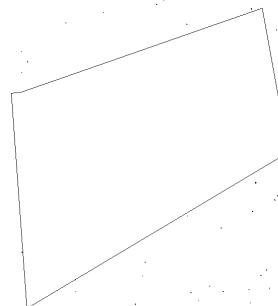
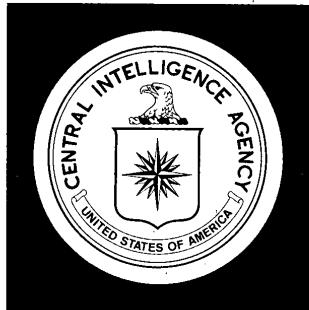


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# The President's Daily Brief

June 1, 1974

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**FOR THE PRESIDENT ONLY**

**THE PRESIDENT'S DAILY BRIEF**

June 1, 1974

**PRINCIPAL DEVELOPMENTS**

The Syrian-Israeli disengagement agreement has strengthened the hand of Yasir Arafat, head of the Palestine Liberation Organization. Arafat will now push for approval of his relatively conciliatory policies from the legislative body of the PLO, which is scheduled to meet in Cairo today. (Page 1)

Libya

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(Page 3)

The possibility of a confrontation between Greece and Turkey over rights to the Aegean seabed appears to have receded. Both countries have taken steps to reduce tension. (Page 5)

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Total trade between the US and USSR in 1974 is likely to remain at last year's level, but the US export surplus will probably be reduced by about half. (Page 9)

Notes on EC-US, West Germany, Jordan - South Africa - Rhodesia, and Somalia-USSR appear on Pages 9 and 10.

**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

**FEDAYEEN**

The signing of the Syrian-Israeli disengagement agreement has significantly strengthened moderate fedayeen leaders, including Palestine Liberation Organization Chairman Yasir Arafat. Arafat, whose movement has depended heavily on Syrian good will and arms, until now has been unable to move ahead of Damascus in agreeing to participate in peace negotiations. With this restraint gone, Arafat will now try to gain approval for his relatively conciliatory policies from the Palestine National Council--the legislative body of the PLO--which is scheduled to convene in Cairo today.

Arafat probably will receive at least reluctant backing from the Syrian-supported fedayeen organization, Saiga, from most non-fedayeen Palestinian members of the council, and probably also from representatives of the Marxist-oriented Popular Democratic Front for the Liberation of Palestine. Principal opposition will come from members of radical fedayeen organizations that are cooperating loosely as the "Rejection Front." They include two members of the PLO--the "Popular Front for the Liberation of Palestine" and the "Arab Liberation Front"--and the independent "Popular Front for the Liberation of Palestine - General Command."

Essentially, the program the PLO leadership will press at the Cairo meeting is likely to include:

- Refusal to recognize formally or establish peace with Israel.
- A statement that the Palestinians must fight to establish a "national authority" or "national sovereignty" in all liberated territory.
- Insistence that the PLO, as the sole legitimate representative of the Palestinian people, control such an authority.
- Refusal to accept Jordanian administration of any future Palestinian entity.
- Willingness to accept some form of agreement with any of several Arab states to ensure the security of a Palestinian state.
- An understanding that the PLO, under certain conditions, will accept an invitation to participate in the Geneva peace talks.

(continued)

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

The call for the establishment of a "national authority" is the closest Arafat has been able to get toward gaining Palestinian acceptance of an autonomous state made up only of the West Bank and the Gaza Strip. Even moderate Palestinians are reluctant to imply by their acceptance of a "state"--rather than an ambiguous "authority"--that they are giving up the "fight against Zionism."

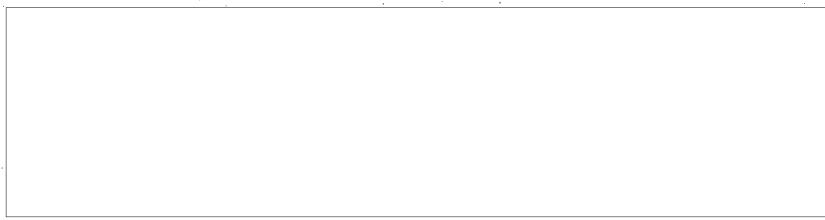
Radical groups may increase terrorist operations both to disrupt the meeting in Cairo and to interfere with further progress toward a settlement at Geneva. Should they fail to realize their obstructionist objectives, the radicals will lose at least temporarily some of their popularity among rank-and-file Palestinians, particularly refugees, who will be inclined to await more tangible gains from Geneva. Palestinians will regard the Syrian-Israeli disengagement agreement itself as evidence of the success of the negotiating route.

*FOR THE PRESIDENT ONLY*

USSR-LIBYA



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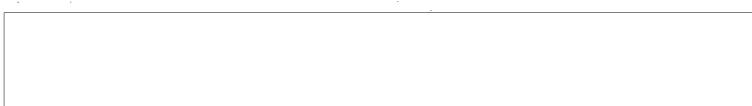
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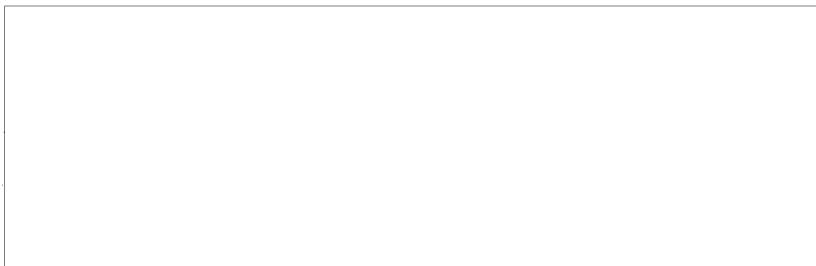


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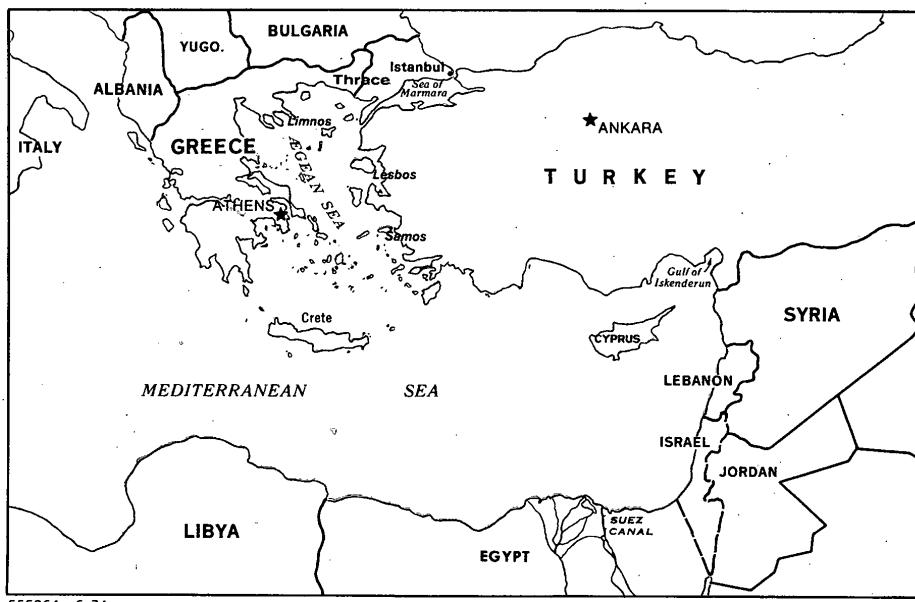
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*FOR THE PRESIDENT ONLY*

**GREECE-TURKEY**

The possibility of a confrontation between Athens and Ankara over disputed rights to Aegean seabeds appears to have receded. Athens yesterday began to reduce tensions by announcing that it accepted as normal the scientific research activities of a Turkish oil exploration ship sent by Ankara into the eastern Aegean. Athens also said Greek authorities had been notified in advance of Turkish naval maneuvers. Prime Minister Ecevit has repeated earlier assurances that Turkey has no hostile intentions and believes in maintaining friendly relations with Greece.

The Turkish government had apparently concluded that Athens, which had opposed a Turkish proposal to negotiate the seabed issue, needed to be reminded that Ankara is determined to pursue what it perceives to be its rights.

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Athens' main interest in recent weeks has been to avoid any discussion of the issue with Ankara that could be interpreted as negotiation. The Greeks evidently hoped to maintain this position at least until the Law of the Sea Conference convenes later this month in Caracas. Although Turkey's sending of the ship to the "disputed area" was regarded by Athens as "a serious matter," the Greek leadership has indicated that seismological work in the Aegean would not in itself precipitate a military response from Greek forces.

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[redacted] at least some of its escort force is expected to proceed south to participate in a bilateral exercise with US naval forces in the eastern Mediterranean in the Gulf of Iskenderun.

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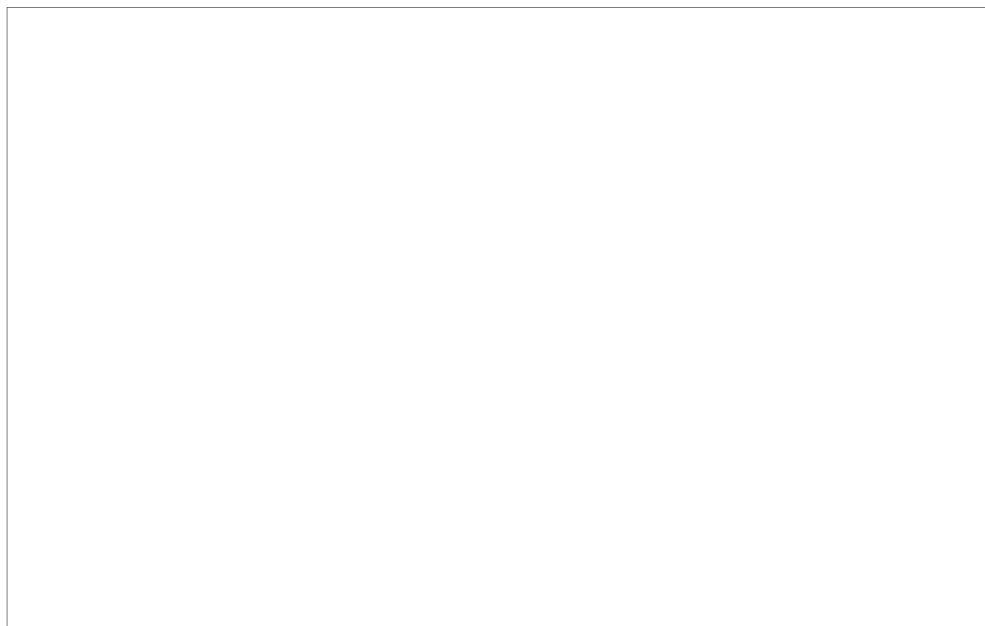
*FOR THE PRESIDENT ONLY*

***FOR THE PRESIDENT ONLY***

A first-round clash appears to have been avoided but the problem has not been resolved. A long period of diplomatic wrangling, possibly accompanied by new threats and demonstrations of military force, seems certain. The next contact between the two parties now appears to be scheduled for the NATO ministers' conference in Ottawa on June 19.

***FOR THE PRESIDENT ONLY***

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*FOR THE PRESIDENT ONLY*

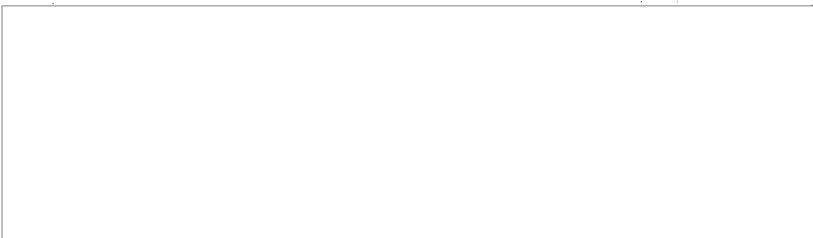
USSR



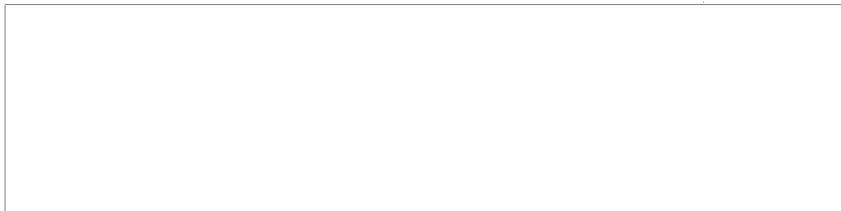
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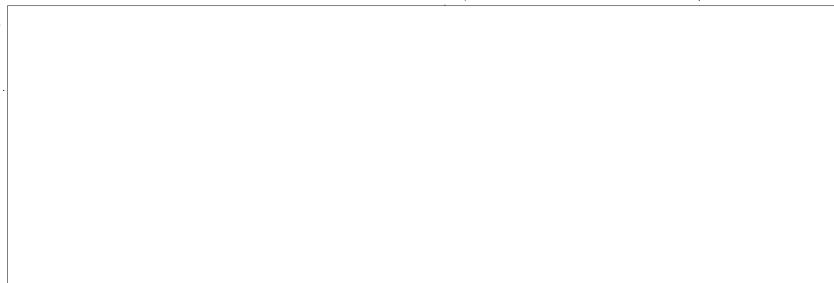


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CHINA



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*FOR THE PRESIDENT ONLY*

**NOTES**

USSR-US: Total trade between the US and Soviet Union in 1974 is likely to remain at last year's level, but the US export surplus will probably be reduced by about half. Unless a bad harvest forces Moscow to buy more grain, US agricultural deliveries apparently will be less than half the level in 1973. On the other hand, US exports of machinery and equipment are climbing rapidly and will probably reach \$300-400 million for the year. US sales to the USSR will probably fall short of \$1 billion, down from the record \$1.2 billion last year, but the US will probably import more from the USSR this year than ever before.

EC-US: Conclusion of the agreement between the EC and the US on compensation for trade losses incurred when the community was enlarged will clear the air for the US-EC consultations on economic matters next week in Brussels. The length of time needed to resolve this dispute is indicative of the difficulties that will occur during the much broader multilateral trade negotiations in Geneva. The fact that the EC ultimately did not want to let the compensation argument drag on even longer, however, testifies to real concern that obstruction of trade liberalization efforts now would be dangerous to all parties concerned.

West Germany: [redacted]

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[redacted]  
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*FOR THE PRESIDENT ONLY*

Jordan - South Africa - Rhodesia: [redacted]

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Somalia-USSR: [redacted]

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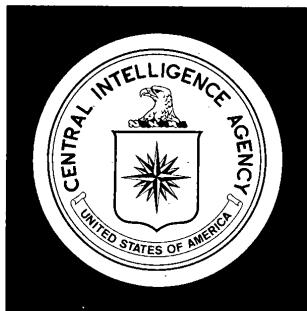
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# The President's Daily Brief

June 3, 1974

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*FOR THE PRESIDENT ONLY*

THE PRESIDENT'S DAILY BRIEF

June 3, 1974

PRINCIPAL DEVELOPMENTS

Military activity remains high in South Vietnam as the Viet Cong May-June campaign moves into its third week. There is major fighting in Binh Duong Province north of Saigon and in the northern Delta.  
*(Page 1)*

The joint communiqué following Soviet Defense Minister Grechko's four-day stay in Algeria suggests that the visit produced few, if any, tangible results. The communiqué makes no mention of new military aid agreements. *(Page 2)*

The Soviet naval task group that arrived in Cuba on April 30 has left Cienfuegos and seems headed for home waters. *(Page 3)*

The USSR may be trying to put further pressure on Egyptian President Sadat by urging East European states to cool their relations with Cairo. *(Page 3)*

*FOR THE PRESIDENT ONLY*



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*FOR THE PRESIDENT ONLY*

## SOUTH VIETNAM

As the communists' May-June campaign moves into its third week, the major fighting is in Binh Duong Province and the Elephant's Foot area of the northern Delta. In Binh Duong, elements of the government's 18th Division have crossed the Thi Tinh River in an effort to recover three outposts west of Ben Cat. South Vietnamese army commanders expect heavy fighting because at least two regiments of the 9th North Vietnamese Army Division are in the area along with supporting artillery, antiaircraft, and sapper units. Elements of the 7th North Vietnamese Army Division have also been ordered into the region.

In the Delta, government forces are trying to dislodge communists from the Long Khot operations base which was abandoned to them on May 20. Government troops reportedly are encountering stiff resistance.

In the central highlands, the communists have halted Saigon's operation against Vo Dinh a few miles north of Kontum City. Two government outposts have fallen in the highlands since the campaign began, and government commanders are pessimistic about the chances of protecting other isolated outposts. They feel, however, that the communists lack the strength to threaten seriously either Kontum or Pleiku cities.

Last night, communist gunners shelled Bien Hoa airbase northeast of Saigon, hitting a napalm storage area and killing several Viet Cong prisoners of war in a nearby detention center. The communists also sank a South Korean merchant ship moored in the river south of the capital.

*FOR THE PRESIDENT ONLY*

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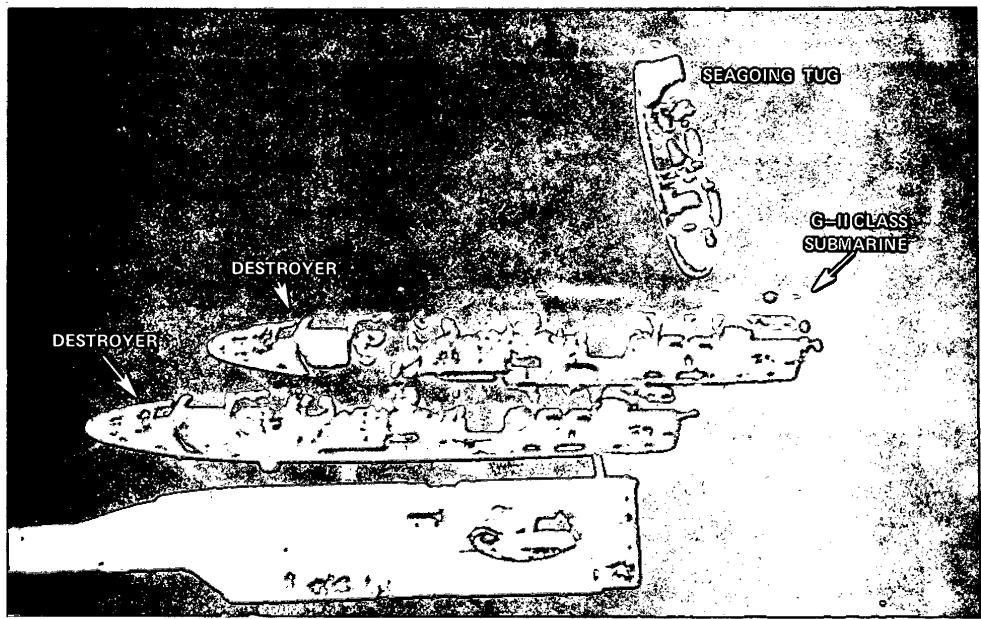
**USSR-ALGERIA**

The joint communiqué following Soviet Defense Minister Grechko's four-day stay in Algeria last week suggests that the visit produced few, if any, tangible results. The communiqué makes no mention of new military aid agreements.

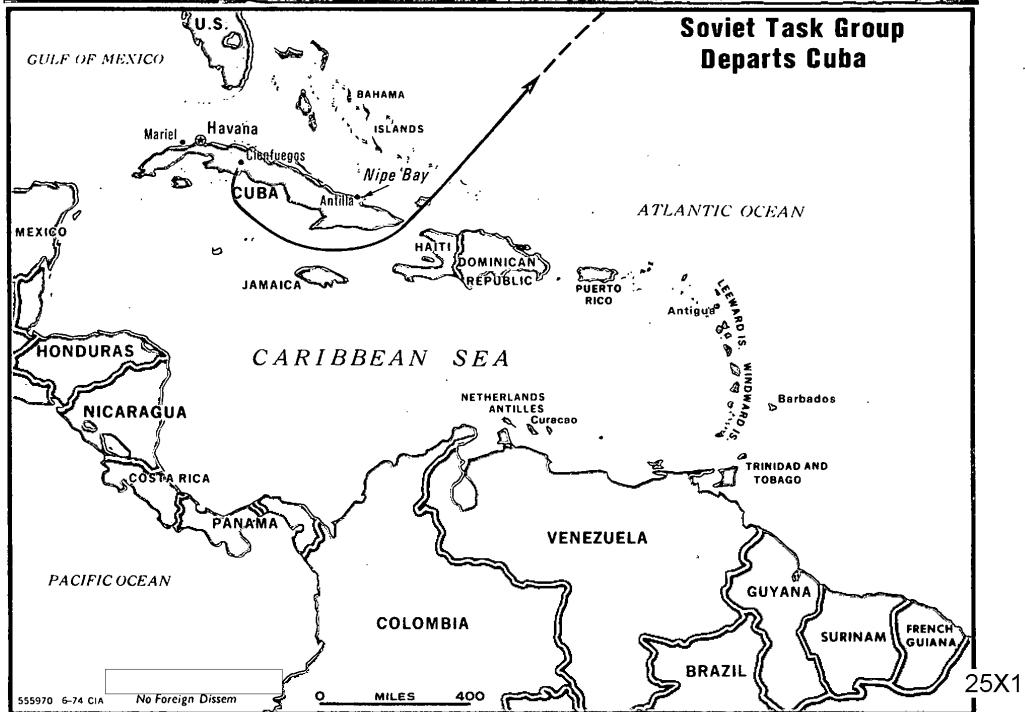
Grechko's visit apparently was part of Moscow's general effort to strengthen relations with key Arab states in order to compensate for weakened Soviet-Egyptian ties. The Soviets have also been trying to consolidate their position in Syria, Iraq, and Libya, but have been particularly active in Algeria.

Grechko met twice with Algerian President Boumediene and delivered a message from General Secretary Brezhnev. S. A. Skachkov, Chairman of the Soviet State Committee for Foreign Economic Relations, preceded Grechko to Algiers and signed a protocol on economic and technical cooperation a few days before Grechko arrived. Foreign Minister Gromyko reportedly will also visit Algeria soon.

*FOR THE PRESIDENT ONLY*



Soviet Task Group  
Departs Cuba



*FOR THE PRESIDENT ONLY*

NOTES

USSR-Cuba: The Soviet naval task group that arrived in Cuba on April 30 has left Cienfuegos and seems headed for home waters. The diesel-powered G-II ballistic missile submarine and two destroyers are now about 500 miles northeast of Cuba. Their visit was the eleventh since Soviet port calls to Cuba began in July 1969, and the second by a G-II submarine.

USSR - Egypt - East Germany: The Soviet Union may be trying to put further pressure on Egyptian President Sadat by urging East European states to cool their relations with Cairo. The East German government, at the behest of Moscow, has reportedly issued a directive to limit existing trade relations with Egypt and discourage new commercial agreements. East Germany's trade with Egypt is modest, but if similar action should be taken by other East European countries, Cairo would indeed feel the effect.

*FOR THE PRESIDENT ONLY*

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# The President's Daily Brief

June 4, 1974

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*FOR THE PRESIDENT ONLY*

**THE PRESIDENT'S DAILY BRIEF**

June 4, 1974

**PRINCIPAL DEVELOPMENTS**

Sizable numbers of North Vietnamese and Chinese troops are still in Laos although today is the deadline for the withdrawal of all foreign military personnel and the return of all prisoners of war.

(Page 1)

Bonn is concerned that growing opposition in Italy to the nuclear Non-Proliferation Treaty may make it difficult for West Germany to complete the formal process of ratifying the treaty. (Page 2)

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India

(Page 3)

Notes on the annual trade agreement between the USSR and China

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Pacific appear on Page 3.

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At Annex, we examine the reasons for the continued presence of the North Vietnamese and the Chinese in Laos, reactions of the non-communists to their presence, and the tactics the Communists are likely to employ in the months ahead.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**LAOS**

A 60-day countdown for the withdrawal of all foreign military personnel from Laos and the return of all prisoners of war, which began on April 5, ends today, but only the US and Thailand have complied. An estimated 47,000 North Vietnamese troops and some 23,000 Chinese forces remain, and show no sign of leaving. No prisoners have been exchanged, and there is little prospect of their early release.

At Annex, we examine the reasons for the continued presence of the North Vietnamese and the Chinese, non-communist reactions to their presence, and the tactics the Communists are likely to employ in the months ahead.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**WEST GERMANY - ITALY**

An official of the West German foreign office has told the US embassy of Bonn's concern that growing opposition in Italy to the nuclear Non-Proliferation Treaty may make it difficult for West Germany to complete the formal process of ratifying the treaty. Bonn may hope that the US will take fresh steps to try to persuade the Italian government to push for early ratification.

According to the West German, a senior Italian official recently noted that the Indian nuclear test has reduced the likelihood of Italian parliamentary approval of the treaty. The Italian position is further complicated, he said, by the fact that other Mediterranean states, including Israel, Egypt, Libya, Algeria, and Spain, have not signed.

Although the Italians apparently have no present plans to join the nuclear club, Italian political leaders evidently feel that a formal commitment to ban the development of nuclear weapons would now be politically unwise. The Rumor government now intends to delay asking parliament to ratify the treaty.

The West German Bundestag ratified the treaty in February after receiving assurance from the Brandt government that all its EC partners except France were also prepared to ratify. Bonn decided to delay the deposit of instruments of ratification, however, until its European allies, especially Italy, demonstrated that they too were making progress toward ratification.

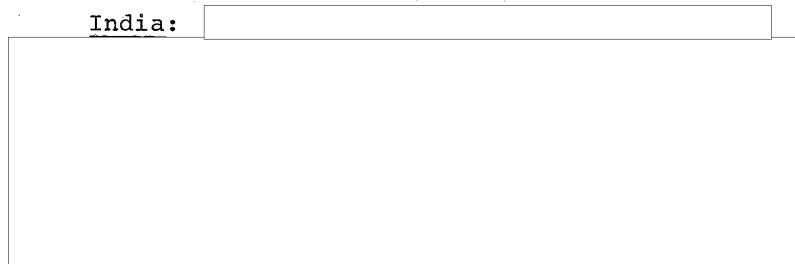
*FOR THE PRESIDENT ONLY*

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NOTES



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India:

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USSR-China: The recently signed annual trade agreement between the USSR and China calls for a total trade level of more than \$345 million, compared with \$270 million last year--an increase of nearly 30 percent. Trade, however, is still far below the record \$2 billion registered in 1959. According to a Soviet broadcast, exports from the USSR will consist primarily of aircraft and generating equipment. Most of China's exports will be raw materials, agricultural products, and consumer goods.

USSR: The recently completed Soviet naval exercises in the Norwegian Sea and northwestern Pacific featured intensive anti-submarine and anti-carrier operations, but no submarine-launched ballistic missiles were fired from the Norwegian Sea as had been expected.



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Late last month, Soviet naval forces also exercised in the eastern Mediterranean, and naval aircraft temporarily based in Cuba and Guinea flew four reconnaissance missions in the north Atlantic.

*FOR THE PRESIDENT ONLY*

## NVA and Chinese Remaining in Laos



*FOR THE PRESIDENT ONLY***LAOS**

Sizable numbers of North Vietnamese and Chinese troops are still in Laos today--the deadline for the withdrawal of all foreign military personnel and the return of all prisoners of war. These troops show no sign of leaving; no prisoners have been exchanged, and there is little prospect of their early release.

Hanoi has recalled only one major unit since the 60-day countdown for withdrawal began on April 5. Remaining in Laos are an estimated 47,000 North Vietnamese troops (18,000 in infantry/combat support units and 29,000 in rear services). Of this total, 37,000 troops--including four combat infantry regiments--are in central and southern Laos, while 10,000--including two combat infantry regiments--are in northern Laos. Approximately three fourths of the North Vietnamese personnel are concerned primarily with supporting Hanoi's war effort in South Vietnam by keeping supplies and personnel moving along the eastern Lao infiltration corridor.

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Chinese in Laos

The provisions of the Lao accords on foreign troop withdrawal did not specify nationality. Peking's military presence was conspicuously ignored by both Lao sides throughout the protracted negotiations. Nevertheless, there are an estimated 23,000 Chinese engineer and road construction forces currently in northwest Laos. The Chinese have withdrawn some 10,000 troops--including virtually all of their infantry and air defense personnel--since the cease-fire went into effect in February 1973. No departures have been noted, however, since the coalition government was formed on April 5.

The Chinese are primarily concerned with general maintenance and road repair activity--although some limited new construction on their 300-mile road net is apparently under way.

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*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

Why the North Vietnamese and Chinese Stay

Given the high priority Hanoi assigns to maintaining a flow of troops and supplies to South Vietnam, there was little likelihood of significant withdrawals of North Vietnamese logistic and engineer forces from the Lao infiltration corridor. The North Vietnamese have spent much time and effort developing the Ho Chi Minh trail route structure into a dual-lane all-weather road net down most of the central and southern Lao panhandle. As long as the fighting continues in Vietnam and despite the development of a parallel corridor in western South Vietnam, Hanoi will not be likely to abandon its road net in eastern Laos.

The North Vietnamese are apparently also determined to maintain a limited main-force combat presence in Laos as insurance against potential rightist military moves against so-called "liberated areas" or against the new coalition government itself. Hanoi, in addition, evidently plans to continue to train, advise, and provide some logistic support to the Pathet Lao at least until convinced their Lao Communist clients can hold their own against the Lao army and do reasonably well in future general elections.

The Pathet Lao, for their part, have shown no interest in having the North Vietnamese leave. They probably welcome a continued North Vietnamese presence to help them protect their political and military interests under the new coalition.

As for the Chinese, Peking plainly intends to maintain an influence in Laos--partly through diplomatic activity in Vientiane--but also through road-building activities in the northwest. Although virtually all of Peking's combat forces have left Laos, the 23,000 engineer and support troops who remain are regular armed members of the People's Liberation Army. The Chinese may consider their forces a useful counterweight to the substantial numbers of North Vietnamese troops in Laos, or they may see them as a contribution to the Pathet Lao cause parallel to that made by Hanoi.

Communist Public Postures on Withdrawal

Lao Communist officials in the new coalition government deny the presence of North Vietnamese forces in Laos. [redacted]

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*FOR THE PRESIDENT ONLY*

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The Communists are trying to shift attention on the troop withdrawal issue to the US and Thailand. The national political program which Pathet Lao leader Prince Souphanouvong recently pushed through the coalition's Joint National Political Council calls upon Washington and Bangkok to stop their "interference, aggression, and military involvement in Laos."

There is also a marked increase in Communist propaganda attacks charging the US and Thailand with violating the 1962 and 1973 Lao accords. The Communists particularly cite as violations US reconnaissance overflights. Recent broadcasts from Hanoi and the Viet Cong, as well as from the Pathet Lao, have demanded that the US military be withdrawn not only from Laos but especially from bases in Thailand.

Non-Communist Reactions

Prime Minister Souvanna apparently is not overly concerned at this stage with North Vietnam's continued military presence in Laos. He has pointed out on several occasions that there is little that the non-communists can do to eject Hanoi's troops from portions of the Lao interior or to prevent their use of the eastern trail network--particularly since these areas lie within the Pathet Lao - controlled zone.

Souvanna probably is even less disturbed over the Chinese presence. Given his strong desire to maintain good relations with Peking, the Prime Minister is unlikely to exert pressure on the Chinese road-builders.

