



# The President's Daily Brief

*March 1, 1974*

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*Top Secret* 25X1

Exempt from general  
declassification schedule of E.O. 14176  
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**FOR THE PRESIDENT ONLY**

**THE PRESIDENT'S DAILY BRIEF**

March 1, 1974

**PRINCIPAL DEVELOPMENTS**

Still incomplete returns in Britain indicate that the Labor Party may have some chance of forming the next government. (Page 1)

Resignation of the Italian treasury minister, head of the smallest party in Prime Minister Rumor's coalition, does not necessarily mean that the government will fall. (Page 2)

Ethiopian military dissidence is continuing despite the Emperor's efforts to head it off. (Page 3)

Divisions among the leadership over trade policy have not deterred the Chinese from negotiating substantial purchases of foreign technology. (Page 4)

The Soviets may want to discuss with the US possible naval limitations in the Indian Ocean. (Page 5)

The Khmer Communists may be unable to mount another major attack in the Phnom Penh area in the near future. (Page 6)

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Egypt [redacted]

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(Page 7)

Pakistan is planning to increase its military training missions to several Arab states in return for money to expand Pakistan's defense industry. (Page 8)

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The Chinese [redacted]

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(Page 9)

**FOR THE PRESIDENT ONLY**

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UK

Harold Wilson and his Labor Party appear to have some chance of forming a government after yesterday's national elections.

Counting in 442 of parliament's 635 districts has been completed, showing the Labor Party with 255 seats and the Conservatives with 177. The Liberals have won five seats, while an assortment of minor parties together have won the same number.

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Ballot counting in the remaining 193 districts will begin this morning. Most of these traditionally vote Conservative. Wilson must capture about a third of these seats to win an absolute majority in parliament. Most pollsters are predicting that he will fall about ten seats short. Their projections also question whether the Liberals can win enough seats to permit a majority coalition of Conservatives and Liberals.

**FOR THE PRESIDENT ONLY**

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**ITALY**

Ugo La Malfa's resignation as treasury minister and leader of the Republican Party will not necessarily topple Prime Minister Rumor's center-left government. Even without the support of the Republicans--the smallest party in the coalition--the three remaining parties would have solid majorities in both houses of parliament.

The Republican Party's central committee will meet today and may elect to stay in the government under a new party leader. Alternatively, the party may decide, as it did in 1971, to leave the government but to continue supporting it in parliament.

La Malfa's resignation came after a bitter dispute with the Socialists over the terms of a \$1.2-billion loan he had negotiated with the International Monetary Fund. The Socialists grudgingly accepted the terms of the loan yesterday, but insisted on a public statement that they had been forced to comply in the interest of coalition unity. At this, La Malfa abruptly resigned.

La Malfa's resignation will strain the cohesion of Rumor's government, but there is widespread feeling among Italy's leaders that they should not aggravate the country's economic troubles with a political crisis. Even organized labor has emphasized that its nation-wide general strike this week was not intended to bring the government down.

*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

## **ETHIOPIA**

Ethiopian troops in sympathy with the dissident soldiers in Asmara are now firmly in control of major installations in Addis Ababa. They are seeking out and arresting former ministers and other key officials of the dismissed government, although still proclaiming loyalty to the Emperor. Troops in Asmara are also demanding the prosecution of former officials for alleged corruption.

The new civilian and military appointments announced yesterday show that Haile Selassie is trying to reach some accommodation with dissident troops. It is not yet certain whether the dissidents will accept the new appointees. The Emperor also announced an increase in military pay and allowances, although it falls short of the dissidents' demands.

The new officials are likely to be more reform-minded than their predecessors. Endalkatchew Makonnen, the new prime minister, is a conservative in Ethiopian terms, but is considerably younger and probably more politically alert than former prime minister Aklilu. Even so, the new prime minister may be too closely identified with the conservative hierarchy and the discredited former cabinet, in which he held a portfolio, to win the dissidents' confidence.

Lieutenant General Abiye, the new defense minister, is a progressive who has urged faster implementation of reforms. Although loyal to the Emperor, he has in the past reportedly tried to impress Haile Selassie with the need for a less personal form of government.

Junior and middle-level officers are apparently beginning to move to the forefront of the revolt. The officers are still willing to accept a civilian government, but they are determined to secure the appointment of ministers committed to progressive reforms. They will probably attempt to establish greater unity among themselves and seek support from discontented civilians.

The officers and enlisted men, and probably most of the civilians, remain loyal to the Emperor, but they seem determined to ensure that the government be placed in the hands of officials chosen more for their competence than for their loyalty to the crown.

**FOR THE PRESIDENT ONLY**

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**CHINA**

Despite apparent divisions in the leadership over foreign trade policy, China is continuing to negotiate substantial purchases of foreign technology and whole plants.

The degree and type of contact between China and the West has seemed to be one of the issues debated in the current anti-Confucius campaign. One line of argument favors the continuation and perhaps expansion of imports of technology, which began to increase rapidly about two years ago. An opposing line seems to advocate a return to greater self-sufficiency in economic development, attacking China's increasing technological imports as "letting the wolf into the room." The former view is the prevailing one, and the policy thus far shows no signs of changing.

During the first two months of this year, China purchased whole plants from Japan and Western Europe worth about \$200 million, including a French fertilizer plant that alone is worth some \$120 million. If this trend continues, total plant purchases in 1974 will equal last year's record of \$1.2 billion.

The Chinese are also nearing final agreement on the purchase of a \$202-million steel complex from a Japanese consortium

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Meanwhile, the Chinese are discussing with Japanese and American firms the purchase of a wide range of technology and equipment for the production of petroleum and chemicals.

**FOR THE PRESIDENT ONLY**

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USSR

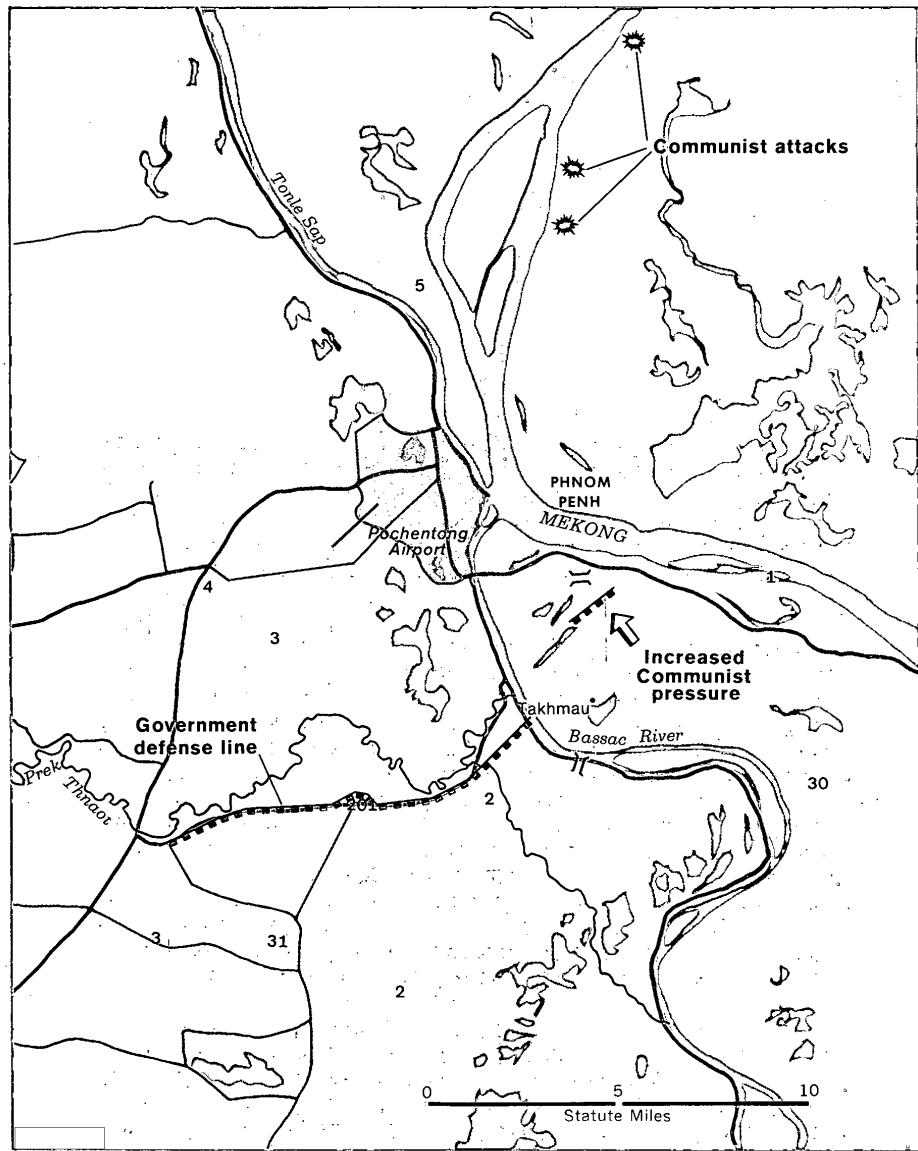
Yury Arbatov, the director of Moscow's USA institute, recently suggested to a group of visiting White House Fellows that the US and USSR get together to discuss possible naval limitations in the Indian Ocean. He referred to General Secretary Brezhnev's speech in 1971 calling for limits by the two powers on naval deployments far from their shores.

In that speech Brezhnev put on record an idea that was earlier broached by Soviet officials in Washington, evidently in reaction to the announcement in late 1970 that the US was building a communications facility on Diego Garcia. Moscow failed, however, to pursue the naval limitations idea any further at that time.

Arbatov's remarks may have been an intentional overture for negotiations on US plans to expand the Diego Garcia base, but there was little sign of a negotiating mood in the authoritative Pravda "Observer" article published on February 27. The article played up the "threat" posed by the base to the Indian Ocean's littoral countries, and of course rejected assertions that Soviet naval activities provide a rationale for increased US activity in the area. The article, which apparently had high-level authorization, referred to Brezhnev's support for the amorphous idea of an "Indian Ocean zone of peace," but made no reference to his call for limiting naval deployments.

*FOR THE PRESIDENT ONLY*

Phnom Penh



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**CAMBODIA**

There are increasing signs that the Khmer Communists may be unable to mount another major offensive in the Phnom Penh area in the near future. The Communists have had only limited success in carrying out a series of attacks that they had scheduled to begin around February 25.

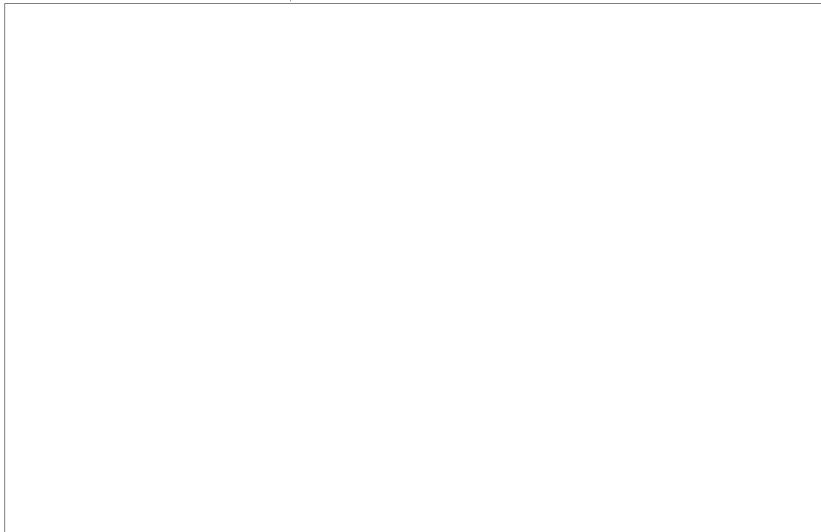
While government forces, for the most part, have been reacting to Communist initiatives, they have been getting the best of the fighting since mid-January. It may take the Communists some time to recoup their losses. Reinforcements apparently are en route to the northwestern front, but they may not be enough to offset the cumulative effect of battlefield casualties, sickness, and desertions. The Communists' casualties have not been as extensive south of Phnom Penh, but many of their units in this area saw heavy combat elsewhere last fall. The insurgents can probably replace the materiel lost and expended during the past two months, but it may take some time to stockpile new munitions near the front lines.

The Communists must also overcome deficiencies in tactical coordination that continue to plague them. In addition, they may soon have to divert some of their forces now concentrated in the Phnom Penh area to nearby provinces, where aggressive local government forces have made significant gains.

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EGYPT



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**PAKISTAN - ARAB STATES**

Pakistan will increase the size of its military training teams in Libya, Saudi Arabia, and Kuwait

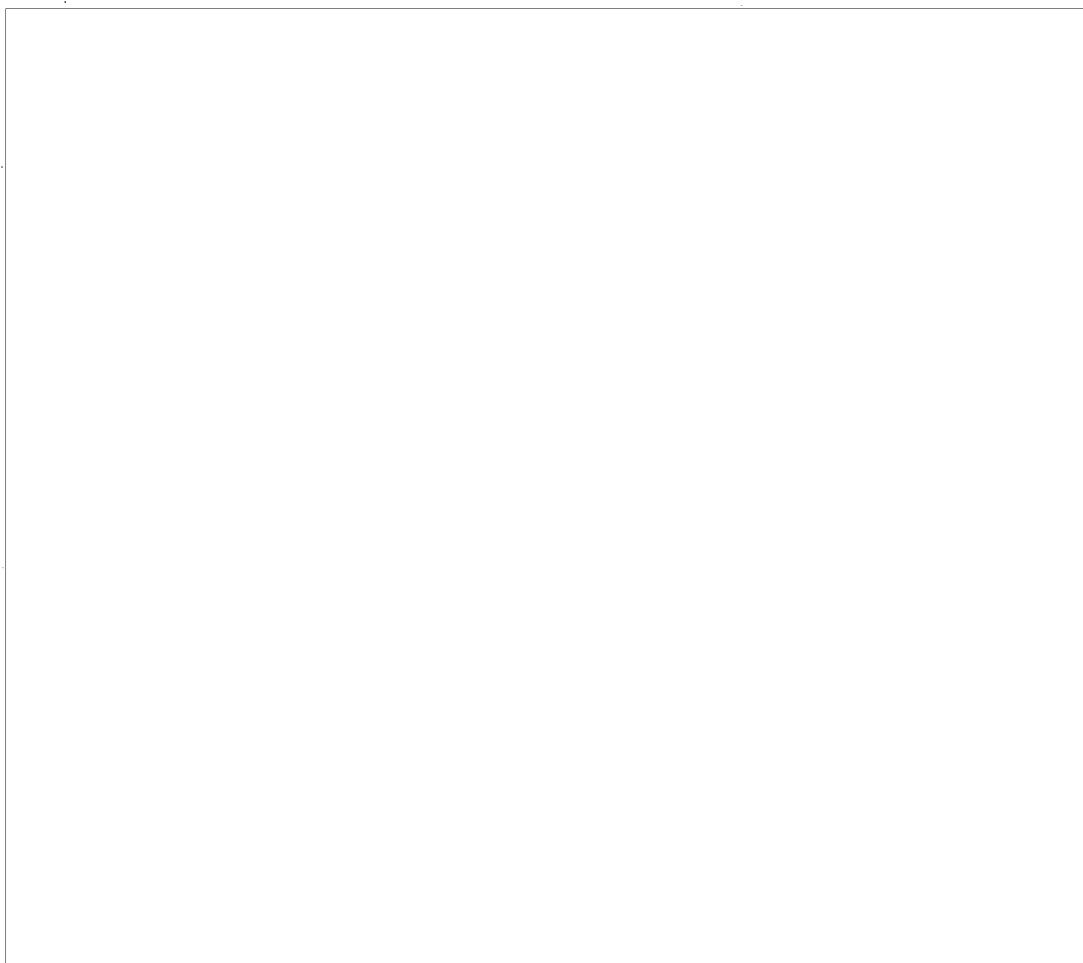
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[redacted]  
Islamabad will also increase the number of training slots in Pakistani military schools available to the three countries. In addition, Pakistan has agreed to provide military training assistance to several African countries, with the costs being met by Saudi Arabia and Libya.

In return, the Arab countries will finance the expansion of Pakistan's defense production capabilities. Prime Minister Bhutto first hinted at the possibility of Arab money for Pakistan's defense industry in mid-December. Since then, press reports have described a three-way deal whereby Arab oil money would finance arms production facilities utilizing French technology. There is no evidence to indicate that Paris is directly involved, but the Pakistanis have been seeking rights to produce sophisticated French weaponry, including Mirage aircraft, for some time.

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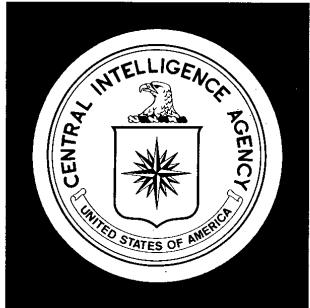
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China:

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# The President's Daily Brief

*March 2, 1974*

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**THE PRESIDENT'S DAILY BRIEF**

March 2, 1974

**PRINCIPAL DEVELOPMENTS**



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The new French cabinet which reflects renewed cooperation between President Pompidou and orthodox Gaulists, is designed to tackle the country's economic problems. (Page 2)

Italian politicians are meeting this weekend to see if Prime Minister Rumor's coalition government can be saved following the resignation of Treasury Minister La Malfa. (Page 3)

The European Community is proceeding to explore prospects for extensive cooperation with the Arab States. (Page 4)

The situation in the Ethiopian capital of Addis Ababa has begun to ease and the Emperor is said to have acceded to some of the dissidents' demands for reforms. (Page 5)

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During February, North Vietnam continued a moderate rate of troop infiltration into the South. (Page 7)

Notes on Egypt-Israel, Iran-France, and Australia - New Zealand appear on Page 8.

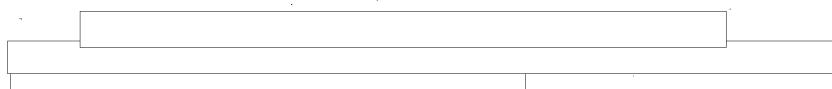
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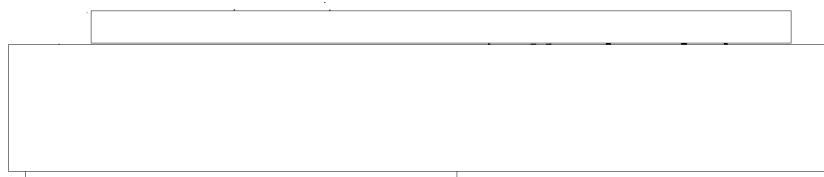
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**FOR THE PRESIDENT ONLY**

**FRANCE**

The new French cabinet, announced yesterday, is smaller by a third and apparently is designed to handle the country's economic problems more efficiently. There were no dramatic portfolio changes, but the manner in which the cabinet was shaped is another reflection of President Pompidou's interest in patching up his differences with the orthodox wing of the Gaullist party.

Pompidou and Prime Minister Messmer consulted only three advisers in their deliberations leading to the cabinet changes. One of these, Pierre Juillet, has been attempting to arrange a reconciliation between Pompidou and the Gaullist "barons," and his inclusion in these discussions suggests that the cabinet changes--unlike the previous change of government--were coordinated with party leaders.

In addition, Pompidou has recently had conferences with Gaullist leaders Michel Debre, Jacques Chaban-Delmas, and Roger Frey. The recent appointment of Frey to a prestigious consultative office is another sign that the barons have drawn closer to Pompidou.

Pompidou has also appeased the Gaullists with the recent nationalistic trend of his foreign policy. They had previously suspected Pompidou of diverging from De Gaulle's principles. The depth of the reconciliation is not certain, however. There is no evidence that Pompidou has agreed to support Chaban-Delmas as the governing coalition's candidate in the next presidential election.

