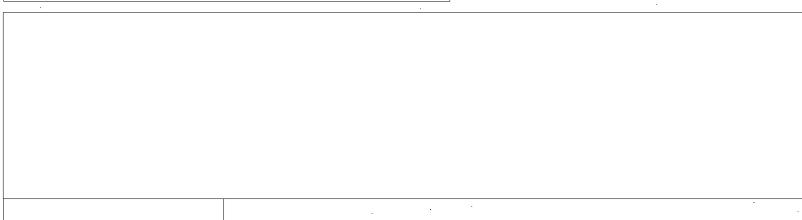
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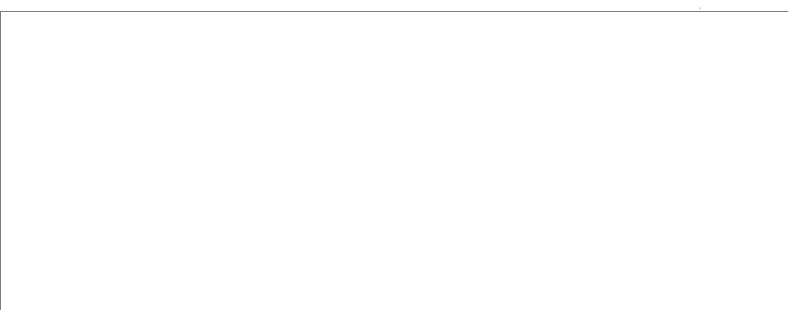
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ARGENTINA

*The military is preparing for a tougher struggle against terrorists now that army officers are falling victim to the guerrillas' "indiscriminate reprisals" for the "execution" of 14 guerrillas captured last month.*

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Some kind of army mobilization may in fact be under way already.

the Argentine Superior War College may terminate its sessions earlier than usual so that students can report to duty units--presumably to be on alert for new terrorist attacks. The press says informed sources believe the military is pressing for a declaration of a state of siege.

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**THAILAND**

*Leftist university students who dislike several provisions of a draft constitution have cast some doubt on an expected pro forma National Assembly vote for ratification next week.*

The leftists do not have wide student support but Prime Minister Sanya, in an attempt to avoid further street demonstrations, issued a statement supporting their position and urged his advisers to work against ratification.

If the assembly rejects the draft, Sanya presumably will offer a new version more to the students' liking. This would even further delay development of a new constitution--a process begun after the fall of the military regime a year ago.

The odds still favor passage of the constitution when it comes up for a final vote next week.

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NOTES

Peru: Dissidents are stepping up antigovernment activity in anticipation of the sixth anniversary of military rule next Thursday. Small bomb explosions in major cities recently may indicate the beginning of the "psychological terrorism" campaign

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Although the Velasco government is in no immediate danger, growing opposition among civilians may present a serious challenge over the longer term. For the first time since the military took power, there are signs that middle-class groups may move from political protest to more violent action. Large quantities of anti-military propaganda are being distributed as the anniversary observance draws near.

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Greece: The demobilization of Greek reservists called to duty at the beginning of the Cyprus crisis is a clear sign that the Greeks believe there is little chance of war with Turkey any time soon. During the crisis, Athens called up 390,000 reservists. By mid-September, only 68,000 reservists were still on active duty

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# The President's Daily Brief

*September 30, 1974*

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**PORtUGAL**

Prime Minister Brigadier General Vasco Goncalves told the Portuguese people in a television address late last night that they had just lived through "a first full-fledged attack by reaction" on the government set up after the coup on April 25.

He said that the demonstration in support of President Spinola scheduled for September 28, the cancellation of which triggered two days of tension, was directed against the Armed Forces Movement. Goncalves assured his listeners that the episode had strengthened the unity between the armed forces and the Portuguese people and improved conditions for the development of democracy in Portugal. The Prime Minister defended the government's achievements, particularly the decolonization policies in Africa, and re-emphasized the determination of the Armed Forces Movement to carry out its program and to avoid civil war in Portugal "above all."