Withdrawal Inspection Machinery Founders

Under the terms of the Lao accords, the military committee of the two-party Joint Central Commission to Implement the Agreement--assisted by the International Control Commission--is charged with inspecting and verifying foreign troop withdrawals. The Lao Communists, however, have blocked the development of any effective inspection procedures.

Prisoner Issue

The Pathet Lao admit to holding only one American prisoner, a civilian contract pilot who was captured on May 7, 1973. Another four Americans are believed to have been captured in Laos prior to the

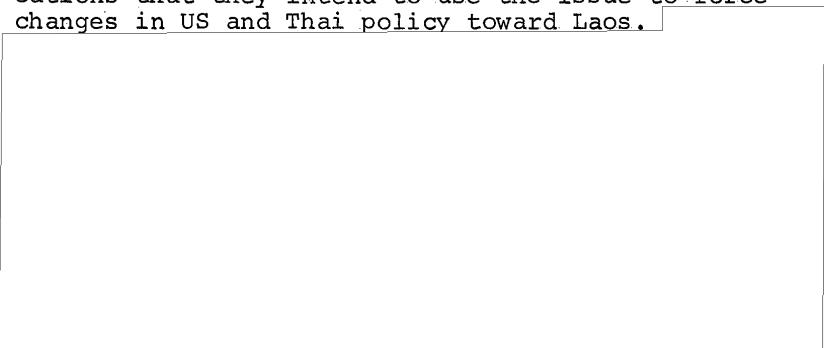
*FOR THE PRESIDENT ONLY*

February 1973 cease-fire agreement, and some 314 are listed as missing in action. Between 500 and 700 Thai volunteers and a small number of Thai civilians formerly employed by US contractors are believed to be in Pathet Lao hands.

The non-communist side holds an estimated 135 North Vietnamese captives. Neither Lao side has admitted to holding any Lao prisoners.

The Communists' failure to release any prisoners prior to the June 4 deadline supports earlier indications that they intend to use the issue to force changes in US and Thai policy toward Laos.

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*FOR THE PRESIDENT ONLY*

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# The President's Daily Brief

June 5, 1974

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**FOR THE PRESIDENT ONLY**

**THE PRESIDENT'S DAILY BRIEF**

June 5, 1974

**PRINCIPAL DEVELOPMENTS**

The USSR and Japan are trying to still the controversy touched off last week by Western press reports that the USSR no longer wants foreign participation in developing Siberian resources. Soviet officials have gone to unusual lengths to deny the reports. (Page 1)

Three Soviet minesweepers are apparently on their way to undertake minesweeping operations for Egypt at the southern end of the Gulf of Suez. (Page 2)

Turkey's withdrawal of its research ship from contested areas of the Aegean Sea has further diminished chances of a serious incident between Greece and Turkey. (Page 3)

Phnom Penh is calm in the wake of the killing of the minister of education and a presidential aide by student agitators yesterday. The police have arrested several students and have imposed an extended curfew. (Page 4)

Canada  
India

25X1

(Page 5)

Talks begin today between the Portuguese and leaders of the insurgent movement in Mozambique. The insurgents are in a good bargaining position. (Page 6)

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Some dissident military units in Bolivia may have revolted against the Banzer government. (Page 7)

Notes on Israel-Syria, Egypt-Israel, [redacted]  
[redacted] also appear on Page 7.

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**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

**USSR-JAPAN**

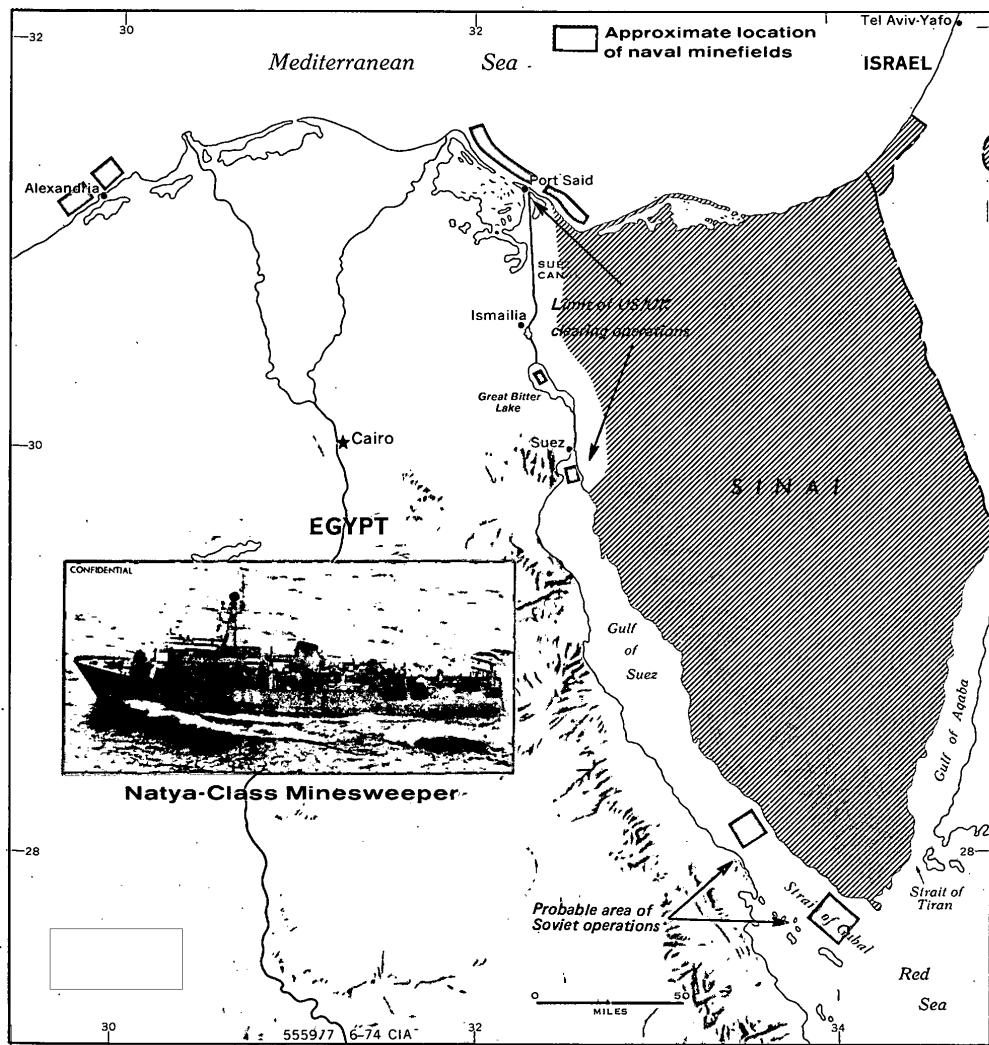
The Soviets and Japanese are trying to still the controversy touched off last week by Western press reports that Soviet Oil Minister Shashin had said the USSR no longer wants foreign participation in developing Siberian resources. The day after Shashin spoke, D. M. Gvishiani, deputy chairman of the Soviet State Committee for Science and Technology, telephoned officials at Gulf Oil and told them to disregard Shashin's remarks.

The Soviet ambassador in Tokyo also moved quickly to set the record straight. He stressed publicly that Moscow's attitude toward Siberian projects had not changed. Tass reaffirmed Soviet interest in development talks with other countries--particularly Japan--and the Japanese press also emphasized that Shashin's remarks had been misinterpreted.

Shashin apparently did indicate that the Tyumen oil development project is dead, but this has become increasingly clear over recent months. The Japanese lost interest in Tyumen as the estimates of oil reserves went down and the price per barrel increased. The Soviet suggestion in April that the oil be transported by an expensive second Siberian railroad, rather than by pipeline, further damped Japanese enthusiasm.

There is no sign, however, that either Moscow or Tokyo has lost interest in exploring for natural gas in Yakutsk or for offshore oil near Sakhalin. In addition, Moscow has hailed the signing on June 3 of a Soviet-Japanese agreement to exploit Siberian coking coal deposits as the beginning of large-scale, long-term economic cooperation. The accord will enable Tokyo eventually to obtain coking coal worth about \$8 billion at projected world prices.

## Soviets To Sweep Mines In the Gulf of Suez



*FOR THE PRESIDENT ONLY*

**USSR-EGYPT**

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Three Soviet minesweepers [redacted] may be on their way to undertake minesweeping operations for Egypt in the Strait of Gubal at the southern end of the Gulf of Suez. An Egyptian newspaper reported recently that the USSR will clear mines and war debris from the Gulf of Suez before August 18, at no cost to Cairo.

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The Soviet ships--all Natya-class units--are the Soviet navy's most modern seagoing minesweepers. The USSR may also send two minesweepers now in the Indian Ocean and others from the Pacific Fleet, as it did during the Bangladesh harbor-clearing operation.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**GREECE-TURKEY**

Ankara's withdrawal of its research ship from contested areas of the Aegean Sea has further diminished chances of a serious incident between the two countries. According to a Turkish foreign ministry official, the oil exploration ship "completed its mission" yesterday and is returning to Turkish waters with its naval escort. The official said that Ankara would shortly respond to the Greek note of May 25 in which Athens, while stopping short of agreement to negotiate the seabeds issue, suggested that there was some basis for discussion. The Turkish official added that Ankara would seek to resolve problems in a spirit of "mutual understanding," but would defend its rights to the "bitter end."

The US consulate in Thessaloniki reported on June 3 that the alert was being eased in northern Greece, although military movements were continuing. Turkish forces also seem to have relaxed the high level of alert set late last week.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**CAMBODIA**

Phnom Penh is calm in the wake of the killing of the minister of education and a presidential aide by student agitators yesterday. The police have arrested many students, imposed an extended curfew, and suspended classes for three days starting today; at least six students have been killed or wounded.

The students who seized the two government officials at the Ministry of Education hoped to exchange them for nine students and teachers recently detained by police for subversive activity. It appears that the officials were shot by their captors when police stormed the high school.

Yesterday's bloodshed has its roots in the students' and teachers' long-standing discontent with the government's performance. During the past year teachers have staged strikes, public protests, and a work slowdown to dramatize their demands for higher wages. The teachers were joined on occasion by students protesting the government's failure to reduce corruption and inflation.

The students' extremism may arouse public sympathy for the government. At the same time, however, the killings may inspire opportunistic critics within Lon Nol's dominant Socio-Republican Party to increase their attacks on Prime Minister Long Boret for failing to take strong action against the agitators some time ago.

Thus far the government has used restraint in dealing with student and teacher unrest; if it should overreact this time, there may be more violence. Judging from past performance, the government is not likely to succeed in redressing the grievances that have generated the discontent.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

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CANADA - INDIA

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*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

**MOZAMBIQUE**

Talks between the Portuguese and leaders of the insurgent movement in Mozambique open today in Lusaka, Zambia. The insurgents are in a good bargaining position, largely because of their strong military situation.

Since the first of the year they have extended their operations into central Mozambique, an area of heavy white settler concentration. The settlers there have protested inadequate government security measures; they fear that Lisbon intends to pull out its troops and turn the area over to the insurgents.

In recent weeks, unrest among whites has spread to the capital of Lourenco Marques, an area that has not been touched by the insurgency. The situation there has been aggravated by labor agitation, growing support for the insurgents among the African population, and Lisbon's long delay in appointing a new governor general for the territory.

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[redacted] Because  
of this pessimistic view, Lisbon is likely to hold out for gradual political change in the territory. The Portuguese may be forced, however, to meet the front's demands for early recognition of an independent Mozambique or risk intensified insurgency.

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**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

**NOTES**

Bolivia: Some dissident military units may have revolted against the Banzer government. Press reports from Bolivia this morning indicate that tanks and armored cars have surrounded the presidential palace in La Paz and that troops were keeping reporters away at gunpoint. Meanwhile, President Banzer is in the city of Sucre, 360 miles southeast of the capital. Late yesterday it appeared that Banzer had defused the coup plotting by deciding to exile some of the leading dissident military officers who have been planning his ouster for some time.

Israel-Syria: Israel apparently has begun to pull back some of its forces in the Golan Heights.

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There is no evidence that Syria has begun to withdraw its forces from the front.

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Egypt-Israel:

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# The President's Daily Brief

June 6, 1974

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exemption category 5b(1), (2) (3)  
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*FOR THE PRESIDENT ONLY*

**THE PRESIDENT'S DAILY BRIEF**

June 6, 1974

**PRINCIPAL DEVELOPMENTS**

Australian Minister for Overseas Trade James Cairns--the most prominent leftist in the Labor Party--is trying to become deputy party leader and deputy prime minister. (Page 1)

The South Vietnamese high command reportedly has concluded that each of the government's four regional commanders has enough assets to contain the current level of fighting, which is expected to continue through June. (Page 2)

The coup attempted in Bolivia yesterday has been quelled, but the uprising has revealed serious opposition to President Banzer's administration. (Page 3)

After a meeting of EC agricultural ministers, Italy has agreed to exempt EC members from its import restrictions on most farm products and to reduce the deposit requirements on meat imports from member countries. (Page 4)

25X1

Damascus appears to have received at least one squadron of MIG-23 Floggers. (Page 6)

Notes on the USSR, China, USSR-Bangladesh, the Warsaw Pact, and North Korea appear on Page 7.

25X1

Greece

25X1

(Page 5)

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

AUSTRALIA

Minister for Overseas Trade James Cairns--the most prominent leftist in the Labor Party--is trying to become deputy party leader and deputy prime minister.

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[redacted]

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[redacted]

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The party caucus meeting to select the party leader and deputy leader will take place on June 10.

[redacted]

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Cairns is popular within the party and came within six votes of replacing Whitlam in 1968 when Labor was in opposition.

[redacted]

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[redacted]

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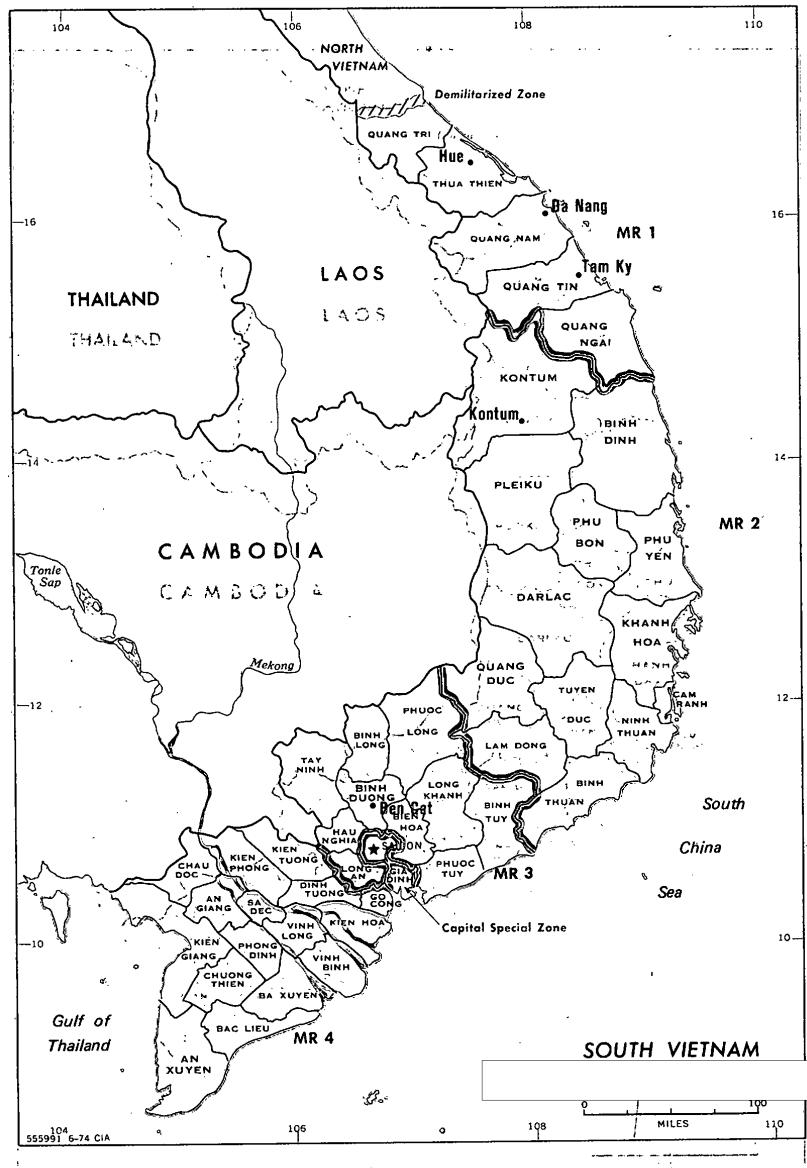
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*FOR THE PRESIDENT ONLY*



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*FOR THE PRESIDENT ONLY*

**SOUTH VIETNAM**

The South Vietnamese high command in Saigon reportedly has concluded that each of the government's four regional commanders has enough assets to contain the current level of fighting, which is expected to continue through June.

Government forces in Military Region 1 have regained several hilltop positions overlooking Hue and relieved Communist pressure on resettlement camps south of Da Nang. The South Vietnamese 2nd Division has suspended an operation to retake several villages in Quang Tin Province, and is regrouping to defend more important coastal areas near Tam Ky and in nearby Quang Ngai Province.

In Military Region 2, the Communists have stalled a large retaliatory strike against a major North Vietnamese supply base north of Kontum City. The operation, however, may still achieve the objective of drawing Communist attention away from two isolated government outposts believed to be on the Communist target list.

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Government forces in Military Region 3 are following up their recent successes near the Cambodian border and in northeastern Binh Duong Province with a move to challenge the North Vietnamese 9th Division, well dug in north of Ben Cat. The South Vietnamese on June 5 reoccupied the first of several positions in this area that President Thieu has ordered retaken. Government infantry and armor units are now moving toward the other objectives.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

## BOLIVIA

Forces loyal to President Banzer have quelled the coup attempted yesterday by dissident military officers. Banzer will probably crack down immediately on his most visible enemies, but the uprising has revealed serious opposition to his administration, and a general purge of the armed forces would further erode his support.

Rebellious troops managed to surround the presidential palace early yesterday, but were persuaded by more powerful regiments in La Paz to withdraw peacefully after a few hours. The two officers who led the revolt, Raul Lopez and the popular Gary Prado, subsequently attempted to obtain diplomatic asylum, but press reports indicate that they have been arrested and will be tried by military courts.

This latest attempt to unseat Banzer apparently was an impulsive move following the government's exile of other dissidents earlier in the week and its reported intention to deport Lopez and Prado to Venezuela. Similar pre-emptive moves have enabled Banzer to quash a number of coup attempts and may continue to sustain him in office for some time.

With each successive coup attempt, however, Banzer appears to be in a weaker position. During the past year, he has lost major political allies; among them, former president Victor Paz, head of the National Revolutionary Movement, has been exiled, and the party's current chief took asylum yesterday. The defection of Prado, a spokesman for younger officers, will undoubtedly increase unrest in the armed forces, on which Banzer is now increasingly dependent to remain in power.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**ITALY-EC**

Following a meeting of EC agricultural ministers on Tuesday, Rome has agreed to exempt EC members from its import restrictions on most farm products and to reduce the deposit requirements on meat imports from member countries. Restrictions remain on imports from outside the EC. In return, the EC has instituted some accounting changes that make Italian exports more competitive in the EC market.

Since Italy began import restriction schemes a month ago, the movement of beef between EC countries and Italy declined drastically. This trade should now recover.

The effective date of the new measures is being delayed until Rome puts the finishing touches on measures to stabilize its faltering economy. If EC members approve Italy's stabilization plans, they probably will offer to help Italy out of its balance-of-payments problems.

*FOR THE PRESIDENT ONLY*

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GREECE

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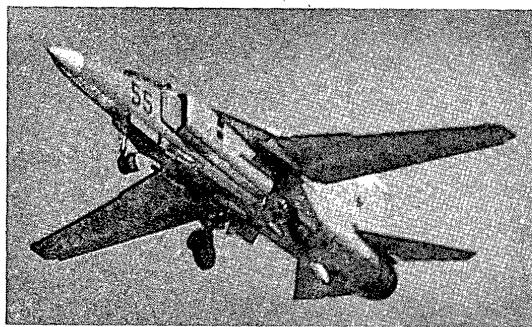
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*FOR THE PRESIDENT ONLY*



**MIG-23  
Flogger**

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*FOR THE PRESIDENT ONLY*

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USSR-SYRIA

Damascus appears to have received at least one  
squadron of MIG-23 Floggers.

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*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

**NOTES**

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USSR:

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On Tuesday, Brezhnev told Averell Harriman that he had been suffering from bursitis, and Harriman reports that he seemed vigorous but a little tired.

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China: Peking has given its first public explanation for Premier Chou En-lai's cutback of his protocol duties. The official party newspaper, People's Daily, on June 1 carried a farewell banquet speech by visiting Malaysian Prime Minister Razak which mentioned Chou's absence from the banquet for health reasons. Official references to the health of Chinese leaders is a rarity. This public admission that the 76-year-old Premier is slowing down for reasons of health, made during a time of political turmoil, seems a deliberate effort to reassure the Chinese populace that Chou is not in political trouble.

USSR-Bangladesh: Soviet salvage operations in the port of Chittagong, which began in April 1972, will end as scheduled on June 30, according to the Soviet ambassador to Bangladesh. The Soviets will, however, remain well-represented in Bangladesh. In addition to a large embassy in Dacca, the USSR has an air force training mission, a consulate at Chittagong, a trade mission, and a maritime assistance program; it is building an electrical manufacturing plant.

USSR: The Warsaw Pact exercise, which began this week in Bulgaria, will continue until June 14. Soviet, Bulgarian, and Romanian units are participating, with Romania playing only a limited role.

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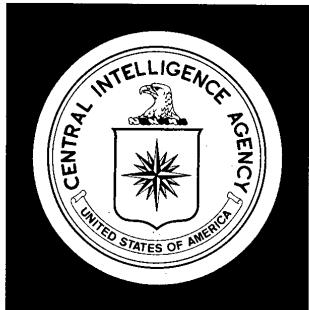
North Korea:

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# The President's Daily Brief

June 7, 1974

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THE PRESIDENT'S DAILY BRIEF

June 7, 1974

PRINCIPAL DEVELOPMENTS

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Israel

Egyptian-

25X1

(Page 1)

25X1  
25X1

King Husayn will use the President's visit to Amman to demonstrate continuing US support for Jordan.

25X1

(Page 2)

Soviets

25X1

(Page 3)

25X1

About one third fewer Soviet Jews received exit visas for Israel last month than in May 1973.  
(Page 5)

25X1

In Iraq, the breach between the civilian and military wings of the ruling Baath Party appears to be widening. (Page 7)

The South Vietnamese government will meet Communist demands in hopes that talks will resume in Paris and in Saigon.

(Page 8)

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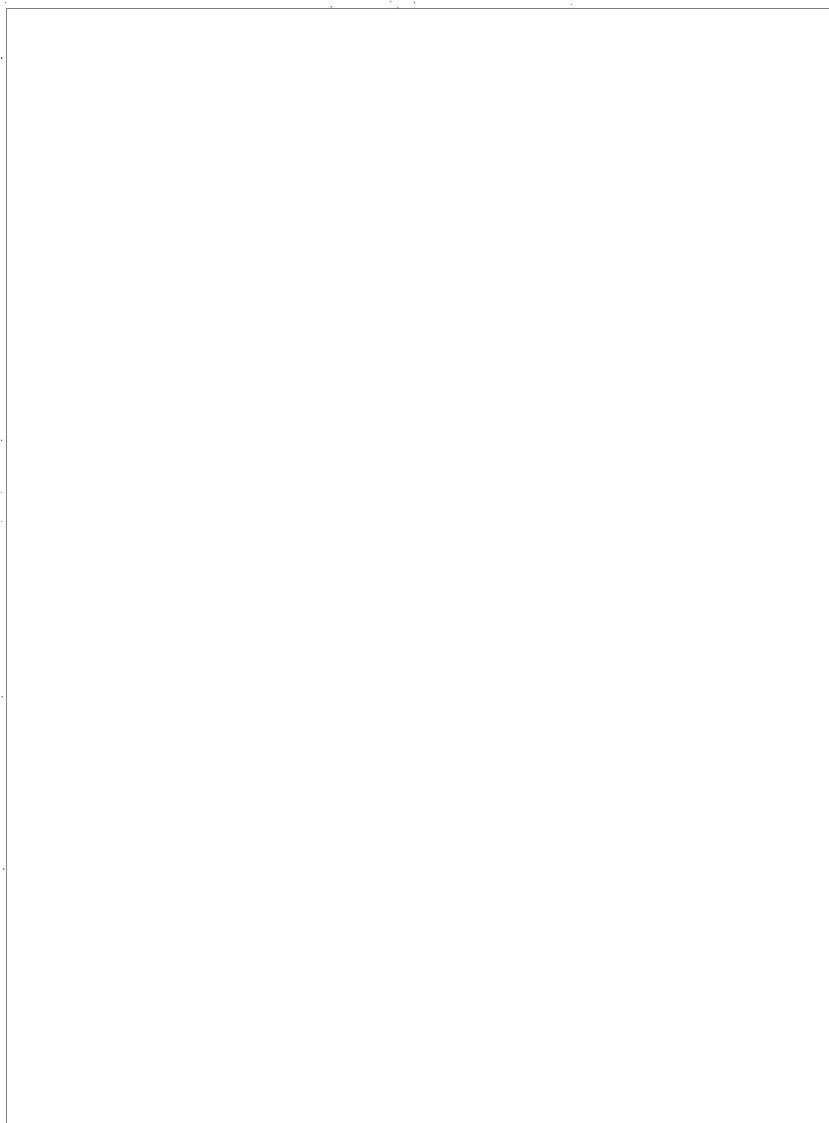
Notes on Burma and on the USSR appear on Page 9.

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**EGYPT-ISRAEL**



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*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

**JORDAN**

King Husayn will use the President's visit to Amman to demonstrate continuing US support for Jordan.

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The Jordanians are uneasy about their relationship with the US as a result of growing US attention to Egypt. They are also concerned that they may be by-passed in another round of Israeli negotiations with Egypt and Syria or in a reconvening of the Geneva conference, where Jordan's role might be pre-empted by the Palestine Liberation Organization.

If Jordanian-Israeli negotiations have not been held before the Geneva peace talks reconvene, the Jordanians have said they will not attend unless Jordanian-Israeli disengagement is the first item on the agenda. Ambassador Pickering in Amman believes that King Husayn is willing to be flexible about the timing of negotiations as long as the interval between Syrian-Israeli disengagement and the start of talks between Israel and Jordan is not delayed more than a few months. A longer delay could strengthen the arguments of those army leaders and East Bank tribal chiefs who regard the West Bank as more trouble than it is worth, and Husayn needs their support. Postponement could also reduce the incentive for the fedayeen to take part in negotiations. Although Husayn is opposed to the PLO's playing a role at this point, over the long term he wants the fedayeen to share responsibility for whatever final settlement is concluded.

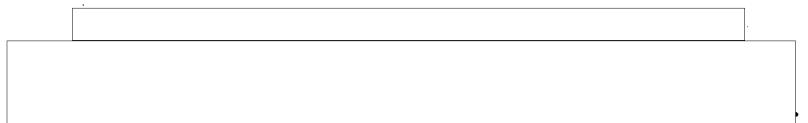
Husayn believes that he must make some respectable gains during negotiations to maintain his credibility among his fellow Arabs. He is unlikely to be receptive, therefore, to the Israeli proposal that would allow Jordan to reassert its administrative control over most of the West Bank while Israel's military forces continue to occupy the area, even if this were described as a first step. Husayn has said publicly that he wants the Israelis to pull back an unspecified distance from the west bank of the Jordan River.

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*FOR THE PRESIDENT ONLY*

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USSR

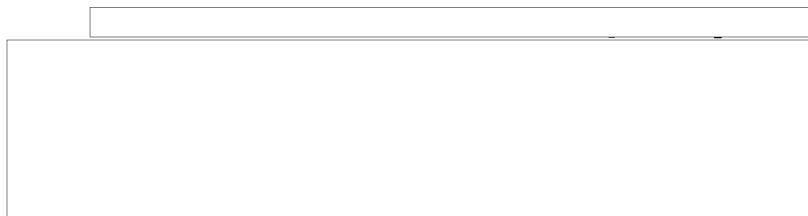


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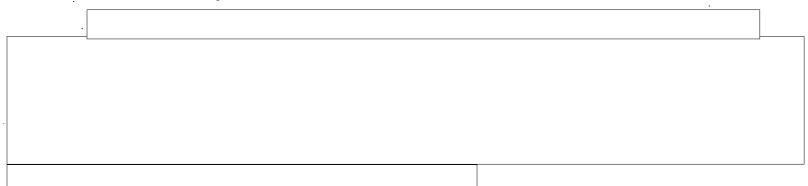


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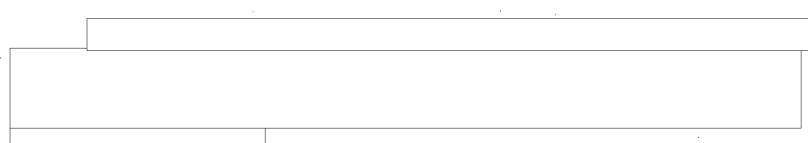
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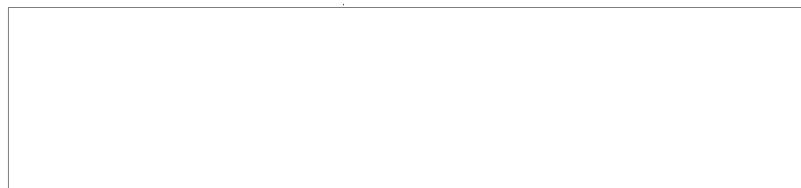
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*FOR THE PRESIDENT ONLY*

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USSR-CHINA



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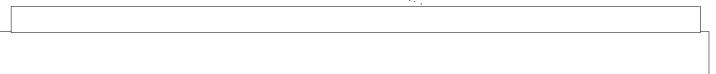
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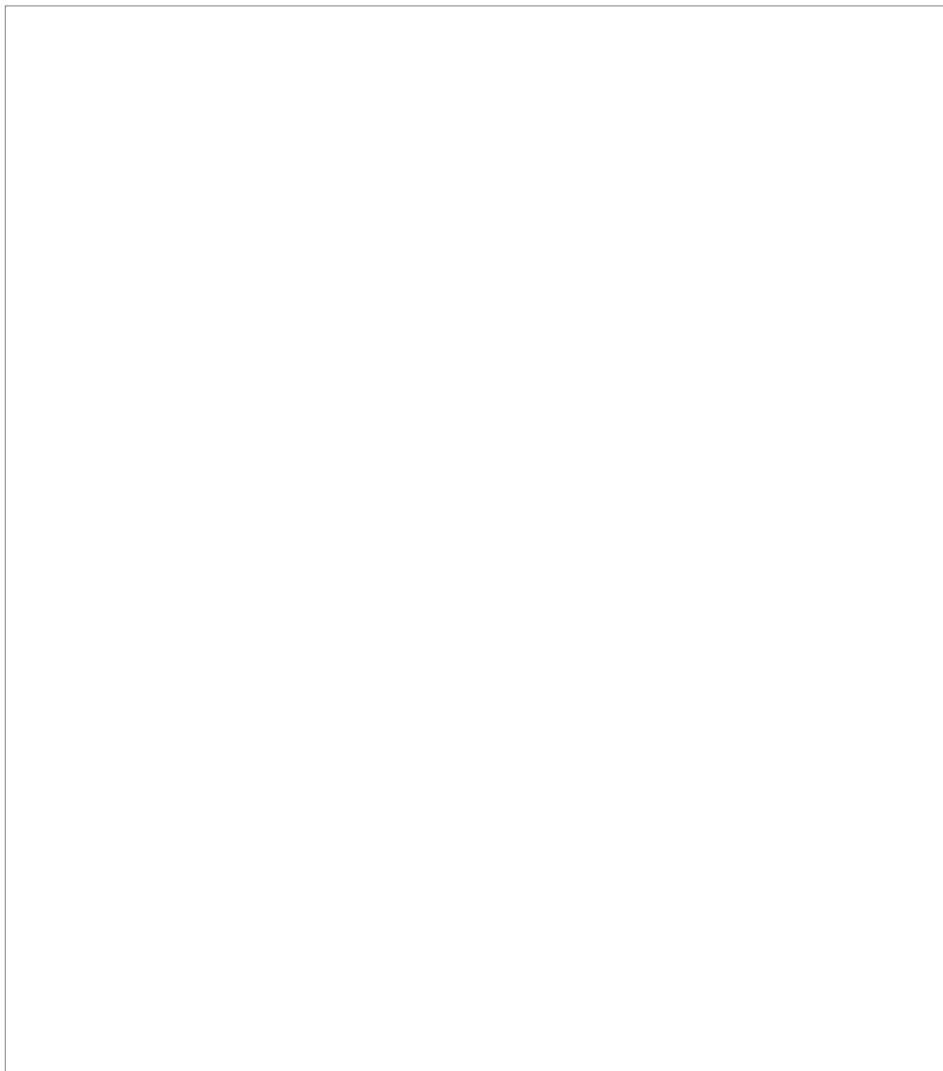
**USSR**

About one third fewer Soviet Jews received exit visas for Israel last month than in May 1973. Departures for the first five months of this year are 27 percent lower than for the same period in 1973.