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## ITALY

Leaders of Italy's four center-left coalition parties will meet this weekend to determine whether Prime Minister Rumor's government can be preserved. If these efforts fail, Rumor will probably step down. According to one report, he may do so today.

The Republican Party directorate yesterday endorsed Treasury Minister La Malfa's withdrawal from the government, but refused to accept his resignation as party leader. Although the directorate stopped short of promising to support the government in parliament, it indicated that the Republicans would "act responsibly," a tactic used in 1971 to keep a center-left coalition alive for almost a year after a similar Republican withdrawal.

To keep the party's support Rumor will have to mediate the long-festering dispute between the Republicans and the Socialists over basic economic policy that led to La Malfa's resignation.

So far, however, no one has suggested dissolving parliament and holding new elections. Party leaders reportedly fear the electoral repercussions of the energy shortage, inflation, austerity measures, and a simmering scandal involving alleged pay-offs to politicians by the oil companies.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

EC

The European Community is proceeding to explore prospects for extensive cooperation with the Arab states. The Nine have demonstrated rare unanimity in support of this move and are likely to give it their final approval at a meeting of foreign ministers on March 4, if a postponement is not requested by Britain or Italy where governments may be changing.

Under the plan, the West Germans, who now hold the chairmanship of community bodies, would initiate talks with the Arab states in order to explore the possibilities of cooperation in such fields as industry, agriculture, energy, raw materials, science and technology, financial cooperation, and vocational training. This would be followed by the establishment of joint commissions and a meeting of the EC and Arab foreign ministers this fall.

At the same time, the EC governments participating in the follow-up work of the Washington energy conference are responding cautiously to the agenda proposed by the US at the first organizational meeting of the Energy Coordinating Group earlier this week. Reaction is tentatively favorable to the US suggestion that the High Level Group of the Organization for Economic Cooperation and Development handle conservation and demand restraint, accelerated development of conventional energy resources, and oil sharing. Proposals that ad hoc groups, or the coordinating group itself, handle such matters as energy research and development or producer-consumer relations will run into the objections of those EC members who are opposed to establishment of new international groups to handle the energy crisis.

*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

**ETHIOPIA**

The situation in Ethiopia has begun to stabilize. The number of troops in Addis Ababa has been reduced, army units guarding key points have been replaced by police, and roadblocks have been lifted.

Leaders of the military dissidents have decided to enter into direct negotiations with Emperor Haile Selassie. Their demands, which the Emperor reportedly has already accepted, call for educational, economic, and land reforms and the prosecution of corrupt officials. These demands are for the most part not new, but they were largely ignored by the former government.

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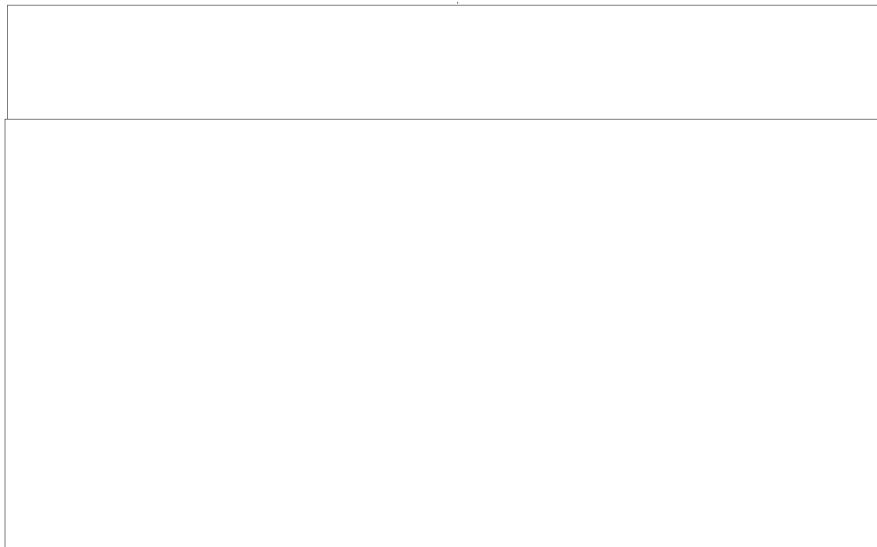
Some of the dissidents pressed for the ouster of Prime Minister Endalkatchew, but the majority favored an accommodation. Endalkatchew has enhanced his position by taking a conciliatory stance toward demands for reform and has promised to take into consideration talent, youth, and experience in appointing the rest of the cabinet. The demand for Endalkatchew's removal could be renewed, however, if the new government fails to carry out the promised reforms.

The growing opposition of students, teachers, and labor unions to the new Prime Minister, however, introduced a new element into the situation. A major demonstration yesterday by students opposing Endalkatchew was dispersed by army units. The students had marched on the Emperor's residence, calling for Endalkatchew's ouster, land reform, free elections, and freedom of the press.

**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

## NORTH VIETNAM

Hanoi continued a moderate rate of troop infiltration to South Vietnam during February, and a recent intercept indicates additional troops will be moving south in March.

According to intercepts, 16 groups, totaling about 8,800 troops, started south last month. Of this total, some 5,600 troops are going to the southern half of South Vietnam, about 1,700 are earmarked for the central highlands, and approximately 1,500 are heading toward areas along the northern and central coast.

Since the North Vietnamese are now using vehicles to transport troops to their destinations, most of the infiltrators should arrive in the next few weeks. Intercepts also suggest that fewer infiltrators are now being lost along the way due to sickness and injury than in the past, when most infiltration was by foot.

*FOR THE PRESIDENT ONLY*

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**NOTES**

Egypt-Israel: [redacted]

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Iran-France: Iran has placed an order, valued at more than \$100 million, for six large missile-armed patrol boats from France. The vessels are larger and faster than the Soviet OSA-class missile patrol boats in Iraq's naval force and will help protect Iran's offshore oil facilities. This purchase moves Iran toward the Shah's goal of quadrupling his fleet by 1978. Because of the large number of back orders for this patrol boat, delivery to Iran may not take place for two to three years.

Australia - New Zealand: [redacted]

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**THE PRESIDENT'S DAILY BRIEF**

March 4, 1974

**PRINCIPAL DEVELOPMENTS**

Prime Minister Meir has announced she is giving up her efforts to form a new government. (Page 1)

In Italy, the collapse of Prime Minister Rumor's four-party coalition opens a period of difficult negotiation to form a new government. (Page 2)

A North Korean spokesman in New York has served notice that his government reserves the right to take up in the UN General Assembly the termination of the UN Command and the withdrawal of US forces from Korea. (Page 3)

The military situation in Cambodia is discussed on Page 4.

The situation in northern Iraq is deteriorating with the approach of the expiration of the truce between the Kurds and the government. (Page 5)

In Indonesia, President Suharto's recent government shake-up has neither appeased student critics of the government nor stifled competition within the military leadership. (Page 6)

Ethiopia remained quiet over the weekend as dissident troops began returning to their duty stations and local governmental functions were restored to civilian officials. (Page 7)

The situation remains confused in Cordoba Province of Argentina in the wake of the ouster by police of the left-wing Peronist government there last week. (Page 8)

In Germany, the Social Democrats suffered heavy losses in yesterday's election in Hamburg. (Page 9)

**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

**ISRAEL**

Israeli Prime Minister Meir announced yesterday that she has given up trying to form a new government. She is to meet later this morning with President Katzir; he can ask her to continue her efforts or he can attempt to find another party leader to try to form a cabinet.

Apparently upset over the wrangling within the Alignment party concerning her proposed cabinet choices, including that of Yitzak Rabin, former ambassador to the US, to replace Moshe Dayan as Defense Minister, Mrs. Meir walked out of a party meeting yesterday; she said she was encountering too much factionalism and bitterness for her to proceed. The caucus then voted unanimously to approve Meir's proposed minority government. Later, a delegation representing all Labor party factions visited Meir at home, but found her still unyielding.

The Prime Minister's decision to give up may have been a last-ditch attempt to force the party to close ranks behind her and possibly yet to convince Dayan to remain in the cabinet. The move may also be meant to demonstrate her unwillingness to head a government of national unity with the right-wing Likud--an alternative suggested by Dayan and the National Religious Party. Meir believes that such a government would be paralyzed, incapable of governing the country, much less reaching any kind of consensus that would permit productive peace negotiations with the Arabs.

Some Israeli politicians conclude that either a national unity government or new elections is likely. If President Katzir cannot find a party leader to form a cabinet, the Knesset will probably have to dissolve and set a date for new elections, perhaps within three months.

In the meantime, Meir would continue to head the present caretaker government. In all probability, it would continue to conduct the disengagement negotiations with the Syrians, although it would probably be unable to conclude any binding agreements beyond the immediate disengagement issue.

**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

**ITALY**

The collapse of Prime Minister Rumor's four-party center-left coalition opens a period of difficult negotiation to form a new government. Rumor will stay on in a caretaker status during this period. Interparty talks are likely to aim at setting up another center-left grouping among the same parties--Christian Democrats, Socialists, Social Democrats, and Republicans.

In trying to reconstruct the coalition, however, politicians will face the task of reconciling the opposing views of the Socialists and Republicans on economic priorities. In a disagreement that has immobilized successive governments, the Socialists have demanded immediate action on costly economic and social programs, while the Republicans have insisted on budgetary austerity. If the parties cannot iron out their differences, the Christian Democrats may have to set up a temporary one-party caretaker government.

The Communist Party preferred Rumor's coalition to its predecessor--a centrist government headed by a right-wing Christian Democrat--and was caught off guard by his collapse. They had backed his efforts to deal with economic problems, and used that indirect support of the ruling parties to accelerate their campaign for an open role in the government.

Although Rumor's premature departure provides an opportunity for the Communists to press for a role in the government, it will be difficult for them to do so effectively with the divorce referendum pending. They are at odds with the dominant Christian Democrats on the divorce issue and would have preferred to avoid a government crisis until at least after the referendum.

**FOR THE PRESIDENT ONLY**

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## KOREA - UNITED NATIONS

A North Korean spokesman served notice in New York last week that his government reserved the right to take up in the UN General Assembly the termination of the UN Command and withdrawal of US forces from Korea. His action suggests that the North Korean Government may well feel the time is ripe to press this fall for an Assembly vote on these issues rather than to settle, as it did last year, for a compromise arranged through private negotiations.

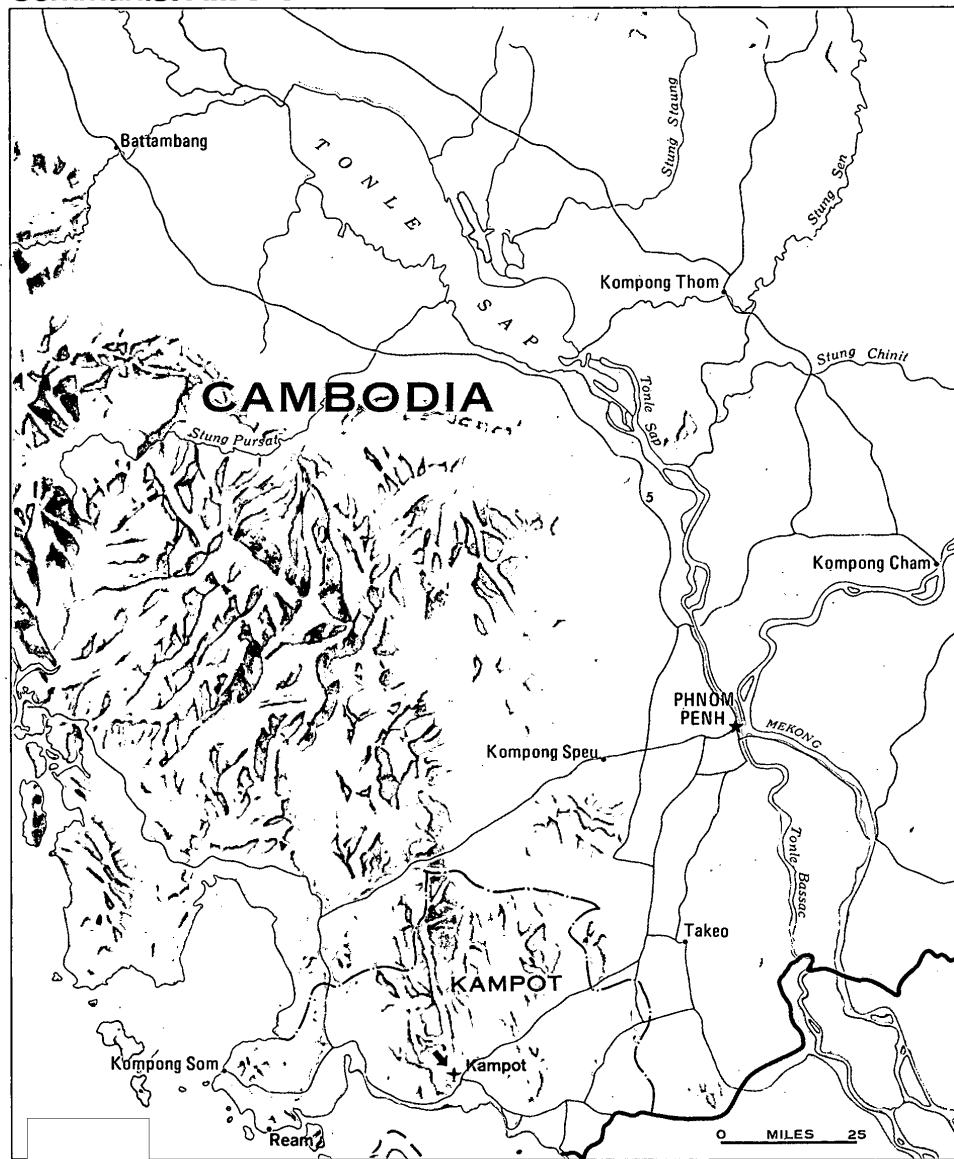
North Korea's position at the UN has benefited during the past year from a global trend toward acceptance of both regimes in divided states. The North has recently received recognition from a number of non-Communist governments.

The North Koreans are probably discussing their approach to the General Assembly with Algerian President Boumediene, who arrived in Pyongyang last Saturday. Algeria has been the most active proponent of North Korean positions at the UN in recent years.

The South Korean Government is acutely aware of the trend toward acceptance of the North's position and is casting about for another compromise formula. Seoul seems to be counting on Soviet and Chinese support against North Korea and Algeria.

*FOR THE PRESIDENT ONLY*

**Communist Attacks**



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**CAMBODIA**

The military situation appears to be stabilizing at the southwestern provincial capital of Kampot, which came under heavy Khmer Communist pressure over the weekend.

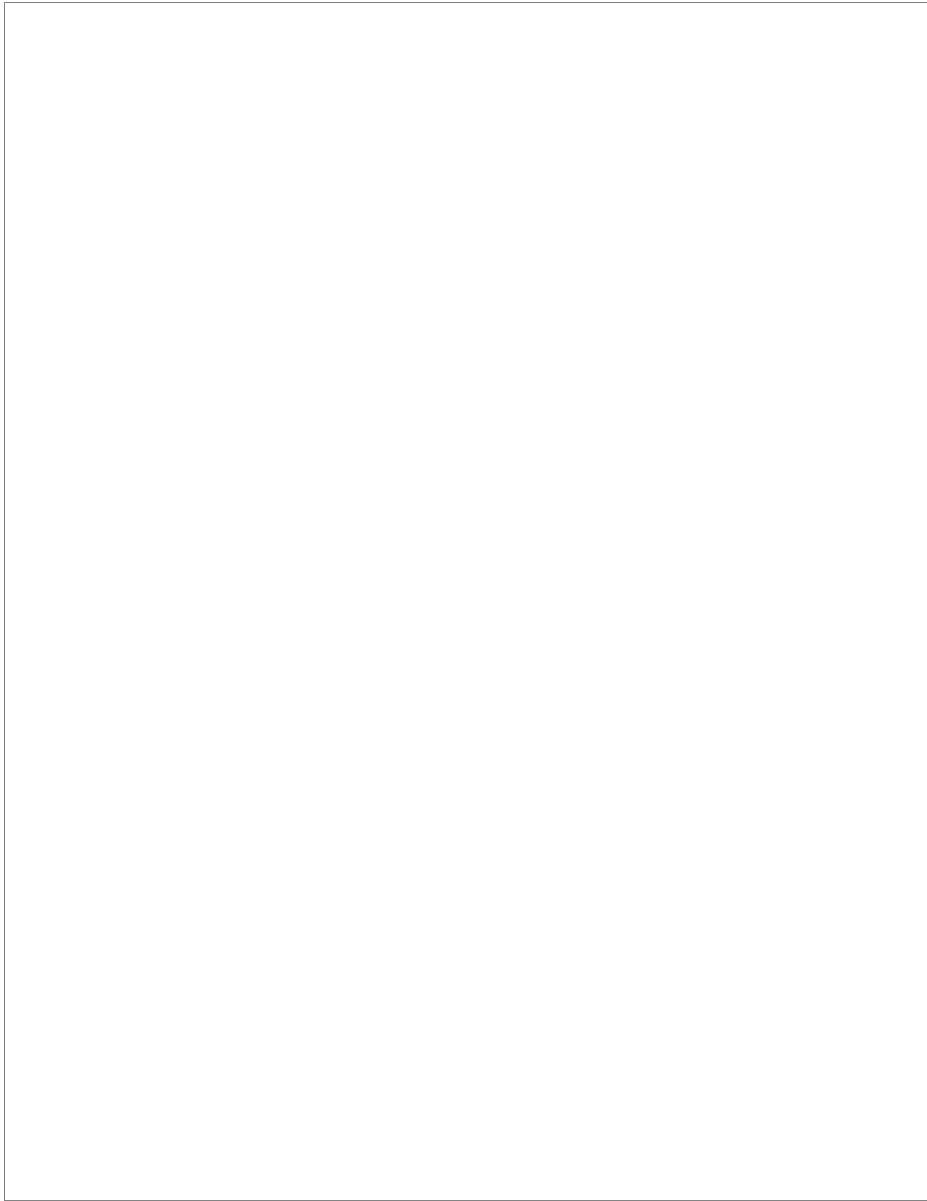
Insurgent attacks against the isolated coastal city subsided yesterday following government air strikes and naval gunfire. Reinforcements from Phnom Penh and from the navy base at Ream are being airlifted to Kampot to strengthen its defenses. Cambodian Army chief Fernandez visited the city yesterday to assess the situation. He is likely to replace the local commander, whose inept leadership was largely responsible for his troops' initial poor showing against the Communists.

The attacks were the Communists' most serious thrust to date against Kampot. The insurgents struck government positions around Kampot's entire defensive perimeter. On March 2, the Communists captured the city's water plant, five miles northeast of Kampot, which they apparently still hold. Before their advance was halted, the Communists managed to push within two miles of the city proper and its airport.

Military activity in the Phnom Penh region remains relatively light. Government clearing operations south of the city have made no significant progress in the past few days. Other government sweep operations northwest of the capital continue to encounter little resistance.

**FOR THE PRESIDENT ONLY**

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**IRAQ**

The situation in the Kurdish area of northern Iraq is deteriorating as the government moves additional forces into strategic areas before the expiration on March 11 of the truce that halted fighting four years ago.

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Skirmishes and forced evacuation of Kurds have taken place, but, at last report, Barzani had ordered his forces only to defend themselves and not to counterattack.

Neither side appears to be planning to launch an all-out attack.

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With time running out on the truce, the two sides might miscalculate or over-react, and heavy fighting could result.

An important part of the truce arrangements in 1970 was a firm government promise to grant autonomy to the Kurds. Four years later the two sides are still far apart on even the basic provisions of a mutually acceptable agreement on autonomy. The government offered a limited plan last December, but the Kurdish leaders view it as merely a device to keep ultimate authority in Baghdad.