Goncalves did not refer to President Spinola, who is scheduled to address the nation early today.

The period of tension began on Saturday when the Armed Forces Movement, which is dominated by young, left-leaning officers, persuaded President Spinola to cancel a political rally that had been billed as a pro-Spinola demonstration by the "silent majority."

The Movement, and virtually all other political forces to the left of center, regarded the rally as the beginning of an effort by the political right to regain power in Portugal.

The sponsors of the rally probably were hoping, in fact, for a large demonstration that would help Spinola in his continuing contest for power with Prime Minister Goncalves, one of the leaders of the Movement. Rightists at the rally might have provoked violence, which could have been used by Spinola as evidence that the government could not maintain order and should be replaced by one that could.

Spinola had been aided in previous disputes with the left by chief of staff General Costa Gomes, who is highly respected throughout the armed forces. On this occasion, Costa Gomes appears at the last

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moment to have thrown his weight against the rally. Without the support of Costa Gomes in the future, Spinola's position would be seriously weakened.

Spinola met yesterday with the Coordinating Committee of the Armed Forces Movement, presumably to discuss the status of the government. It seems certain that the Movement is insisting on curbing Spinola's authority and increasing its own.

Another effect of the developments over the weekend will be to reduce the chances of an orderly campaign leading to the scheduled election next March. Regardless of what ulterior motives they may have had, conservatives were prevented from having a political rally at a time when leftist demonstrations are commonplace. Political parties of the center and right, which have just begun to emerge, could conclude that they cannot gain power except by force.

The affair also demonstrated once again that the left, and the Communist Party in particular, is far better organized than any other political group. The Communists mobilized all of their considerable assets in the media and in labor to achieve their objectives. They also effectively sealed off access to Lisbon in order to keep attendance at the rally low. Leftist vigilantes were observed with Communist Party armbands directing traffic and searching cars, and, according to the US consul in Oporto, Communist Party members were able to stop all railroad traffic from the north.

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**CAMBODIA**

*Despite continuing unrest in Phnom Penh, where coup rumors have been circulating, it does not seem likely that Cambodian army officers will attempt to oust the government of Lon Nol anytime soon.*

Rumors late last week of an impending move by senior Cambodian army officers against the government added to the widespread unrest already caused by economic problems. In addition, a number of generals and civilian officials are greatly disturbed by the return to Phnom Penh of the President's controversial younger brother, Lon Non, who has already been throwing his weight around.

The strongest deterrent to a coup is the realization on the part of potential plotters that the US strongly opposes such a move. [redacted]

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[redacted] Disaffected military leaders also seem aware of the adverse impact an overthrow of Lon Nol would have on Phnom Penh's prospects for retaining its UN seat during the credentials battle this fall in the General Assembly.

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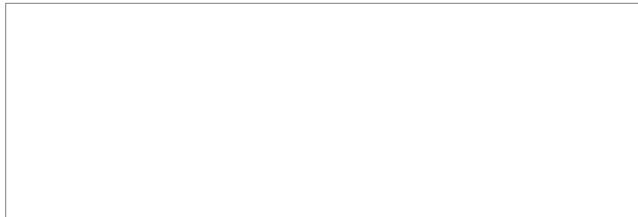
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FEDAYEEN-JORDAN

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**INTERNATIONAL FINANCE**

West Germany has called for the establishment of an international bank that would attract surplus oil revenues from oil exporters and lend to governments and businesses in oil-importing countries. This suggestion, and similar proposals for multilateral recycling of such revenue, will be discussed at meetings of the International Monetary Fund this week in Washington.

The West Germans consider recycling necessary to aid countries unable to finance deficits on their own. A large multilateral plan could help Germany's trading partners in this way and prevent some of them from adopting restrictive trade measures.

In addition, a wide multilateral scheme would probably make it unnecessary for the EC to establish a limited recycling operation of its own.

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The British also favor a multilateral recycling plan, largely because they are aware they may be forced to borrow from such an institution in the future.

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