There is no evidence that the refusal of visas has increased markedly, but the Soviets apparently have discouraged applications through tightened procedures, high fees, and a heightened media campaign that stresses hardships emigrants face in Israel. The Dutch consul in Moscow, who processes Israel-bound emigrants, believes some 150,000 Soviet Jews are still considering filing application to leave the USSR for Israel.

By slowing the emigration rate, the Soviets probably intend to express displeasure with US failure to grant the USSR most-favored-nation status. They could make a dramatic gesture by allowing a large number of Jews to leave at the time of the summit meeting, even though this would undercut the Soviet line that the drop in departures results from declining interest in emigration.

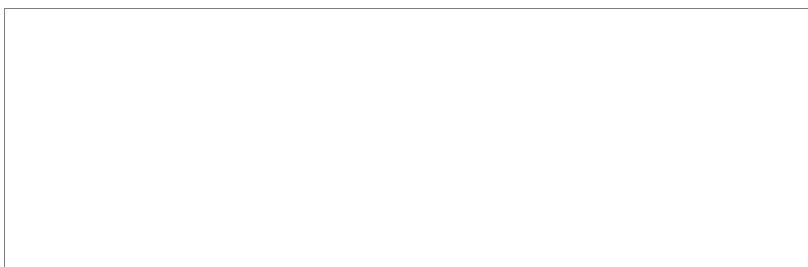
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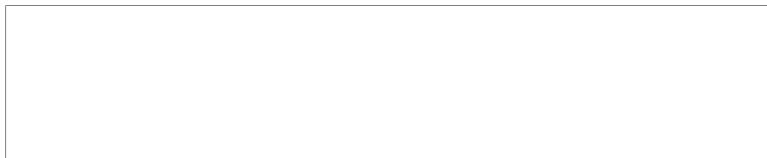
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*FOR THE PRESIDENT ONLY*

CHINA



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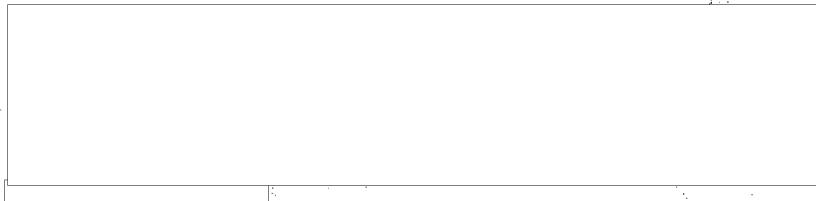
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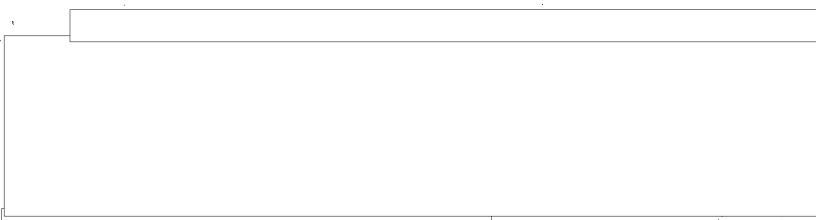
*FOR THE PRESIDENT ONLY*

**IRAQ**

As the campaign against the Kurds drags on inconclusively, the breach between the civilian and military wings of the ruling Baath Party appears to be widening.

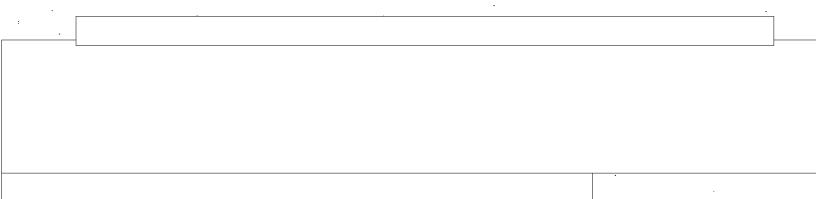


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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**SOUTH VIETNAM**

South Vietnam's chief delegate to the Joint Military Commission announced today that his government will restore the diplomatic privileges and immunities of the Communist delegates in hopes of getting talks resumed in Paris and in Saigon.

The decision to restore the Communist delegation's privileges and freedom of movement--which the Communists have demanded as a condition for further participation in negotiations--was made [redacted] by [redacted] President Thieu [redacted]

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[redacted] Thieu has been under pressure from his advisers to reopen the discussions as a means of encouraging favorable votes on aid bills for South Vietnam now before the US Congress.

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There is as yet no Communist reaction to the offer, and there is no guarantee that they will accept. If they do not, Saigon will be able to put the blame for the boycott on the Communists, and hopefully improve Saigon's image abroad--especially in the US.

*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

**NOTES**

Burma: Rangoon is close to a general strike as labor demands for larger rice rations and other economic benefits grow. Yesterday, army troops fired on demonstrating workers, killing 7 and wounding 17. President Ne Win is due to return to Burma from a good will trip in mid-June, and his subordinates are unlikely to attempt any long-range solutions before then.

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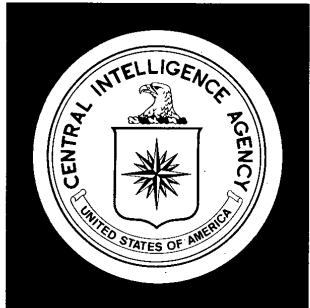


USSR: The Soviets are evidently sending more minesweepers to assist in clearing operations in the Strait of Gubal at the southern end of the Gulf of Suez. At least ten Soviet ships, including five minesweepers, left the Sea of Japan yesterday heading south, apparently en route to Egypt via the Indian Ocean. Three other minesweepers, which probably are also bound for Egypt, have passed through the English Channel and seem headed toward the Mediterranean and the Suez Canal.

**FOR THE PRESIDENT ONLY**

*Top Secret*

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# The President's Daily Brief

June 8, 1974

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THE PRESIDENT'S DAILY BRIEF

June 8, 1974

PRINCIPAL DEVELOPMENTS

25X1

Saudi Arabia

25X1

25X1

Italian Communist leader Enrico Berlinguer continues to press toward eventual full membership for his party in Italy's governing coalition. (Page 2)

The Viet Cong have accepted South Vietnam's offer to resume talks in Saigon. (Page 3)

25X1

Morocco will soon withdraw its expeditionary force from Syria. (Page 4)

*FOR THE PRESIDENT ONLY*

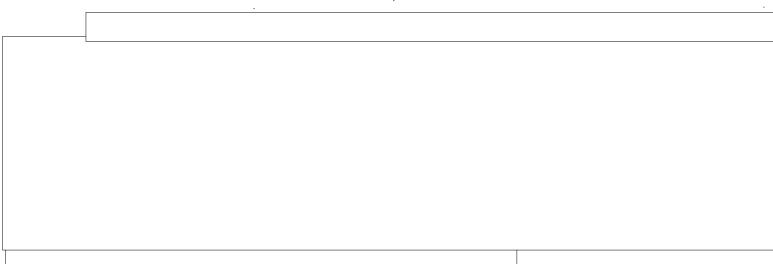
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SAUDI ARABIA

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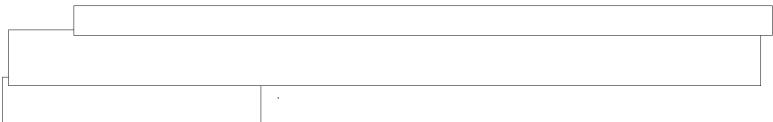


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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

## ITALY

Italian Communist leader Enrico Berlinguer continues to press toward eventual full membership for his party in Italy's governing coalition. In a speech before the Communist Party's Central Committee this week, he proposed broader and "formal" consultations between the Communists and the governing parties in parliament on major policy questions. The proposal is an attempt to make more visible the "cloakroom" consultations that have long taken place between the Communists and the members of the governing coalition. Berlinguer also wants again to impress the ruling parties with his thesis that to govern effectively they need the cooperation of the Communists--Italy's second largest party--although he says he does not expect to be let into the coalition soon.

Berlinguer's move will probably find support in the Socialist Party and in the left wing of the dominant Christian Democratic Party. These elements see an advantage in giving the Communists increased leverage, since Communist support could provide the margin required to pass economic and social measures that the left advocates but that are now blocked by conservatives.

The Communists' allies in organized labor are also urging Communist participation in the government. The Communist-dominated trade union federation is arguing that Italian workers would be more inclined to accept sacrifices required by the government's austerity program if the Communists were given at least a limited voice in the national government.

In public, the principal Christian Democratic leaders so far have shown no sign of yielding to Communist pressure. Recent talks between US embassy officials and well-placed Christian Democrats suggest, however, that their confidence has been shaken by the defeat in the divorce referendum, the deterioration of the economy, and the upsurge in politically motivated violence. They claim that these events are making it increasingly difficult to counter the argument that the party should reach an accommodation with the Communists.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**SOUTH VIETNAM**

The Viet Cong and the South Vietnamese will re-open suspended military talks in Saigon next week on implementing a cease-fire and searching for missing servicemen. The deputy chief of the Viet Cong delegation announced today that his side had accepted Saigon's offer to resume negotiations on Tuesday. The South Vietnamese yesterday restored diplomatic privileges and immunities to the Communist delegates, the condition demanded by the Communists for returning to the conference table.

The Viet Cong announcement apparently covers their return to the bilateral talks and participation in the four-party Joint Military Commission, which includes delegations from the United States and North Vietnam. Talks between the two sides in Paris, aimed at working out a political solution and setting up general elections in South Vietnam, are still suspended.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**NOTES**

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Morocco-Syria: Morocco will soon withdraw its  
expeditionary force from Syria, [redacted]

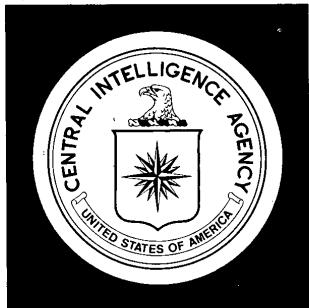
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The departure of the  
force of some 2,000 men and 60 tanks, reportedly  
scheduled for last month, was delayed until a dis-  
engagement agreement between Syria and Israel could  
be concluded.

*FOR THE PRESIDENT ONLY*

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# The President's Daily Brief

*June 10, 1974*

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**FOR THE PRESIDENT ONLY**

**THE PRESIDENT'S DAILY BRIEF**

June 10, 1974

**PRINCIPAL DEVELOPMENTS**

The Palestine Liberation Organization will delay a decision on participation in the Geneva peace talks until formally invited to attend. (Page 1)

The French government will have difficulty explaining away dismissed Reform Minister Servan-Schreiber's charges that military preparations forced the new government to continue nuclear tests. (Page 2)

James Cairns, the leading Labor Party leftist, has been elected Australia's Deputy Prime Minister, defeating the incumbent backed by Prime Minister Whitlam. (Page 2)

Egyptian President Sadat is expected to visit Romania late this month, according to Cairo's Al Ahram. (Page 2)

Labor disturbances in Rangoon have subsided, but last week's violence has left considerable bitterness among workers and students. (Page 2)

**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

**FEDAYEEN**

Moderate members of the Palestine National Council, which ended a week-long meeting in Cairo yesterday, were unable to win agreement from the radicals on Palestinian participation in the Geneva peace talks. Instead, the Council reached a consensus to delay any decision until the Palestine Liberation Organization is formally invited to the talks. With this concession, PLO Chairman Yasir Arafat forestalled threatened withdrawals from his organization by small groups that are cooperating under the label of the Rejection Front.

The Council expanded the PLO's executive committee from nine to fourteen. Although the change brings into the group a representative of the radical Popular Front for the Liberation of Palestine - General Command, the net effect of the increase strengthens Arafat. He apparently now has the capability to carry his views in the PLO and to lead a delegation to the peace talks.

Palestinian leaders will press Cairo and Damascus to elicit an invitation for them to attend the talks. As a tactical matter, they will continue to insist that any invitation, to be acceptable, must acknowledge the "rights of the Palestinians" and allow them to negotiate for an Israeli withdrawal from the occupied West Bank.

**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

**NOTES**

France: The government will have some difficulty explaining away the charges by Reform Minister Servan-Schreiber that led to his dismissal yesterday. He asserted that the military had continued preparations for the 1974 series of nuclear tests so as to virtually force the new government to follow through. [redacted]

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[redacted] Servan-Schreiber's presence in the cabinet was an irritant to Giscard's Gaullist and centrist allies. His tenure had been in question from the start.

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25X1

Australia: James Cairns, the leading leftist in Australia's ruling Labor Party and an outspoken opponent of US installations in Australia, has been elected Deputy Prime Minister. This victory over the incumbent, backed by Prime Minister Whitlam, may tarnish Whitlam's prestige, but his leadership does not appear in danger.

Egypt-Romania: President Anwar Sadat is expected to visit Romania late this month, according to Cairo's Al Ahram. The visit will take place against a background of improving relations. There have been a number of high-level exchanges between the two countries since the October war, and the Romanian media have taken an extremely favorable line toward Egypt. Ceausescu apparently believes support for Cairo will have the effect of diluting Arab resentment over Romania's continued diplomatic relations with Israel.

Burma: Labor disturbances in Rangoon have subsided, for the moment at least, as the result of army actions in which at least 22 demonstrators were killed. Last week's violence has left considerable bitterness among both workers and students. Before the disturbances ended, demonstrators were demanding an end to President Ne Win's "one-man rule," in addition to calling for economic gains.

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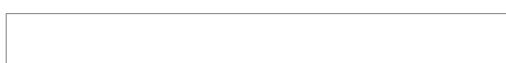
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# The President's Daily Brief

*June 11, 1974*

*4*



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exemption category 5B(1)/(2)(3)  
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*FOR THE PRESIDENT ONLY*

**THE PRESIDENT'S DAILY BRIEF**

June 11, 1974

**PRINCIPAL DEVELOPMENTS**

The Italian government's resignation yesterday resulted from the center-left coalition's split over how to cope with the country's soaring trade deficit and record-breaking inflation. (Page 1)

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25X1

President Giscard d'Estaing's cancellation yesterday of one of the scheduled atmospheric nuclear tests will take some sting out of charges that the military had forced him to acquiesce in the testing. (Page 3)

In Thailand, student radicals joined a major demonstration by textile workers over the weekend and are encouraging the workers to strike. (Page 4)

Notes on USSR-Syria, China, and Afghanistan-USSR appear on Page 5.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**ITALY**

The resignation of Prime Minister Rumor's center-left coalition government was prompted by a fundamental dispute over how to cope with the critical state of the Italian economy. The coalition partners disagreed on how to combat the enormous trade deficit and the record-breaking inflation. Rumor's Christian Democratic Party insisted on monetary restraints and across-the-board tax increases to curtail domestic demand. His Socialist partners favored easing credit and making tax hikes selective to shield low-income groups.

President Leone has asked Rumor to head a caretaker government during negotiations on forming a new government. If these negotiations become unduly contentious or prolonged, they will add weight to the argument of the Communist Party, Italy's second largest, that the country cannot be governed effectively without its participation.

The severity of the economic problem favors a quick solution. Mounting neo-fascist violence in recent months is also a matter of concern. To prevent nourishing a climate of rightist-inspired violence, the left-of-center parties might agree to accept some austerity measures now, in return for Christian Democratic promises of support for their programs once the economy improves.

Italy's trade deficit for April again topped \$1 billion, pushing the January-April deficit to over \$4 billion. About half this deficit results from petroleum imports, but some comes from the growing demand for quality food products. Italy has been unable to obtain adequate foreign loans to cover its deficit, and the head of the central bank claims that Italy's credit has been exhausted. The government has resisted devaluation because its short-term effect would be to aggravate inflation, already running at an annual rate of 25 percent.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

JORDAN

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**FRANCE**

President Giscard d'Estaing's cancellation yesterday of one of the atmospheric nuclear tests France had planned this summer will take some of the sting out of charges that the military had virtually forced him to acquiesce in the testing. Giscard's explanation that the test was canceled for financial reasons is unconvincing; considerably more money goes into nuclear research and development than into testing, and the savings would be relatively small.

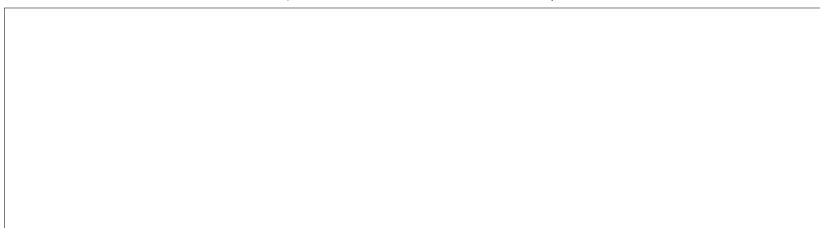
Giscard's move suggests that the French have decided not to go through with plans to set off a device with a yield of several hundred kilotons. Such an explosion would produce greater fallout and provoke strong criticism at home and abroad.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**THAILAND**

Student radicals joined a major demonstration by textile workers over the weekend and are encouraging the workers to strike. Radical student and labor leaders are using the protests as an opening for antigovernment and anti-US speeches.



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Prime Minister Sanya may be able to persuade those moderates who still have influence among Bangkok's generally conservative student population to stay away from the air-base issue. If Sanya fails, Krit is likely to press him to clamp down on the radicals.

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*FOR THE PRESIDENT ONLY*

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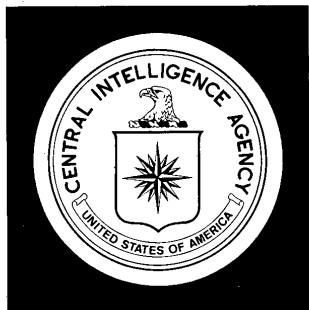
USSR-Syria: The Soviets have convinced leaders of the Syrian Communist Party to give more active backing to the policies of President Asad and, in particular, to the Syrian-Israeli disengagement agreement. The party's newspaper yesterday warmly endorsed the agreement. Although the Communists play no major role in Syrian politics, Asad presumably will welcome their cooperation as another sign of Moscow's support for his regime.

China: Peking domestic news broadcasts and People's Daily over the weekend included reports of President Nixon's trip to the Middle East and Secretary Kissinger's recent speech in New York to organizations interested in promoting further contacts with the PRC. The report on the Secretary's speech stressed his comments concerning US intentions to continue the process of normalizing relations. The decision to carry the Secretary's remarks was a rare occasion and will be interpreted throughout China as a clear mark of approval from the highest levels both of US policy toward the PRC and of Peking's opening to Washington.

Afghanistan-USSR: President Daoud on June 8 returned from a five-day official visit to the USSR during which he held talks with Brezhnev, Kosygin, Podgorny, and Gromyko. The Soviets managed to get Daoud to endorse their proposed Asian collective security system. No previous Afghan government had endorsed this proposal, which has attracted little attention elsewhere in Asia. The joint statement concluding the visit suggests Moscow gave Daoud little encouragement in his territorial dispute with Pakistan.

FOR THE PRESIDENT ONLY

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# The President's Daily Brief

*June 12, 1974*

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FOR THE PRESIDENT ONLY

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THE PRESIDENT'S DAILY BRIEF

June 12, 1974

PRINCIPAL DEVELOPMENTS

Egyptian Foreign Minister Fahmi announced yesterday that he will go to Moscow "soon" to arrange a summit meeting between President Sadat and Soviet leaders.  
*(Page 1)*

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*(Page 5).*

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FOR THE PRESIDENT ONLY

*FOR THE PRESIDENT ONLY*

**EGYPT-USSR**

Foreign Minister Fahmi announced yesterday that he will go to Moscow "soon" to arrange a summit meeting between President Sadat and Soviet leaders. The Egyptians probably timed the official announcement of the trip to take account of Soviet sensibilities. Coming on the eve of President Nixon's visit to Cairo, the news is intended as assurance of Sadat's desire to maintain "balanced" ties with the two superpowers.

Although on the surface friendship has been renewed, strains continue and could re-emerge when the two governments discuss the venue for the talks. Sadat [redacted] is tired of going to Moscow and wants the Soviets to come to him for the next round of summity. Cairo will consider that it has made the proper gesture to Moscow by dispatching Fahmi to the Soviet capital, and that the next move is up to the USSR.

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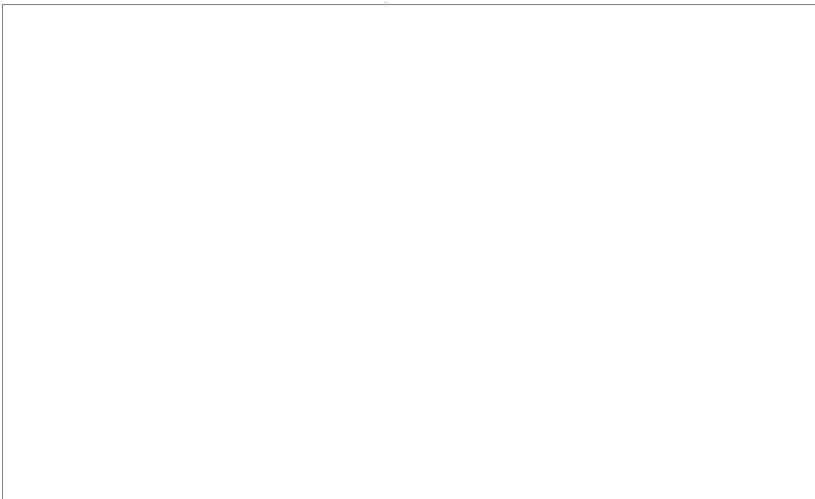
Moscow may agree to a high-level meeting in Cairo. The Soviets would probably like to try to patch things up before the Geneva peace conference reconvenes. The most likely candidate for such a visit would be President Podgorny or Premier Kosygin, both of whom have been in Cairo before.

*FOR THE PRESIDENT ONLY*

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USSR

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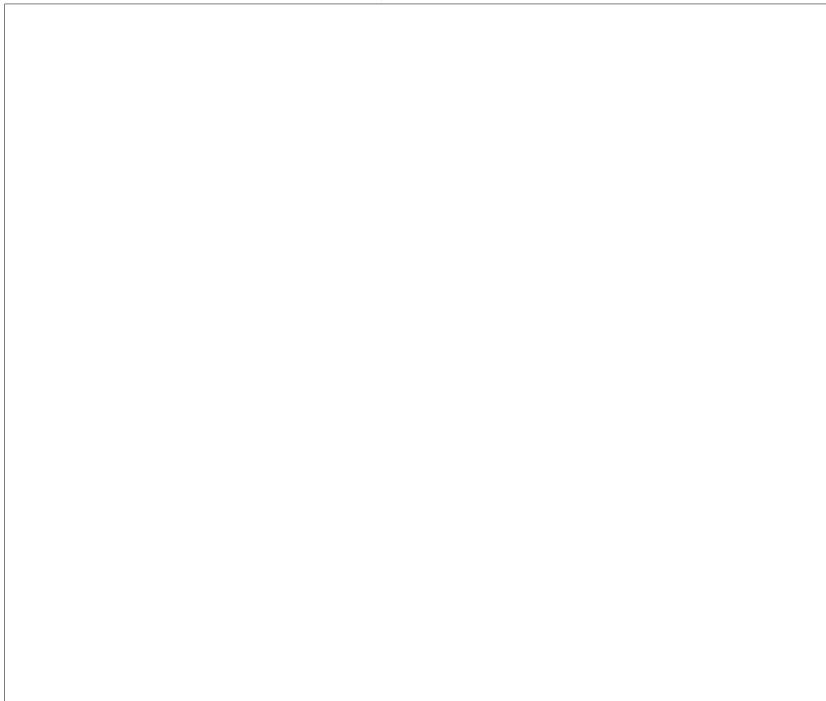


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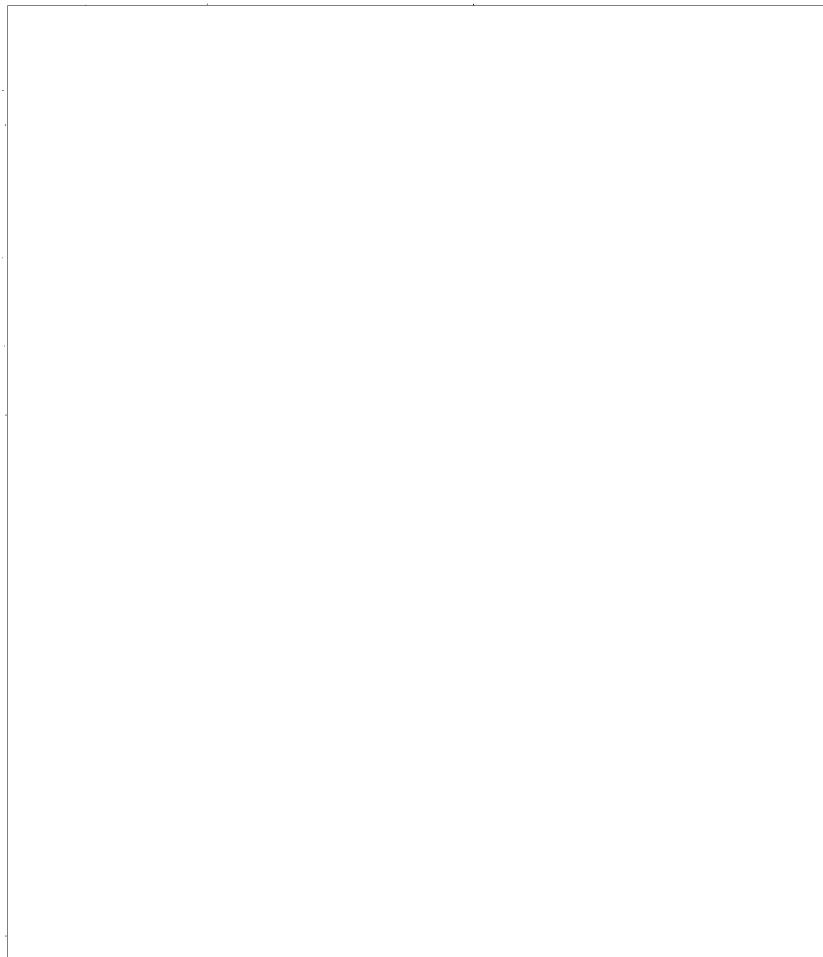
USSR

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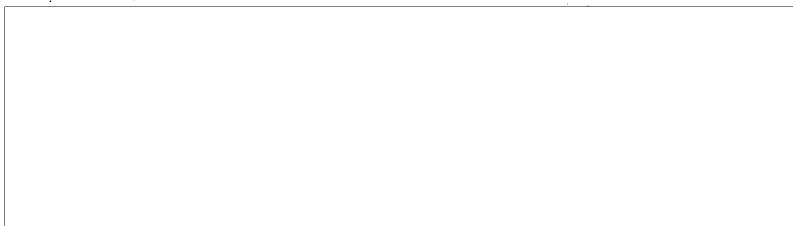


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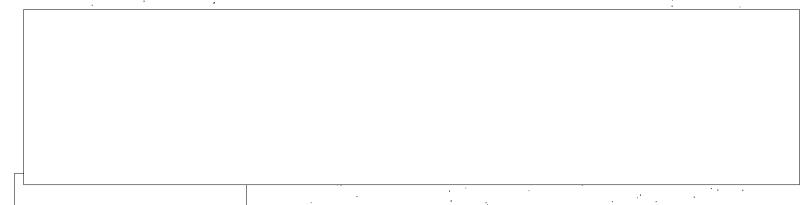
**SPAIN**



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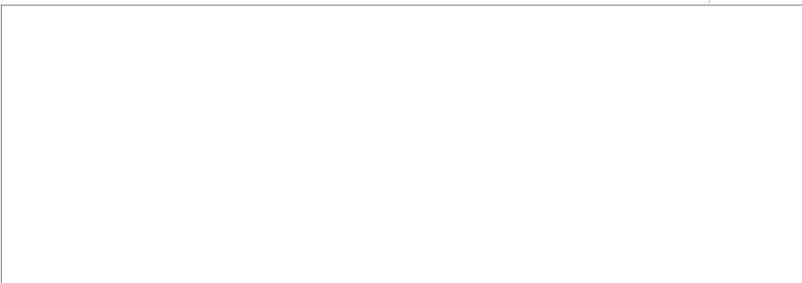
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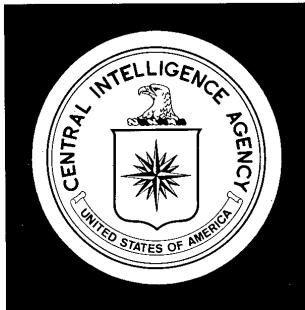


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# The President's Daily Brief

June 13, 1974

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*FOR THE PRESIDENT ONLY*

THE PRESIDENT'S DAILY BRIEF

June 13, 1974

PRINCIPAL DEVELOPMENTS

In Italy, political consultations have as yet produced no compromise on the economic policy differences that brought Prime Minister Rumor's resignation. (Page 1)

The French austerity program announced yesterday was characterized by President Giscard as "harsh" in a conversation he had with Ambassador Irwin. (Page 2)

The new leaders in France and West Germany share a number of common concerns as they forge their policies toward the EC. (Page 3)

Military activity in Cambodia is concentrated north-west of Phnom Penh, where a Cambodian army relief force is nearing the isolated government base at Lovek. (Page 5)

Notes on the following subjects appear on Pages 6 and 7:

Soviet and East European grain prospects,  
Soviet [redacted]  
The Soviet media reaction to President Nixon's Middle East trip,  
A large Soviet contract to buy US chemical plants,  
Japanese reaction to India's nuclear test,  
Portuguese Guinea, and  
Argentina.

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**ITALY**

The consultations following Prime Minister Rumor's resignation have produced no compromise on the economic policy differences that brought down the Italian government. The US embassy in Rome says that Italians are coming to realize that the current political crisis is more serious than the routine changes of government they are accustomed to.