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there are rumors that both the government and Barzani will soon unilaterally proclaim differing versions of an autonomous government for northern Iraq. Any such move would automatically put the two sides on a collision course and would greatly increase the probability of a major military confrontation.

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**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

## **INDONESIA**

President Suharto's recent government shake-up has neither appeased student critics of his regime nor stifled competition within the military's leadership. An atmosphere of uncertainty and apprehension remains.

Student leaders from universities on Java have agreed to sustain their campaign against official corruption, pervasive military influence in government, and the power of Suharto's palace clique. They have also decided to try to form a united action front of all student organizations.

Some student leaders believe that continuing competition within the military will aid their cause. President Suharto's security officials are also worried about this, particularly because the students are increasingly attracted to General Sumitro, who lost out in the recent government reshuffle.

A parallel development of equal concern to security officials is the increasing rapport between members of the West Java Army Division, which has lost political influence under Suharto, and the East Java Division, General Sumitro's old command. Members of these two divisions believe that Suharto's latest moves have further undercut their political position in favor of his cronies from the Central Java Division.

The dynamics of army politics in Indonesia have traditionally stemmed from the rivalries and alliances among the three Java divisions. Since assuming power, President Suharto has tried to dissolve the bonds of divisional loyalty through successive armed forces reorganization and centralization measures, but evidently he has had only limited success.

The armed forces troop commanders are scheduled to gather in Jakarta early this month. Both Suharto and the students will be watching closely to see whether military factionalism breaks into the open and, if so, whether it is serious enough to affect the future of the government.

**FOR THE PRESIDENT ONLY**

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## ETHIOPIA

The cabinet appointments announced yesterday by Prime Minister Endalkatchew seem likely to win the support of dissident troops. Two of the younger and more progressive members of the Ethiopian aristocracy, whose appointments were demanded by the military, received important posts. Mikael Imru, currently serving as Ethiopia's representative to the UN European office, was named Minister of Commerce and Industry and Zawde Gebre Selassie, who was serving as UN ambassador, was appointed Interior Minister. The other ministers are mostly new faces and are not closely identified with the discredited former government.

The appointment of the new ministers should help speed the re-establishment of civilian authority. Dissident troops had already begun returning to their duty stations and most governmental functions were restored to civilian officials over the weekend.

Students, teachers, and workers remain less inclined than the military to accept Endalkatchew. Many of the demands of these groups, however, reportedly were included in the list of reforms accepted over the weekend by Haile Selassie. The new cabinet is also expected to give its approval, and this should help reduce the remaining opposition to Endalkatchew.

*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

**ARGENTINA**

The situation in Cordoba remains confused and tense in the wake of the ouster by police of the left-wing Peronist provincial government there last week. Sporadic violence, including shootouts between leftist extremists and police, has caused several deaths and scores of injuries. Work stoppages have virtually paralyzed the province and food supplies are becoming scarce.

President Peron has asked for congressional approval to reorganize the provincial government, but congress has lacked a quorum and thus far Peron has refrained from intervening directly without legal authorization. Although he has placed the military on alert, he told army chiefs that only police forces are to be used in Cordoba province even if widespread violence occurs. The army agrees with this strategy and would prefer to remain on the sidelines, but senior officers [redacted] have criticized Peron's handling of the "Cordoba debacle." Should the violence worsen, the army may feel compelled to enter the dispute and has been formulating contingency plans for this purpose. The US Embassy believes that chances of greater violence are growing as the situation continues to rock along without a definitive solution.

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**FOR THE PRESIDENT ONLY**

**WEST GERMANY**

Chancellor Willy Brandt's Social Democratic Party suffered heavy losses in yesterday's election in Hamburg, traditionally a stronghold of Social Democratic support. The Social Democrats remained the largest single party in the city, but with only 44.9 percent of the vote. They lost 14 seats in the local parliament, as well as the absolute majority they had enjoyed in Hamburg since 1957. The Christian Democrats made their best showing ever, picking up 40.6 percent of the vote and increasing their representation in parliament by ten seats.

The impact of these Social Democratic losses will be felt in Bonn, where national party leaders have been concerned for some time about the results of public opinion polls that show the party's popularity dropping sharply throughout the country. The Hamburg election was viewed by leaders of all parties as the first major test of voter attitudes since the national elections of November 1972.

**FOR THE PRESIDENT ONLY**

*Top Secret*



# The President's Daily Brief

March 5, 1974

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*FOR THE PRESIDENT ONLY*

THE PRESIDENT'S DAILY BRIEF

March 5, 1974

PRINCIPAL DEVELOPMENTS

Syria

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(Page 1)

Prime Minister Meir told President Katzir she will keep trying to form a government until tomorrow, when the extension of the mandate granted by Katzir last week expires. (Page 3)

West German Minister Bahr is having tough sledding in Moscow over the question of Bonn's attempt to open a federal environmental office in West Berlin. (Page 4)

Guatemala

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(Page 5)

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

SYRIA-ISRAEL

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There have been no Soviet political or military activities indicating concern over a possible renewal of Middle East hostilities.

Foreign Minister Gromyko is completing a four-day visit in Egypt.

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*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

he left Syria last Friday, Gromyko announced that he would return after his Cairo visit to complete his discussions. There has been no hint in Gromyko's public statements of concern over an imminent Syrian attack in the Golan Heights.

Soviet military activities related to the Middle East appear normal. [redacted]

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[redacted] Two Soviet destroyers departed the Mediterranean for the Black Sea over the weekend. There are now fewer combatants in the Mediterranean Squadron than at this time last year. Most Soviet ships are at anchorage or in port after having concluded a short anti-submarine warfare exercise on March 1.

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**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

**ISRAEL**

Prime Minister Meir told President Katzir yesterday that she would keep trying to form a government until tomorrow when the extension of the mandate granted by Katzir last week expires. Mrs. Meir yielded to the entreaties of other Alignment leaders. She will now insist that it is up to them to come around to her way of thinking; she is, in all probability, quite prepared to step down should they refuse.

If Mrs. Meir steps down, the possibility is quite strong that new elections will have to be called. Another possibility, although less likely, is that a government of national unity with the right-wing Likud will emerge. Pressures for a unity government appear to be growing within the Alignment, primarily from Defense Minister Dayan's Rafi faction. A move toward a unity government could split the party; the left-wing Mapam faction, for instance, has threatened to bolt the Alignment rather than acquiesce in a government of national unity.

With the exception of Dayan, Alignment leaders do not favor new elections. This option, however, may become more attractive should the impasse continue. Prior to any election, Mrs. Meir would continue to head the present caretaker majority coalition which includes Dayan and the National Religious Party. This would give the Alignment more time to address the domestic political issues that divide it, and to strengthen its position at the polls. Moreover, the government could continue the disengagement negotiations with the Syrians confident that its views on this subject are shared by a majority of the Knesset.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**WEST GERMANY - USSR**

West German Minister Bahr, who is in Moscow trying to arrange a visit by Chancellor Brandt, is not making much progress over Berlin. Soviet leaders are adamant that Bonn's attempt to open a federal environmental office in West Berlin is a violation of the 1971 Quadripartite Agreement and that the office would be a wedge for a greater federal presence in the city.

Bahr's initial talks with General Secretary Brezhnev and Deputy Foreign Minister Kuznetsov were frank, and neither side gave any ground. The Soviets are hinting that a face-saving compromise might be arranged, but the West Germans believe that no real progress can be made until Foreign Minister Gromyko returns from his trip to the Middle East. Bahr intends to stay in the USSR until then.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

## GUATEMALA

Despite the government's release last night of partial voting returns showing its candidate ahead in last Sunday's presidential election, President Arana told close advisers yesterday afternoon it was obvious that opposition candidate General Efrain Rios Montt had really won. Arana is faced with a thorny dilemma: accepting a Rios victory would be anathema to conservative military and civilian officials, and nullifying the elections or manipulating the final vote count to name the government's man the winner could spark serious violence or split the army. Minor clashes between supporters of the top two presidential rivals have already occurred in the capital, and further wide discrepancies between the official and opposition versions of the vote tallies could lead to more trouble.

*FOR THE PRESIDENT ONLY*

*Top Secret*

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# The President's Daily Brief

March 6, 1974

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**FOR THE PRESIDENT ONLY**

**THE PRESIDENT'S DAILY BRIEF**

March 6, 1974

**PRINCIPAL DEVELOPMENTS**

Saudi officials told the US Embassy in Jidda yesterday that Libyan President Qadhafi has refused to host a conference of Arab oil ministers. They will still meet on March 10, however, probably in Kuwait. (Page 1)

The communiqué following Soviet Foreign Minister Gromyko's visit to Egypt shows that not much progress was made toward ameliorating the USSR's problems with Egypt. (Page 2)

Prime Minister Golda Meir announced last night that Moshe Dayan will join her new cabinet, which she is to ask President Katzir to approve today. (Page 4)

[Redacted] 25X1

Ethiopian Emperor Haile Selassie yesterday announced major constitutional changes in an attempt to calm continuing civilian and military unrest. (Page 6)

The hijacking of a British Airways airliner early this week may have had Libyan backing. (Page 8)

Prime Minister Wilson is likely to pursue a moderate course over the next several months. (Page 9)

Unrest continued yesterday in the Argentine provincial capital of Cordoba. (Page 10)

The government in Guatemala is busy fixing the results of Sunday's election. (Page 11)

The foreign ministers of Pakistan, Bangladesh, and India will meet in early April, probably chiefly to discuss disposition of the 195 POWs held in India. (Page 12)

**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

**LIBYA**

Saudi officials told the US Embassy in Jidda yesterday that Libyan President Qadhafi has refused to host a conference of Arab oil ministers. Qadhafi reportedly came out strongly against lifting the embargo on oil to the US and declared that, in any case, Tripoli is not the place to discuss this problem.

The Saudis insist, however, that the Arab oil ministers will still meet on March 10, without the Libyans, probably in Kuwait.

The US Embassy reports that Saudi officials hope their argument that the embargo is no longer in the Arab interest will prevail at that meeting. They expect, however, to encounter opposition, at least from Iraq.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**USSR-EGYPT**

Soviet Foreign Minister Gromyko does not seem to have made much progress toward ameliorating the Soviet Union's problems with Egypt. The communique that followed his five-day visit referred unabashedly to "detailed debates." The reference suggests that Gromyko did not get any further with the Egyptians than Brezhnev did in January.

The Egyptians again paid lip service in the communique to the "importance and necessity" of Soviet participation in all stages of the Middle East peace negotiations, including the working committees at the moribund Geneva conference. Cairo did not make any new commitment to the Soviets on this score.

The Egyptian and Soviet foreign ministers traded rather pointed remarks in banquet speeches on the eve of Gromyko's departure. Fahmi characterized their talks as "frank" and referred twice to the five-year hiatus between Gromyko's visits to Cairo.

Gromyko, for his part, repeated a warning he had made a few days earlier in Damascus. He cautioned the Arabs to be wary of those who want to substitute "partial solutions" for a real settlement and who want to set the Arabs and their "allies" against one another. These implicitly anti-US statements were not echoed in the communique.

Gromyko seemed to imply that continued Soviet military and economic support was contingent on Cairo's doing its part to keep relations in repair.

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The Egyptians were worried that Gromyko was aiming at a continued Soviet economic and military role in Egypt at relatively low cost. The communique made no mention of bilateral economic or military matters. The Soviets did pledge to assist in opening the Suez Canal "in principle."

(continued)

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

Gromyko also found an appropriate occasion to make plain Moscow's objections to Sadat's moves toward economic liberalization at home. Gromyko noted that Moscow hoped the state sector of the Egyptian economy would undergo further strengthening, "without which progressive socio-economic changes are impossible."

Gromyko apparently made no effort to soothe Sadat's irritation that Moscow has not responded to a long-standing invitation for a visit to Egypt by one of the top three Soviet leaders. Although there had been speculation before Gromyko's trip that a visit by Soviet President Podgorny would be announced, the communiqué merely noted that an invitation to Brezhnev had been "renewed."

While in Cairo, Gromyko met with Palestinian leader Yasir Arafat, and for the first time the Soviets publicly acknowledged a meeting between one of their top leaders and the fedayeen. The announcement represents a small step toward Soviet recognition of Arafat's Palestine Liberation Organization as spokesman for the Palestinians.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**ISRAEL**

Prime Minister Golda Meir announced last night that Moshe Dayan will join her new cabinet, which she is to ask President Katzir to approve today. The other hold-out, Shimon Peres, will go along with Dayan.

A Jerusalem radio correspondent subsequently reported that a meeting of the National Religious Party leadership this afternoon will reconsider the party's refusal to join the Alignment coalition.

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[redacted] Any developing security threat--such as possible Syrian military preparations--would provide a reason, or an excuse, for Dayan to close ranks.

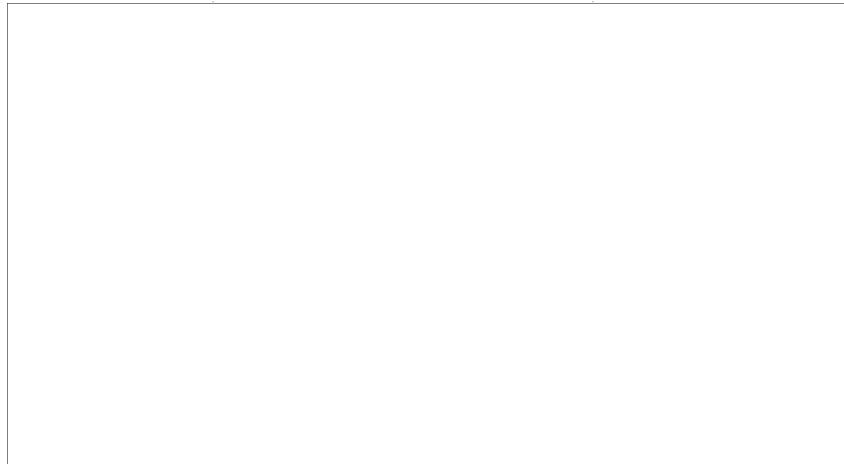
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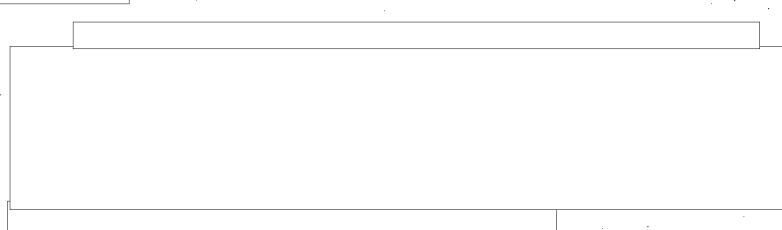
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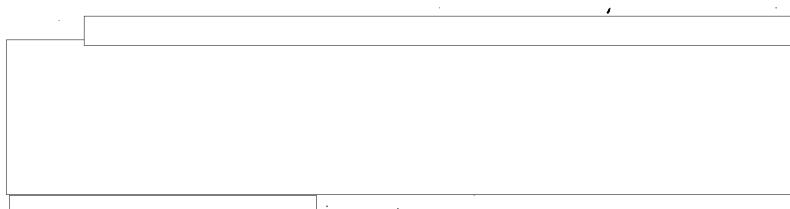
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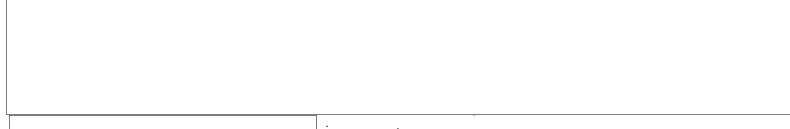


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*FOR THE PRESIDENT ONLY*

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## ETHIOPIA

Ethiopian Emperor Haile Selassie yesterday announced major constitutional changes--including curbs on his own authority--in an attempt to calm continuing civilian and military unrest.

The Emperor, in a nationwide address, said he had directed Prime Minister Endalkatchew to call a constitutional conference. The new constitution would make the prime minister responsible to parliament, guarantee civil rights, streamline court procedures, and clarify relations among the branches of the government.

The Emperor's statement is a milestone in the transformation of Ethiopian politics. The promised arrangements would place Ethiopia on the way to becoming a constitutional monarchy. They are a significant concession to demands for political liberalization from groups outside the hierarchy, including some of the military.

Although the Emperor and his closest associates have recognized that political change is necessary, they hope to control its pace and general direction. The writing of a constitution will take time, and the new arrangements may be resisted by powerful nobles as a threat to their privileged position.

Dissident groups will become impatient if the process is too prolonged, and will be sensitive to any sign that the regime is not committed to a more democratic form of government.

The regime presumably believes it must make political concessions partly to offset its inability, because of limited financial resources, to meet the economic demands of workers and teachers. The pay increases granted dissident troops to end their revolt have seriously strained the budget and have encouraged civilians to demand economic improvement.

The Ethiopian labor confederation is planning to call a general strike Thursday to support a 16-point list of demands, including a sizable wage increase and greater protection for labor's right to strike and organize. Leaders evidently intend the strike to last for one or two days to demonstrate labor's strength; they do not appear to be trying to bring down the government. The strike could lengthen, however, if the demands are not met.

(continued)

*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

Teachers continue to ask for salary increases and new educational policies. Their association is divided. Militants will not agree to the moderates' call for an end to their two-week-old strike while the new government reviews their demands.

Students remain restless and may renew demonstrations against the government.

A majority of military dissidents still seem willing to give the new government a chance. Unrest, however, continues in some units. Enlisted men at the naval base in Massawa are holding some officers and demanding the removal of 13 unpopular ones. Enlisted men with unsatisfied grievances at Debre Zeit air base have reportedly refused to turn in their weapons. The continuing dissension in the air force may have played a role in the dismissal yesterday of air force commander Major General Aberra.

**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

**FEDAYEEN-LIBYA**

The hijacking of a British Airways airliner early this week apparently was the work of Marwan Haddad, a former member of the Popular Front for the Liberation of Palestine, who may have received Libyan backing for this operation. Marwan Haddad is a relative of the Popular Front's operations chief, Wadi Haddad.

According to a reliable contact of the US Embassy in Beirut, Marwan Haddad recently joined a Libyan-controlled terrorist group. He had earlier fled to Libya after hijacking a Lufthansa airliner to secure the release of fedayeen captured in the Munich kidnaping of Israeli Olympic athletes.

The Lufthansa hijacking was carried out by the "Organization of Arab Nationalist Youth for the Liberation of Palestine," which is the same name used by hijackers of the British aircraft this week.

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Should Libya's involvement in this incident be proved, it will further complicate President Qadhafi's effort to improve Libya's relations with Egypt. President Sadat recently indicated that Libyan-Egyptian reconciliation can go forward only if Qadhafi stops supporting Palestinian terrorists.

*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

UK

Prime Minister Wilson is likely to pursue a moderate course over the next several months and can count on both the Tories and Liberals not to bring down the government, except on a point of fundamental principle. Politicians and political observers, however, expect Wilson to call new elections, possibly by the end of the year.

Wilson yesterday named Michael Foot, a left-wing member of the party in whom the unions should have confidence, as the new Secretary of State for Employment. Foot's first move was to meet with the miners' chiefs to try to settle the strike, now in its fourth week. The president of the miners later announced that he hopes to resume talks with the National Coal Board today. Wilson himself met with industry and union leaders yesterday to discuss the economic situation.

Wilson's immediate aims are to end the strike, return to a five-day work week as soon as possible, and introduce a budget that will simultaneously combat inflation, reduce the balance-of-payments deficit, and still fulfill Labor's pledge to redistribute wealth. The budget is likely to call for a defense cut--a measure either party would have been forced to consider. Wilson probably will also press those measures that are almost certain to gain Liberal support, such as the repeal of the Industrial Relations Act.

Although the Liberals may be willing to tolerate some discussion of EC entry terms, they would not favor a hard approach to the other EC countries nor would they consider any talk of withdrawal. One moderate Labor cabinet official suggested just before the election that London might appeal to the Germans to support enlarging the regional fund and thereby to make membership more palatable to the British people. If Britain receives such benefits, this could reduce pressure for renegotiation at least until new elections.

**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

## ARGENTINA

Unrest continued yesterday in Argentina's provincial capital of Cordoba.

In Buenos Aires, the federal Senate approved, after considerable acrimonious debate, President Peron's request for authority to reorganize the executive branch of the provincial government. The bill will be considered today by the Chamber of Deputies, where it is likely to encounter much stiffer opposition.

The US Embassy reports that the deputies may not even vote on the bill for another week or so, and even then there is no assurance that it will win the required two-thirds majority. Further delay in federal intervention in the troubled province will increase the likelihood of widespread violence.

Meanwhile, the national government's clumsiness in the Cordoba affair is reportedly causing strain among moderate leftists within the Peronist movement. These are said to fear that the government's behavior will cause leftist Peronists to join forces with the movement's extremists who advocate armed revolution.

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*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

## GUATEMALA

The Arana government evidently intends to name the administration-backed presidential candidate, General Kjell Laugerud, winner of Sunday's election, despite additional signs that opposition candidate General Efrain Rios Montt actually won.

The government continued to play for time yesterday, delaying the release of voting returns until late in the day. It probably needed the extra time to engineer enough additional fraud to give Laugerud a plurality in the three-man race. This would throw the election into the government-controlled Congress, which would pick Laugerud.

Guatemala City remained without violence yesterday, despite rising tensions over the outcome of the election. Supporters of Rios Montt and Laugerud traded charges and countercharges of massive election fraud.

Rios Montt declared that "historical responsibility and military honor" required him to reject the government's attempts to cheat him of his victory, and he appealed for peaceful resistance.

Whether Arana will be able to make the Laugerud "victory" stick will depend heavily on the attitude of the army, which in turn will be influenced by the degree of popular discontent created by the government's transparent fraudulence. Although it would prefer to avoid becoming involved in a major conflict between pro- and anti-government elements, the army may be forced to act if violence breaks out.

**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

**PAKISTAN-BANGLADESH-INDIA**

The foreign ministers of Pakistan, Bangladesh, and India will meet on April 4 probably chiefly to discuss disposition of the 195 POWs held in India. The Pakistanis believe, on the basis of statements made by Prime Minister Mujib of Bangladesh at the Islamic summit last month, that the POWs will be released.

The Pakistanis have informed the Bengalees, however, that should the POW issue continue unresolved, Islamabad will ask Peking to use its veto again to bar Bangladesh's admittance to the United Nations. The Pakistanis presumably hope that Dacca's desire to enter the UN in time for the General Assembly's special session on raw materials and development, scheduled for April 9, will induce Bangladesh to settle the issue quickly.

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# The President's Daily Brief

*March 7, 1974*

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**FOR THE PRESIDENT ONLY**

**THE PRESIDENT'S DAILY BRIEF**

March 7, 1974

**PRINCIPAL DEVELOPMENTS**

The Israelis are showing concern over Syria's intentions. (Page 1)

No significant changes in Israel's negotiating position is likely to result from the new cabinet appointments Prime Minister Meir announced yesterday. (Page 2)

An agreement between government and union officials has ended Britain's coal strike. Resumption of coal production, however, will only partially remedy the serious economic problems that Britain faces. (Page 3)

King Husayn has sent special envoys to King Faysal, President Sadat, and President Asad to discuss the role of the Palestinians in the peace negotiations. (Page 4)

A Libyan Foreign Ministry official told the US Chargé in Tripoli that his government is interested in better relations. (Page 5)

The Ethiopian labor confederation launched the country's first general strike today despite government efforts to head it off. (Page 6)

A high-level Khmer Communist message shows that Cambodian insurgents received a shipment of arms from the Vietnamese Communists on February 25. (Page 7)

President Pak believes that he can deal with any unrest that may follow the reopening of Seoul's major universities. (Page 8)

Opposition to ratification of a treaty providing for joint oil exploration with South Korea has surfaced within Prime Minister Tanaka's party. (Page 9)

In Guatemala, the government announced last night that General Laugerud won a plurality of votes in the election on March 3. (Page 10)

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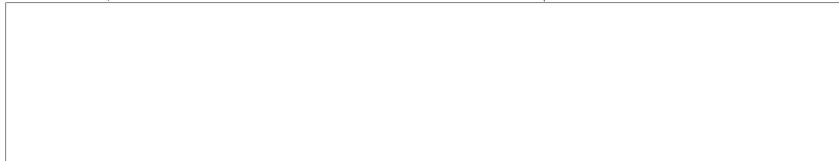
**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

**ISRAEL-SYRIA**

The Israelis are watching concentrations of Syrian troops near the cease-fire line, and are worried by reports that President Asad is under pressure for having released the Israeli POW list.

An Israeli press dispatch yesterday indicates that Israeli units in the Golan Heights are on alert. In addition, the Israelis are now conducting daily aerial reconnaissance of the Heights under heavy fighter escort.



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**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

## ISRAEL

No significant change in Israel's negotiating position is likely to result from the new cabinet appointments Prime Minister Meir announced yesterday.

Domestic critics, however, will cite the similarity between the new cabinet and its predecessor as evidence of further hardening of political arteries in Tel Aviv.

In presenting a new cabinet to President Katzir, Mrs. Meir was bolstered at the last minute by a promise of participation by the National Religious Party. If Religious Party ministers rejoin, Meir will have essentially the same team as before and will command a majority of votes in the Knesset.

There were only five new ministers among the 16 she named. The most noteworthy of these is Yitzhak Rabin, former Israeli chief of staff and ambassador to the US, who was named labor minister. Meir is said to value highly Rabin's views on relations with the US.

Three cabinet posts--Religious Affairs, Welfare, and Interior--were left open for their former incumbents from the National Religious Party. The post of transport minister was also left open and no mention was made of a new communications minister.

President Katzir has given Meir until Sunday to fill the vacancies.

*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

UK

An agreement between the government and union officials has ended Britain's coal strike and will enable the country's workers to resume a five-day work-week.

The executive board of the mineworkers union voted 25 to 2 to accept the government's \$230-million pay package, and union members are expected to approve the agreement without delay. The president of the National Union of Mineworkers has said he expects the miners to be back at work on Monday.

Prime Minister Wilson paved the way for the settlement by telling negotiators to disregard wage ceilings imposed by former Prime Minister Heath. The government's offer--a wage increase of about 30 percent--was more than twice the amount proposed by the previous government.

The Trades Union Congress has promised that other unions will not demand increases as large as those granted the mineworkers. Nevertheless, Wilson's voluntary wage restraint policy appears headed for trouble.

Railroad workers recently rejected a 7-percent pay increase and are holding out for 12 percent. Workers in the shipbuilding, engineering, and automobile industries may also be encouraged to increase their demands in future bargaining.

Resumption of coal production will only partially remedy the serious economic problems that Britain faces. The end of the strike will limit the drop in industrial production--the main source of exports--to about 25 percent for the first quarter of the year. Transportation bottlenecks and shortages of materials will prevent full industrial production until the third quarter.

Britain's trade deficit--already the largest in the world--will increase this year, despite the end of the strike. Exports will not return to last year's level for several months. Meanwhile, rising prices for oil and other imports--grain, wool, and rubber, for example--add to Britain's trade problems.

**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

**JORDAN**

King Husayn has sent two special envoys to discuss with King Faysal, President Sadat, and President Asad Husayn's current views toward the Palestinians and their role in the peace negotiations. The King's emissaries met Faysal yesterday and are to see Sadat today before proceeding to Damascus.

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The Saudi ambassador in Amman, however, who was almost certainly briefed on the envoys' mission, told Ambassador Pickering that the two Jordanians would spell out Husayn's position on the role of the Palestinians. He said the envoys will inform the Arab leaders that Jordan is willing to recognize the Palestine Liberation Organization as the sole representative of the Palestinians, but that Jordan still wishes to exercise its "responsibility" to arrange Israeli withdrawal from the West Bank through the current disengagement process.

If the Saudi ambassador's account is accurate, Husayn has hardened his views on negotiations concerning the West Bank. In late February, the King reportedly had decided to offer to let the PLO negotiate with Israel for the return of the West Bank. It would now appear that Husayn has reverted to his earlier position of insisting that the fedayeen participate at Geneva only at some "later stage."

An offer from Husayn to recognize the PLO as the sole representative of the Palestinians, however, would represent a compromise that could open the way for some form of cooperation between Jordan and the fedayeen organization.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**LIBYA**

A Libyan Foreign Ministry official told the US Chargeé in Tripoli this week that his government is interested in better relations with the US. The official suggested that Major Umar al-Muhayshi, a member of the Revolutionary Command Council, come to Washington for the announced purpose of contacting Arabs in the US who might be interested in working in Libya. If the US agreed in principle to the talks, the official said that the visit could take place as early as next week. The Libyan did not give reasons for the demarche.

While the suggestion is a sharp departure from Tripoli's past refusal to discuss bilateral problems with US officials, it appears consistent with Qadhafi's recent tendency to moderate some of his actions.

*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

## **ETHIOPIA**

Ethiopia's first general strike began today. The walkout by 85,000 members of the Ethiopian labor confederation came despite strong attempts by the beleaguered government to head it off.

The strikers are demanding increased wages and other benefits. Union leaders have told workers to stay off the streets; no disturbances have been reported so far. Militants, however, reportedly plan to demonstrate, and this may lead to violence.

**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

**CAMBODIA - NORTH VIETNAM**

A high-level Khmer Communist message of March 1 stated that Cambodian insurgents received part of a "second shipment" of arms, ammunition, and vehicles from the Vietnamese Communists on February 25. It is too early to tell whether this shipment is a portion of the 900 tons of military equipment and 296 vehicles that Hanoi agreed late last year to give to the Khmer Communists, or whether it is additional aid.

The message asked the Khmer Communist Central Party Committee to draw up a plan for distributing the equipment "according to need." This suggested that the insurgents may not commit the bulk of the new arms and ammunition--which total approximately 110 tons--to one specific battlefield. According to the message, the insurgents should have less difficulty in moving this latest consignment because they have resolved their fuel problems "somewhat."

In a high-level message of January 29--the previous known intercept on Vietnamese aid--the Khmer Communists stated that the transfer of equipment from the eastern part of the country to insurgent forces in the western regions of Cambodia and in the Phnom Penh area was almost complete.

*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

**SOUTH KOREA**

President Pak believes he can deal effectively with any unrest that may follow the reopening of Seoul's major universities this week. His confidence stems in part from assurances made by security and education officials that dissident leaders have been neutralized by the government's new emergency powers.

Pak's hand has also been strengthened by the government's anti-Communist campaign, which is focused on Pyongyang's recent sinking of a South Korean fishing boat and other "provocative" acts.

Some [redacted]

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[redacted] believe that North Korea's hostility toward the South is undiminished and that tough domestic policies are warranted. The same feeling is said to be evident on some campuses.

Pak is not yet out of the woods. Some student protests are likely this spring; they could provide a catalyst for political protests by intellectuals, Christians, and workers. Urban workers, who have been hit by a 10-percent rise in retail prices so far this year, are currently the object of a campaign by Christian social action groups to increase their political awareness.

**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

**JAPAN**

Opposition to ratification of a treaty with South Korea providing for joint oil exploration in the Korea Strait has surfaced within Prime Minister Tanaka's own Liberal Democratic Party. The party's small left wing claims an important agreement with Seoul is inappropriate now because the two countries have not yet recovered from the rupture caused by the Kim Tae-chung kidnaping last summer. Leftist parties are also expected to oppose the treaty because of strong protests from China and North Korea. All opponents of the treaty say they want to examine its impact on Japan's vital fishing industry.

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Tanaka's proposed civil aviation agreement with Peking is also still in trouble. The Liberal Democratic Party's right wing and traditional factional opponents of Tanaka and of Foreign Minister Ohira have joined in imposing a requirement that the existing civil aviation arrangements with Taipei be revised before the government concludes a new treaty with Peking.

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**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

## GUATEMALA

The Guatemalan Government announced last night that General Laugerud won a plurality of votes in the election on March 3, according to late press accounts. The announcement came a few hours after police used tear gas to break up demonstrations by supporters of opposition candidate General Rios Montt.

These moves could lead to widespread disorder.

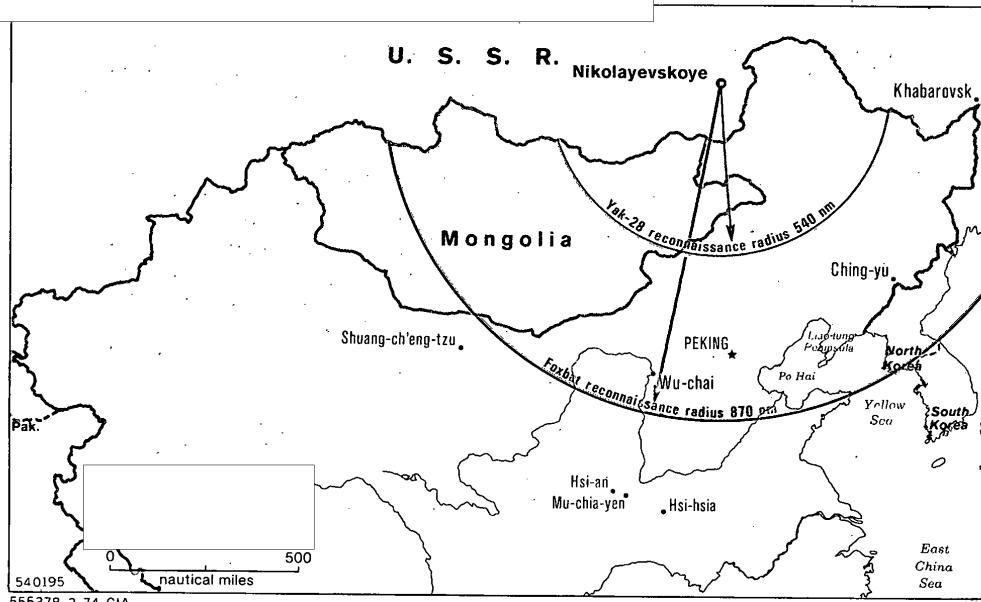
Earlier, Rios Montt had threatened publicly to "paralyze the country" if he were cheated of his victory. He reportedly encouraged his followers to use whatever tactics they felt appropriate to protest the government's fraud in the election.

*FOR THE PRESIDENT ONLY*

25X1

**Soviet Foxbat Aircraft  
Moved Near China Border**

Combat ceiling 77,000 feet  
Speed 1,600 knots



25X1

**FOR THE PRESIDENT ONLY**

**NOTES**

USSR: The high-speed, high-altitude MIG-25 re-connaissance aircraft has been observed for the first time in the eastern USSR.

25X1

[redacted] three MIG-25s at Nikolayevskoye, a Soviet tactical aviation airfield near the Sino-Soviet border. Should these aircraft replace the YAK-28s now stationed at Nikolayevskoye, they would significantly increase Soviet reconnaissance capabilities against northeastern China. While the YAK-28 has a maximum reconnaissance radius of 540 nautical miles, the MIG-25--with external fuel tanks--can operate up to 870 nautical miles at considerably higher speeds and altitudes. This capability, if the Soviets chose to use it, would permit operations over all of Manchuria and considerably south of Peking.

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USSR: [redacted]

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**FOR THE PRESIDENT ONLY**

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# The President's Daily Brief

*March 8, 1974*

*4*



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

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exemption category 5B(1), 5D(3)  
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**FOR THE PRESIDENT ONLY**

**THE PRESIDENT'S DAILY BRIEF**

March 8, 1974

**PRINCIPAL DEVELOPMENTS**

UK Foreign Secretary Callaghan has told the US Ambassador that good relations with the US will be the "keystone" of British foreign policy, and that Britain will seek a "better deal" with the EC. (Page 1)

There are further indications of military preparations by both Syria and Israel in the Golan Heights; the Israelis

say Cairo has violated the disengagement agreement by moving surface-to-air missile batteries--they count two--within 30 kilometers of the buffer zone. (Page 2) 25X1

Soviet Foreign Minister Gromyko evidently had an easier time in Damascus than in Cairo, but the communiqué marking the end of his visit apparently had to paper over important differences. (Page 4)

A cease-fire on the Iran-Iraq border was arranged yesterday, after sporadic artillery duels early in the week grew more intense on Wednesday. (Page 5)

South Vietnam's economy has been in a slump for almost two years, and the outlook is for more of the same in the months to come. (Page 6)

The Guatemalan Army is increasingly uneasy over the massive fraud perpetrated by the government in last Sunday's presidential election. It may be forced to set up a caretaker government, although President Arana would remain in control. (Page 8)

The governor of Argentina's Cordoba Province, whose ouster by the provincial chief of police touched off the current crisis, resigned last night. (Page 9)

Gromyko's visit to Cairo this month brought assertions in the Egyptian press that Egypt's performance in the October war entitles it to deal with the Soviet Union and the US as an equal. (Page 10)

Notes on EC-Canada, the USSR, and Germany appear on Page 10.

**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

UK

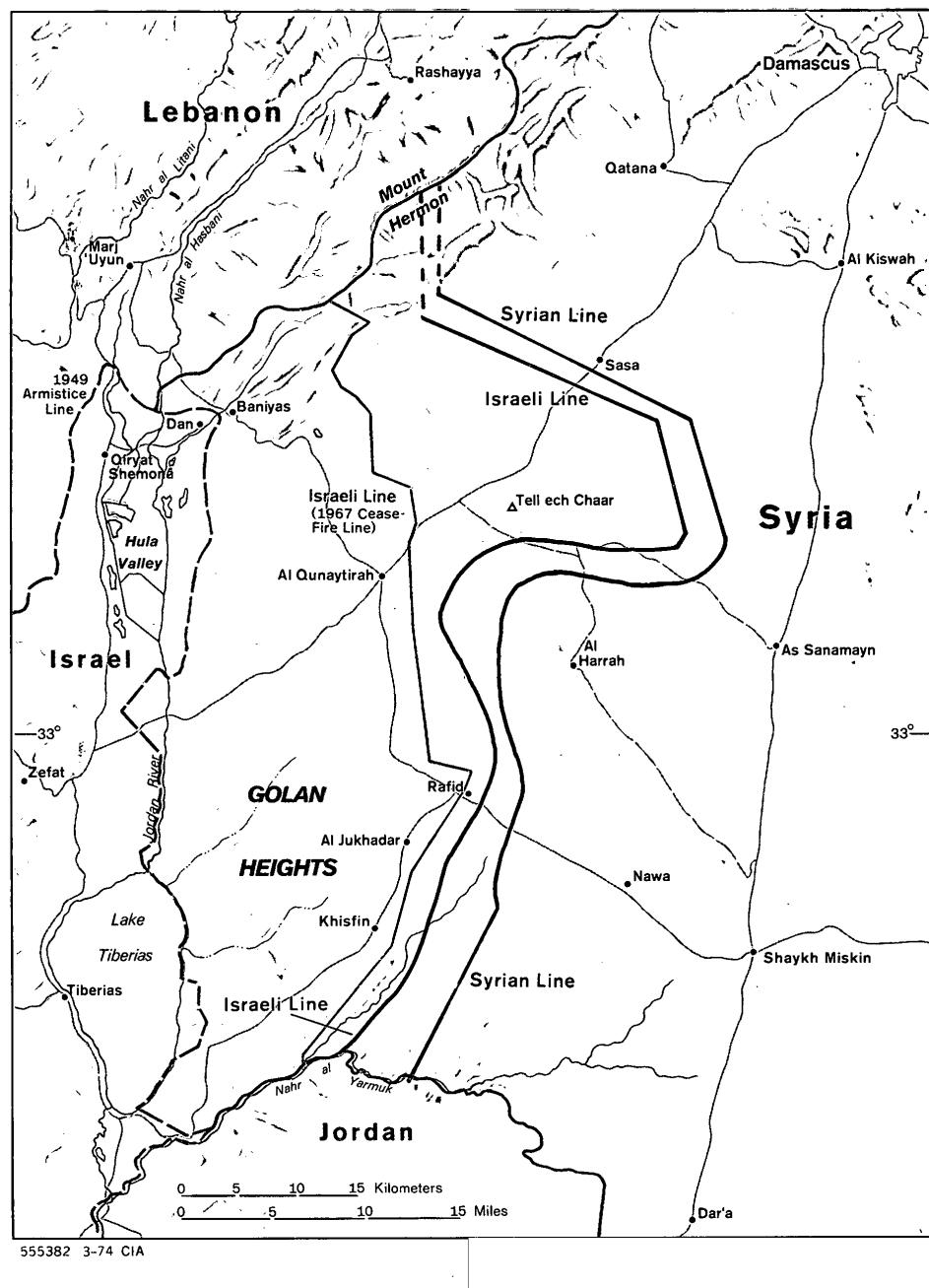
Foreign Secretary Callaghan has told the US ambassador in London that Britain will seek a "better deal" with the EC. He intends to proceed slowly and avoid a confrontation. If he succeeds in obtaining better terms and if the conclusion of these negotiations should coincide with new parliamentary elections, the government might put the EC membership issue to the people at the same time.