The Socialists continue to oppose the credit restraints that the Christian Democrats feel are necessary to stabilize the faltering economy. Meanwhile, the labor unions have made clear that they will press their economic demands on any new government, although they have indicated they would support a program that would equitably distribute austerity and avoid unemployment.

President Leone has been consulting with political leaders to find a solution. His consultations end today, but without the slightest sign so far of a break in the deadlock.

Well-placed US embassy sources report that Leone has under consideration the possibility of submitting the issues that divide the government to parliament for an open debate and vote. Leone may float this prospect to press the Socialists--who would not want to bear the full onus of the break-up of the center-left coalition--to make concessions.

The Socialists are not likely to yield. They have been exuding confidence over the Christian Democrats' defeat in the recent referendum on divorce. The Socialists interpreted this result as proof of a basic shift in Italian voter attitudes in favor of more rapid social change.

If, as expected, the regional election next week in Sardinia results in Christian Democratic losses and Socialist gains, the Socialists will probably become even more intransigent.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**FRANCE**

The French government yesterday adopted an austerity program designed to slow inflation, restore the balance of payments, expand exports, and finance new social welfare measures.

President Giscard characterized the program as "harsh" in a conversation with the US ambassador. He said that he hoped to control inflation, which is expected to be about 15 percent for 1974, within 18 months.

The program, some of which requires parliamentary approval, includes:

--A reduction of oil consumption by rationing heating fuels, which account for 40 percent of French energy consumption.

--An 18-percent increase in corporate taxes for 1973.

--A special tax on companies that would have paid no tax for 1973.

--An income tax surcharge up to 15 percent for individuals in the higher brackets, to be partially reimbursed next year.

--A one-time 10-percent tax on real estate profits for 1974.

--A tax designed to limit corporate capital gains derived from inflation.

These tax measures would increase government revenues this year by 4 to 5 percent. Other items under consideration are increased prices for gasoline and other fuels, and additional measures designed to restrict credit.

Some of the funds derived from the austerity program will be used to finance the social welfare measures that Giscard promised during his campaign. Significant progress in that area is necessary by fall to maintain labor peace and appease the left. The government will announce its social program on June 19.

*FOR THE PRESIDENT ONLY*

EC

The changes of government in Bonn, Paris, and London appear to have brought about a new alignment among EC members and encouraged a more pragmatic approach. The EC is no longer Eight against France; instead, an incipient Franco-German entente is struggling to lead the others in the difficult search for ways to stop the erosion of the community.

Chancellor Schmidt and President Giscard d'Estaing, presiding over the two most powerful economies in Western Europe, share a number of common concerns. As they forge policies toward the EC during these first weeks, they see their EC partners--and the community itself--in serious trouble.

The customs union for industrialized goods and the single market for farm products, which are at the core of the EC, have started to crumble under international monetary strains. The moves last month by Italy and Denmark to curb imports, and the Italian government collapse over threatening economic disaster, have shaken the community.

Schmidt and Giscard, both former finance ministers, understand well the dimensions of economic imbalance within the EC and see an urgent need for corrective action. Despite their rapport and common interest in finding effective remedies, the two leaders face formidable obstacles. [redacted]

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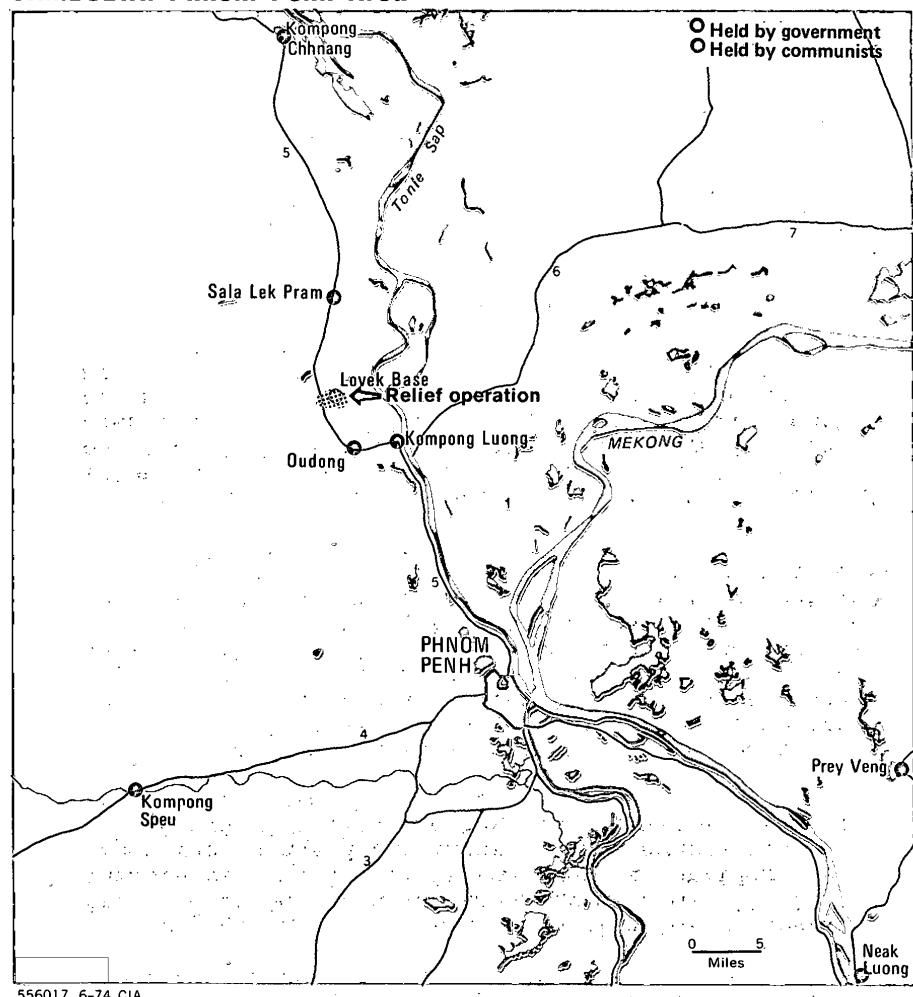
*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

A few specific measures designed to coordinate member-state economic policies may be adopted before too long. The Nine will study an EC Commission proposal for an anti-inflation program, a new concerted float of EC currencies, and large new international borrowings by the EC monetary cooperation fund.

A better sign of what lies in store for the immediate future came from last week's EC finance ministers' meeting, which was described as "devoid of illusion." Participants at that meeting agreed that economic stability would probably be best pursued individually by the member states.

## CAMBODIA: Phnom Penh Area



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*FOR THE PRESIDENT ONLY*

## CAMBODIA

Military activity is centered northwest of Phnom Penh, where a Cambodian army relief force is nearing the isolated government base at Lovek.

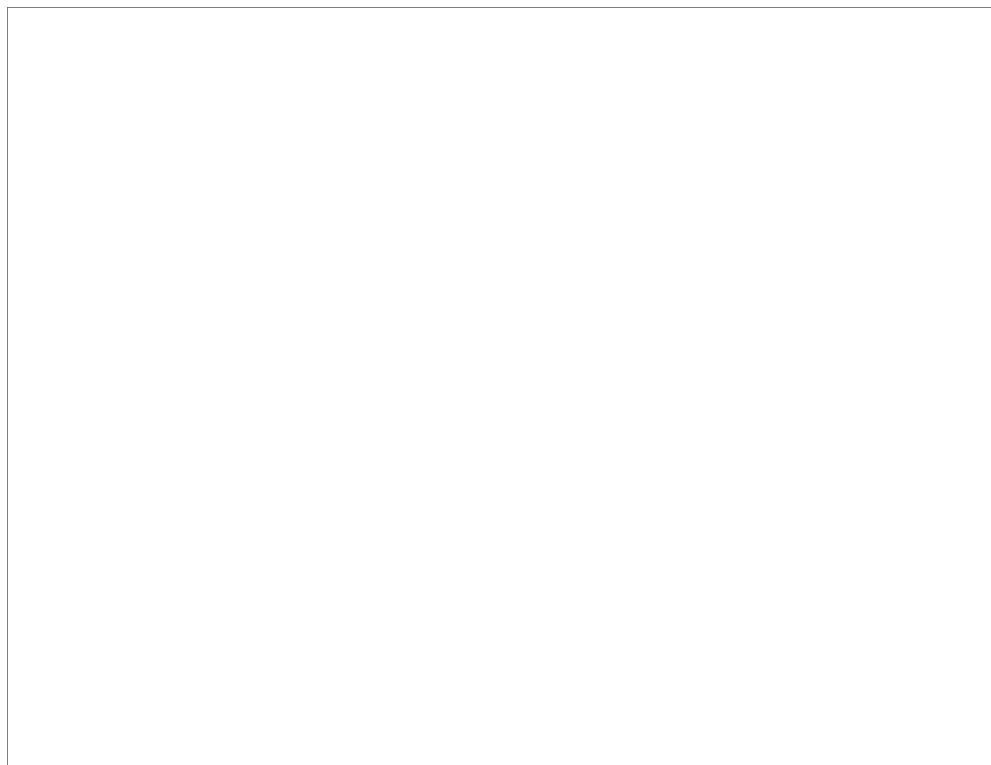
Two government battalions moving toward Lovek from the Tonle Sap River thus far have met little resistance. Their aim is to secure a corridor between the base and the river for the evacuation of the 30,000 civilians who have been stranded at Lovek for over a month.

The Khmer Communists, meanwhile, have moved more men and supplies, and possibly a 37-mm antiaircraft gun, into the northwestern battlefield, and an intercept indicates that heavy attacks against Lovek could begin in the next few days. Communist commanders near Lovek and elsewhere in the country have been ordered to carry out more military actions to take advantage of the government's current preoccupation with internal political problems.

As part of this effort, the communists apparently intend to keep up their almost daily rocket attacks on Phnom Penh, although these attacks thus far have been relatively ineffective. Insurgent units south of the capital, who recently received 150 rockets, have been ordered to fire them into the city "one or two at a time."

*FOR THE PRESIDENT ONLY*

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*FOR THE PRESIDENT ONLY*

**NOTES**

USSR: Cold, wet weather in the Soviet Union over the past several weeks is likely to reduce yields of both winter and spring grains. Assuming average weather for the rest of the growing season, we estimate that the Soviets will harvest about 190 million tons--down from the record 222.5-million-ton harvest of last year. This will probably make it necessary for the USSR to buy foreign grain in fiscal year 1975.

USSR: [redacted]

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Japan-India: As a means of protesting India's recent nuclear test, Tokyo apparently intends to limit its aid to New Delhi, which amounted last year to almost \$100 million. According to press reports, Japan will announce this decision at a meeting of the 13-member Aid India consortium which begins on June 13 in Paris. [redacted]

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Portuguese Guinea: Cease-fire talks between Lisbon and the Portuguese Guinea insurgents are scheduled to reopen today in Algiers. The first round of talks, held in London, was adjourned on June 1 to give the two sides time to study each other's basic bargaining position. The insurgents are demanding independence for the territory; Lisbon, although recognizing the possibility of independence, is insisting on a popular referendum that will allow the inhabitants of Portuguese Guinea to determine the territory's political future.

(continued)

*FOR THE PRESIDENT ONLY*

USSR: Soviet media have given minimal coverage thus far to President Nixon's Middle East tour. Tass and the domestic service of Moscow Radio provided brief reports on the President's arrival in Cairo yesterday, avoiding any hint of the huge welcoming crowds. Soviet media coverage to date betrays no special concern about the trip, and statements on the coming summit remain highly positive.

USSR-US: The USSR has agreed to purchase four ammonia plants worth \$200 million from Chemico, a US firm. This is the largest single Soviet contract for the purchase of US plants. Signing of the contract is scheduled to occur prior to President Nixon's arrival in Moscow. The ammonia plants will be used to produce urea fertilizer and are part of a continuing Soviet program to import Western machinery and technology to modernize lagging industrial sectors.

Argentina: President Peron, after earlier threatening to resign, announced late yesterday that a ten-hour solidarity strike, called by Peronist labor and youth organizations, had given him the backing he needs to stay on. He is disturbed by recent economic setbacks that he attributes to sabotage and sectarianism within the Peronist movement. The fact that Peronist supporters were ordered into the streets immediately after his resignation threat, followed by an equally dramatic announcement that he would remain, suggests careful orchestration which could serve as a prelude to new austerity measures.

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# The President's Daily Brief

June 14, 1974

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*FOR THE PRESIDENT ONLY*

**THE PRESIDENT'S DAILY BRIEF**

June 14, 1974

**PRINCIPAL DEVELOPMENTS**

The Peking municipal leadership is being criticized in political wall posters appearing in the Chinese capital. (Page 1)

25X1

Cambodian Prime Minister Long Boret's resignation is a formality that will allow him to form a new cabinet. (Page 3)

Saudi Arabia has spent some \$400 million of its oil revenue on foreign economic aid so far this year. (Page 4)

The military take-over in Sana yesterday was prompted by a dispute over government handling of a recently uncovered Iraqi-backed coup plot. (Page 5)

Notes on the fedayeen attack yesterday, UK Foreign Secretary Callaghan's speech to parliament, EC-Portugal, [redacted] and Thailand appear on Pages 6 and 7.

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**CHINA**

The Peking municipal leadership is being criticized in political wall posters appearing in the Chinese capital. The specific charges--alleging repression of the anti-Confucius campaign in the city and the removal several years ago of workers and peasants from the city's ruling groups--are local in their focus. The criticism, nevertheless, reaches ultimately into the national leadership, for the political boss of Peking, Wu Te, is a member of the Politburo.

The appearance of these posters after a relative lull in the anti-Confucius campaign seems to signal a resumption of political--and potentially disruptive--activity. The posters fall, however, well within the moderate ground rules for the conduct of the current political campaign. They have not been posted indiscriminately throughout the city, but only on one building; they make no attacks by name; and they appeal to the Peking party leadership to conduct the campaign.

The nature of the criticism suggests that the posters are the work of leftists. No officials are attacked by name, but the chief target is probably Wu Te himself. As the head of the government organization in charge of culture, Wu seemed to be under attack last winter for allowing an opera that angered the leftists to be performed in a national theatrical festival in Peking. The cultural attacks failed to claim any high-level victims, and the latest criticism, which does not raise the cultural issue, may be another attempt to undercut Wu.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

USSR.

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

CAMBODIA

Prime Minister Long Boret's resignation is a formality that will allow him to form a new cabinet, which apparently will not include any members of Sirik Matak's minority Republican Party. According to the US embassy, the cabinet will consist of independents and members of President Lon Nol's Socio-Republican Party. A senior Republican, however, will join Matak on an expanded Executive Council, the country's top policy-making body, thereby maintaining the government's coalition character.

These moves are designed in part to placate the Socio-Republicans who dominate the National Assembly and whose harassment of Republican ministers in the outgoing cabinet provoked much of the recent political ferment in Phnom Penh.

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The reshuffling will enable the government to begin functioning again, but a new cabinet may not be any more effective than its predecessor.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

## SAUDI ARABIA

Saudi Arabia has spent some \$400 million of its oil revenue on foreign economic aid so far this year. The total could approach \$1 billion by year's end as King Faysal pays off the belligerents and supporters of the Arab cause in the October war.

Saudi Arabia, however, will disappoint many aid seekers. The Saudis reject the notion that oil-rich Arabs should assume a major responsibility for world aid.

Saudi aid goes principally on a bilateral basis to other Moslem countries and functions as a personal vehicle of King Faysal. In addition, Riyadh is likely to participate in selected multinational Islamic lending institutions. At best, only token participation can be expected in non-Arab programs, such as the proposed International Monetary Fund arrangement to help oil-importing developing countries.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**NORTH YEMEN**

The military take-over in North Yemen yesterday was touched off by a dispute between President Iryani and tribal leaders over the government's handling of a recently uncovered Iraqi-backed coup plot.

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[redacted] The ruling command council, led by armed forces Deputy Commander Colonel Hamdi, assured the US embassy of its intention to maintain continuity in foreign policy, particularly with regard to close cooperation with the US.

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The crisis broke [redacted] Wednesday when Sheikh al-Ahmar, president of the Consultative Assembly and an important tribal leader, chastised Iryani for not taking sufficiently firm measures with Iraq and the local Baathist plotters who wanted to topple the government. Faced with a possible formal motion for his removal in the assembly, Iryani--in office since 1967--resigned and retired to his country home in Taiz.

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Colonel Hamdi, who also was unhappy with Iryani's handling of the Iraqi issue, moved into the political vacuum and announced the formation of a seven-member military command council. He has asked Prime Minister Makki and his cabinet to remain in office, but has suspended the constitution and dissolved the Consultative Assembly.

The military is in control of key installations, but there is a threat of clashes with the tribal forces of Sheikh al-Ahmar, some of whom are in the capital. Hamdi, known to be hostile to tribal influence in the government, will face difficulty maintaining control in the countryside if he does not win the support of Al-Ahmar and other tribal leaders. The dissolution of the Consultative Assembly, moreover, is likely to have further antagonized Sheikh al-Ahmar.

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*FOR THE PRESIDENT ONLY*

## FOR THE PRESIDENT ONLY

## NOTES

Fedayeen: The radical Popular Front for the Liberation of Palestine - General Command has claimed responsibility for the terrorist attack yesterday on Shamir, a small Israeli settlement near the Lebanese border. A spokesman for the group has said that the attack was designed to upset progress toward a Middle East settlement and cast a pall over President Nixon's visit to the area.

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[redacted] Israel's reaction to the attack may be less forceful than its response to the incident last month at Maalot. There were relatively few casualties this time, and Tel Aviv would be reluctant to have the matter overshadow other issues being discussed during the President's visit.

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UK-EC: In a speech to Parliament this week, Foreign Secretary Callaghan gave the most positive indication yet of the importance the Wilson government attaches to membership in the European Community. The US embassy in London believes Callaghan's speech of June 11 put the opposition on the defensive and laid the parliamentary groundwork for eventual acceptance of the improved terms of membership he hopes to secure for Britain.

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EC-Portugal: At the meeting last week between President Giscard and Chancellor Schmidt, the two leaders agreed that Portugal's membership in the EC would be welcome in principle. If the Portuguese are able to carry through on their present political course, the Germans and the French believe that full, rather than associate, membership would be warranted. Despite the cordial attitude of the EC toward the new Portuguese government, there is concern among the members that Portugal's economic and political problems will prove to be very difficult to resolve.

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*FOR THE PRESIDENT ONLY*

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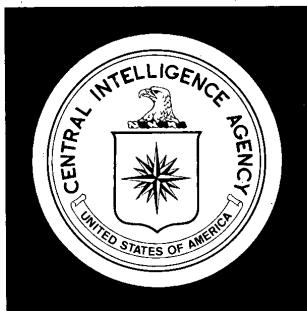
Thailand: The Sanya government's offer to raise the minimum wage to a figure just under worker demands has failed to defuse unrest in Bangkok; student and labor demonstrators in large numbers again took to the streets this morning. Minor violence has occurred, according to Thai police messages, and the danger of serious disorders clearly has increased. Similar pressures played a large part in bringing down Sanya's first government last month. He has been reluctant to crack down on demonstrators and might resign before turning to the police or army to restore order.

*FOR THE PRESIDENT ONLY*

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# The President's Daily Brief

June 15, 1974

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**FOR THE PRESIDENT ONLY**

**THE PRESIDENT'S DAILY BRIEF**

June 15, 1974

**PRINCIPAL DEVELOPMENTS**

General Secretary Brezhnev, in the last of the Soviet leadership's series of Supreme Soviet candidacy speeches, said the improvement of US-Soviet relations can and must continue. (Page 1)

There were few surprises in the pecking order of the campaign speeches for the Supreme Soviet this year. (Page 2)

[redacted] fedayeen Syr-  
ia (Page 3)

ia

The Israeli press and public have reacted to President Nixon's rousing reception in Egypt with apprehension. (Page 4)

25X1

(Page 5)

Italian President Leone is convinced that relatively slight differences separate the coalition parties on key economic issues. (Page 6)

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Notes on North Yemen, USSR-Israel, [redacted] and Thailand appear on Page 7.

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**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

**USSR**

General Secretary Brezhnev yesterday ended the Soviet leadership's series of Supreme Soviet candidacy speeches with a measured appraisal of US-Soviet relations. Referring to the coming summit, he acknowledged pessimistic forecasts in the West, but said the improvement of bilateral relations can and must continue.

Ruling out hasty decisions on questions not yet ripe for solution, Brezhnev seemingly cautioned against high expectations for the summit. The Soviet leader said US-Soviet relations must proceed on a stable basis, "not dependent on considerations of expediency." He said the most important and complex problems are those in the field of arms limitation, which have become the subject of heated debate. Brezhnev presumably was referring to debate in the US, but did not make this explicit.

In apparent response to Western charges that the USSR is aggravating the arms race with its current missile modernization programs, Brezhnev claimed that historically the arms race has been forced upon the Soviet Union. Praising the strategic arms agreements of 1972 and 1973, he called for further agreements to prevent the continuation of the arms spiral. Specifically, Brezhnev expressed willingness to limit underground nuclear tests "down to their full termination according to a coordinated timetable." Pending a halt to the arms race, Brezhnev assured his listeners that Soviet defenses would be maintained "at the appropriate level."

In reference to other issues, Brezhnev placed some emphasis on successfully completing the European security conference, with the participation of "top leaders" at its concluding stage. He strongly implied that Moscow would not meet Western demands for freer movement of peoples and ideas. The Soviet party boss did express willingness to take partial measures toward arms limitation in Europe, and hinted that one such step on force reductions might be in the offing.

Brezhnev said prospects had improved for eliminating the hotbed of war in the Middle East, but cautioned that only the combined efforts of participants at the Geneva conference could finally resolve remaining problems. He voiced continued support for this task.

*FOR THE PRESIDENT ONLY*

USSR

There were few surprises in the pecking order of the campaign speeches for the Supreme Soviet this year. These speeches are not meant to attract votes but to establish individual political platforms and to draw support for them.

In the matter of rankings, last is first, and pride of place again went to General Secretary Brezhnev. Podgorny and Kosygin also held onto their ranking as numbers two and three respectively. Kirilenko, however, made his speech the same day as did Suslov, in contrast to a much earlier delivery during the last Supreme Soviet election in 1970. Party secretary for agriculture Kulakov delivered his speech a week later than did Minister of Agriculture Polyan-sky, an indication of who is the top agriculture official. Party secretary for cadres Kapitonov moved up and could be in line for promotion to candidate Politburo member.

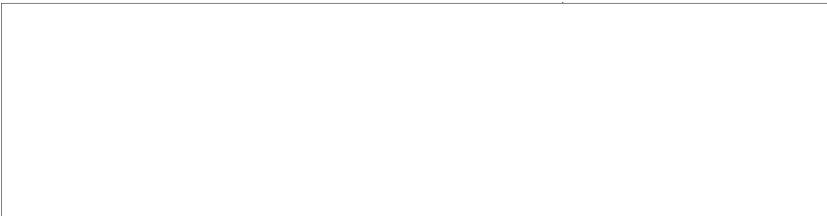
Candidate Politburo member Ponomarev delivered his speech ten days later than other candidate members and on the same day as full Politburo member Foreign Minister Gromyko. The pairing of the two suggests that they are considered equals. Ponomarev has assumed broader responsibilities in the foreign affairs field, from relations with nonruling communist parties to relations with countries in which communist parties are active.

The three top leaders were also set apart from the others by having their speeches televised live nationwide. Extensive summaries of the speeches of the other 23 members of the Politburo and Secretariat appeared in the central press and were carried by Tass in English and Russian. Full texts of most were carried in the local papers of their constituencies. These full texts revealed some differences--which are under study--in the way individual leaders treated some major subjects. The central press summaries smoothed out these differences, however, and emphasized two themes: support for detente and the primacy of Brezhnev.

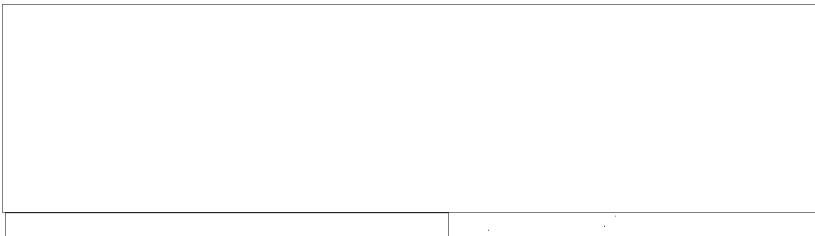
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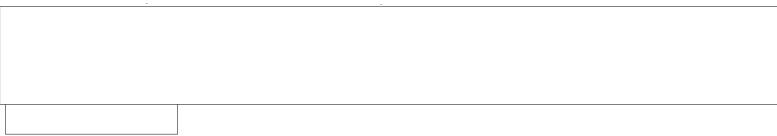
SYRIA-FEDAYEEN



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**ISRAEL**

The Israeli press and public have reacted to President Nixon's rousing reception in Egypt with apprehension. Many Israelis suspect Israel may have to pay for the new US standing with the Arabs in the form of additional territorial and diplomatic concessions when the Middle East negotiations are resumed.

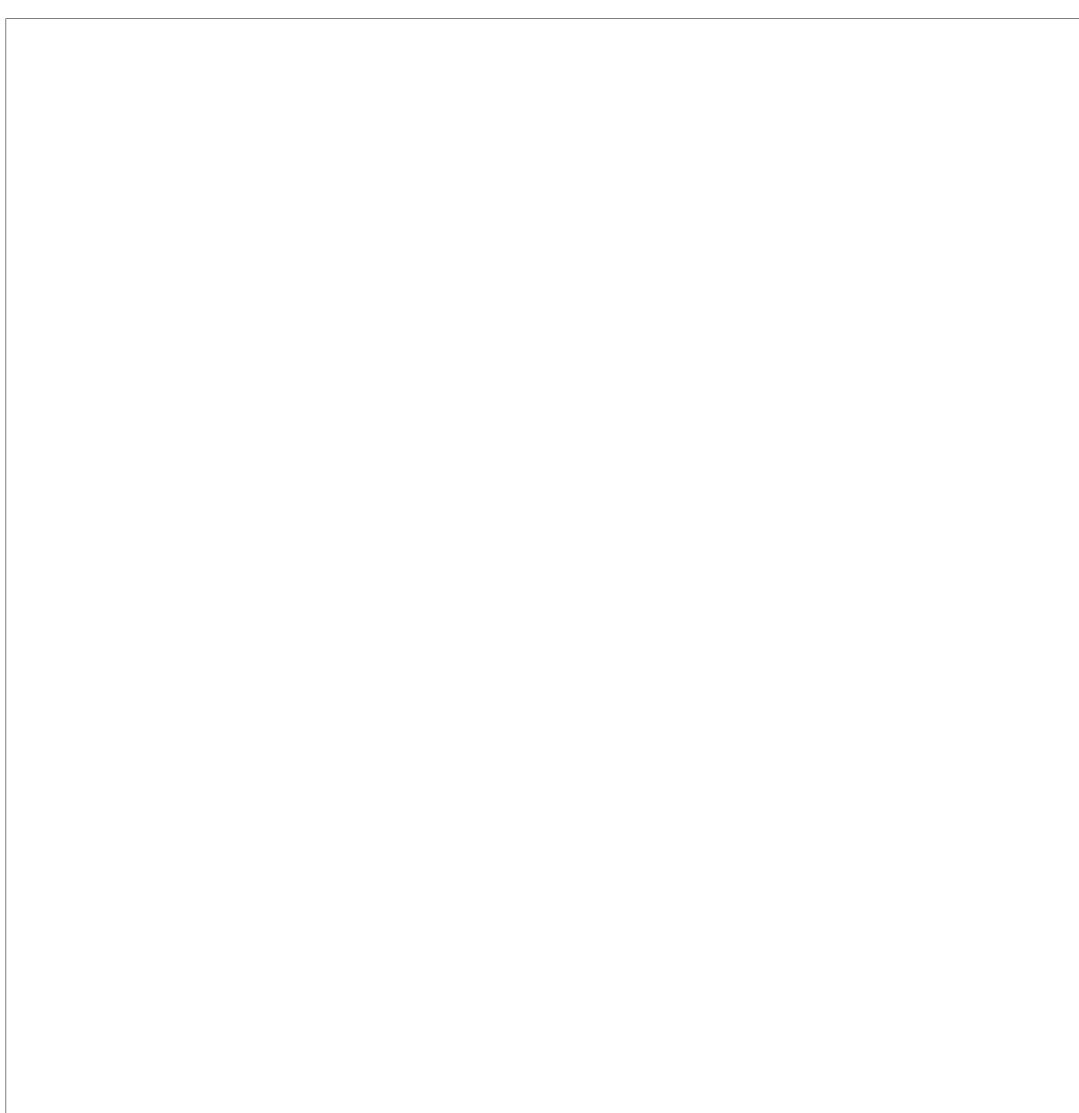
The conservative press predictably has warned that the warm welcome accorded the President in Cairo should turn on a red warning light in Israel. Israel, it claims, will now have to mobilize all its powers of steadfastness in future dealings with the US concerning negotiations with the Arabs.

Prime Minister Rabin, speaking at an Israeli university's graduation exercises on June 12, expressed the hope that Washington will realize that its improved relations with Syria and Egypt should not be made at the expense of its intimate and traditional friendship with Israel. Rabin speculated that as a result of the improvement in Arab-US ties, differences of opinion between Israel and the US are quite possible. Rabin added, however, that he prefers the verbal arguments and the political struggle to military conflict.

On balance, the government has taken a positive view of the President's Middle East trip. It has sought to offset the Israeli public's concern over the reliability of the US commitment to Israel by showering the local press with glowing summaries of US-Israeli relations under President Nixon's administration.

Government officials are particularly playing up assurances they claim Israel received from Secretary Kissinger that the US will agree to a large long-term economic and military aid program for Israel. Government sources, the press claims, have said that such an aid program may be announced during the President's visit to Israel.