Callaghan stated that he "did not care for" the EC tendency toward federalism. He believes that an "alliance of states" is preferable and that an organization like the OECD is a better forum for cooperation because it includes Japan, Canada, and the US.

Chancellor of the Exchequer Healey criticized French activities in the EC and commented that the UK wants to mend fences in the North Atlantic Community and break down a few in the EC. He added that Labor's policies on the EC generally and on the energy problem would be more in harmony with those of the US than had been the case under the previous government.

Callaghan observed that the keystone of British foreign policy would be good relations with the US but that "Britain will not be a US voice." He favors putting more muscle in the UN and is considering sending a minister of cabinet rank to New York as the British representative.

*FOR THE PRESIDENT ONLY*



25X1

**FOR THE PRESIDENT ONLY**

**ARAB STATES - ISRAEL**

There are further indications of military preparations by both Syria and Israel in the Golan Heights area.

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[redacted]

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[redacted]

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the Israelis refused to let a UN mail truck that was en route from Damascus to Tiberias pass through their lines.

The Israeli refusal suggests that the Israelis may be making preparations of their own in the area that they wish to conceal from UN observers.

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[redacted]

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Various reports have been received that the Syrians are concentrating units near the Israeli salient in preparation for an attack on Israeli positions.

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\* \* \*

Cairo is violating the disengagement agreement by moving surface-to-air missile batteries to locations less than 30 kilometers from the UN buffer zone.

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[redacted]

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**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

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The allegations by the Israelis cannot be confirmed at this time. At the very least, they reflect Tel Aviv's suspicion that the Egyptians may be attempting to strengthen their positions in the same manner as they did following the 1970 cease-fire.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**USSR-SYRIA**

Soviet Foreign Minister Gromyko evidently had an easier time in Damascus than in Cairo, but the communique marking the end of his Syrian visit indicates a compromise designed to paper over important differences.

The absence from the communique of any specific endorsement of the Geneva peace conference apparently reflects Syria's reluctance to go to Geneva until it has a clear Israeli commitment to withdraw from all occupied territory. Moscow has been urging Damascus to participate in the Geneva talks, and is clearly irritated that the Syrians have agreed to conduct disengagement talks with the Israelis in Washington. The communique suggests that the Syrians refused to give Gromyko any assurances about the US role as an intermediary.

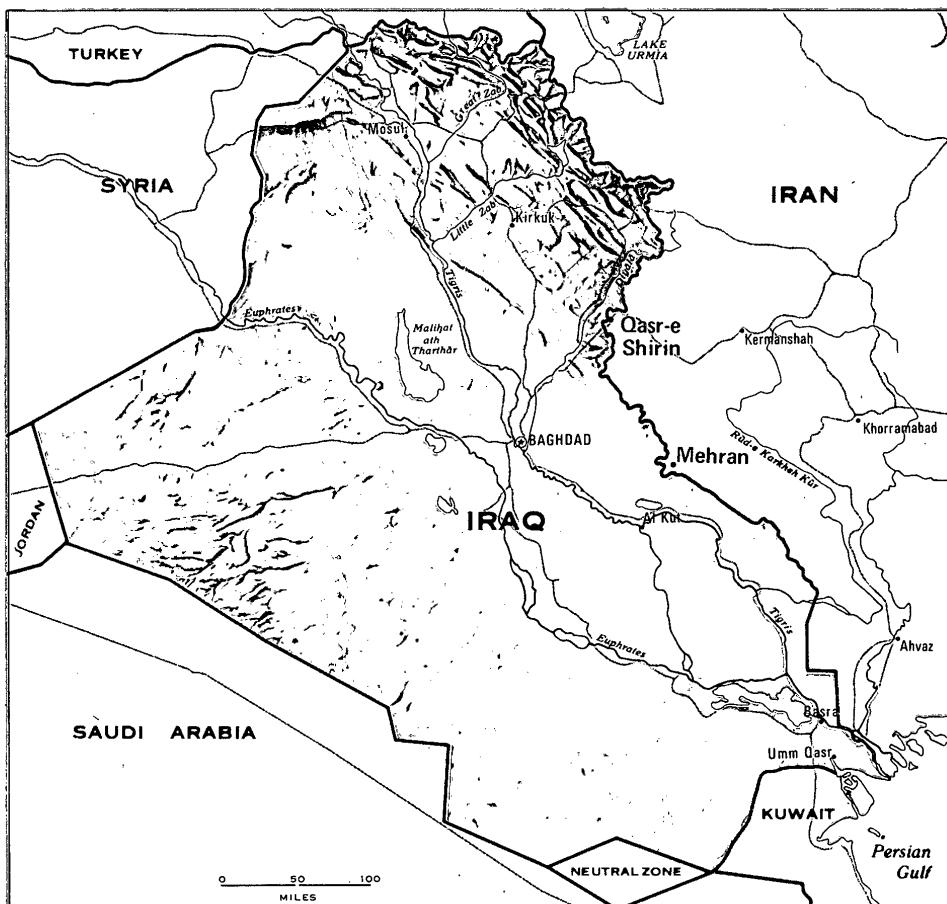
The Soviets and Syrians agreed that failure to move toward a settlement risks a "new explosion." This intimation of new hostilities, however, was accompanied by a reference to "effective means" for liberating occupied territory. Moscow may interpret this as ruling out high-risk military actions in the Golan Heights.

The phrasing of the communique lends credence to reports that Syria is dissatisfied with the extent and terms of Soviet military aid. The Soviets agreed only to "mutually advantageous" military cooperation with Syria.

Despite their differences, both countries probably regard Gromyko's visit as a positive achievement. Moscow obviously wanted to break Secretary Kissinger's monopoly on Middle East diplomacy. The Syrians probably welcomed the chance to balance the Secretary's visit with two short stops by Gromyko and to indicate that good ties with Moscow remain a cardinal point in their diplomacy.

*FOR THE PRESIDENT ONLY*

### Iraq-Iran: Forces on Border



555390 3-74 CIA

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*FOR THE PRESIDENT ONLY*

**IRAN-IRAQ**

A cease-fire on the Iraq-Iran border was arranged on Thursday by Baathist leader Saddam Husayn al-Tikriti and the new Iranian ambassador in Baghdad, according to an Iranian official. Tehran radio reported yesterday that fighting had ended and that the cease-fire was holding.

Clashes have occurred along a 100-mile stretch of the border from Qasr-e Shirin to Mehran. After sporadic artillery duels early in the week, fighting increased on Wednesday and may have prompted the cease-fire move.

Each side claims the other started the fighting. Tehran officially protested to Baghdad and the UN, and Iraq issued a statement through its chief of staff charging Iran with aggression. Even as the fighting was in progress, the UN was moving to implement last week's Security Council consensus statement, which called for a report on the border situation by an independent observer. Secretary General Waldheim asked the Mexican ambassador to Bonn, Luis Weckmann, to undertake an on-the-spot study. If Tehran and Baghdad approve of Waldheim's choice, Weckmann will take up the task shortly.

The military build-up that began during the border clashes in early February continued until the cease-fire was arranged.

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*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

## SOUTH VIETNAM

South Vietnam's economy has been in a slump for almost two years, and the outlook is for more of the same in the months to come. Economic difficulties are now President Thieu's most serious internal problem, and continued deterioration could well hand the Communists an exploitable issue.

Thieu has made a number of changes in economic policy-making positions in recent months in an effort to bring in men who are more energetic. The government meanwhile is leaning toward more direct controls, but no clear-cut economic policies have emerged.

South Vietnam's economic problems--declining real aid, stagnation of industrial production, rapid inflation, and the sharp reduction in US spending--have affected urban areas and persons on fixed incomes most of all. The US Embassy in Saigon estimates that unemployment may now be on the order of 1 million people--about 15 percent of the labor force.

Wages are failing to keep up with the rising cost of living. This is particularly true of government employees, both civilian and military, who account for more than one fifth of the labor force. Despite a 25-percent pay hike last year, the real wages of government employees are only two thirds of what they were a year ago.

At the moment, after a good harvest, agriculture is relatively strong. This performance is unlikely to be sustained. While farmers will probably still be able to meet their own needs, buyers may find it increasingly difficult to purchase rice in the delta for shipment to Saigon and the rice-deficit provinces farther north.

World prices for goods purchased abroad by South Vietnam rose last year by an average of 25 percent. For the same amount of imports this year, including the major ones--fertilizer, rice, wheat, and petroleum products--Saigon would have to pay another 25 percent more. South Vietnamese exports are expected to bring in only about \$100 million this year.

(continued)

**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

The US Embassy believes that South Vietnam will need supplemental aid this year. At currently anticipated levels of foreign aid, the economic outlook for 1974 is similar to that of 1973--low domestic and foreign investment, little or no growth in production, widening inequalities in income, growing unemployment, and continued deferral of reconstruction and development. Each increase in consumer prices that is not accompanied by a gain in income for the working classes is likely to increase the prospects for political unrest, which has been virtually non-existent within the non-Communist majority in recent years.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**GUATEMALA**

The Guatemalan Army is increasingly uneasy over  
the massive fraud perpetrated by the government in  
last Sunday's presidential election [redacted]

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[redacted]  
[redacted]  
[redacted]

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25X1

25X1

The top general, Defense Minister Rubio, is on  
record as saying that the military should guarantee  
the constitutional process. [redacted]

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The army may be forced to act. It might, with  
Arana's approval, take power and install General  
Rubio as a caretaker chief of state for an indefinite  
period. Arana would, in effect, retain control.

[redacted] the next few days are  
critical. If demonstrations can be kept under con-  
trol, the situation will probably stabilize and Lau-  
gerud will be able to assume power next July.

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**ARGENTINA**

The Argentine Government last night announced the formal resignation of the Cordoba governor whose ouster by the provincial police chief more than a week ago touched off a crisis that has rocked the province ever since.

The ex-governor's resignation should help end the impasse on federal intervention in Cordoba. It has been held up so far by the government's inability to obtain in the federal Chamber of Deputies the two-thirds majority vote required to treat President Peron's intervention proposal out of turn.

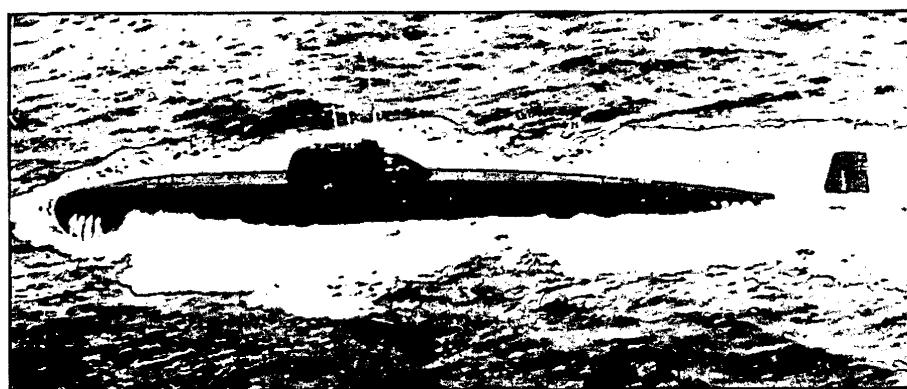
The federal government's allowing the ex-governor to resign "with honor" was one of several stipulations that a non-Peronist party had been demanding as its price for voting with the Peronists on this issue.

*FOR THE PRESIDENT ONLY*

C-class guided-missile submarine



V-class attack submarine



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**FOR THE PRESIDENT ONLY**

**NOTES**

Egypt: Soviet Foreign Minister Gromyko's visit to Egypt this month brought about an outpouring of praise in the Egyptian press for friendship with the USSR. It also brought assertions, however, that Egypt's performance in the October war entitles it to deal with the Soviet Union and the US as an equal. An editor [redacted] said that the government must guard against granting "special status" to either the US or USSR, and that in Egypt's eyes both relationships have equal significance. Moscow, using its propaganda apparatus, has already made clear its objection to the notion that its status in Egypt has diminished.

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EC-Canada: Ottawa and the EC Nine apparently are preparing a declaration to define the principles and goals of the EC-Canada relationship. Canada is drafting a text, and the French are drafting an EC position paper. Canada has attached great importance to staking out a relationship with the EC that is separate from that of the US. Last fall, French Foreign Minister Jobert suggested that Canada insist on its own declaration rather than settle for a separate reference to Canada in an American-European declaration. West German Foreign Minister Scheel, during a visit to Ottawa last September, agreed in principle to support a separate Canada-EC declaration. Informal discussions have been under way since that time.

USSR: Two Soviet nuclear-powered submarines--one a V-class attack and the other a C-class guided-missile unit--were sighted in the Indian Ocean on [redacted]. This is the first time such submarines have been sent to the Indian Ocean. The Soviet surface force there was recently upgraded by the addition of a Kresta II class guided-missile cruiser--the first time a modern surface warship of this class has been in the Indian Ocean.

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Germany: Negotiators agreed to a protocol for exchanging representatives yesterday, and press reports speculate that Bonn may approve the document as early as March 13. No date has been set for establishing formal ties, but the two sides were optimistic earlier that missions could be established before the end of June. Bonn apparently had its way on representing West Berlin in East Germany.

**FOR THE PRESIDENT ONLY**

*Top Secret*

Noted by D.C.

3/11/74



# The President's Daily Brief

March 11, 1974



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## THE PRESIDENT'S DAILY BRIEF

March 11, 1974

### PRINCIPAL DEVELOPMENTS

King Husayn's domestic position and the trend of his thinking on the establishment of a Palestinian state on the West Bank are discussed on *Page 1*.

Two of Portugal's top military men are reported to have been sent into exile over the weekend in connection with the growing dispute over Lisbon's policy in the African territories. (*Page 3*)

After 11 days of hard bargaining in Moscow, West German negotiator Egon Bahr has returned to Bonn with a report on some agreements with Moscow. (*Page 4*)

Khmer Communists maintained pressure on the isolated provincial capital of Kampot during the weekend, but a Cambodian Government counterattack has begun. (*Page 5*)

The Pathet Lao are delaying formation of a coalition government. (*Page 6*)

Another Soviet space probe has arrived in the vicinity of Mars. (*Page 7*)

FOR THE PRESIDENT ONLY

## JORDAN

King Husayn, who postponed his visit to the US last month when a mutiny developed among enlisted men in the army, arrives in Washington today. He presumably expects that his visit will reinforce his standing at home, which was briefly shaken by the mutiny. More important, he probably hopes that reaffirmation of strong US support will strengthen his hand in bargaining with other Arab leaders and the fedayeen over the eventual disposition of the Israeli-occupied West Bank.

Many members of the East Bank Jordanian establishment, [redacted] would prefer--as would the Palestinians--to see Husayn relinquish his claims to the West Bank and turn his attention instead to developing the rest of the country. As of now, Husayn still has no intention of doing that. Last week he sent special envoys to President Sadat, King Faysal, and President Asad with the message that he wished to discuss the Palestinian issue with them after his visit to Washington.

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Husayn may still be angling for an agreement to hold an internationally supervised plebiscite on the West Bank as his price for cooperating with the Palestine Liberation Organization during peace negotiations. The Arab summit in Algiers last November designated the fedayeen group as the sole legitimate representative of the Palestinians; Jordan, in effect, acknowledged this at the recent Islamic summit in Lahore. Husayn may believe that the other Arab leaders need him to negotiate the withdrawal of Israeli forces because Tel Aviv refuses to deal with the fedayeen.

At home, Husayn seems to have assuaged, at least temporarily, the discontent that erupted in his Bedouin army on February 3. He continues to refuse, however, to fire either Prime Minister Rifai or army chief of staff Bin Shakir whose dismissals were among the demands of the mutineers. [redacted]

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[redacted]  
the  
King recently praised Rifai for his "daring and his

defense of truth against all challenges." The Prime Minister figured prominently during Secretary Kissinger's latest visit to Amman, and in local press coverage of the event overshadowed his principal adversary, Crown Prince Hassan, the King's brother and the heir apparent.

Husayn's public endorsement has probably strengthened Rifai's position over the short term. Although Husayn may be simply paving the way for Rifai to make a graceful exit, the King is unlikely to dispense with Rifai as prime minister soon because he does not want to appear to be giving in to the mutineers' demands.

## PORtUGAL

Two of the country's top military leaders may have been exiled over the weekend in connection with the growing dispute over Portugal's overseas policy.

The US defense attaché reports that Armed Forces Chief of Staff General Costa Gomes and his deputy, General Spinola, were flown out of the country on Portuguese civil flights on March 9. According to this account, they had attempted a peaceful takeover of the government on the previous evening.

Heavy security measures were noted at Lisbon airport on March 9 and some military personnel were placed on alert. One of the deported officers reportedly was flown to Madeira, an island off the coast of Morocco, and the other to the Azores.

Lisbon has been tense since the publication last month of a book by General Spinola which advocated greater autonomy for Portugal's overseas territories as well as the liberalization of the Portuguese Government itself. The fact that the book was allowed to be published was thought to reflect Prime Minister Caetano's tacit approval of Spinola's thesis.

In a speech before the National Assembly on March 5, Caetano's remarks were ambiguous enough to allow different interpretations according to the preconceptions of the audience. His speech was followed by two days of debate on a vote of confidence for Caetano's overseas policy. All speakers pledged their support for the Prime Minister, although some deputies called for a speeding up of the autonomy process.

Spinola is Portugal's most famous war hero and is said to be extremely popular in military circles, particularly with junior officers. His widespread support in the military may explain the use of civil rather than military aircraft in the deportation flights.

The exile has not been confirmed. The situation may be clarified later today when the US defense attaché seeks to keep a scheduled appointment with General Costa Gomes. Regardless of the status of the officers, the debate initiated by Spinola's book is now before the nation and cannot be withdrawn.

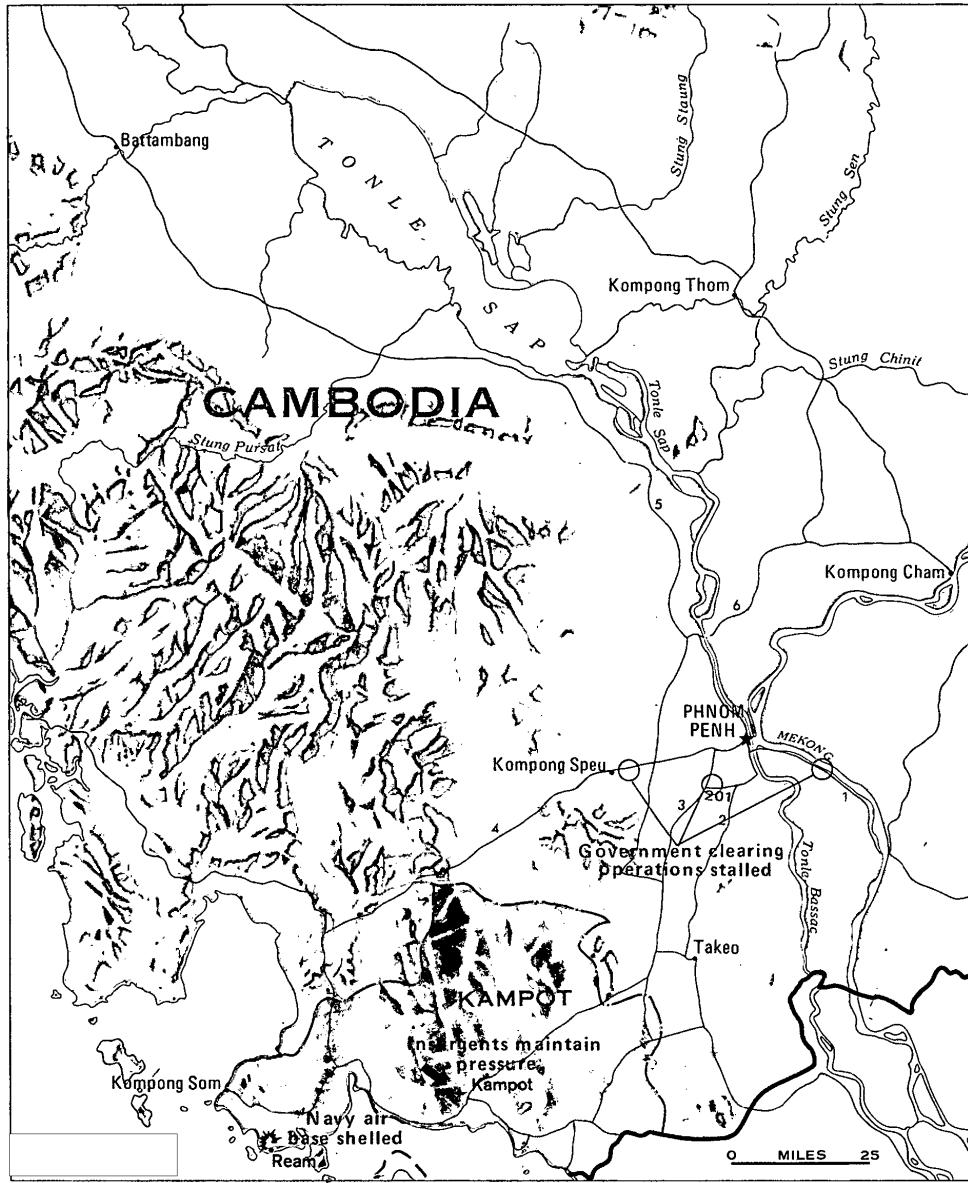
## WEST GERMANY - USSR

After 11 days of strenuous bargaining in Moscow, Chancellor Brandt's chief foreign policy adviser, Egon Bahr, returned to Bonn on Saturday relatively pleased with his trip. A formula was worked out ending a long struggle for the inclusion of West Berlin in the Soviet - West German scientific-technical agreement. Bahr says the formula will be a model for handling the touchy Berlin question in future negotiations between Bonn and Moscow.

Some progress apparently was made toward settling the question of Bonn's right to represent the legal interests of West Berlin, but further negotiations will be necessary.

Brezhnev assured Bahr that the number of ethnic Germans permitted to emigrate to the Federal Republic will increase. Brezhnev's promise came during their last meeting, which Bahr called the "turning point" in the talks. The Soviet leader also discussed at length West German participation in three economic projects in the USSR.

Bahr made no announcement of progress concerning Soviet opposition to the establishment of a federal environmental office in West Berlin, an omission that suggests this issue is not resolved.



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## CAMBODIA

Khmer Communist forces maintained pressure on the isolated southwestern provincial capital of Kampot over the weekend, but a government counter-attack has begun. Reinforcements have increased the strength of the Cambodian Army in the Kampot area to some 3,200 troops. US defense attachés who visited Kampot last week reported that the city has been receiving adequate air support from the nearby naval air base at Ream. Four government aircraft were damaged, however, in a Communist mortar attack on the base on March 10.

The insurgents apparently hope to intensify the action around Kampot to compensate for their recent tactical setbacks in the Phnom Penh area. Intercepted Communist messages state that munitions and troop reinforcements are being shifted from Phnom Penh's southwestern front to Kampot in an effort to "liberate" the provincial capital. Other messages, however, indicate that insurgent forces southwest of Phnom Penh are badly understrength and are exhausted after nearly two months of steady fighting. As a result, the insurgents may have considerable difficulty in reinforcing the Kampot front. No major fighting developed in the Phnom Penh area over the weekend.

LAOS

Pathet Lao actions--and lack of action--have delayed Prime Minister Souvanna's efforts to form a coalition government. Pathet Lao chairman Prince Souphanouvong has failed to dispatch a plenipotentiary to Vientiane with a promised list of Pathet Lao candidates for the coalition cabinet and its advisory political council. Moreover, there is still no indication as to when chief Pathet Lao negotiator, Phoun Sipraseuth, who left for consultations in Sam Neua on February 26, will be returning to Vientiane.

Meanwhile, the Pathet Lao delegation in Vientiane is demanding more effective neutralization of the twin capitals of Vientiane and Luang Prabang as the price of further progress toward forming the coalition. The Pathet Lao call this situation the primary obstacle to a meeting between Souphanouvong and Souvanna in the royal capital to work out final arrangements on the new government. The delegation is also complaining bitterly about the government's lethargy in transferring municipal police functions in both cities to the Joint Police Forces.

The positions of the Pathet Lao are being used against Souvanna by his conservative opponents in the National Assembly. They are demanding convocation of a special legislative session to address the constitutional problems raised by Souvanna's plan to form the new government by direct royal investiture. The cabinet's recommendation to the King against a special session may head off this move.

The conservatives claim they are not trying to obstruct Souvanna's scenario for forming the coalition, but they apparently do want to reserve the right to approve the Prime Minister's appointees to the new government.

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To make matters even more complicated for the Prime Minister, there are indications that the King also is backing away from his assurances to Souvanna that he would invest the coalition without prior approval by the assembly.

NOTE

USSR: Mars 7, the third of four Soviet space probes launched from Tyuratam last summer, has arrived in the vicinity of the planet.

25X1

The fourth probe, Mars 6, will reach the planet tomorrow and is expected to attempt to land a capsule. The first two probes arrived in the vicinity of the planet last month. One of them--Mars 5, which reached the planet on February 12--is now in orbit around Mars.

*Top Secret*



# The President's Daily Brief

March 12, 1974

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**FOR THE PRESIDENT ONLY**

**THE PRESIDENT'S DAILY BRIEF**

March 12, 1974

**PRINCIPAL DEVELOPMENTS**

Although Pompidou's visit to Moscow this week is likely to be routine, the French President has strong personal and political reasons for wanting to portray the trip as a success. (Page 1)

The Portuguese cabinet reportedly will debate the country's overseas policy today, specifically whether to continue the wars in its African colonies, which its detractors believe Portugal cannot win. (Page 2)

[redacted] capability to oversee the movement of shipping into the Persian Gulf and apparently assures Oman of further Iranian military help in fighting the Aden-backed rebel movement. (Page 3)

25X1

The ruler of Bahrain now says he favors retention of the US Navy's Middle East Force base on the island, and that a cabinet decision could come in about a week. (Page 4)

[redacted] 25X1

**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

**FRANCE-USSR**

There is no evidence to suggest that Pompidou's visit to the USSR this week will be other than routine, but the French President has strong personal and political reasons for portraying the trip as a success.

The mere fact of the trip--like the mini-shuffle of the cabinet ten days ago--is probably intended to support the image of a Pompidou still in charge in France. Although long in the mill, the trip was finally scheduled only a few weeks ago; the repeated delays had fostered some of the rumors about the President's health.

The President's talks will--he hopes--also serve the Gaullists, who are increasingly worried about Mitterrand's Socialist-Communist alliance as a real challenge when the presidential elections occur. Friendly talks with Brezhnev will offset some of the growing Communist criticism that Pompidou's government has been drifting away from the "special relationship" with Moscow that De Gaulle had built. The talks will also offset Mitterrand's coming trip to Moscow.

Apart from these domestic political considerations, Pompidou may see intrinsic merit in trying to refurbish the "special relationship" at this time. There have been numerous indications that Paris has felt that Moscow has not satisfactorily adhered to the consultative mechanisms set up under past agreements. The French would also see some revitalizing of their ties with Moscow as a proper riposte to the recent sharp criticism from Washington.

To breathe new life into the Moscow relationship, the French are known to have communicated to the Russians in January their desire for improved consultative mechanisms. The French might feel this could be accomplished with some kind of protocol to the 1970 agreement that could be concluded during Pompidou's visit.

**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

## PORtUGAL

Prime Minister Caetano may be forced to clarify his position in the dispute over the country's overseas policy. At a meeting today, the cabinet reportedly will debate whether to maintain the status quo or continue the wars in its African colonies, which its detractors believe Portugal cannot win.

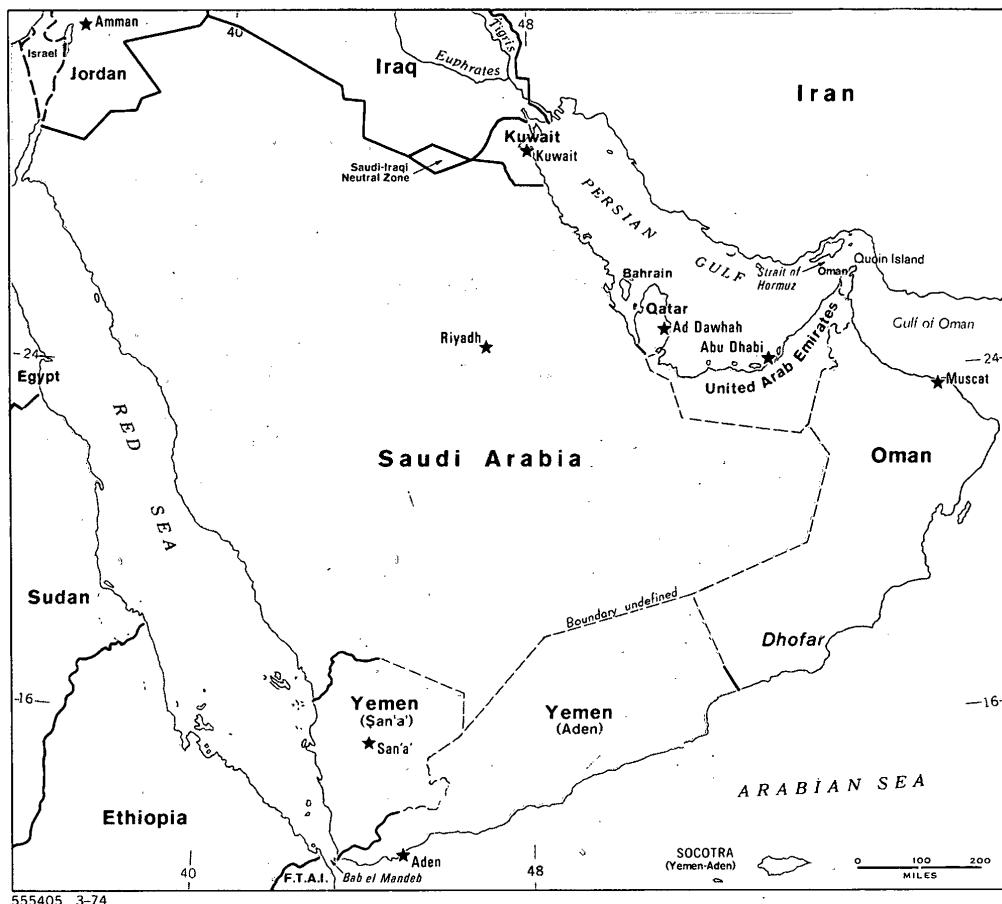
Caetano has been trying to appease both sides in the controversy, but compromise no longer seems to work. A cabinet reshuffle and changes in military commands may be necessary to resolve the dispute at top civil and military levels.

Armed forces chief of staff Costa Gomes and his deputy, General Spinola, have not been exiled to island posts as earlier reported. It now appears that some dissenting junior officers have been transferred to the Azores or the island of Madeira.

Spinola, who has been a leading advocate of greater autonomy for the overseas territories, argues that Portugal's current policy isolates it from the rest of the world, is too expensive, and is not working. The officer corps, particularly junior officers who are tired of repeated African tours, support Spinola's argument. Reformist circles and pragmatists who are concerned over the large expenditures required to implement government policy are also backing him.

Meanwhile, the armed forces reportedly were placed on alert on March 9 because of "internal disciplinary problems," and all troops, according to this account, are confined to barracks.

*FOR THE PRESIDENT ONLY*



*FOR THE PRESIDENT ONLY*

**IRAN-OMAN**

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[redacted]  
that the Sultan of Oman privately agreed, during his official visit to Tehran last week, to allow the Shah to station in Oman whatever forces he considers necessary. In addition, Iran was assured of access to airfields and port facilities within Oman.

The implications of this private agreement go far beyond the public assurances, contained in a final communiqué, that both countries will cooperate to preserve stability and security in the region and protect freedom of navigation in the Strait of Hormuz.

The Shah has interpreted the private arrangement as giving Iran the flexibility to oversee the movement of tankers not only in the strait, but also in the Gulf of Oman, the Arabian Sea, and on toward the Bab el Mandeb, which was blocked during the October war. He noted that the waterway would become important to Iranian commerce after the Suez Canal reopens.

The Sultan, on his side, sees the agreement as giving him virtually unlimited access to Iranian military help in fighting the rebel movement that is backed by the government in Aden. The Sultan is wary of putting too much reliance on Iranian help, in part because he might thereby irritate King Faysal, who has long been suspicious that the Shah hopes to dominate the lower Persian Gulf.

Although the Sultan normally has been careful to keep other Gulf states, especially Saudi Arabia, informed of his dealings with the Shah, it is unlikely that the new private understanding was fully cleared beforehand with King Faysal. According to the Shah, the Sultan did receive the go-ahead from Egyptian President Sadat to conclude whatever was necessary for Oman.

*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

**BAHRAIN-US**

The ruler of Bahrain now says that he favors retention of the US Navy's Middle East Force base on the island. Last October the government served notice that the agreement would be terminated in one year. The matter will shortly be reconsidered by the cabinet. The ruler spoke of a decision in about a week, although it may be delayed until the termination of the Arab oil embargo.

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**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

**NOTE**



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# The President's Daily Brief

March 13, 1974

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**FOR THE PRESIDENT ONLY**

**THE PRESIDENT'S DAILY BRIEF**

March 13, 1974

**PRINCIPAL DEVELOPMENTS**

President Asad of Syria has assured the Saudis that he does not intend to attack Israeli forces in the Golan Heights. Both sides, however, are building up their forces in the area. (Page 1)

The assassination of a prominent leftist in Guatemala City by gunmen believed to be sponsored by the government will raise tensions further and has already provoked action by students. (Page 2)

During a recent visit by President Mobutu of Zaire, Egypt's President Sadat cautioned the African leader against falling into the clutches of the Russians. (Page 3)

Peruvian President Velasco's health appears to be deteriorating. (Page 3)

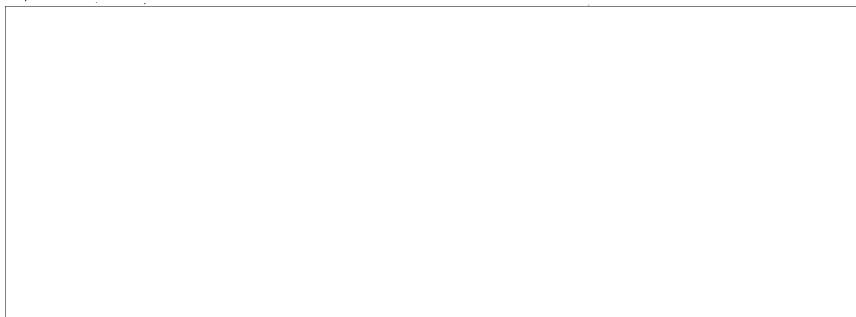
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**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

**SYRIA-ISRAEL**

President Asad has assured the Saudis that he has no intention of attacking Israeli forces in the Golan Heights and promised to consult the Saudis and the Egyptians before taking any such action. Both the Syrians and the Israelis, however, are continuing to build up their forces in the Heights.



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The Israelis, meanwhile, are preparing to cope with any new fighting on the Golan front. According to information received by the [redacted]

[redacted] at least some Israeli units in the Golan Heights are overstrength, and Israeli troops have been moved to positions from which they can better defend against Syrian efforts to pinch off the salient.

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## GUATEMALA

The assassination of a prominent leftist political activist in Guatemala City on Monday by gunmen believed to be sponsored by the government will raise tensions further. Late yesterday, after the victim's funeral, students clashed with police. There have been no reports of casualties. A high-level government official had earlier told the US Embassy that agitators intended to give students small arms. The official said the police had orders to control disturbances with as little violence as possible, but the government fears the students will now seek conflicts with police, rather than avoiding them as they had in recent days.

General Efrain Rios Montt, the defeated presidential candidate, reportedly is undecided how to press his charge that the government rigged the election. He apparently still advocates a peaceful approach, but he may not have much influence on how hostility to the government manifests itself. President Arana remains determined to turn over the presidency to General Laugerud on July 1. Arana apparently will allow the military to assume control of the government only if public order deteriorates. Yesterday, the congress completed the formality of choosing Laugerud over Rios, following the congressional recount on Monday.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

NOTES

Egypt-USSR: President Mobutu of Zaire, who recently toured the Middle East, has given Ambassador Vance some flavor of his talks with Sadat. Sadat, after commenting favorably on the US, cautioned Mobutu against falling into the clutches of the Russians. "Once they sell you equipment you spend the next 100 years paying for it. They would take all your copper and other raw materials." Sadat illustrated his point by placing both hands around his neck in a strangle hold.

Peru: [redacted]

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# The President's Daily Brief

March 14, 1974

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**FOR THE PRESIDENT ONLY**

**THE PRESIDENT'S DAILY BRIEF**

March 14, 1974

**PRINCIPAL DEVELOPMENTS**

Gromyko's visit in Damascus apparently did not go well, and the Soviets are concerned that their position in Syria is declining. (Page 1)

The Khmer Communists have shifted their efforts to government enclaves in the countryside, apparently because of military reverses around Phnom Penh. (Page 2)

The return of North Vietnam's ambassador to Vientiane after a ten-year absence indicates Hanoi's satisfaction with the effectiveness of the cease-fire and its support for a coalition government. (Page 4)

Preliminary agreement has been reached for Japan to provide \$400 million to help the Soviets finance a coal-mining project in Yakutsk. The outlook is less favorable for joint development of oil, gas, or timber. (Page 5)

Venezuela's President Perez has said that his administration is prepared to work out a new arrangement with the foreign-owned oil companies operating in Venezuela. (Page 6)

**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

**USSR-SYRIA**

There is additional evidence that Gromyko's visit in Damascus did not go well and that the Soviets are concerned that their position in Syria is declining.

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The communique following the visit strongly suggests that Damascus did not buy Gromyko's portrayal of the USSR as the special protector of the Arab cause. In addition, a Soviet representative at the Geneva talks has expressed fears that Syria was now following the same wayward path as the Egyptians--away from the USSR and toward the US.

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[redacted] The communique did not mention future Soviet military deliveries.