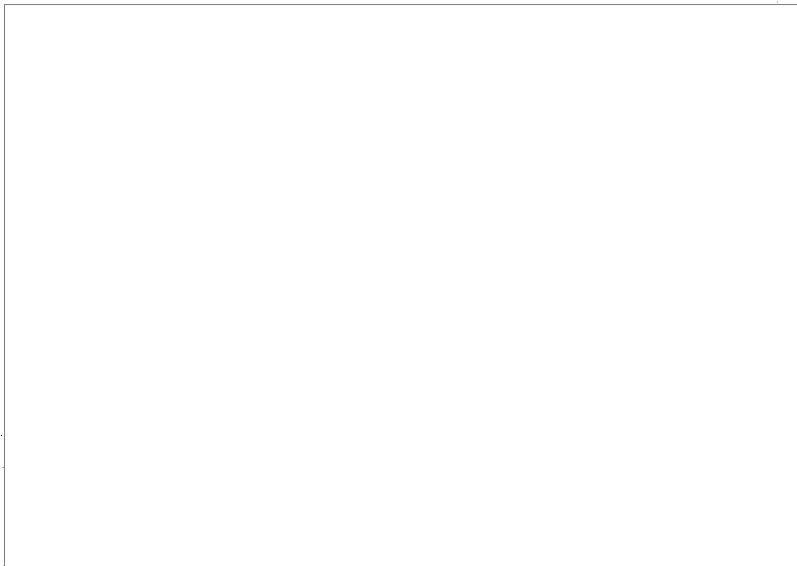
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**IRAQ-USSR**



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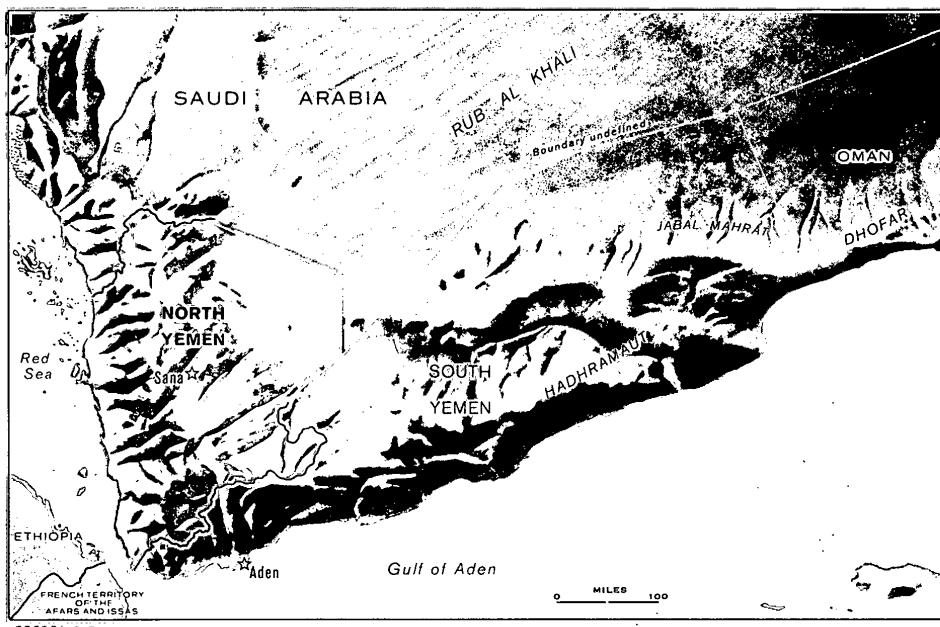
**ITALY**

President Leone is convinced that relatively slight differences separate the coalition parties on key economic issues. He believes sufficient room exists for negotiation, and that the Christian Democratic and Socialist parties may become more amenable to compromise if the issues are debated publicly. Leone is prepared to instruct Prime Minister Rumor to submit the issues to parliamentary debate if the Prime Minister reports that he cannot resolve the differences between the Christian Democrats and the Socialists.

Meanwhile, organized labor may have given political leaders a short breathing spell. The labor federation, which represents all of Italy's unions, has reaffirmed its support for the Socialist position but has voted a temporary moratorium on politically motivated strikes. The Communist-dominated unions are following a policy calculated to convey a responsible image and thus support Communist leader Berlinguer's campaign for more formal consultations between the Communists and the government. The top Communist labor leader, for example, aided Christian Democratic labor leaders in their effort to beat back a Socialist attempt to pin responsibility for the current crisis on the Christian Democratic Party.

Rumor will probably convvoke a meeting of the center-left party leaders this weekend to get negotiations started and to prepare for a possible Communist attempt to force a debate on the crisis when parliament convenes on Monday. Rumor is not likely to make much progress toward resolving the dispute, however, before next week's regional council elections in Sardinia.

*FOR THE PRESIDENT ONLY*



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*FOR THE PRESIDENT ONLY*

**NOTES**

North Yemen: The Command Council under Colonel Hamdi appears to be in control of the capital. It has yet, however, to receive pledges of support from powerful tribal elements in the north that on Thursday threatened to occupy Sana. Should clashes with the tribes develop, they could trigger intervention by the Saudis in support of the tribes. South Yemen also might be tempted in this situation to initiate military moves along the border.

USSR-Israel: Soviet journalists are telling their American colleagues in Moscow that the USSR is on the verge of re-establishing relations with Israel. Our Moscow embassy reports that, although there is no direct evidence to support these rumors, recent shifts in Soviet public treatment of the Middle East are consistent with a possible move toward Tel Aviv. Having taken the line that the US is seeking to regularize relations with the Arab world, the Soviets could assert that Moscow should do no less with Israel. Possibly with this in mind, Soviet party boss Brezhnev in his election speech yesterday said that progress toward a Middle East settlement "will create the conditions for the development of our relations with all countries" in the area.

Pakistan-France-China: [Redacted]

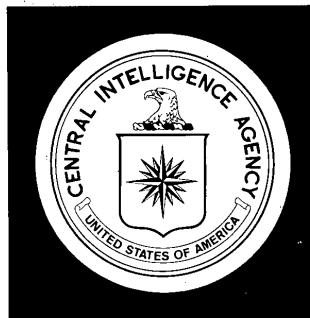
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Thailand: A nationwide radio appeal by Prime Minister Sanya, which was backed by prominent labor leaders, has restored a measure of calm to the streets of Bangkok following a tense week of labor protests. While the Sanya government seems to have weathered its first serious domestic challenge since forming a new cabinet two weeks ago, the demonstrations marked the emergence of a student-worker alliance that is sure to try again.

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## The President's Daily Brief

June 17, 1974

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declassification schedule under E.O. 14176  
exemption category 5B(1)(2), (3)  
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the Director of Central Intelligence

## THE PRESIDENT'S DAILY BRIEF

June 17, 1974

### PRINCIPAL DEVELOPMENTS

Syria reportedly is taking additional measures to ensure that radical fedayeen elements in Lebanon do not cross into Syria. (Page 1)

In Cambodia, Prime Minister Long Boret has announced a new cabinet. Meanwhile, evacuation of civilians from the besieged government enclave at Lovek has begun. (Page 2)

Individuals opposed to President Makarios and in favor of union of Cyprus with Greece are once again resorting to violence. (Page 3)

Egyptian Foreign Minister Fahmi has postponed his visit to Moscow. (Page 4)

Tribal leaders in North Yemen have finally pledged to support the new government. (Page 4)

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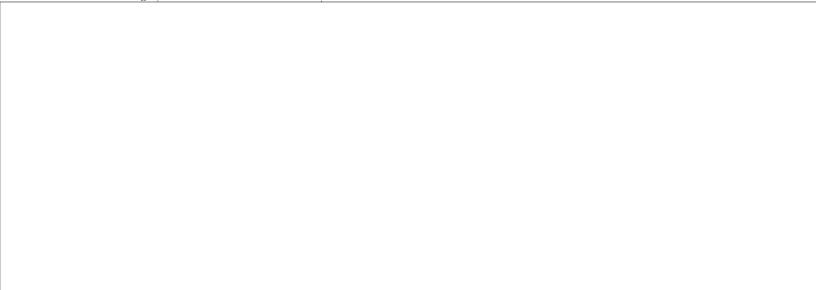


FOR THE PRESIDENT ONLY

## SYRIA-FEDAYEEN

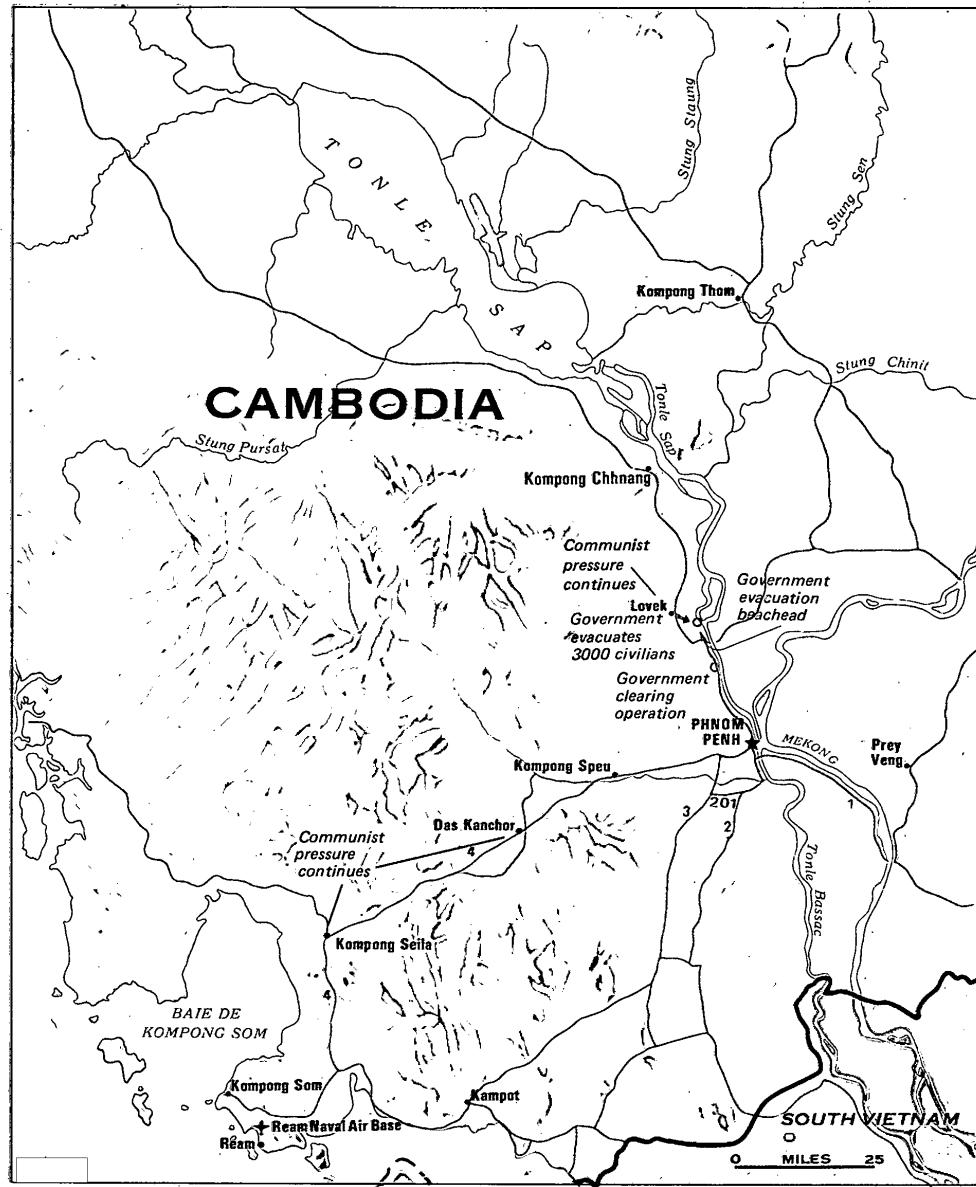
Syria reportedly is taking additional measures to ensure that radical fedayeen elements in Lebanon do not cross into Syria.

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## CAMBODIA

Cambodia has a new government. The bulk of cabinet members in Prime Minister Long Boret's government announced yesterday are from President Lon Nol's Socio-Republican Party or are independents.

The key portfolios of defense and foreign affairs remain in the hands of holdovers from the previous cabinet. Boret, who took less than a week to form his new cabinet, brought in as First Vice Premier Pann Sothi, a frequent critic and troublemaker for past governments.

According to a prearranged agreement between Boret, Sirik Matak, and Lon Nol, members of Matak's Republican Party stayed out of the cabinet in return for at least one spot on the High Executive Council, the country's top policy-making body.

\* \* \*

Evacuation of civilians from the besieged government enclave at Lovek, 25 miles northwest of Phnom Penh, has begun.

Government forces this weekend succeeded in clearing a corridor from Lovek to a beachhead on the Tonle Sap River. Approximately 3,000 civilians subsequently embarked on junks for further travel upstream to Kompong Chhnang. Khmer Communist forces thus far have offered no significant opposition to the evacuation operation. Insurgent messages, however, continue to stress the urgency of isolating and destroying Lovek--which still contains large numbers of civilians and military personnel--and its Tonle Sap beachheads. Munitions shortages and the slow arrival of reinforcements may be delaying those efforts.

Elsewhere in the Phnom Penh area, government forces continued their slow advance along Route 5 north of the capital against increasingly stiff resistance.

In southwestern Cambodia, the isolated government garrisons at Kompong Seila and Das Kanchor continue to hold out against persistent shelling attacks and ground probes. Meanwhile, government reinforcements from Kampot are en route to Kompong Som, the country's only deepwater port. The recent fall of a small outpost near Kompong Som has heightened government fears of Communist actions against the port city and the nearby naval air base at Ream.

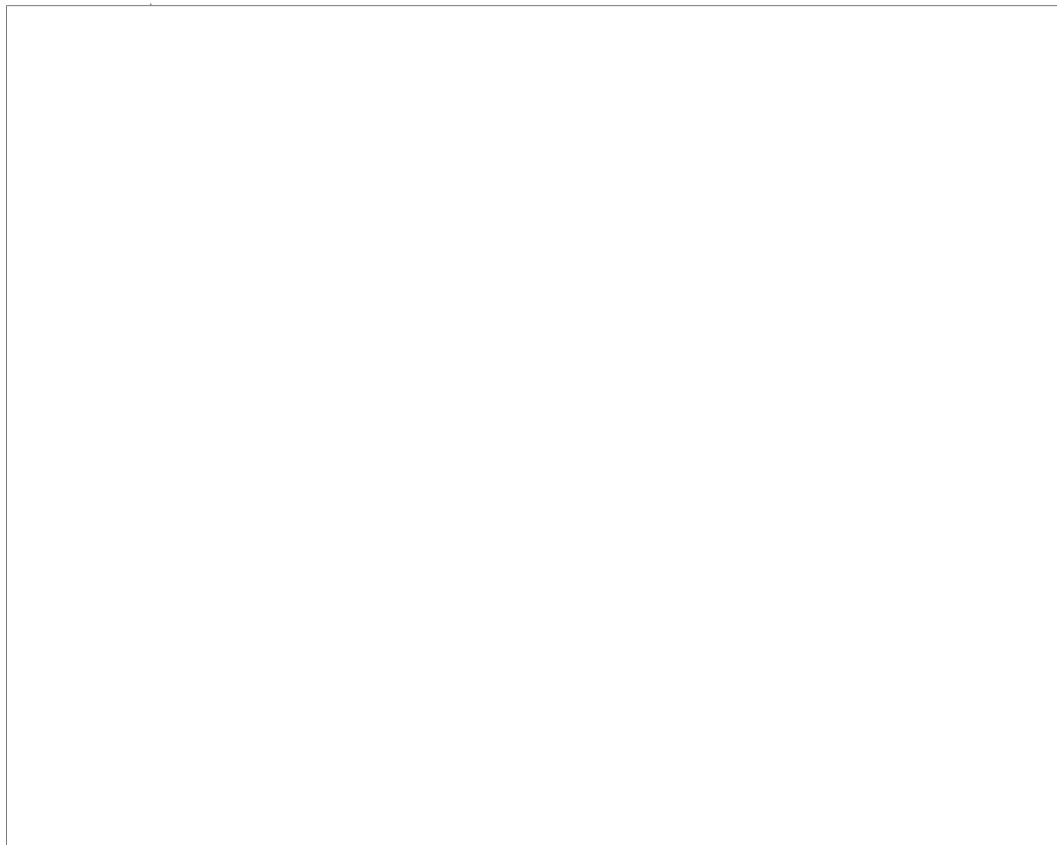
## CYPRUS

Individuals opposed to President Makarios and in favor of union of the island with Greece are once again resorting to violence. There have recently been a number of bombings and a shooting incident that have been blamed on remnants of EOKA-B--the once potent and now officially outlawed opposition group formerly led by General George Grivas, who died last January.

Cypriot police forces have been arresting members of that organization, and Makarios has accused the Greek government of attempting to supply it with arms. Makarios' anger at Athens has been heightened by the open involvement of some Greek officers from the Cyprus national guard in opposition activities; he asked Athens to remove a number of these men from the island.

Cypriot national police forces probably are capable of overcoming a direct threat to Makarios' rule by opposition elements on Cyprus. Additional Greek Cypriot turmoil is likely, however, and might spill over into the Turkish Cypriot community.

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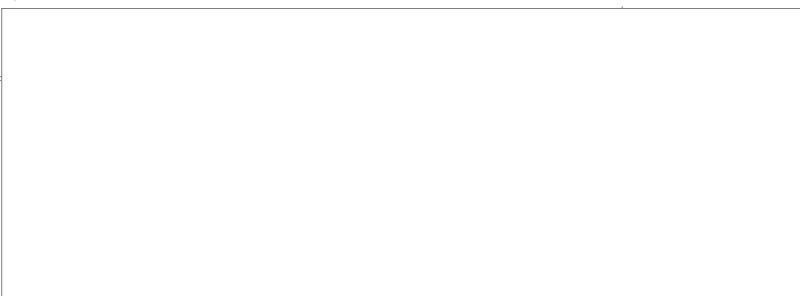


NOTES

Egypt-USSR: Egyptian Foreign Minister Fahmi reportedly has postponed his announced visit to Moscow to arrange an Egyptian-Soviet Summit. Akhbar al-Yawm editor Ali Amin, a leading Cairo columnist, reported on June 15 that the trip would be postponed at least a month because Fahmi intends to visit West Germany, Romania, and the US during July.

North Yemen: Colonel Hamdi is now in full control of the country. On Saturday, tribes that had earlier threatened to occupy the capital pledged their support of Hamdi's Command Council. Important tribal groups subsidized by Saudi Arabia, led by Sheikh al-Ahmar, the head of the dissolved consultative assembly, fell into line shortly after the Saudis announced their support for the new North Yemeni leadership. South Yemen thus far shows no sign of trying to influence the new situation in the north.

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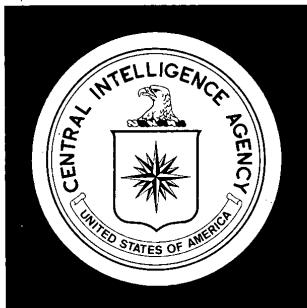


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# The President's Daily Brief

June 18, 1974

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declassification schedule of E.O. 14176  
exemption category 5B(1),(2), (3)  
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*FOR THE PRESIDENT ONLY*

THE PRESIDENT'S DAILY BRIEF

June 18, 1974

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PRINCIPAL DEVELOPMENTS

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China

Page 1.

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The appearance of political wall posters attacking Chinese officials by name seems to be the latest phase in the struggle between leftists and moderates for control of the anti-Confucius campaign. (Page 4)

The Soviet press is now giving fuller coverage to the President's trip to the Middle East and is straining to emphasize the importance of the Soviet Union in the region. (Page 5)

Left-wing gains in the Sardinian election and more political violence have added to the difficulties surrounding the formation of a new Italian government. (Page 6)

Portuguese President Spinola continues to stump the country in an effort to consolidate his leadership. (Page 7)

Close examination of the joint Soviet-Afghan statement has convinced the US embassy in Kabul that his seeming acceptance of Moscow's scheme for an Asian collective security system is so carefully hedged as to be no real endorsement at all. (Page 8)

Soviet

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China

(Page 9)

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*FOR THE PRESIDENT ONLY*

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CHINA

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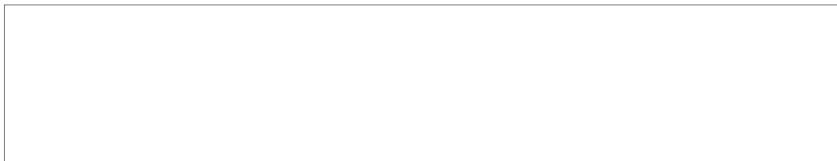
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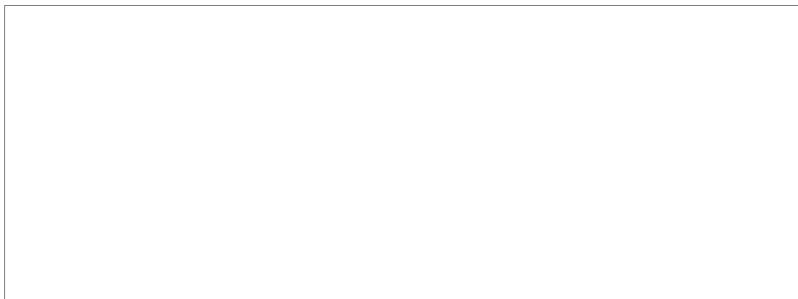
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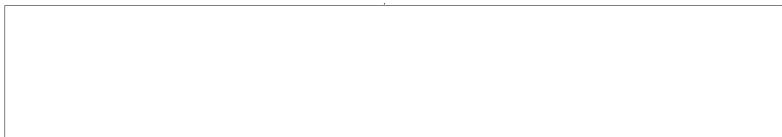
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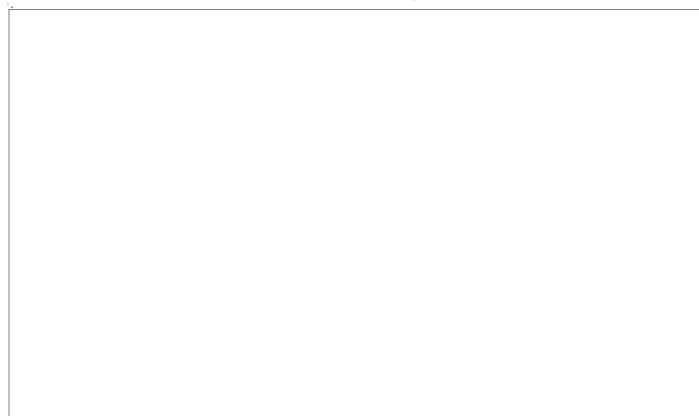
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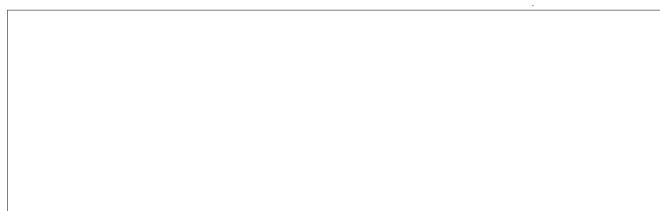
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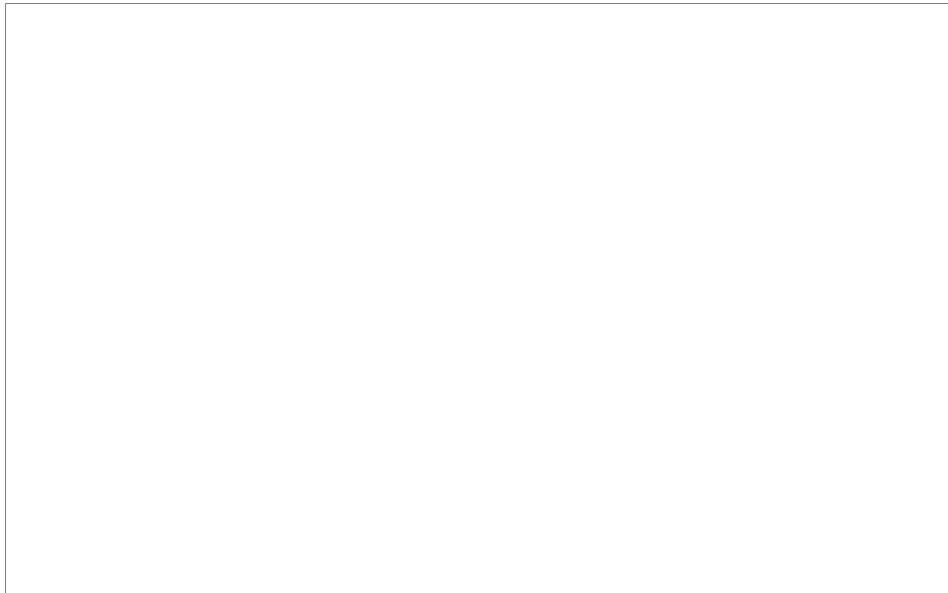
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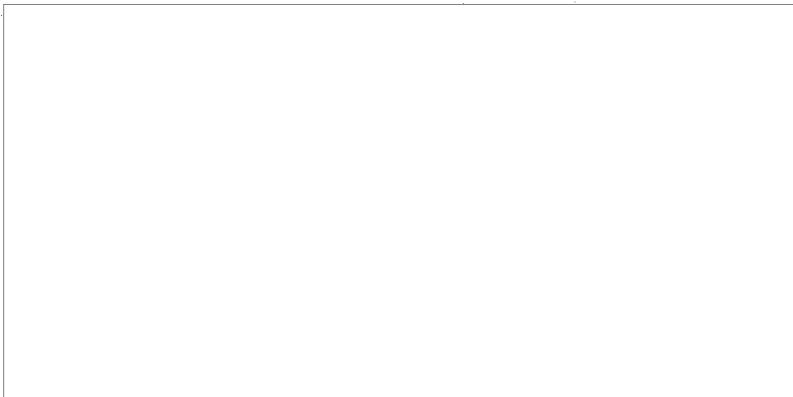
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CHINA



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*FOR THE PRESIDENT ONLY*

CHINA

The appearance of political wall posters attacking Chinese officials by name seems to be the latest phase in the struggle between leftists and moderates for control of the anti-Confucius campaign. New instructions issued late last month authorize attacks on provincial leaders--a strategy that evidently responds to pressure from the leftists--and reverse earlier directives banning attacks by name.

Within the bounds of the new ground rules, however, moderates in Peking seem to be trying to make the case that national leaders, even if they double as province chiefs, should not be considered fair game. Posters that appeared last weekend criticizing Politburo member Hua Kuo-feng--who is concurrently political boss of Hunan Province--have been removed. Replacing them are posters attacking the Hunan leadership in general, but naming no names. Criticism of the Peking city leadership last week seemed aimed at another Politburo member, but no names were mentioned.

Chinese officials at both ends of the political spectrum seem unconcerned about the recent flurry of posters.

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Vice Foreign Minister Chiao Kuan-hua, who is close to Premier Chou En-lai, said that the party Central Committee will ultimately decide the fate of those currently under attack, and that criticism of specific individuals does not necessarily mean that they will be purged. Chiao rationalized that such posters were an example of "democracy," a line repeated a few days ago by a provincial official who is himself under attack in his home province.

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Actually many provincial leaders have been attacked in wall posters for several months. These officials continue to appear publicly and meet visitors.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**USSR - US - MIDDLE EAST**

The Soviet press is now saying somewhat more about the President's trip to the Middle East and is straining to emphasize the importance of the Soviet Union to the region. The Soviets now credit themselves with making possible the improvement in US-Arab relations.

In its issue of June 16, Pravda emphasized Moscow's contribution toward a settlement of the Middle East crisis, and asserted that Soviet support for the Arabs is responsible for the change in the Middle East climate. Pravda condemned "cold war" advocates in the West who, the paper alleges, are trying to portray the President's trip as a campaign to undercut Soviet-Arab relations.

The Soviets are still laboring, as they have been since the first of the year, to convince the Arabs that their demands can be satisfied only with the continuing support of the Soviet Union. The US is being portrayed as a Johnny-come-lately whose basic interests still reside with Israel. This week's issue of New Times, for example, told its readers that it was not until the 1973 US-Soviet summit that the US had pledged to respect the rights of the Palestinian people.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**ITALY**

Left-wing gains in the Sardinian election and more political violence have added to the difficulties surrounding the formation of a new Italian government. Final returns from Sardinia, long a Christian Democrat stronghold, show a 7-percent gain for the Communists and a 6-percent loss for the Christian Democrats since the last regional election in 1969. Large shifts in Italian voting patterns are unusual, and the Sardinian results will damage Prime Minister Rumor's efforts to end the quarrel between his Christian Democratic Party and the Socialists over a government austerity program.

Rumor will meet today with the leaders of the ruling center-left parties for another attempt to form a government. The soundings Rumor took over the weekend led him to believe that a compromise was possible. The Sardinian results may dispel his optimism and stiffen Socialist opposition. The Christian Democrats have been on the defensive since their defeat in the divorce referendum last month. The Socialists and other left-wing parties will interpret the Sardinian results, coming not long after the divorce referendum, as another indication that the trend is away from the Christian Democrats.

Italian voters are obviously blaming the dominant Christian Democrats for the rise in the cost of living and the growth in political terrorism. The image of a government that has lost control was accentuated yesterday when two neo-fascist leaders were assassinated in their office in Padua.

The gravity of Italy's political and economic problems appears to be the only factor favoring Rumor's reaching an accord with his center-left partners. Any new accord would be erected on a fragile foundation and could easily come apart the first time a contentious issue came up.

*FOR THE PRESIDENT ONLY*

**PORtUGAL**

President Spinola continues to stump the country in an effort to consolidate his leadership. His latest speeches have stressed the need for order, discipline, and vigilance against extremists. His personal appeals to the rank and file of military units are designed to broaden his control over the military and the younger officers who planned the coup that overthrew the Caetano regime.

The government, meanwhile, is showing a firm hand in labor disputes and antigovernment demonstrations by far-left groups. The only major work stoppage now in progress is a postal workers' strike that began yesterday. The government has criticized the strike, promised to study worker grievances, and warned that it will be firm in ensuring normality.

Spinola may be faced with resignations from the cabinet, including, possibly, the Prime Minister himself. Spinola's most pressing differences, however, are with Foreign Minister Soares.

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Soares and his followers want more immediate steps toward independence than does Spinola. The Algiers talks have been suspended, however, and Soares' trip to Ottawa for the NATO conference may lead him to postpone his resignation.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**AFGHANISTAN-USSR**

Close examination of the joint Soviet-Afghan statement issued at the conclusion of President Daoud's recent visit to Moscow has convinced the US embassy in Kabul that his seeming acceptance of Moscow's scheme for an Asian collective security system is so carefully hedged as to be no real endorsement at all.

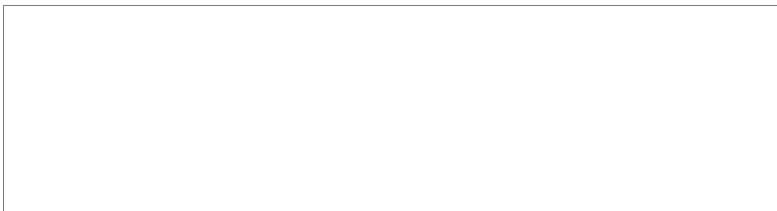
The statement as worded agreed that such a system would "meet the interests of all Asian peoples." The Afghans, nevertheless, managed to insert into the joint statement the caveat that a precondition for the creation of a collective security system would be a "settlement of disputable issues through peaceful means and elimination of remnants of colonialism." This is the standard Afghan reference to the Pushtun-istan issue--a problem with no likelihood of early resolution. A Soviet news bulletin issued in Kabul featured quotations from the joint statement on the collective security concept, but omitted the Pushtun-istan qualifier.

Daoud also won use of the term "negotiations" in the joint statement's reference to the Afghan-Pakistani dispute rather than "discussions," which up to now is all the Pakistanis have been willing to accept. This may call for some skillful maneuvering on Moscow's part during Prime Minister Bhutto's coming visit to the Soviet Union.