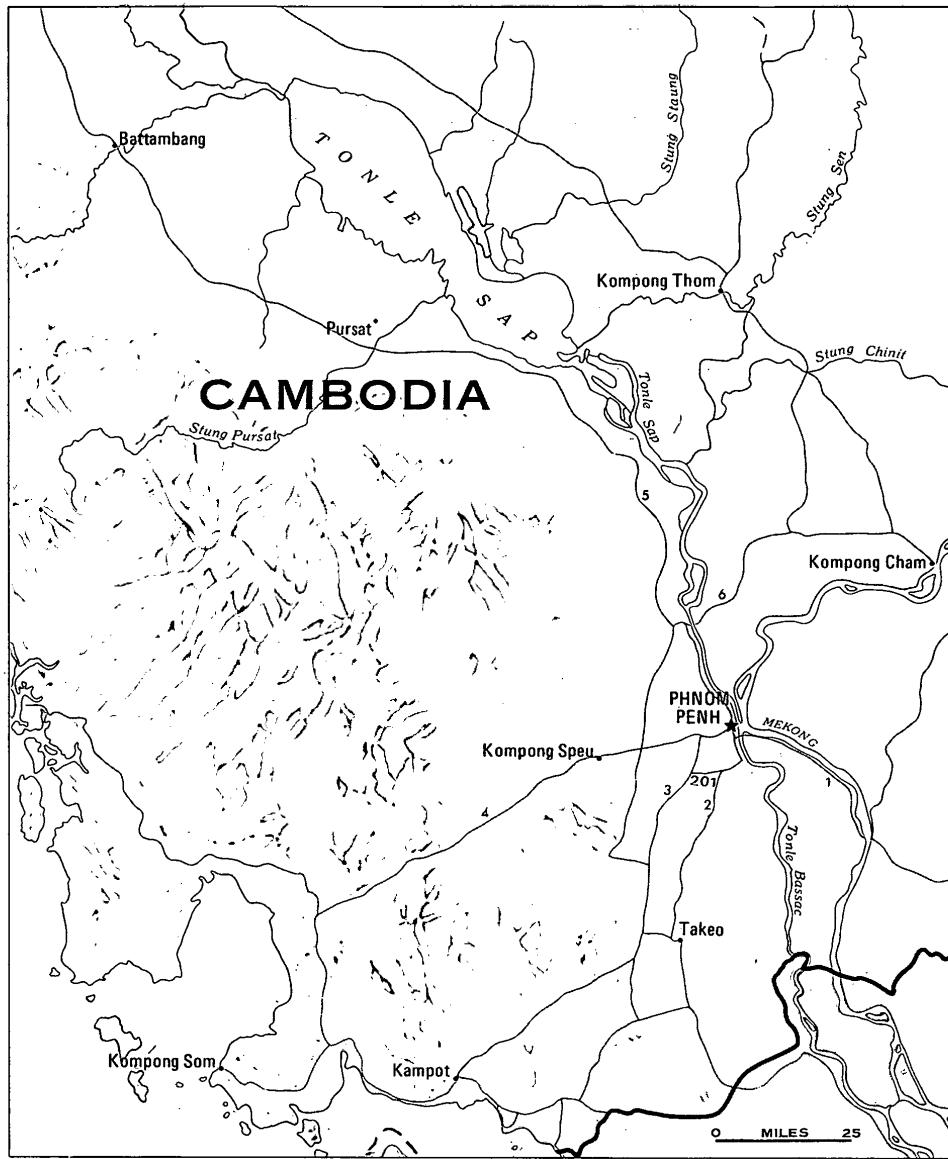
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The Arabs are interpreting the evident Soviet reluctance to meet their hardware demands as a pressure tactic. The tonnage of suspected Soviet military shipments to Syria is running at about prewar levels

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For their part, the Syrians, like the Egyptians, discouraged Gromyko's overtures about economic assistance. Damascus evidently has awarded several construction contracts to the French, to the Soviets' considerable chagrin.

*FOR THE PRESIDENT ONLY*



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**FOR THE PRESIDENT ONLY**

**CAMBODIA**

The Khmer Communists have shifted their efforts to government enclaves in the countryside, apparently as the result of a series of military reverses in the Phnom Penh area.

An intercept from a senior member of the Khmer Communist Central Committee specifically states that the party has decided to attack government-held towns in the provinces. Other messages show continuing diversion of Communist forces from the Phnom Penh area for a major push against the southwestern city of Kampot. At least three Communist regiments along with substantial quantities of materiel are being committed to the Kampot front. Some messages suggest that other units may soon begin leaving the capital area to participate in attacks on the northern provincial capital of Kompong Thom.

The transfer of insurgent units from the capital region indicates that the Communists have temporarily scrapped plans for a major ground push against Phnom Penh.

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Although the Communists badly need a victory in the outlying provinces to offset their lack of success around Phnom Penh, they may also need time to resolve major internal problems. A message from the Central Committee to a regional subordinate on March 9 stated that "our military leadership is weak," and "our overall leadership is foolhardy in its outlook." Other messages have disclosed Communist concern over factionalism in insurgent ranks and over growing resentment among the peasantry against oppressive Communist policies and population control measures.

\* \* \*

In Phnom Penh, most schools reopened on March 6 after being closed for almost two months, but shut down again on March 11 when the teachers resumed

**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

their strike for better wages. The teachers have vowed to work only the first ten days of each month until the government acts on their demands.

Radical students in the capital are pressing for a commemorative ceremony on March 17 for student-teacher activists killed a year ago by some of General Lon Non's men. The government has decided not to permit such a ceremony because it might turn into an antigovernment rally. The government has also vetoed any public observances on March 18, the fourth anniversary of Sihanouk's ouster. City officials have been instructed, however, that should local disturbances occur on either date, they should refrain from using firearms.

**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

**LAOS - NORTH VIETNAM**

The return of North Vietnamese Ambassador Le Van Hien to Vientiane yesterday after an effective absence of nearly ten years is a further manifestation of Hanoi's support for a coalition government and of its satisfaction with the effectiveness of the Laos cease-fire.

Hien's presence should buoy the spirits of Prime Minister Souvanna, who has been discouraged over the recent lack of movement toward forming the new government. Soviet Ambassador Vdovin told the US ambassador earlier this week that Hien's arrival is linked to the early establishment of a coalition.

The North Vietnamese have supported the Vientiane peace agreement and have withdrawn at least four infantry regiments from Laos over the past year. Despite the Soviet Ambassador's comments, however, Hanoi probably sees little reason to pressure the Pathet Lao to move more briskly in the negotiations to implement the agreement.

*FOR THE PRESIDENT ONLY*

**Japanese Interested In Siberian Resources**



**FOR THE PRESIDENT ONLY**

**USSR-JAPAN**

Preliminary agreement has been reached on an economic deal in which Japan would provide \$400 million to help finance a coal-mining project in Yakutsk. In return, Japan would get more than 5 million tons of coking coal annually for 16 years beginning in 1983.

The terms of the Japanese credit and the price of the coal are among the important details to be worked out at negotiations in Tokyo later this month. The Japanese, who found the Soviets more disposed to negotiate than before, are confident that an agreement will soon be reached.

The outlook is less favorable for joint development of oil, gas, or timber. Of these, exploration for Sakhalin oil has the best chance of success. Soviet trade and banking officials are expected in Tokyo soon to discuss Japanese loans for this project. The USSR has been asking for \$200 million; the Japanese have been offering substantially less. One obstacle to the Yakutsk oil and gas project is Japan's need for US equipment. Participation of US firms is threatened by restrictions on Export-Import Bank financing for the USSR.

The Soviets in general are reluctant to share their vital resources and want generous terms. Moscow regards Japan as the country hardest hit by the energy crisis and believes it will eventually have to come to terms with the Soviets.

**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

**VENEZUELA**

President Carlos Andres Perez told a visiting US official this week that his administration is prepared to work out a new arrangement with the foreign-owned oil companies operating in Venezuela.

Perez said that continuing the present concessionary arrangement for ten years--when the concessions begin to expire--was impossible. Nevertheless, he hoped that the oil companies would make the first move by presenting their ideas, and he promised that his administration would respond to their suggestions.

Perez' remarks, both private and public, indicate that he intends to proceed at a measured but steady pace, disregarding leftist and nationalist calls for immediate nationalization. He appears willing to hear the recommendations of the companies as well as those of a commission that he intends to set up to advise the government on possible alternatives in operating the oil industry.

Once these recommendations are forthcoming, Perez is expected to draw up legislation to take over the oil industry. Although he has set no timetable, he clearly does not intend to allow the talks with the oil companies to continue indefinitely. [redacted]

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[redacted] Perez' overwhelming electoral mandate and his party's strong position in the new Congress enhance the prospects for a petroleum policy that will have the support of most Venezuelans, and encourage further investments.

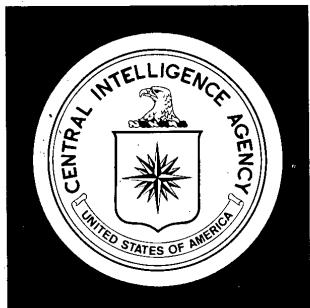
Although US oil company officials have avoided public comment on the future of their operations in Venezuela, they are generally optimistic that they will be able to secure terms that afford some protection to their \$1.5-billion investment. [redacted]

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# The President's Daily Brief

*4*  
*March 15, 1974*

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**FOR THE PRESIDENT ONLY**

**THE PRESIDENT'S DAILY BRIEF**

March 15, 1974

**PRINCIPAL DEVELOPMENTS**

The Portuguese Government's dismissal yesterday of two senior military officers is a victory for right-wing forces who oppose greater autonomy for Portugal's overseas territories. (Page 1)

Iran apparently plans to slow the rate of increase in its petroleum production in order to stretch out its oil reserves. (Page 2)

Peking appears to be scaling down the level of its support to the Burmese Communist Party insurgency in northeast Burma. (Page 3)

PLO leaders have postponed adopting a formal position on their role in future negotiations until they see whether progress is made toward disengagement between Syria and Israel. (Page 4)

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Greece

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(Page 5)

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Notes on USSR-France, Israel-Egypt appear on Page 6.

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**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

PORtUGAL

The Portuguese Government yesterday dismissed armed forces Chief of Staff Costa Gomes and his deputy, General Spinola. The action is a victory for right-wing forces who oppose Spinola's advocacy of greater autonomy for Portugal's overseas territories.

The dismissals are certain to send further shock waves through the Portuguese hierarchy, which includes many Spinola supporters. Doubtless in anticipation of this, the government announced that it would reimpose the state of alert that confined troops to barracks for four days this week.

The discharges may also cause rumblings in the overseas territories.

Most civilian and military leaders there will be glad that Spinola's ideas about self-determination have been rejected. [redacted]

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Costa Gomes may be replaced by General Joaquim Luz Cunha, a rightist who has commanded Portuguese forces in Angola since 1972. [redacted]

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[redacted] No replacement for Spinola has been announced so far.

Over the last week the government quietly posted Spinola sympathizers in the military as far away from Lisbon as possible. The US Consulate in the Azores yesterday reported a rumor that 48 more officers would soon arrive in the islands. Some junior officers, who presumably supported a change in overseas policy, were transferred to the Azores earlier in the week.

*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

**IRAN**

Iran apparently plans to slow the rate of increase in its petroleum production. The Iranians' objective is to stretch out the country's reserves, which otherwise will be depleted more rapidly than Iranian oil officials had anticipated. Iran has plans for several refineries and petrochemical plants, and it presumably wants to be sure that sufficient domestic oil will be available for the life of these projects.

The new production plan will be prepared by the consortium of Western oil companies at the direction of the National Iranian Oil Company. The Iranians have asked Western oil representatives to calculate the new program conservatively, on the basis of known reserves only, and to plan peak production at a level that can be sustained for at least eight years.

Although the new program probably will not affect production this year, an oil company official expects that the new directive could lead to a new consortium production goal as low as 6.5 million barrels per day, some 14 percent below the earlier plan. The Iranians are in a better position to do this because of the recent rapid price increases. The government will receive in the next three to five years more revenue than the Iranian economy can absorb effectively.

The Saudis, however, are capable of increasing production to offset the Iranian shortfall, if they wish to do so.

**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

**CHINA-BURMA**

Peking appears to be scaling down the level of its support to the Burmese Communist Party insurgency in northeast Burma.

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Although the extent of the troop reduction is not clear, it is likely that certain Chinese personnel will remain in Burma. Individual PLA officers and men have served with the insurgent forces, many in command positions, since 1969. No regular PLA units are known to have crossed the border, however.

Supplies shipped from China to the insurgents are also affected.

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The reduction of Peking's involvement in the Burmese insurgency coincides with apparent attempts to improve state-to-state relations between China and Burma.

China probably will not altogether abandon the insurgency in Burma. On the other hand, the reduction of its role now could assist Peking in its continuing efforts to improve official state relations with Burma and other Southeast Asian countries, a priority Chinese foreign policy objective.

*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

**FEDAYEEN**

Leaders of the Palestine Liberation Organization have decided to postpone adopting a formal position on their role in future negotiations. They want to await progress toward military disengagement between Syria and Israel. The decision is a victory for Syria's President Assad, who believes that uncertainty over the Palestinians' position and the appearance of Syrian ability to influence that position increase his leverage in negotiations with Tel Aviv.

PLO Chairman Arafat, on the other hand, must be disappointed at the development. He has been among those generally approving the creation, through negotiation, of a truncated Palestinian state. Three of the PLO's five fedayeen groups favor this strategy, but Syrian objections to fedayeen acceptance at this time left Arafat unable to force its adoption.

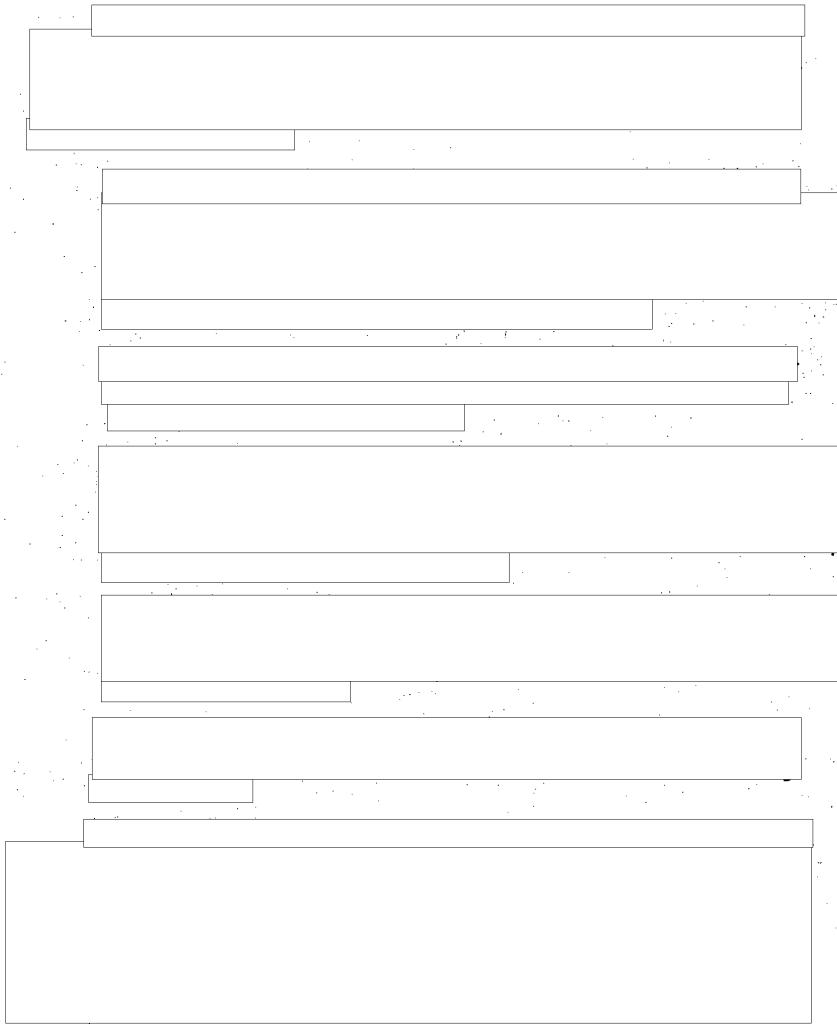
Arafat remains determined to participate eventually in the negotiations at Geneva. The Syrians maintain that once Damascus has decided to attend, the Palestinians should participate.

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**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

GREECE



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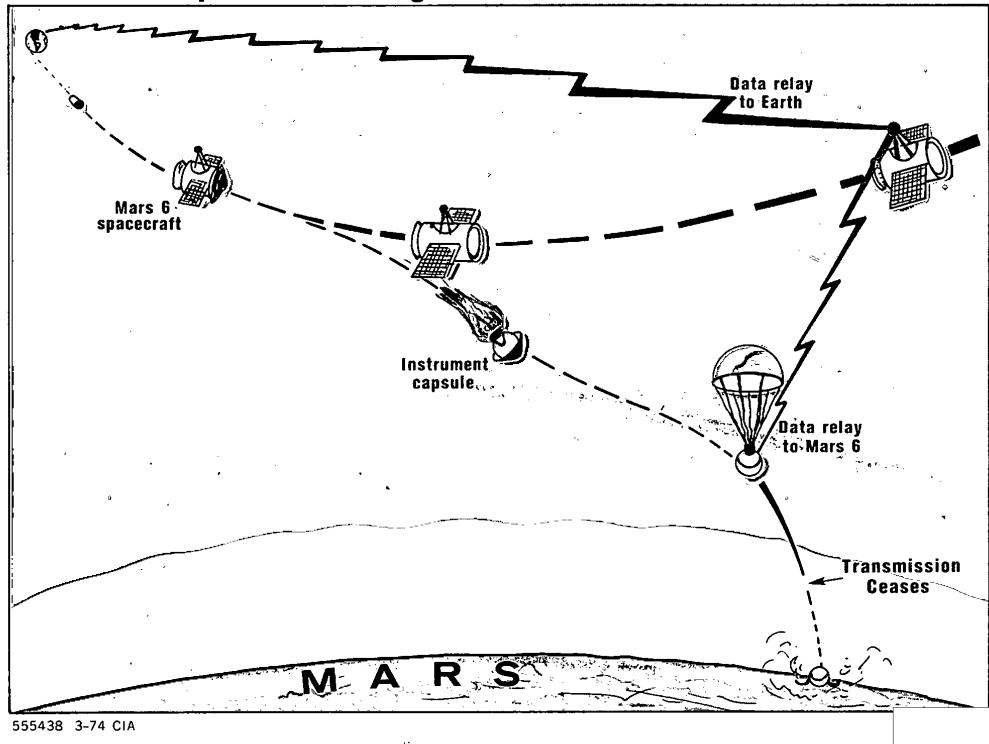
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*FOR THE PRESIDENT ONLY*

Mars 6 fails prior to landing



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*FOR THE PRESIDENT ONLY*

NOTES

USSR: Radio contact with the instrument capsule released from Mars 6 broke off just before it reached the planet's surface, according to a Tass announcement. The capsule from the last of four Soviet probes to reach Mars transmitted data during its descent on March 17, however. A malfunction had also prevented Mars 7, which passed by the planet three days earlier, from successfully landing a capsule. Tass, which rarely admitted past failures in the Soviet space program, has been unusually frank in discussing the problems encountered by the latest series of Mars probes.

USSR-France: Brezhnev and Pompidou have both praised the results of Pompidou's 24-hour visit to the USSR, but the description of the talks as "frank" and "realistic" suggests that significant differences remain. The European security talks at Geneva figured prominently among the wide variety of international and bilateral topics discussed. Pompidou supported Brezhnev's call for a rapid conclusion to the security conference, but he refused to endorse a summit-level meeting of the conference unless one were justified by prior progress. This statement must be a painful rebuff for Brezhnev, who has put great personal store in the conference and its grand finale.