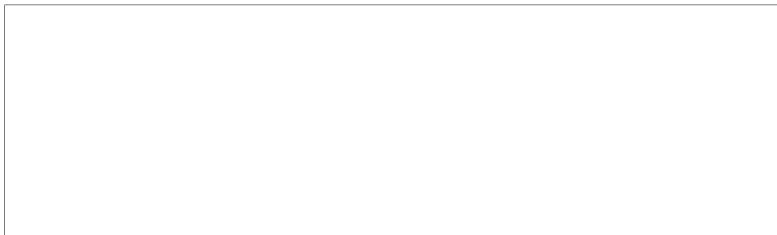
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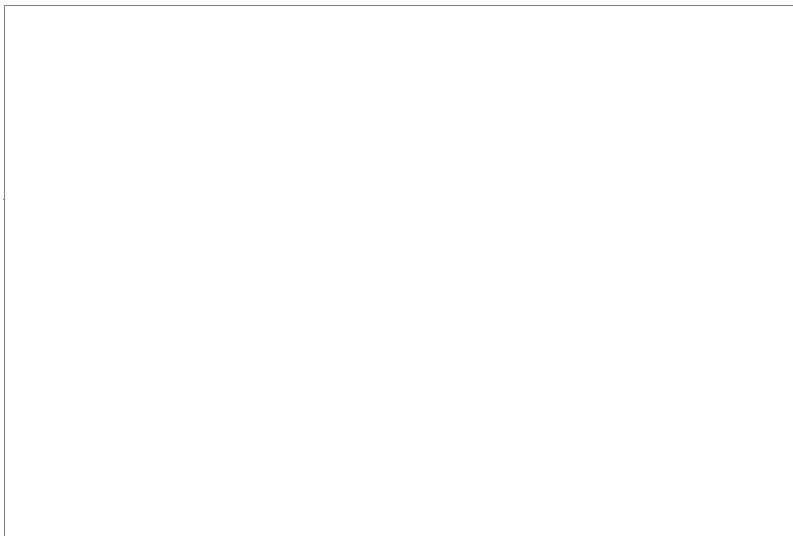
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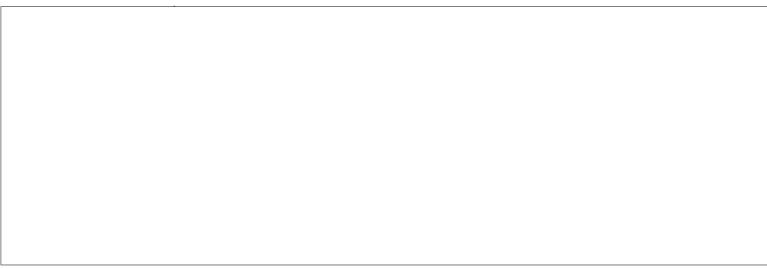
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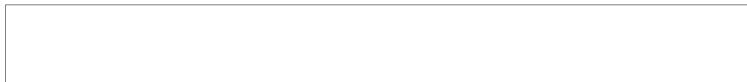


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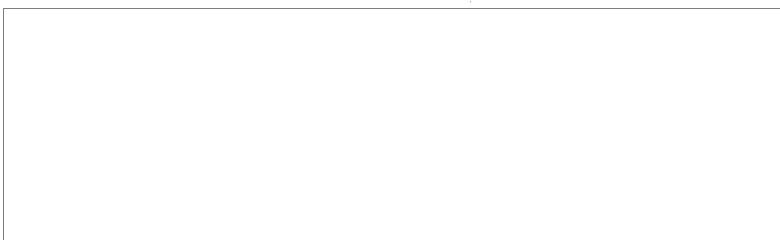
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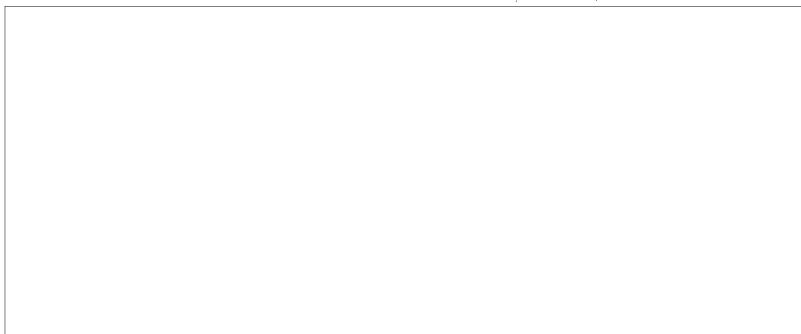
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## The President's Daily Brief

June 19, 1974

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## THE PRESIDENT'S DAILY BRIEF

June 19, 1974

### PRINCIPAL DEVELOPMENTS

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Soviets

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The Soviets are continuing their highly favorable public treatment of the President's coming visit to Moscow, but, in contrast to last year's pre-summit period, they are not suppressing criticism of the US. (Page 5)

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Saudi Arabia is now investing directly in the US after a six-month hiatus. (Page 6)

India

USSR.

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(Page 7)

Nigeria

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USSR

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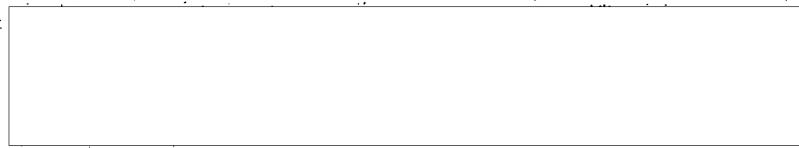
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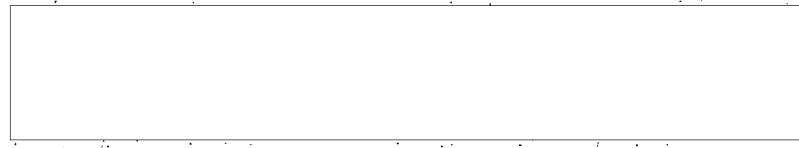
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USSR

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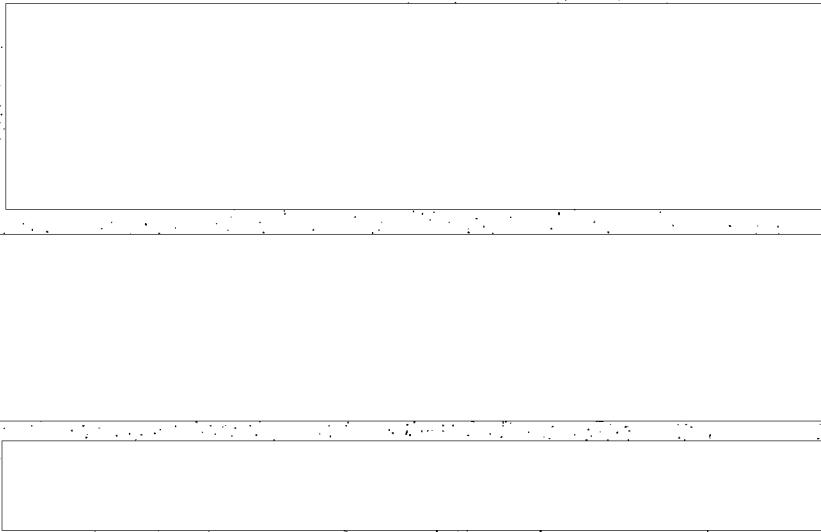
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## USSR

The Soviets are continuing their highly favorable public treatment of the President's forthcoming visit to Moscow, but, in contrast to last year's pressurized period, they are not suppressing criticism of the US. With the exception of a tough Pravda commentary early this week implying that the US helped overthrow Allende, none of this public criticism differs significantly from other recent Soviet commentary on the US.

Besides those few notes, the public buildup for the Moscow meeting is well under way. The Soviet press continues to stress the need to place relations with the US on a stable basis, and Brezhnev is being quoted as calling for progress in political and economic relations, and especially in arms control. The President's recent address in Annapolis is also being frequently and favorably mentioned.

Moscow's decision to allow criticism of Washington at this time is probably based on several considerations, not the least of which is the USSR's concern over the erosion of its position in the Middle East. Moscow may also be trying to moderate public expectations about the pace of detente, and to place the blame for limited progress on "reactionary forces" in the US. By allowing criticism of the US, the Soviets may believe that they will be better able to maintain Moscow's proper revolutionary image.

## SAUDI ARABIA

Saudi Arabia is now investing directly in the US after a six-month hiatus.

--In early May, the Saudis bought at least \$100 million in US Treasury obligations.

--Between \$5 and \$25 million of US equities were purchased on May 29.

[redacted] 25X1

The flow of Saudi investment to the US market, although currently small in relation to its surplus oil revenues, is likely to increase sharply in the next four to six months. The Eurodollar market now satisfies most Saudi investment needs, but fear for its stability and low interest payments on their deposits will force the Saudis to seek alternatives. The US financial market, because of its size and variety of investment opportunities, is more capable of handling the surplus oil revenues Saudi Arabia must invest.

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USSR-INDIA

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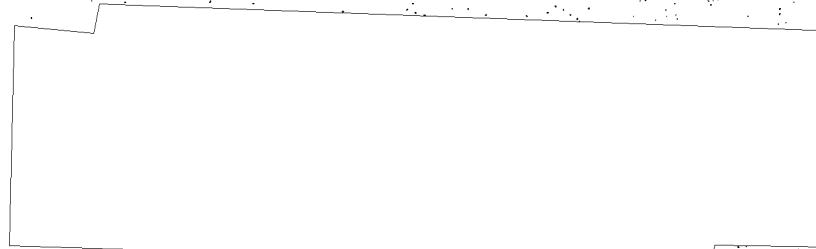
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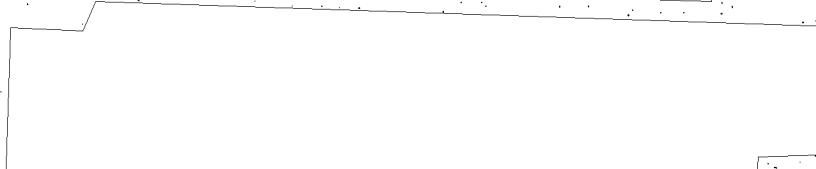
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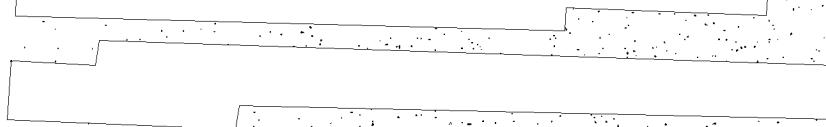
NIGERIA-USSR



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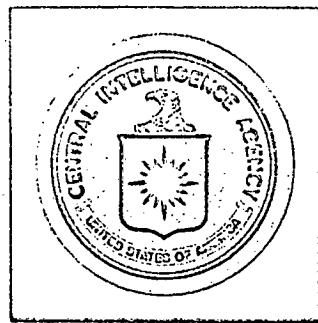
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# The President's Daily Brief

June 20, 1974

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## THE PRESIDENT'S DAILY BRIEF

June 20, 1974

### PRINCIPAL DEVELOPMENTS

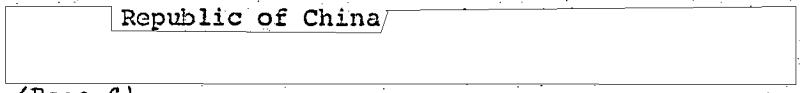


(Page 1)

The Lao Communists are still well out in front politically in the ten-week-old coalition government, but the non-communists are finally showing some signs of life. (Page 2)

Moscow's international economic position is expected to improve considerably over the next few years as a result of large hard-currency surpluses in its balance of payments with the West. (Page 3)

A study by the intelligence community on Prospects for the Caribbean (excluding Cuba) reaches the conclusion that a troubled future for the area is inevitable. (Page 4)



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(Page 6)

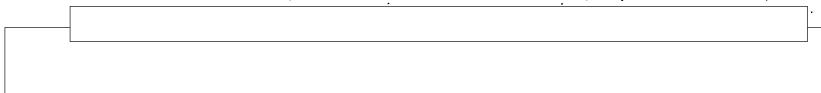
Prime Minister Rumor won agreement last night on an economic austerity program for Italy. His center-left coalition government remains in place. (Page 7)

A note on Spain appears on Page 8.

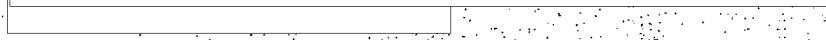
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CAMBODIA



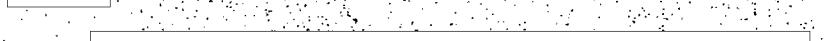
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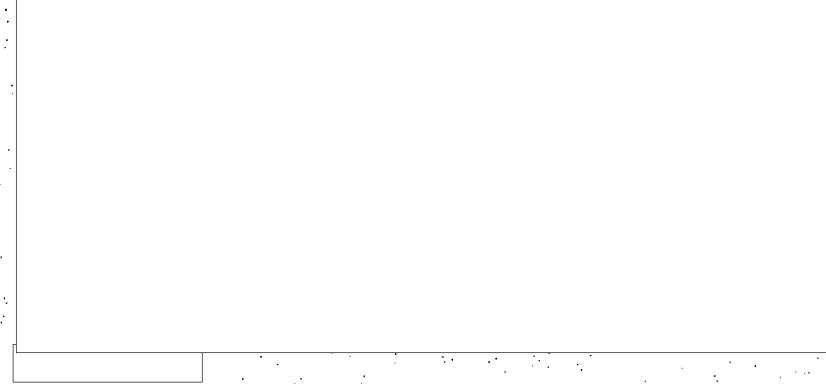
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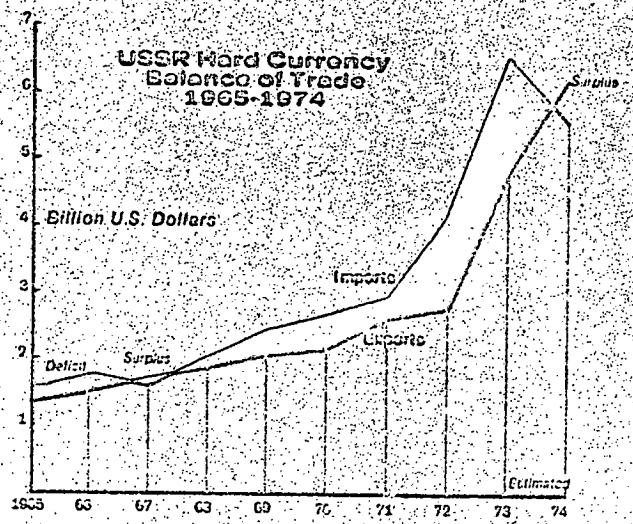
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LAOS

The Lao Communists are still well out in front politically in the ten-week-old coalition government, but the non-communist side is finally beginning to show some signs of life. Aided by Prime Minister Souvanna's parliamentary maneuvering, non-communist ministers in the coalition cabinet have succeeded in at least temporarily deferring cabinet action on two important proposals which Lao Communist leader Souphanouvong recently pushed through the Joint National Political Council.

One of the proposals sets forth Communist domestic and foreign policy priorities for the new coalition. The other lays the groundwork for a system of press censorship. The non-communists have also been able to delay Communist efforts to secure the new coalition's recognition of the Viet Cong's Provisional Revolutionary Government. These belated maneuvers aside, the non-communists still have a long way to go to counter the opposition forces effectively.

## USSR

Moscow's international economic position is expected to improve considerably over the next few years as a result of large hard-currency surpluses in its balance of payments with the West. Earring a major shift in Soviet trade policy or substantial purchases of grain abroad, the USSR's hard-currency surpluses for 1974-75 could amount to more than one billion dollars annually. Rising prices for Soviet exports of oil, minerals, and other raw materials as well as a sharp fall in grain purchases following last year's record harvest should combine to produce Moscow's improved situation. The anticipated hard-currency surpluses will end more than a decade of Soviet deficits.

The Soviets are likely to exploit their strengthened monetary position in several ways:

--They will bargain hard when paying cash and will be reluctant to accept unsubsidized loans at high interest rates.

--They will be more selective in choosing trading partners, playing one off against the other in an effort to obtain the technology, goods, and terms they seek.

--They may postpone or curtail exports of some traditional sources of hard currency--diamonds and gold, for example--in the expectation that both demand and prices will remain high.

It is not likely that Moscow over the next year or so will use its hard-currency reserves to accelerate significantly imports of machinery and equipment. A significant upsurge in imports over a short time would be hard to manage, mainly because of the difficulty in adjusting Soviet economic plans and because of the long lead times involved in implementing large investment projects. In time, however, the Soviets can be expected to adjust both their plans and domestic economic expectations to utilize more fully their strengthened international monetary situation. Meanwhile, they will probably place these hard-currency surpluses in interest-bearing deposits in Western banks.

## THE CARIBBEAN

A study by the intelligence community on Prospects for the Caribbean (excluding Cuba) reaches the conclusion that a troubled future for the area is inevitable.

Long a protected colonial preserve, the Caribbean is being swept by nationalism and by the spirit of assertiveness common throughout the underdeveloped world. The countries of the region are characterized by small land areas, a general lack of natural resources, and populations large enough to burden economies but too small to provide markets of scale.

Socio-political problems are mounting, and the risk of turbulence is growing. The basic problem will be one of too many people and too few opportunities.

Frustrations over social and political inequities, unemployment, and poor public services are creating a climate exploitable by radicals and demagogues. The trend toward personalist authoritarianism will continue, and power will be retained by increasingly repressive means. There are likely to be crises of varying intensity and duration, but they will probably remain localized.

Outside influences are generally constrained by the region's strong insularity.

--China and the USSR will try to increase their official presence and their influence within the limits of opportunities offered, but the region remains a low priority for them.

--Cuba is carefully cultivating its neighbors, but its influence will grow slowly, particularly as long as it is a Soviet client.

The US is the major influence on the area. Various points of conflict with the US will develop, but few are likely to pit a united Caribbean against the US. However, the contradictory needs and insecurities of the countries, and, in many cases, the personalities of their leaders, will make them difficult to deal with.

(continued)

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--An adversary relationship is predictable on the terms of US investment in the Caribbean (US private investment totals \$3.4 billion), especially for the highly visible extractive industries.

--Chances are good that the US can retain its military facilities in the area, but at greater cost.

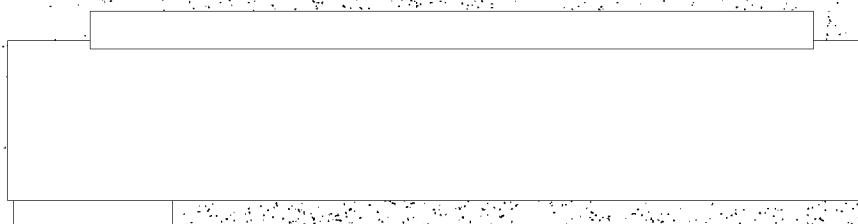
--The US will remain an important market for the area's products, and the US will continue to supply a significant portion of the region's imports.

--The political fragmentation of the region, the lack of self-confidence by local governments, and a desire to avoid even symbolic connection with the colonial past will continue to complicate US-Caribbean relations. It will be easier to deal bilaterally with these fragmented states. But because the image of independence will be an overriding requirement for the new countries, they will often be more comfortable dealing through international organizations, especially in such matters as aid and assistance.

REPUBLIC OF CHINA



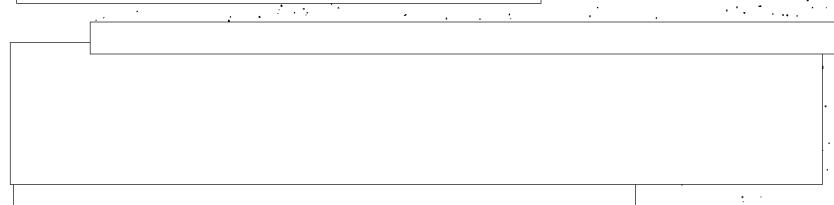
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FOR THE PRESIDENT ONLY

## ITALY

Prime Minister Rumor's three-party coalition government agreed last night on an economic austerity program. After nine shaky days, the center-left government remains in place, less because of its own efforts than because:

--President Leone refused to accept Rumor's resignation.

--Italy was given permission to use its gold reserves as collateral for foreign loans.

--Italians became more aware that there is no alternative to a center-left government and that the economic situation is serious.

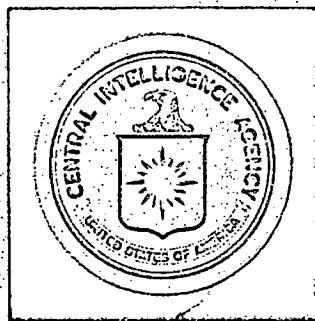
The terms of the agreed program have not yet been announced; it is expected to contain stiff tax hikes and credit restraints to curb imports and inflation. The Socialists had been resisting credit restrictions because of concern that recession and unemployment would result.

The Socialists introduced a problem during the negotiations on June 18 when they pressed for the institutionalization of consultations between the center-left government and the Communist Party on major issues. Italy's largest party, the Christian Democrats, has always resisted--and presumably did again--giving the Communists a formal role in the decision-making process.

The Socialist attempt to secure a larger role for the Communists may have been inspired by the gains the left made in the Sardinian elections early this week. The Socialists have heralded these results as fresh evidence of a nationwide swing to the left. They may also have been motivated by a desire to associate the Communists with what will probably be unpopular belt-tightening measures, since the Socialists and Communists compete for the votes of the same general portion of the electorate.

NOTE

Spain: The US embassy in Madrid reports that Don Juan, the pretender to the throne, is expected to issue a statement this weekend calling for greater liberalization in Spain. The declaration is reported to have the support of the Spanish Socialist Party, the Communist Party, some military officers, and Opus Dei--the influential Catholic lay organization--all of which regard recent developments in Portugal as a model for Spain to follow. Even rumors of an impending declaration will have an impact on the government, which is already debating the degree of liberalization that it should allow. Those who are opposed to liberalization may use Don Juan's declaration and his association with the opposition as an excuse to postpone reforms, on the grounds that concessions at this time will only whet the opposition's appetite for more far-reaching changes.



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# The President's Daily Brief

June 21, 1974

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## THE PRESIDENT'S DAILY BRIEF

June 21, 1974

### PRINCIPAL DEVELOPMENTS

India

(Page 2)

There are indications that the current communist campaign in South Vietnam will continue until mid-July, though monsoon rains have caused a decline in fighting in some areas of the country. (Page 3)

Contacts in Ottawa this week between the foreign ministers of Turkey and Greece appear to have paved the way for discussions of the disputed rights to undersea minerals in the Aegean. (Page 4)

Australia

(Page 5)

Notes on Page 6 discuss [redacted] the imminent departure of Moroccan troops from Syria, and Japanese relations with North Vietnam.

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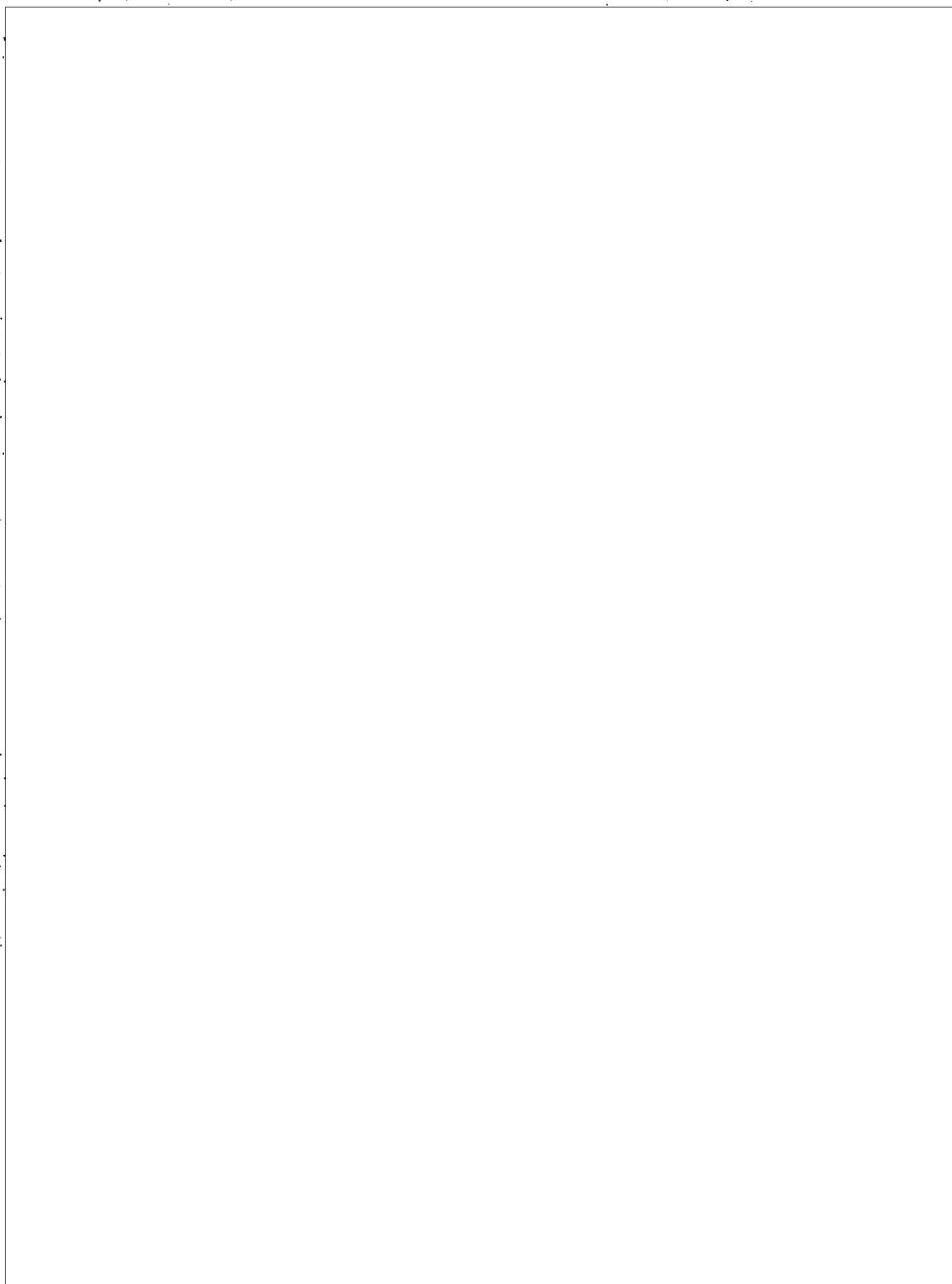
ISRAEL-SYRIA

Under the terms of the Israeli-Syrian disengagement agreement, no Syrian military forces are allowed in the area of separation between the Israeli and Syrian forces--an area in which Al Qunaytirah lies--but there is no specific prohibition against constructing fortifications in the area of separation.

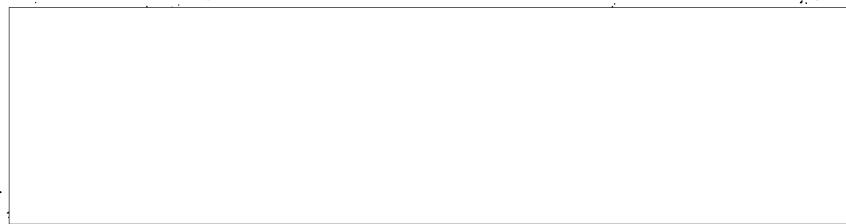
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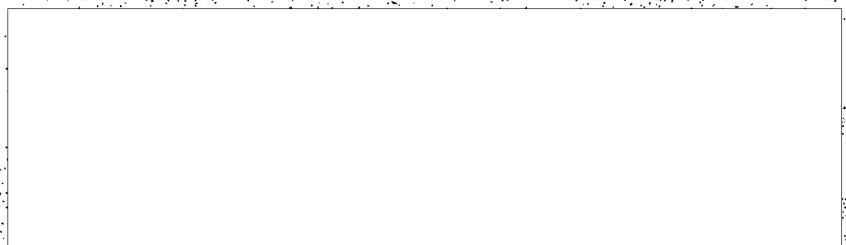
ILLEGIB



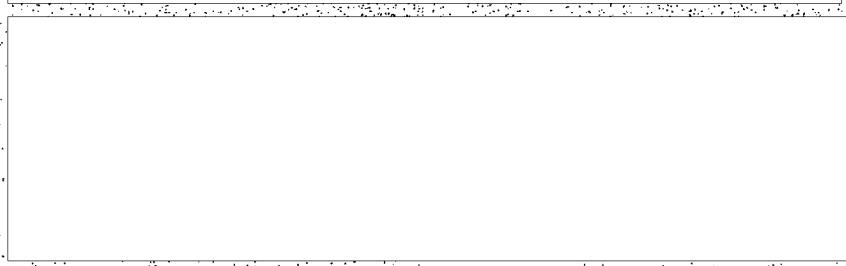
INDIA



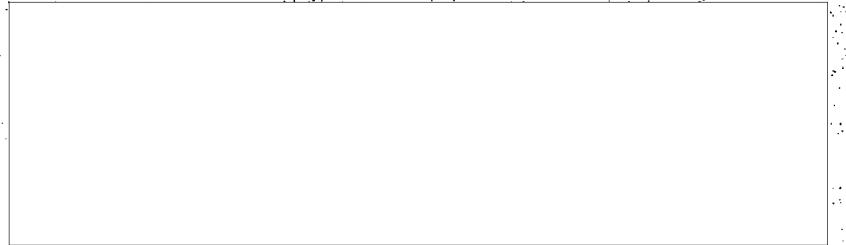
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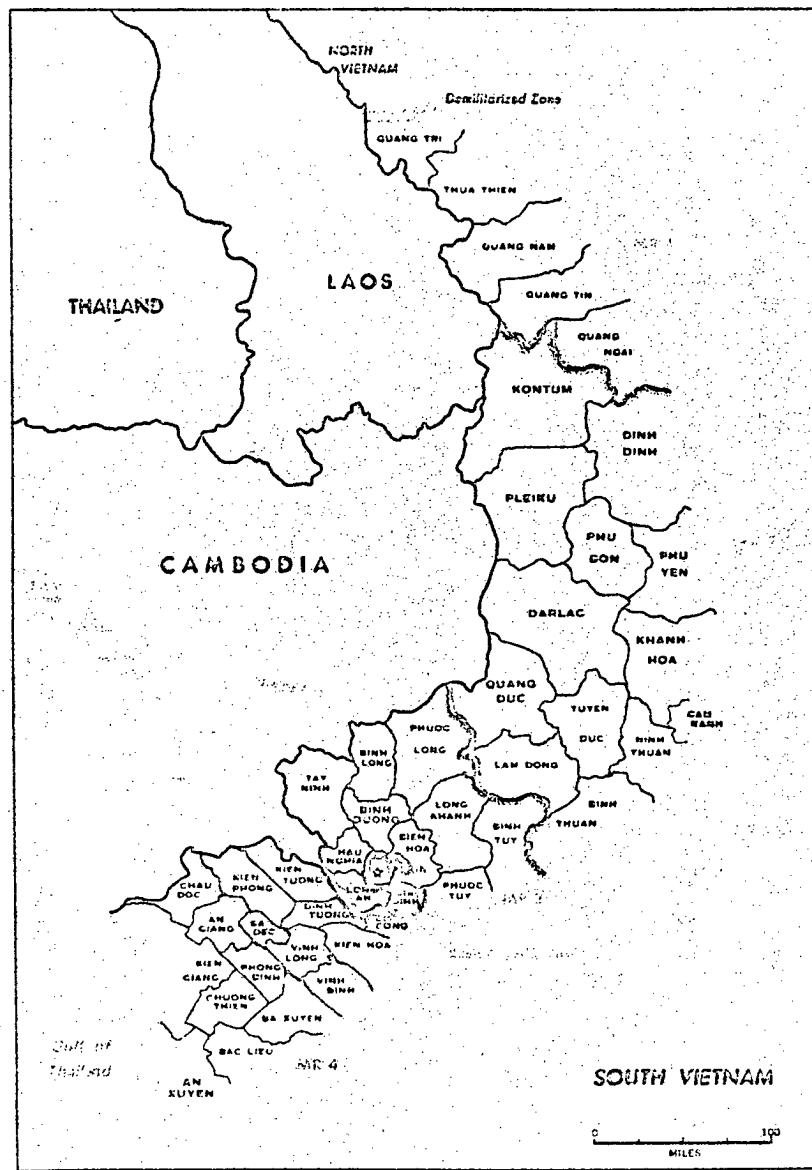
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MAP 4

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SOUTH VIETNAM

Heavy combat is falling off in some areas of the country as monsoon rains increasingly inhibit the military activities of both sides. The most significant fighting is still in Binh Duong Province, just north of Saigon, where elements of the communist 7th and 9th Divisions are continuing to offer stubborn opposition to the government drive to recapture several outposts lost earlier this year. The government's regional commander suspended the operation yesterday but plans to resume it once his troops are refitted.

Sharp skirmishing is also going on in the Cambodian border region of the northern delta where the communist 5th Division is trying to reopen infiltration corridors into the central delta. In the highlands and in some northern provinces where government offensive operations are making little headway, the communists are relying increasingly on small-scale harassing attacks, terrorism, and blocking major highways.

There are indications that the current communist campaign will continue until mid-July, particularly in the coastal lowlands of the northernmost provinces where the weather is improving. Many main force communist units there have been strengthened and are preparing for combat. In addition to the increasing level of combat preparations in the north, the communists may also soon go after several isolated South Vietnamese outposts in the highlands and launch diversionary attacks in provinces near Saigon to draw government forces away from the front in Binh Duong Province.

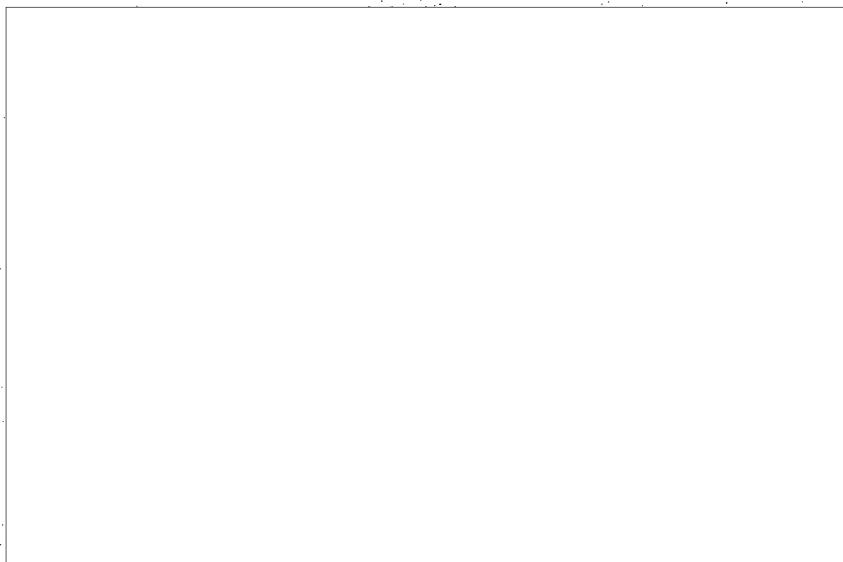
## GREECE-TURKEY

Contacts in Ottawa this week between the foreign ministers of Turkey and Greece appear to have paved the way for discussions of the disputed rights to undersea minerals in the Aegean by Prime Ministers Ecevit and Androutsopoulos in Brussels next week.

Turkish Foreign Minister Gunes stated at a news conference yesterday that the two leaders would meet at the NATO summit on June 26. He added that with good will the two countries can work out their problems and that the NATO allies need not "worry too much." He further indicated that "specialists" would also begin talks in the near future. The Law of the Sea conference now convened in Caracas might be the venue for these experts.

Both sides have their armed forces in advanced states of readiness and some military movements are continuing. Both claim that they will not initiate hostilities without real provocation. The fanfare the Greeks and Turks have given to recent maneuvers of their respective forces in the Aegean probably was largely politically motivated and aimed at demonstrating their determination to press for their rights in the disputed area.

AUSTRALIA



FOR THE PRESIDENT ONLY

NOTES

USSR: Final preparations appear under way for a major Soviet space mission. A Salyut space station is likely to be placed in orbit and then a manned Soyuz spacecraft launched.

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Soviet space support ships have taken up positions in the Atlantic from which they normally monitor manned space flights. The launch of the Soyuz to carry cosmonauts to the Salyut, however, is probably one or two weeks away.

Morocco-Syria: Morocco has announced that it is withdrawing its expeditionary force from Syria. Ceremonies in Syria marking the force's departure are scheduled tomorrow. Most of the Moroccan force, numbering some 2,000 men with equipment, will return home by sea. Rabat has already withdrawn its expeditionary force from Egypt. The return of these expeditionary forces may produce more political agitation within the Moroccan military.

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The King, however, almost certainly will take steps to see that the returning troops are watched closely for signs of disloyalty.

Japan - North Vietnam: Tokyo and Hanoi are making progress in resolving issues that have blocked an exchange of ambassadors since diplomatic relations were established last September. Both sides have been showing greater flexibility and Japanese officials are "fairly confident" that an agreement can be reached this fall. Tokyo claims to see no urgency, but there may be pressure in the Diet for faster movement.



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# The President's Daily Brief

June 22, 1974

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## THE PRESIDENT'S DAILY BRIEF

June 22, 1974

### PRINCIPAL DEVELOPMENTS

President Sadat is continuing his concerted effort to induce the Palestinians to participate in the Geneva conference and coordinate their position with Jordan. (Page 1)

The Cairo press is now reporting that Foreign Minister Fahmi will travel to Moscow on July 15. (Page 2)

[Redacted] 25X1

President Sadat will send a delegation to Libya early next month for a review of relations between the two countries. (Page 4)

Moscow has recently reaffirmed its opposition to West Germany's proposal for setting up a Federal Environmental Office in West Berlin. (Page 5)

A group of Afghan officers is plotting against the Daoud government and may move in a few days. (Page 6)

Notes on Page 7 discuss fedayeen use of ground-to-air missiles.

[Redacted] 25X1

[Redacted] 25X1

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FOR THE PRESIDENT ONLY

EGYPT

President Sadat is continuing his concerted effort to induce the Palestinians to participate in the Geneva conference and coordinate their position with Jordan. Despite his numerous statements about the need to recognize Palestinian rights, Sadat's [redacted] actions and what he has left unsaid in public have made it clear to the Palestinians that his support for them is limited by such considerations as Jordan's participation, the Israeli position, and US views.

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[redacted]  
he has publicly insisted that they must coordinate their stand with Jordan, along with Egypt and Syria.

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Sadat backs the recent decision by the Palestine National Council to establish a "national authority" on West Bank territory freed of Israeli occupation. Although this support would appear directly counter to Jordan's position, the wording of Sadat's statements on this issue do not preclude support for King Husayn's promise--which the PLO rejects--to allow the Palestinians self-determination after Jordan has negotiated for the return of the West Bank.

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Sadat recently appointed Foreign Minister Fahmi to oversee the coordination of Egyptian-Palestinian policy. Fahmi has not been closely involved in the conduct of foreign relations with other Arabs, largely because his personality grates on Arab sensitivities. He is a tough bargainer, and Sadat's use of him with the Palestinians is probably another signal that Sadat's main objective is to get the Palestinian leaders involved in the negotiating process.

EGYPT-USSR

The Cairo press is now reporting that Foreign Minister Fahmi will travel to Moscow on July 15. The ostensible purpose of the visit is to arrange an Egyptian-Soviet summit, but Fahmi will also try to determine Moscow's intentions toward resumption of arms deliveries suspended last April. The summit is unlikely to take place if Moscow refuses to resume the arms flow.

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Fahmi and the Soviets will also discuss the timing of the Geneva conference, and differences of view on this point could become a source of renewed argument.

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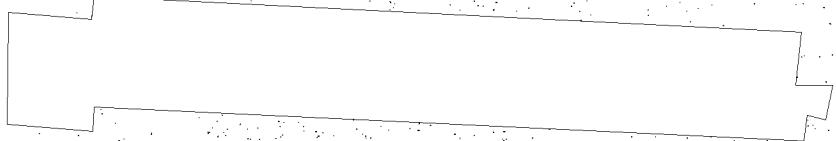
Cairo's interest in the future of arms deliveries undoubtedly reflects concern that the suspension is beginning to tell within the Egyptian armed forces. Military leaders may be pressing for some relief from a situation that has left Egypt's Soviet-equipped forces without a continued supply of spare parts for over two months.

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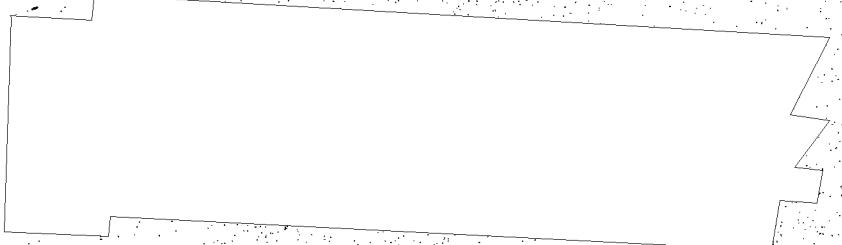
EGYPT-LEBANON



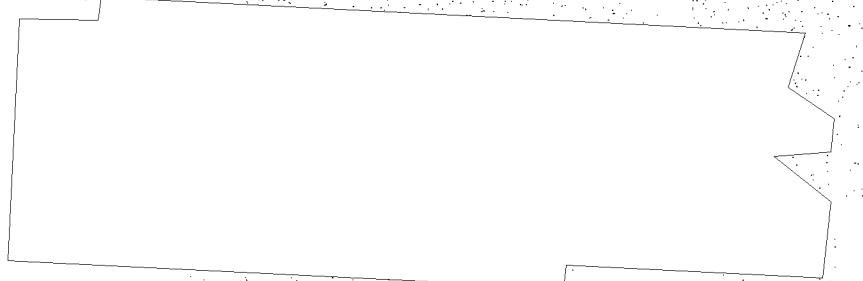
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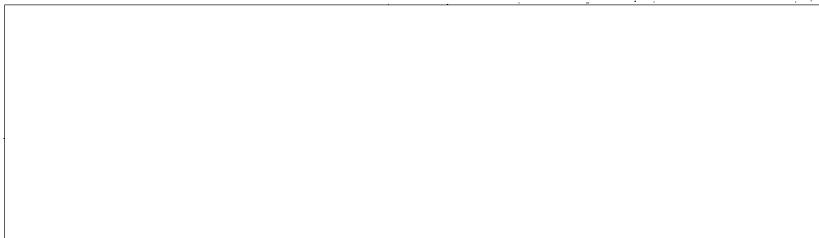


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EGYPT-LIBYA



Sadat is suspicious of Qadhafi's sincerity in seeking a rapprochement and is convinced that the Libyan leader is too erratic to make a personal effort worthwhile. Sadat would, however, appreciate an end to the Libyan propaganda campaign against his negotiating policy with Israel. Cairo's own anti-Libyan press campaign was halted early this month, and Sadat will probably be satisfied if the Egyptian delegation obtains nothing more than reciprocal action from Tripoli.

**USSR - WEST BERLIN**

Moscow has recently reaffirmed its opposition to West Germany's proposal for setting up a Federal Environmental Office in West Berlin, and has threatened retaliation should Bonn carry out its plan.

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The Soviets could refuse to compromise in the negotiations on legal assistance they are conducting with West Germany, or they could create "technical complications" for West German consuls who represent citizens of West Berlin in Communist countries. What the Soviets really want may be assurances from the Western powers that the environment office, if it is opened in West Berlin, will be the last West German initiative of its kind.

AFGHANISTAN

A group of Afghan air force officers is plotting against the Daoud government and may move in a few days.

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A coup attempt would have little chance of success unless the officers were able to rally disaffected civilian groups and obtain significant support from the army.

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NOTES

Fedayeen: Ground-to-air missiles--presumably the shoulder-fired SA-7s--were used against Israeli aircraft this week during the Israeli attacks on Palestinian refugee camps in Lebanon. This suggests that the fedayeen, who have responsibility for the security and defense of the camps, now control a quantity of the missiles. A substantial supply of SA-7s would significantly increase the fedayeen's ability to strike at civilian aircraft, particularly during the critical periods of takeoff and landing. A terrorist team armed with two of these missiles was arrested in Rome last September while preparing such an attack. The missile is not highly effective against high performance military aircraft.

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USSR-Egypt:

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USSR-US:

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Argentina:

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FOR THE PRESIDENT ONLY



# The President's Daily Brief

June 24, 1974

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## THE PRESIDENT'S DAILY BRIEF

June 24, 1974

### PRINCIPAL DEVELOPMENTS

India

(Page 1)

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Lebanon

Egypt

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(Page 2)

The USSR may raise the issue of US backing for Radio Free Europe and Radio Liberty during President Nixon's forthcoming meeting with Soviet leaders.

(Page 3)

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Greece

(Page 4)

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Notes on Page 5 discuss the final results of the Australian election, the delay of France's nuclear test, and Israel's withdrawal from the remainder of the Syrian salient captured in the October war.

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USSR-INDIA

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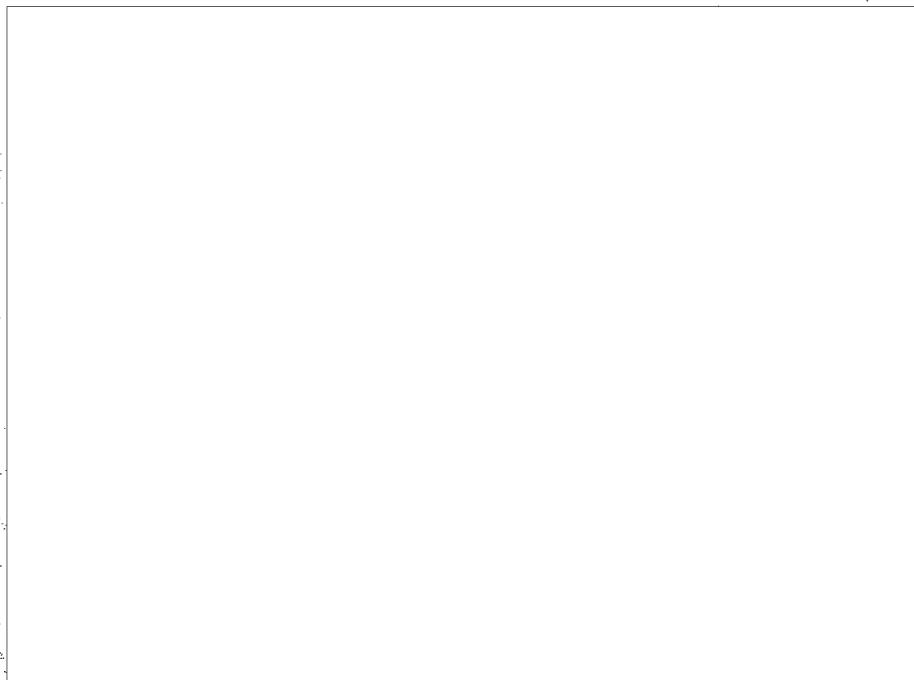
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LEBANON-EGYPT



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USSR

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[redacted] Moscow will raise  
the issue of US backing for Radio Free Europe and  
Radio Liberty during President Nixon's meetings with  
Soviet leaders.

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[redacted] Moscow does not  
expect the US to close down the radios immediately  
but does want the radios to end, or at least to re-  
duce, their anti-Soviet programs. The Soviets are  
unhappy about these "outmoded relics of the cold war"  
and may well allude to their own decision last year  
to stop jamming VOA broadcasts as indicative of their  
interest in reducing the intensity of the "propaganda  
war."

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GREECE

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FOR THE PRESIDENT ONLY

NOTES

Australia: Vote-counting for the national election held five weeks ago was completed over the weekend. Although Whitlam's party failed to capture the Senate, a constitutional provision offers him some hope of enacting legislation that had been blocked by the previous Senate. He can call a joint session of both houses--in which Labor would have a majority of three--to consider this legislation, although he cannot use this tactic to promote new bills. Labor's tight position in Parliament may lead in time to the same kind of roadblocks that prompted Whitlam to call elections last month.

France: Weather problems are apparently continuing to delay France's second atmospheric nuclear test this year at its South Pacific proving grounds.

Israel-Syria: Israel withdrew on schedule yesterday from the remainder of the Syrian salient captured in the war last October, turning over the final three-mile-wide strip of land to troops of the UN disengagement observation force. The separation of forces is to be completed by June 26.

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# The President's Daily Brief

June 25, 1974

7

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THE PRESIDENT'S DAILY BRIEF

June 25, 1974

PRINCIPAL DEVELOPMENTS

Soviets

(Page 1)

Wall posters in Peking are for the first time reporting armed clashes in the provinces. (Page 2)

Arab guerrillas stage a new attack inside Israel.  
(Page 3)

Notes on Page 4 report the latest Soviet space event,  
Greek military reinforcements in the eastern Aegean,

25X1

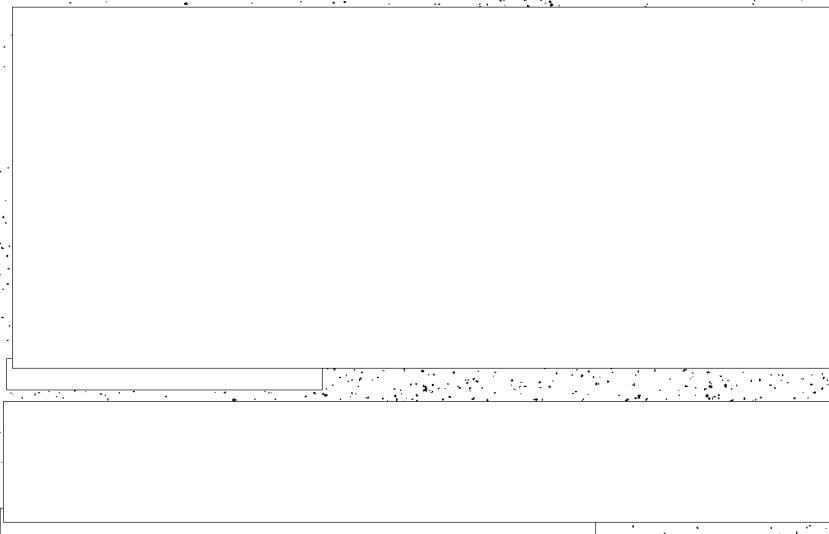
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FOR THE PRESIDENT ONLY

USSR-FEDAYEEN



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FOR THE PRESIDENT ONLY

## CHINA

Wall posters in Peking are for the first time reporting armed clashes in the provinces. The posters claim that three armed clashes have occurred in Kiangsi Province over the last two weeks, and that more than 200 persons have been killed in similar disturbances "in recent years." The posters in Peking also accuse the leaders of four other provinces of suppressing the "true revolutionaries" and of sabotaging the anti-Lin and anti-Confucius campaign in their bailiwicks.

The authors of the posters appear to be members of "leftist" organizations. Over the past several years, many leftists throughout China have been squeezed out of leadership positions by military officials as well as by rehabilitated party cadre, whom the leftists originally helped purge. In some instances, factional groups in Peking may be encouraging these local tensions for their own ends.

As factionalism in the provinces has become more pronounced, so have calls for unity at the national level. The party's theoretical journal, Red Flag, recently carried an article specifically warning against divisiveness in the ranks. Invocations for unity have also appeared in People's Daily.

Sporadic and isolated violence has been part of the provincial scene since the Cultural Revolution, but it is still far from the level reached between 1966 and 1969. The dominant authorities in Peking seem determined at this point to keep provincial disturbances within bounds.

## ISRAEL-FEDAYEEN

Israeli army troops successfully stormed an apartment building that had been taken over by Arab terrorists last night in the Israeli resort town of Nahariya near the Lebanese border, according to press reports from Tel Aviv. The terrorists held the building for three hours, sporadically firing small arms and throwing grenades into the street below.

According to initial reports, three guerrillas and four Israelis were killed. The terrorist attack took place shortly after Israeli Premier Rabin had toured settlements in the northern part of the country where he vowed to continue war against Arab terrorists.

Tel Aviv will undoubtedly view this latest attack as further justification for its campaign against guerrilla camps in Lebanon.

NOTES

USSR: The Soviets last night successfully placed a Salyut space station in orbit. In a week or two, they will probably launch a manned Soyuz spacecraft to link up with the Salyut.

Greece-Turkey: The Greeks are apparently continuing to send military reinforcements to the eastern Aegean, pending a political resolution of their dispute with Turkey over oil rights in the area.

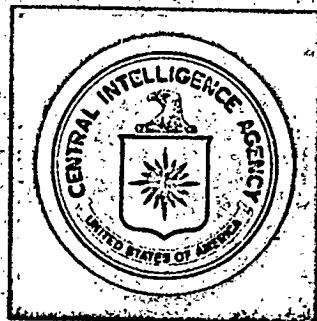
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Greece landed troops, weapons, and vehicles on the island of Kos in the southeastern Aegean on June 21. The US consul believes these troops and equipment may have come from Thessaloniki, where about 30 tanks were observed being loaded aboard three landing ships in the late evening of June 19.

USSR:

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# The President's Daily Brief

June 26, 1974

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~~Top Secret~~

FOR THE PRESIDENT ONLY

## THE PRESIDENT'S DAILY BRIEF

June 26, 1974

### PRINCIPAL DEVELOPMENTS

France and the Soviet Union may have reached a major agreement on construction of nuclear power plants in the USSR. (Page 1)

French politicians opposed to Giscard d'Estaing have harshly criticized the NATO declaration to be signed today in Brussels by President Nixon and other heads of government. (Page 2)

Syria

Lebanon

25X1

25X1

(Page 3)

The Soviets and Egyptians have warned fedayeen officials of alleged Israeli plans to assassinate selected commando leaders in Beirut late this month. (Page 4)

Moscow's chief negotiator on border issues with China returned to Peking yesterday after nearly a year's absence. (Page 5)

Turkish

25X1

(Page 6)

Notes on Page 7 report a Soviet-Iraqi naval operation in the Persian Gulf and Pakistan

Chinese

25X1

25X1

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25X1

FRANCE-USSR

France and the Soviet Union may have reached a major agreement on construction of nuclear power plants in the USSR.

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A French deal to build nuclear plants would probably involve the US indirectly, because the light water reactors used in France are built under licenses from General Electric and Westinghouse. The French have developed their own technology for fast-breeder reactors, but only one of these is currently in operation, and construction of a commercial version will not begin until sometime next year.

The USSR has been exploring the possibility of foreign cooperation in constructing nuclear power plants in the Soviet Union, but until now a West German firm has appeared to be the most likely supplier.

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## FRANCE

French political leaders of the left and right have harshly criticized the NATO declaration that President Nixon and other heads of government will sign today in Brussels.

The French politicians claim the declaration compromises France's independence and implies that President Nixon has the authority to speak for Paris and other West European governments at the Moscow summit. French President Giscard d'Estaing has no intention of reversing his government's decision to sign the declaration. These attacks, however, underscore the difficulties he faces in trying to improve the tone of relations with Washington.

Orthodox Gaullists are among the most bitter critics. Former defense minister Michel Debre termed the declaration another US tactic to subjugate Europe and bring it under US-Soviet hegemony. Former foreign minister Michel Jobert has joined Debre, reiterating that Paris needs to pursue a policy of national independence. Jobert spoke of the "subtle loss of liberty" that results "when one tries to please."

Critics on the left have raised their voices in a similar key. Socialist Party leader Francois Mitterrand spoke pejoratively of the "renaissance of Atlanticism" that the declaration entails. Communist Party chief Georges Marchais insisted that the National Assembly give its approval before the government signs the document, which he says threatens to involve France in "interventions and provocations" by the US beyond the region covered by the NATO treaty.

All of these political figures are outside the government and share only a desire to put Giscard off balance. Independence from Washington is a popular theme, and it will be difficult for Giscard to counterattack without appearing subservient to the US.

SYRIA-LEBANON

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Ground-to-air missiles, probably SA-7s, were fired at Israeli aircraft attacking fedayeen targets at Palestinian refugee camps last week, but no planes were downed. The missile is not very effective against high-performance aircraft and will not deter future Israeli attacks.

FEDAYEEN

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The Soviets and Egyptians have warned fedayeen officials of alleged Israeli plans to assassinate selected commando leaders in Beirut late this month.

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ZCIA

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Lebanese security forces may already be moving against suspected Israeli infiltrators. The Beirut press on June 24 reported that a number of Europeans, including British, German, and Swedish nationals, had been arrested on suspicion that they were on a "subversive mission for Israel."

**USSR-CHINA**

25X1

Moscow's chief negotiator on border issues with China, Deputy Foreign Minister Ilichev, returned to Peking yesterday after nearly a year's absence. The timing of his return--on the eve of President Nixon's visit to Moscow--strongly suggests the Soviets want to demonstrate that they can still deal directly, and perhaps even constructively, with Peking. The timing suggests also a hope of forestalling any embarrassing flare-up in Sino-Soviet relations during the President's visit.

With Ilichev's return in mind, the Soviets have placed a long article in a leading Polish newspaper outlining the border issue between the USSR and China. The purpose of the article, which is being excerpted by the Soviet media, is to convey the Soviet line on the border problem without directly tying Moscow to any particular position at this time.

There is no evidence that either the Soviets or the Chinese are prepared to make concessions that would move the border talks off dead center. The Polish newspaper article, for example, reiterates the Soviet contention that the two sides should confine themselves to "specifying" the frontier line that was "legally established" by prerevolutionary treaties.

TURKEY

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NOTES

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USSR-Iraq: On June 6, a Soviet warship operated for several hours with six Iraqi patrol boats in the Persian Gulf. Soviet minesweepers and ocean escorts of the Soviet Indian Ocean force have visited Iraq on more than ten occasions since March 1973. Similar exercises with the Iraqi navy therefore may have occurred previously, but this is the first time there has been clear evidence.

Pakistan-China:

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# The President's Daily Brief

June 27, 1974

5

~~Top Secret~~ 25X1

Exempt from general  
declassification schedule under E.O. 13652  
exemption category 5B(1) and (3)  
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*FOR THE PRESIDENT ONLY*

**THE PRESIDENT'S DAILY BRIEF**

June 27, 1974

**PRINCIPAL DEVELOPMENTS**

King Husayn has made public his threat not to participate in the Geneva peace talks unless a Jordanian-Israeli disengagement accord is worked out first.  
*(Page 1)*

Italian Prime Minister Rumor will probably get parliamentary approval of the government's austerity program, but continuing dissension within the coalition and reservations on the part of labor could imperil the program. *(Page 2)*

The Chinese, apparently concerned about their approaching harvest, are buying record amounts of grain for delivery this year, a total of 9.4 million tons. *(Page 3)*

Notes on Iraq, China, Saudi Arabia - EC, and Pakistan-USSR appear on *Page 4*.

*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

**JORDAN**

King Husayn has made public his threat not to participate in the Geneva peace talks unless a Jordanian-Israeli disengagement accord is worked out first. In an interview published in a Beirut daily on Monday, the King insisted that Israel would have to pull back a "reasonable depth" from the Jordan River as a prerequisite for Jordanian participation at Geneva, and that ultimately the Israelis would have to withdraw from the Arab portion of Jerusalem. Only then, he added, could a referendum be held on the West Bank to decide the area's future.

Husayn indicated that Jordan, Egypt, and Syria will also have to come up with a coordinated negotiating strategy before the Geneva conference reconvenes. By publicly threatening to boycott the talks and insisting on a coordinated Arab position, Husayn hopes to force Egypt and Syria to support his efforts to get Jordanian-Israeli disengagement negotiations rolling. He also hopes to spur the Israelis to be more responsive to his proposals.

The King reiterated that he had no objections to the presence of the Palestine Liberation Organization at the Geneva talks. He seemed to take a slightly harder position than on previous occasions, however, on the respective roles Jordan and the PLO should play. He said the Palestinian group's mandate should be limited to handling the still vaguely defined question of "Palestinian rights," while Jordan would negotiate the return of the West Bank and East Jerusalem to Arab custody.

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*FOR THE PRESIDENT ONLY*

**ITALY**

The Italian political scene remains tense in the wake of the accord on economic issues that was reached by the four center-left parties last week. Parliamentary debate on the government's austerity program begins today. Prime Minister Rumor will probably be able to get it approved, but continuing dissension within the coalition and reservations on the part of labor could imperil implementation of the program.

The Socialists are still exuding confidence from their gains in the Sardinian regional election last week and will drive a hard bargain in discussions on how to implement the program. The Socialist Party directorate this week strongly implied that its approval was based on the assumption that the Communist Party and labor unions will be consulted as the measures are implemented.

The dominant Christian Democratic Party, meanwhile, is divided over the leadership of Amintore Fanfani and the policies he represents. The party's left wing appears to be gathering support for its view that Fanfani's policies are responsible for Christian Democratic defeats in the divorce referendum and the Sardinian elections. A party national council meeting is to be held next month, and the left wing is expected to challenge Fanfani's leadership at that meeting and try to shift the party's policies leftward.

The Communists are debating how best to capitalize on the Christian Democrats' weakened position. Several major Communist leaders think the party should try to bring down the Rumor government--a development they believe would ultimately lead to the replacement of Fanfani by a leader more sympathetic to cooperation with the Communist Party. Others hesitate to push the Christian Democrats too hard, fearing that such tactics could lead them to close ranks against the Communists.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

CHINA

China is buying record amounts of grain this year in apparent concern about the approaching harvest. Peking has contracted for a total of 9.4 million tons of grain for delivery this year, including 3 million tons of US wheat and 1.1 million tons of US corn. Last year, it imported 7.5 million tons of grain; 4.1 million tons were of US origin.

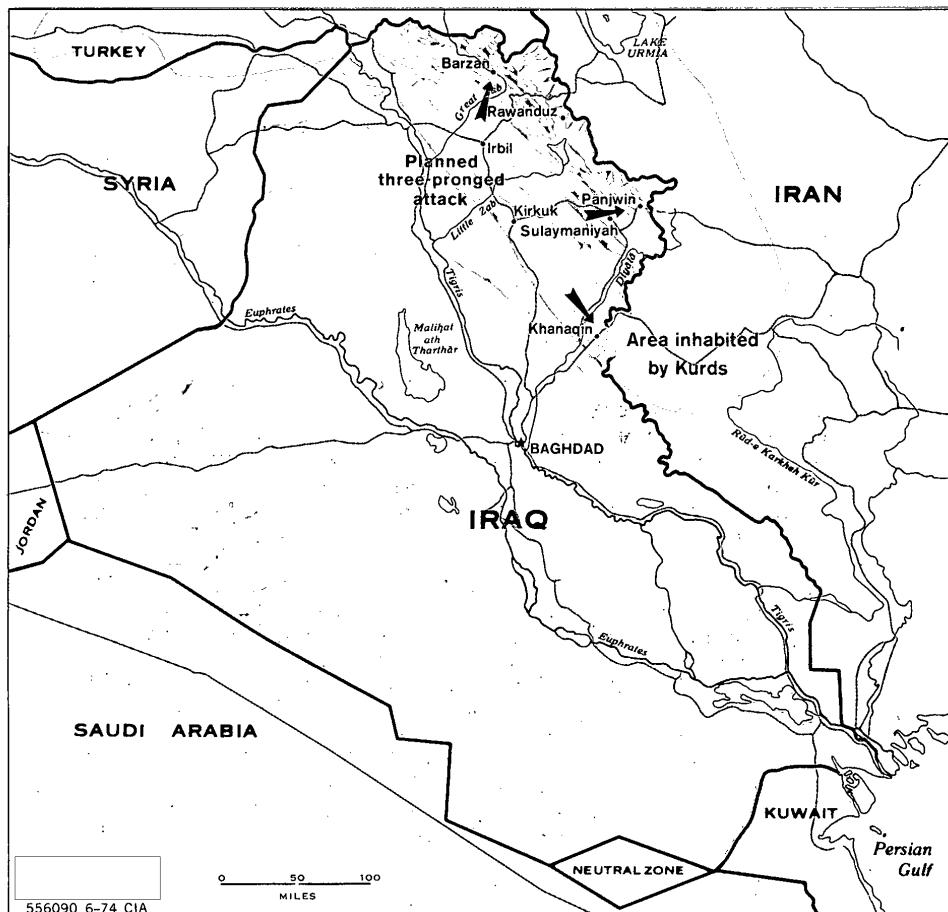
Yesterday, the Canadian Wheat Board announced a \$350-million wheat sale to China--some 2 million tons--its largest since 1972. One of the two contracts for this sale is in addition to those anticipated in the three-year sales agreement reached last October. The Canadian official who announced [redacted] the sale indicated that delivery will begin in July and will be concluded before the end of the year.

China has also signed a new purchase contract for 600,000 tons of US wheat, presumably for delivery beginning next month. This contract comes on the heels of an agreement with at least three traders to resume US wheat shipments that had been stalled for several months.

A small portion of the grain China is buying could possibly be diverted to North Vietnam and Albania. Earlier this year, China bought some 260,000 tons of corn from Argentina--230,000 tons for North Vietnam and the rest for Albania. China has also sent North Vietnam some Australian wheat and some 26,500 tons of US corn.

North Vietnamese food imports are already running at record levels, and Hanoi should be able to satisfy its minimum needs until rice is available from the spring crop. That crop should be reaching the markets in the next few weeks, but the outlook is for a poor harvest.

*FOR THE PRESIDENT ONLY*



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**FOR THE PRESIDENT ONLY**

**NOTES**

Iraq: The army may have launched a major drive against the Kurds in an attempt to isolate them and cut their supply lines with Iran. Tehran is concerned that the fighting may lead to more serious clashes between Iran and Iraq. On June 21, forces of the two countries reportedly exchanged fire for several hours at a point on the border some 100 miles northeast of Baghdad. The Iraqi government has tried before to prevent the Kurds from getting supplies from Iran, but has failed largely because of the mountainous terrain and stubborn Kurdish resistance.

China: [redacted]

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25X1

Saudi Arabia - EC: [redacted]

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[redacted] An end of the embargo would clear the way for substantive talks between the Arab nations and the EC.

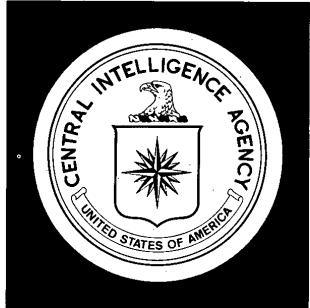
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Pakistan-USSR: Pakistani Prime Minister Bhutto will make an official visit to the USSR beginning on July 8. His main concern is expected to be the ramifications of India's detonation last month of a nuclear device. He is also likely to request clarification of the USSR's attitude toward Afghan-Pakistani relations, in light of Moscow's recent expression of support for "negotiation" of the dispute over Pushtunistan. Pakistan insists that this is an internal problem and that only "discussions," not "negotiations," are possible.

**FOR THE PRESIDENT ONLY**

*Top Secret*

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# The President's Daily Brief

June 28, 1974

5

~~Top Secret~~<sup>25X1</sup>

Exempt from general  
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exemption category 5(b)(1),(2),(3)  
declassified only on approval of  
the Director of Central Intelligence

**FOR THE PRESIDENT ONLY**

**THE PRESIDENT'S DAILY BRIEF**

June 28, 1974

**PRINCIPAL DEVELOPMENTS**

The fedayeen in southern Lebanon reportedly are operating almost without restriction by the Beirut government. (Page 1)

25X1

Moscow is taking further steps to recover lost ground in the Middle East. (Page 2)

25X1

[Redacted] Soviet [Redacted]  
[Redacted] [Redacted]  
[Redacted] (Page 3) [Redacted]

2525X1

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The Lao Communists are worried that, for the first time since the new coalition government's formation nearly three months ago, they may be losing the political initiative. (Page 4)

The Thai government has for the moment made some gains in its drive against insurgents in the north-east, where the insurgency problem has been most acute. (Page 5)

The Soviets are getting ready to launch a Soyuz spacecraft. (Page 6)

The future of the US base at Keflavik hinges on the outcome of Iceland's parliamentary elections this Sunday. (Page 6)

South Korean military forces have been placed on alert after North Korean naval patrol boats sank a South Korean police boat last night. (Page 6)

**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

**FEDAYEEN-LEBANON**

The fedayeen in southern Lebanon reportedly are operating almost without restriction by the Beirut government. Lebanese military officers recently told a senior UN official that the army has abandoned even the pretense of controlling the Palestinian refugee camps within the country, and that it no longer checks the movement of the fedayeen in southern Lebanon unless the commandos appear at military checkpoints on their own initiative.

The information from the UN official suggests that the Lebanese have also discontinued even the casual monitoring of fedayeen movements in southern Lebanon that had been carried on over the past year.

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[Redacted]

The army is unlikely to try to reinstate controls unless Lebanese casualties from Israeli air strikes increase sharply or Israel threatens to invade southern Lebanon. Beirut so far has easily parried demands for action against either the fedayeen or the Israelis from the growing number of Lebanese--perhaps over 10,000--who have left their homes in the south as a result of recent air and artillery strikes.

In the absence of any move by the army to control the fedayeen, there is little chance that the guerrillas will initiate action against the Lebanese government. The fedayeen are preoccupied with their own political problems and with defense against Israeli reprisals.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**USSR - MIDDLE EAST**

The Soviets are taking fresh steps to recover  
lost ground in the Middle East.

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25X1

A letter  
from Brezhnev last week apparently set the stage for  
Foreign Minister Fahmi's coming trip to Moscow to  
discuss a summit.

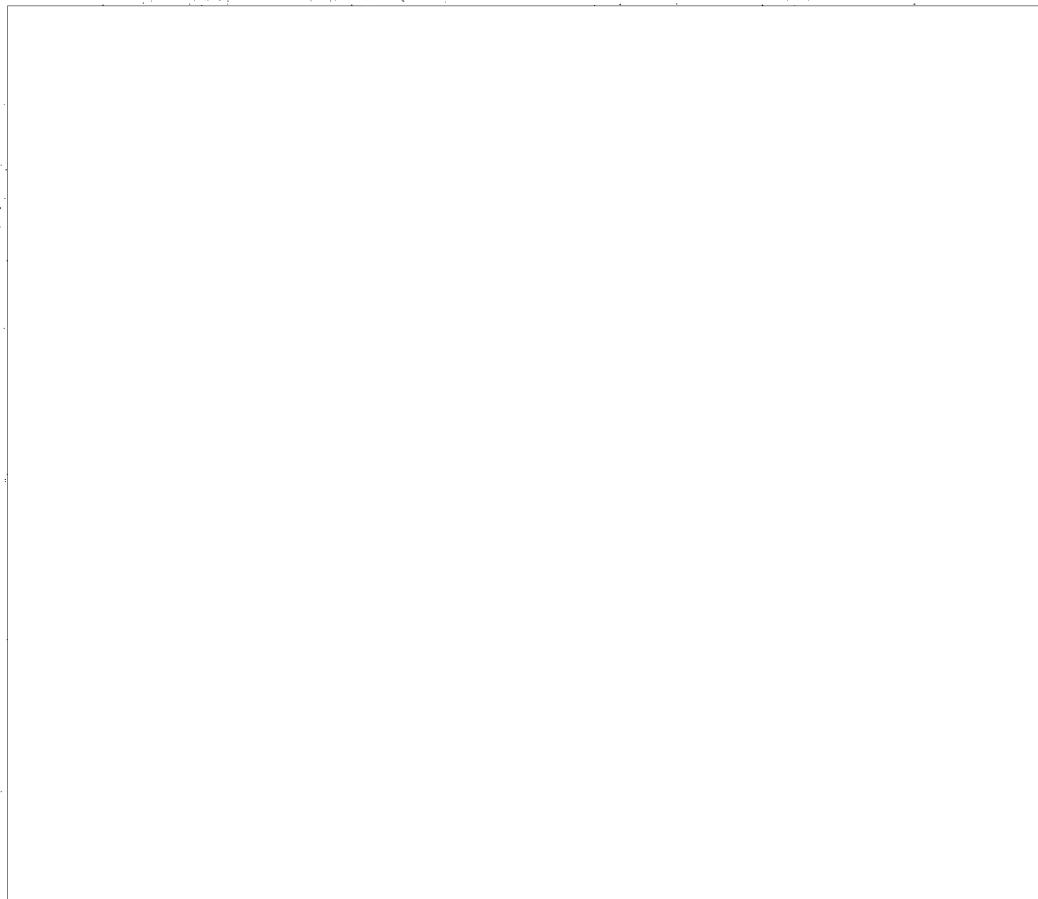
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The Soviets also are trying to consolidate rela-  
tions with Syria and Iraq. Soviet Minister of In-  
terior Shchelokov recently initialed an agreement in  
Damascus providing for greater cooperation in security  
affairs. Shchelokov had signed a similar agreement  
in Baghdad in late March. The USSR also signed an  
annual trade protocol with Iraq yesterday. The pro-  
tocol was under negotiation for many months because  
of disagreement over the price the Soviets would pay  
for Iraqi oil.

*FOR THE PRESIDENT ONLY*

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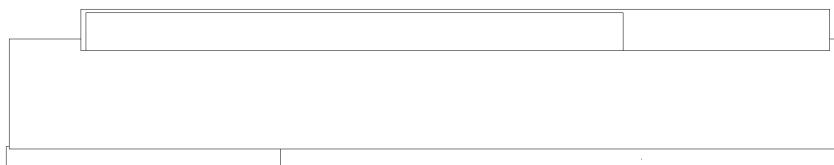


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USSR

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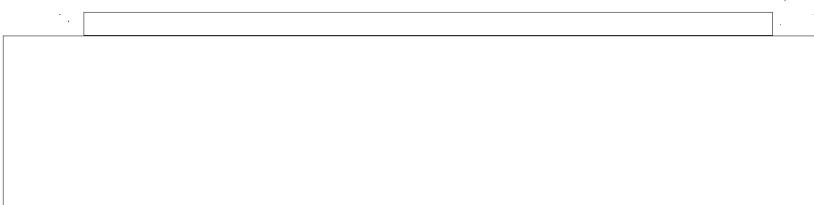


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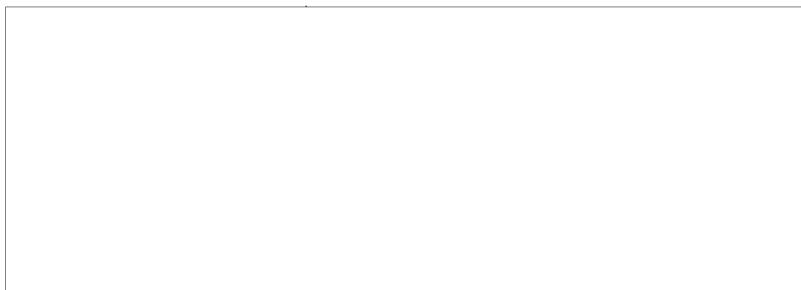
*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

LAOS

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The Lao Communists are worried that, for the first time since the new coalition government's formation nearly three months ago, they may be losing the political initiative. The coalition cabinet has not approved the comprehensive political and economic proposals that Pathet Lao leader Souphanouvong recently pushed through the Joint National Political Council (JNPC). These proposals have been sent to committee for further study, and the Pathet Lao fear that non-Communist cabinet ministers will try to water them down significantly and perhaps attempt to scuttle them altogether.

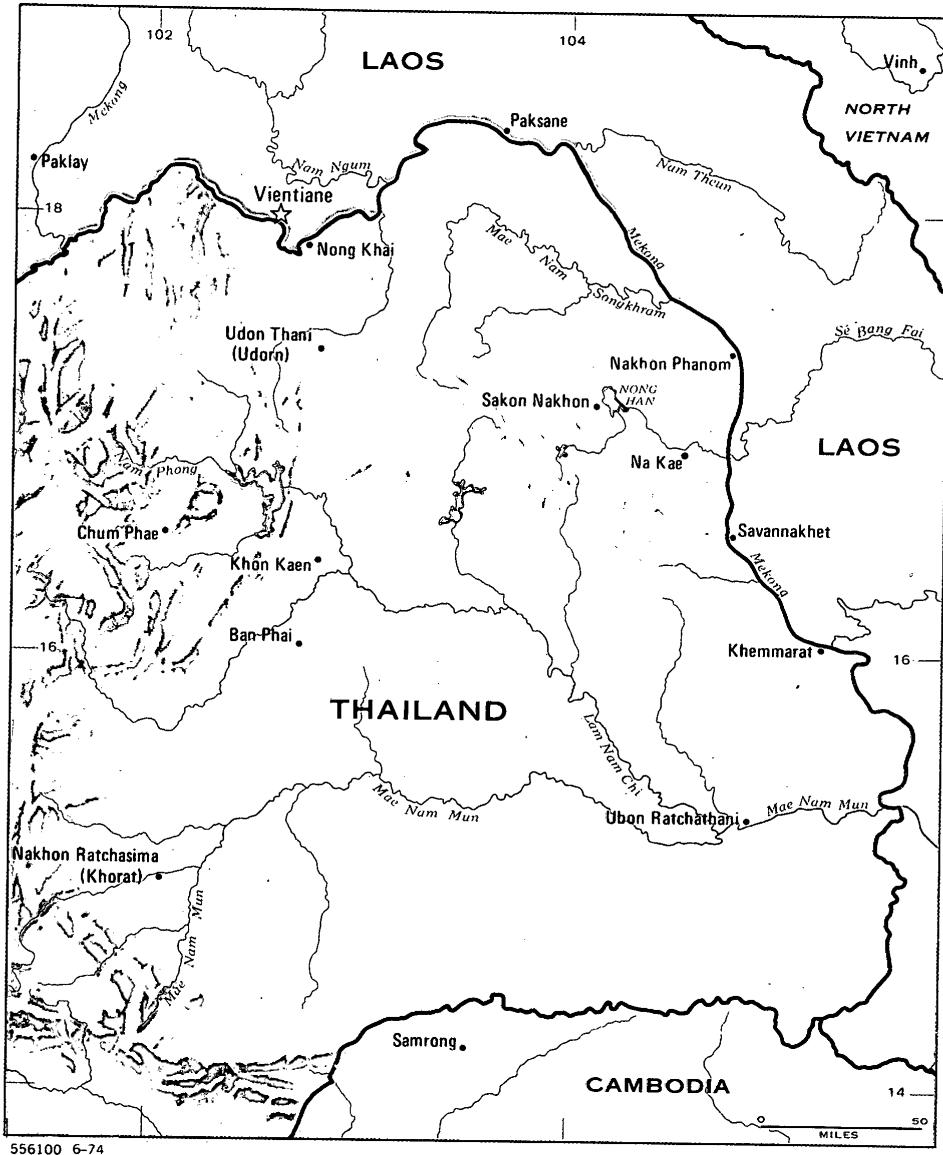


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*FOR THE PRESIDENT ONLY*



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*FOR THE PRESIDENT ONLY*

**THAILAND**

The Sanya government has for the moment made some gains in its drive against insurgents in the northeast, where the insurgency problem has been most acute.



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[redacted] Insurgent units consequently are withdrawing temporarily from the town of Na Kae, which for years has been the Communists' political and military stronghold in the northeast. The insurgents reportedly are regrouping near the Lao border, where they may have easier access to arms and other supplies.

25X1

The government's gains are not likely to last. A well-intended civic action program continues to be hobbled by Bangkok's inattention to the security situation in the countryside and by bureaucratic infighting at both the government and local levels. With the coming of the rainy season the army--as it has in past years--probably will reduce its forces in the field and thereby permit the insurgents to resume their presence and influence in the villages.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

NOTES

USSR: The Soviets are getting ready to launch  
a Soyuz spacecraft.

25X1

The Soyuz will probably carry two cosmonauts and attempt to rendezvous and dock with the Salyut space station launched Monday. The space-craft may be launched before President Nixon visits "Star City," the cosmonaut training center.

Iceland: The future of the US base at Keflavik hinges on the outcome of the parliamentary election this Sunday in Iceland. Prospects for retaining the base have improved. The campaign has pointed up the dissatisfaction of many voters with the way the outgoing coalition handled the base negotiations. This discontent has helped the opposition Independence Party, Iceland's largest. The party issued a strong statement on Sunday criticizing the outgoing government's proposals to revise the defense agreement and calling for retention of the base. The other opposition party leans toward retaining the base, and some members of the outgoing coalition are trying to dissociate themselves from past government policy. Since no party is likely to win a majority, the election will probably usher in a new coalition.

North Korea - South Korea: North Korean naval patrol boats intercepted and apparently sank a South Korean police boat last night off the east coast of the demilitarized zone. Twenty-eight South Koreans reportedly were killed. South Korean aircraft were sent to the area to investigate the incident. As a precaution, Seoul has placed its military on alert.

*FOR THE PRESIDENT ONLY*

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# The President's Daily Brief

June 29, 1974

5



*Top Secret* 25X1

Exempt from general  
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exemption category: SR(1)(c)(3)  
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the Director of Central Intelligence

*FOR THE PRESIDENT ONLY*

THE PRESIDENT'S DAILY BRIEF

June 29, 1974

PRINCIPAL DEVELOPMENTS

25X1

The Soviet helicopter carrier Leningrad is apparently en route to the Indian Ocean. The carrier may play a role in mine-clearing operations scheduled to begin next month at the southern end of the Gulf of Suez. Alternative--or additional--destinations could be Somalia or India. (Page 2)

The Lebanese government is continuing to explore various options for discouraging fedayeen raids from Lebanon and for defending itself against Israeli retaliatory strikes. (Page 3)

25X1

China's foreign trade increased in 1973 by 60 percent to about \$9.4 billion. The outlook for 1974 is for an increase of another 30 to 40 percent. (Page 5)

In Canada, neither major party appears to have a significant edge as the election campaign proceeds. The vote on July 8 is likely to produce another minority administration. (Page 6)

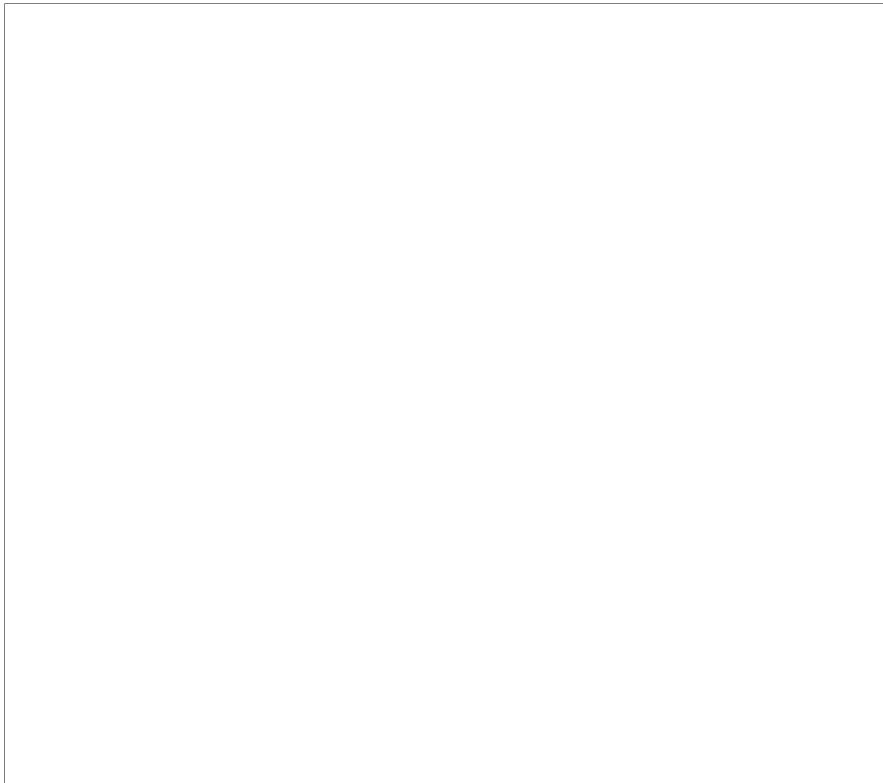
Press reports from Addis Ababa say that the Ethiopian armed forces have seized control and are arresting cabinet ministers and other officials. (Page 6)

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

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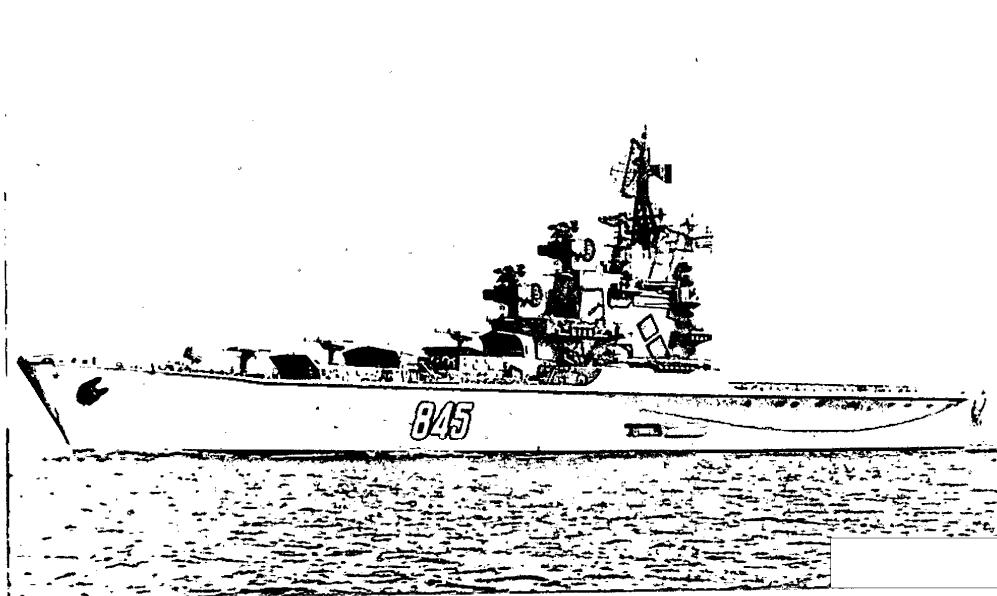
USSR



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*FOR THE PRESIDENT ONLY*

Leningrad Guided-Missile Helicopter Carrier



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*FOR THE PRESIDENT ONLY*

USSR

25X1

The Soviet Union is apparently sending its helicopter carrier Leningrad to the Indian Ocean. [redacted]  
[redacted] the carrier may be intended as the command ship for Soviet mine-clearing operations scheduled to begin next month in the Strait of Gubal at the southern end of the Gulf of Suez.

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[redacted]  
Alternative--or additional--destinations for the carrier could be Somalia or India.

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A "show-the-flag" visit to India is a further possibility.

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Wherever the Leningrad ultimately goes, its presence will be read as a fresh indication of the USSR's desire to develop a significant naval presence in the Indian Ocean area.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**LEBANON-FEDAYEEN**

The Lebanese government is continuing to explore various options for discouraging fedayeen raids from Lebanon and for defending itself against Israeli retaliatory strikes. Although the government remains unwilling and unable to impose controls on fedayeen movements in southern Lebanon, high officials--including President Franjiyah--have met with guerrilla leaders in attempts to elicit pledges that they will restrict their terrorist activities.

The Lebanese, partly to demonstrate to the Arab world that they are doing something about the Israeli attacks, will appeal for wide Arab support at a meeting on July 1 of the Arab League Defense Council in Cairo. Lebanese officials have publicly called on the other Arabs to provide them with antiaircraft weapons, including ground-to-air missiles.

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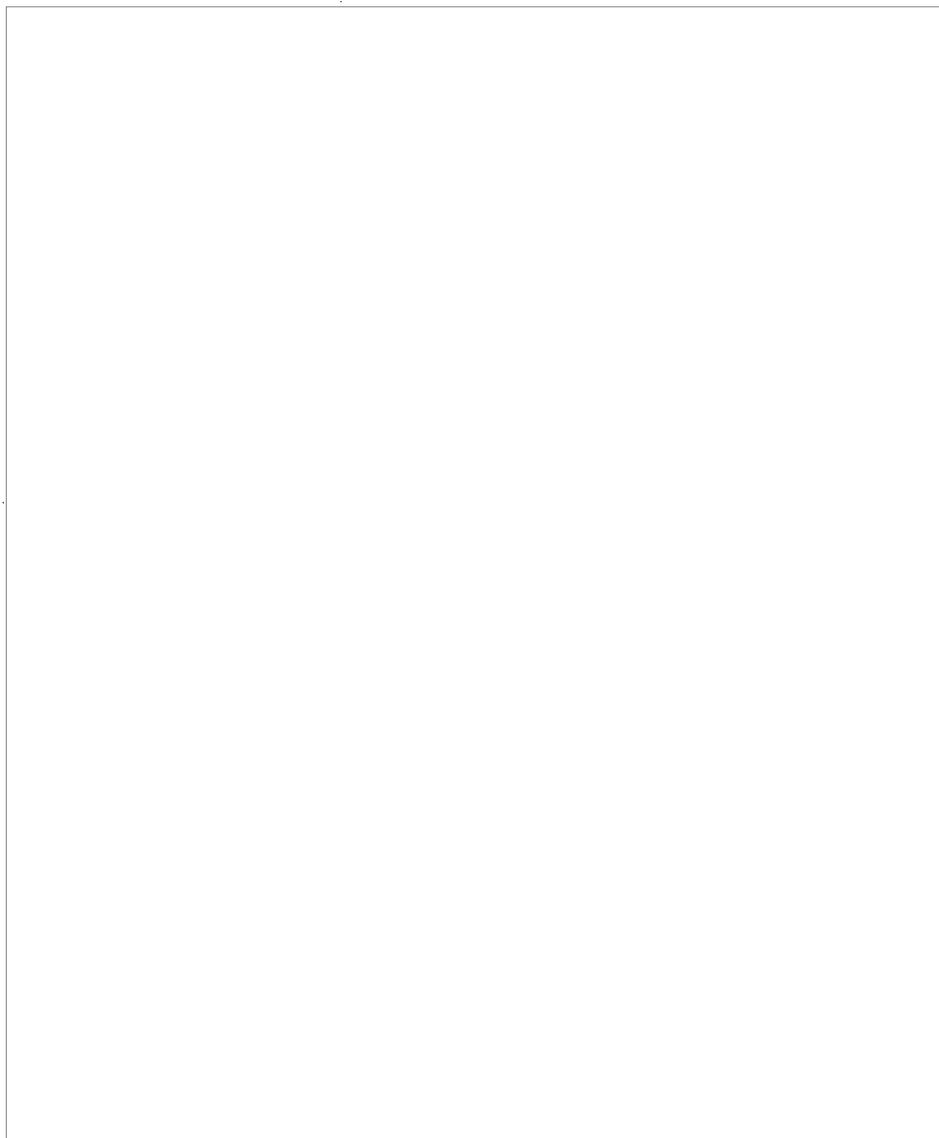
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[redacted] Lebanon's leaders remain apprehensive about Syria's irredentist claims to Lebanese territory.

*FOR THE PRESIDENT ONLY*

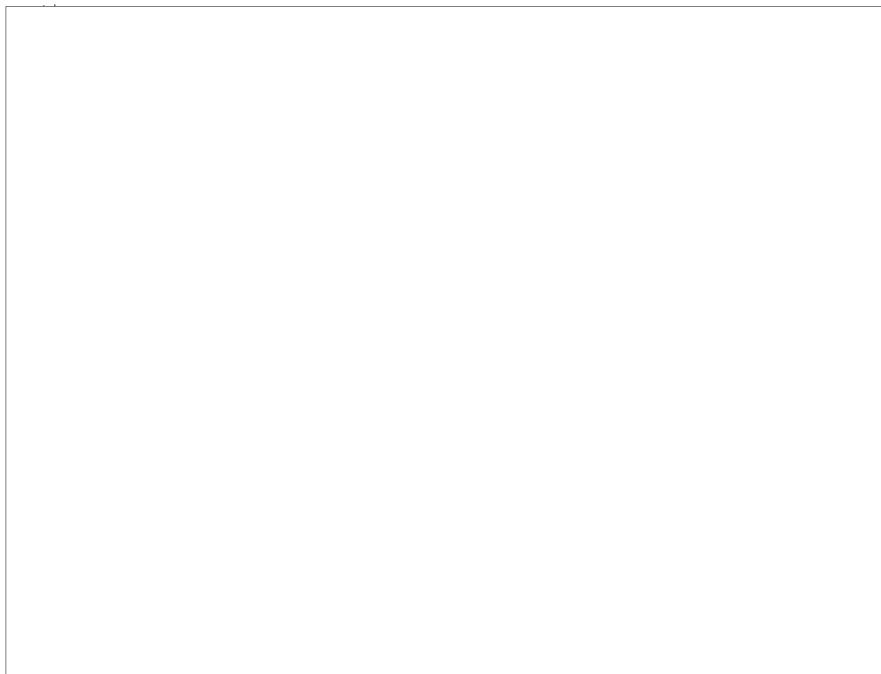
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*FOR THE PRESIDENT ONLY*

NORTH KOREA - SOUTH KOREA

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**CHINA**

China's foreign trade increased in 1973 by 60 percent to approximately \$9.4 billion. The outlook for 1974 is for an increase of another 30 to 40 percent.

Trade with the non-Communist world will again account for 80 percent or more of China's total trade. Japan will remain the leading partner, with two-way trade reaching about \$3 billion. The US will continue to be China's number two trading partner; total Sino-US trade is likely to reach \$1.2 billion, up from \$870 million last year.

China's trade deficit with the non-Communist world will probably reach \$1 billion, up from \$425 million last year. To help cover these deficits, Peking has relaxed its conservative financial policy and greatly expanded the use of short- and medium-term credit. China has also increased its efforts to boost hard currency earnings from exports and invisible transactions. Petroleum exports, only \$35 million in 1973, will probably exceed \$300 million this year and could earn \$1 billion annually within the next few years.

The recent surge in imports is aimed at offsetting agricultural shortfalls and boosting industrial development. Imports of grain, sugar, cotton, and vegetable oils should increase from a record \$1.3 billion in 1973 to about \$2 billion in 1974. Roughly half of China's agricultural imports will come from the US.

New orders for machinery and equipment continue strong, despite a growing debate in China over the dangers of reliance on foreign equipment and technology. Last year, machinery and equipment orders to Western firms totaled almost \$2.5 billion, including \$1.2 billion worth of complete industrial plants bought from Japan, Western Europe, and the US.

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NOTES

Canada: Neither major party appears to have a significant edge as the election campaign proceeds, and the vote on July 8 is likely to produce another minority administration. The nationalist-minded New Democrats have a good chance of holding the parliamentary balance of power again. Inflation has been the principal campaign issue.

Ethiopia: According to press reports from Addis Ababa, the armed forces have seized control and are arresting members of the government, including Prime Minister Endalkatchew. The troops still profess to be loyal to Emperor Haile Selassie. The take-over apparently was triggered by an effort made by some members of parliament to secure the release of former cabinet ministers arrested by the army last April.

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