Israel-Egypt: [redacted]

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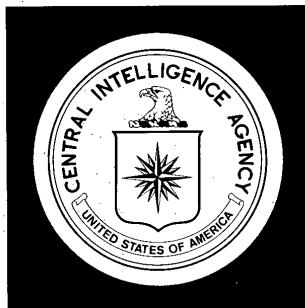
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*FOR THE PRESIDENT ONLY*

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# The President's Daily Brief

March 16, 1974

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**FOR THE PRESIDENT ONLY**

**THE PRESIDENT'S DAILY BRIEF**

March 16, 1974

**PRINCIPAL DEVELOPMENTS**

According to the authoritative Cairo newspaper Al Ahram, the Arab oil ministers will agree to lift the oil embargo tomorrow for a trial period. (Page 1)

The Organization of Petroleum Exporting Countries meets today; there is a good chance the members will try to hold the line on prices for the next three months. (Page 2)

There are further reverberations over Portugal's dismissal of two senior military officers. (Page 4)

Italian Prime Minister Rumor's new government probably will survive next week's vote of confidence but may not endure beyond the mid-May referendum on divorce. (Page 5)

There is little likelihood that the Thai Government will move vigorously against insurgency, now totaling some 7,000 men, as long as it remains near its present level. (Page 6)

Negotiations between the Iraqi Government and Kurdish rebels may resume shortly, despite new fighting that began on March 13. (Page 7)

In Ethiopia, the military elements who forced a cabinet change and wrested other concessions from Emperor Haile Selassie late last month are preparing to purge senior armed forces officers identified with the former government. (Page 8)

A note on USSR-Iraq appears on Page 8.

**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

OIL EMBARGO

The authoritative Egyptian newspaper Al Ahram said today that the Arab oil ministers will unanimously agree to lift the oil embargo tomorrow for a trial period, after which the ministers will meet to reassess the situation.

The newspaper predicted that the Arabs would also decide to increase oil production, but that it would not immediately return to the level of September 1973.

Al Ahram said that opposition to lifting the embargo--primarily from Libya and Syria--had prevented agreement during the talks in Tripoli on Wednesday.

According to a Western press dispatch from Cairo this morning, the trial period is likely to last two months. A period of this length was reportedly put forth as a compromise solution by Algeria earlier this week.

Prime Minister Meir's strong speech before the Knesset on March 10--particularly her insistence on retaining Arab territory--strengthened the hand of the more militant Arab states in opposing an unconditional end to the embargo

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

OPEC

The Organization of Petroleum Exporting Countries meets today principally to discuss the price of oil. There is a good chance the members will try to hold the line on prices for the next three months despite the current downward pressure on prices caused by an oversupply of crude oil.

The most important producer, Saudi Arabia, seems disposed to see prices lowered. King Faysal is known to favor this, and his representative, Oil Minister Yamani, probably will push hard for a decrease. If Yamani fails to get wide support from the others, he may threaten to increase Saudi production substantially and thereby drive prices down.

Those OPEC members that most need the oil revenues generated by today's prices, however, adamantly oppose any price reduction. Venezuela is one of these; its predicament is shared by many exporting countries.

Venezuela's new minister of mines and hydrocarbons, Valentin Hernandez, and other oil experts in the new administration have indicated that the government intends to maintain current tax reference values--which now average \$14.08 per barrel for crude and refined products--at least for the immediate future. They reportedly do not rule out a slight downward revision later this year, but caution that any decision on whether and how much to lower prices will depend on circumstances prevalent at the time.

The newly inaugurated government is counting on high oil prices to finance its domestic economic development plans. The new minister of finance, Hector Hurtado, said this week that a special reserve fund equaling about half of Venezuela's oil revenues will be set up to pay for government programs of highest priority.

Hurtado cited as areas that would benefit from this fund: the steel industry, petrochemicals, oil tankers, merchant marine, and agriculture. He estimated that this year the administration will be able to put some \$4.75 billion in the special fund.

(continued)

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

Iran will also fight any attempt to reduce prices at this time. Tehran was one of the principle proponents of raising them last December.

Venezuela and Iran will probably be supported by many other producers, including Kuwait, the United Arab Emirates, Libya, Algeria, Nigeria, and Indonesia. In the interest of OPEC unity, a compromise solution--such as freezing prices for another quarter--seems likely.

Whatever the OPEC members decide, the prices they can obtain will be influenced by the Arab decisions on future production levels. If they decide to increase production to the level of September 1973, oil prices will certainly fall.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**PORUGAL**

The appointment of General Luz Cunha as Portugal's armed forces chief of staff makes it doubtful that the government will relax control over its African territories anytime soon.

Luz Cunha is an ultraconservative who has long favored a strong military presence in Portugal's overseas territories to conduct the war against insurgency. Luz Cunha is well-connected at the general staff level, but a number [redacted]

[redacted] have expressed a low regard for his professional capabilities.

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The dismissals of Generals Costa Gomes and Spinola, who favored greater autonomy for the overseas territories, apparently have been accepted by a majority of the military. Pockets of discontent, however, undoubtedly remain.

There have been no indications that Costa Gomes or Spinola have been stripped of their rank or have suffered any further discipline. The government probably will handle their cases gingerly in view of Spinola's widespread support in the military.

In view of the government's censorship policies, Prime Minister Caetano must have given tacit consent to the publication last month of Spinola's book recommending a federation between Portugal and its overseas territories and autonomy for the latter. [redacted]

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[redacted] Caetano now appears to be backing away from any association with such proposals in order to preserve peace and his own authority.

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The bitterness generated by the dispute is not likely to subside quickly and more leadership changes may occur.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**ITALY**

Italian Prime Minister Rumor's new center-left government will probably survive a vote of confidence in parliament next week. The odds, however, are against it enduring beyond the national referendum on legalized divorce, scheduled for May 12.

The coalition consists of the dominant Christian Democrats, the Socialists, and the Social Democrats. The Republican Party, whose withdrawal on March 1 caused the government to fall, has agreed to support the coalition in parliament.

The new government has pledged, as did its predecessor, to give top priority to the fight against inflation and other problems worsened by the energy crisis. The Republican Party's refusal to accept cabinet posts, however, is one sign that the dispute over how to achieve these goals remains unresolved.

The campaign leading up to the divorce referendum will have first call on political energies in the next several weeks. The campaign will not be confined to the divorce issue.

Lay forces, including all of the political parties except the Christian Democrats and the Neo-Fascists, will portray the issue as a challenge by the Church to individual civil rights. The Communists and Socialists will try to use the antidivorce position of the Neo-Fascists to make the referendum a crusade against the fascists.

Many politicians view the referendum as a personal battle between the leaders of the country's two largest parties--Christian Democrat Amintore Fanfani and Communist Enrico Berlinguer. In January, Fanfani successfully blocked a Berlinguer-led effort to avoid holding the referendum.

The referendum has placed the two parties at loggerheads at a time when Berlinguer has been stressing Communist readiness for a modus vivendi with the Christian Democrats.

The Communists will find it hard to maintain the moderate approach that gave Rumor's last coalition an extended breathing spell. Although the Communists do not want to scrap their drive for compromise with the Christian Democrats, the Communist stance has already begun to stiffen.

**FOR THE PRESIDENT ONLY**

**THAILAND**

The Thai insurgency has grown slowly but steadily over the past few years; even so, there are still less than 7,000 armed insurgents in northern, northeastern, and south central Thailand. A recent study by the intelligence community concludes that the insurgency will probably continue to grow slowly over the next few years, largely in the north and northeast where the movement is strongest and external support is most available.

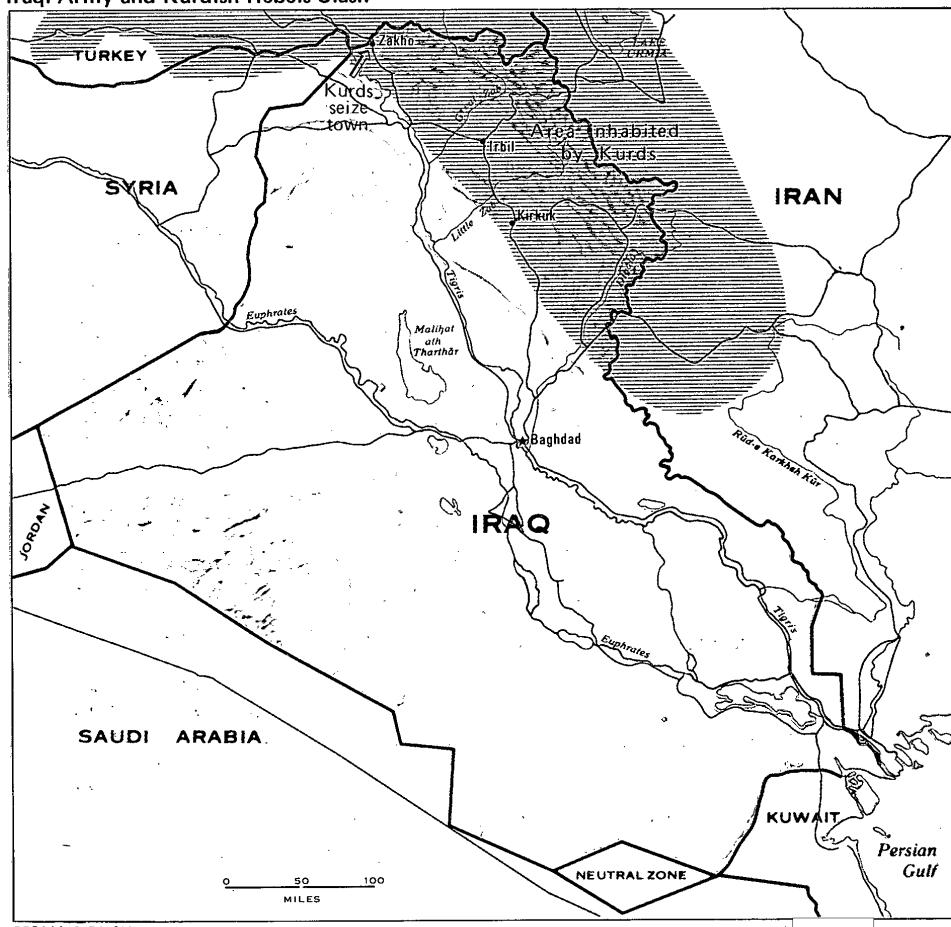
Chinese support to the northern insurgents has been limited and might be reduced in the future. North Vietnam's support in the northeast has also been small scale. In any case, the insurgency's future depends more on expansion of its domestic political base than on outside support.

Few Thai officials consider the insurgency to be a serious threat at this time, and there is little chance that the government will move vigorously as long as it remains at or near present levels. If anti-American sentiment increases in Thailand, the Communists may consider harassing attacks against US airbases. The odds, however, are against such attacks.

Should the insurgency expand more rapidly than anticipated, or should the government be weakened by other internal problems, the US presence in Thailand could come into contention. Festerling insurgency, together with other developments reflecting adversely on the government, could also be used to justify a return to power by the Thai military. In such a case, the implication would be advanced that the US supported the takeover.

**FOR THE PRESIDENT ONLY**

Iraqi Army and Kurdish Rebels Clash



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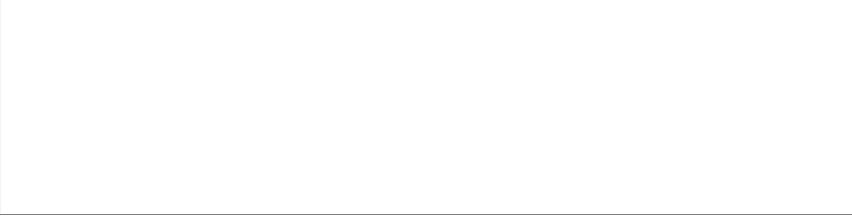
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*FOR THE PRESIDENT ONLY*

**IRAQ**

Negotiations between the Iraqi Government and Kurdish rebels may resume shortly, despite the new fighting that began on March 13. The Kurds are reported to have seized a town and several army garrisons along the Turkish border while the army is said to have opened artillery fire on several Kurdish villages.

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**NOTES**

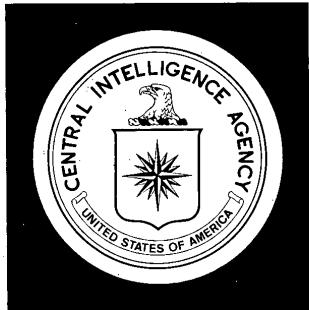
Ethiopia: The military officers and NCOs who forced a cabinet change and wrested other concessions from Emperor Haile Selassie late last month are pressing the government to purge senior armed forces officers identified with the former government. The US Embassy reports that 150-200 army, 25-30 air force, and about 12 naval officers are marked for dismissal and prosecution on corruption charges. Leaders of the rebellion seem satisfied so far with their success in changing the civilian leadership, however, and are willing to give Prime Minister Endalkatchew and his colleagues a chance to show what they can do.

USSR-Iraq: The Iraqis have agreed to accept \$12-13 per barrel for oil shipped on Soviet account instead of the \$17 per barrel they demanded in January. This demand had brought Iraqi shipments to the Soviet Union to a halt. Soviet plans to obtain up to 400,000 barrels per day of Iraqi oil in 1974--three times the amount shipped in 1973--may not materialize, however, because Iraq has indicated that future purchases must be for cash rather than on a barter basis.

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# The President's Daily Brief

*March 18, 1974*

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**THE PRESIDENT'S DAILY BRIEF**

March 18, 1974

**PRINCIPAL DEVELOPMENTS**

No overt rebellious activity has been reported in Portugal since March 16, but the young officers' movement may cause further trouble. (Page 1)

[redacted] Khmer Communist official [redacted] has reiterated the insurgents' refusal to talk with the Lon Nol government, but says they are worried that they may come under international pressure to negotiate when the dry season ends. (Page 2) 25X11

Communist attacks launched this weekend against several government outposts near Kontum City in South Vietnam's central highlands appear to be among the heaviest since the cease-fire went into effect. (Page 3)

Saudi Oil Minister Yamani said late Sunday that OAPEC has agreed to end its oil embargo against the US and partially restore production. Egypt's semi-official newspaper, however, says the decision may be referred to the Arab foreign ministers' meeting on March 25 because of Libyan opposition. (Page 4)

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**PORtUGAL**

No overt rebellious activity has been reported since 200 dissident troops were disarmed and arrested after trying to move into Lisbon on March 16. The government has arrested about 30 military officers, including a close friend of former deputy chief of staff Spinola.

For the moment, the regime is still in control and reportedly will prohibit a second printing of Spinola's book, which advocates relaxing controls on Portuguese territories in Africa. More problems may lie ahead, however. The young officers' movement--which about half of the country's captains and majors are said to support--has been critical of the establishment's hard line on the African territories. Premier Caetano may share the views of these officers, but his room for maneuver has probably been reduced by the Spinola crisis. Those members of Portugal's business community who want closer ties with Europe may also grow more critical of the regime as the EC considers moves to persuade Portugal to modify its African policy.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

CAMBODIA

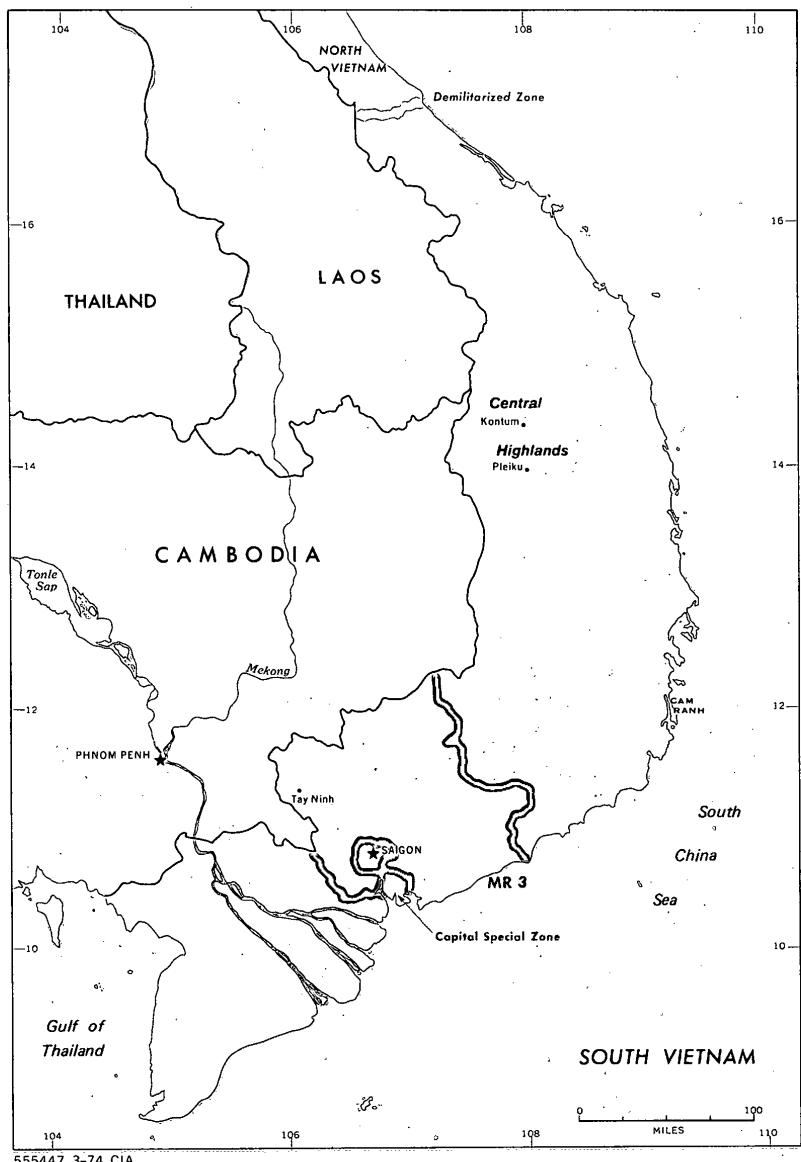
[redacted] Khmer Communist official [redacted] told a supporter of Sihanouk [redacted] that the Khmer Communists will never negotiate with the Lon Nol government. He said Khmer Communist "diplomats" have begun an intensive campaign to inform friendly governments that a Vietnam-style cease-fire and settlement are unacceptable in Cambodia.

25X1

25X1

The Communist official was concerned, however, that this tough stance may become harder to maintain. He said the Khmer Communists are worried over indications that unnamed "great powers"--which from the Khmer point of view might include Hanoi as well as Washington, Peking, and Moscow--are waiting until the end of the dry season to exert pressure for negotiations. For this reason, insurgent forces are doing all they can to win a decisive victory during this dry season. He did not say whether the Communists would re-evaluate their position if the offensive should fail to overthrow the Lon Nol government.

*FOR THE PRESIDENT ONLY*



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*FOR THE PRESIDENT ONLY*

SOUTH VIETNAM

Communist forces launched sharp attacks this weekend against several government outposts near Kontum City in South Vietnam's central highlands.

Two government ranger positions six and eleven miles northeast of Kontum were hit by heavy artillery barrages on March 16; the shellings continued yesterday. Some Communist elements reportedly have moved to within a few miles of Kontum; initial accounts indicate that the fighting is among the heaviest since the cease-fire went into effect. An intercepted message of March 13 had disclosed that the Communists were preparing for the attacks.

Communist attacks may be in the works elsewhere in the highlands and in northwest Military Region 3.

25X1



The Vietnamese Communists could be planning intensified military activity to mark March 19, "All People's Anti-American Day."

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

OIL

Saudi Oil Minister Yamani said late Sunday that OAPEC had reached agreement to bring its oil embargo against the US to an end today. He also stated production would be partially restored, but gave no details.

Al Ahram reported this morning, nevertheless, that the decision to lift the embargo may be referred to the Arab foreign ministers' meeting in Tunis on March 25. The newspaper said that Libya remains opposed and that "Egypt insists on a unanimous Arab decision."

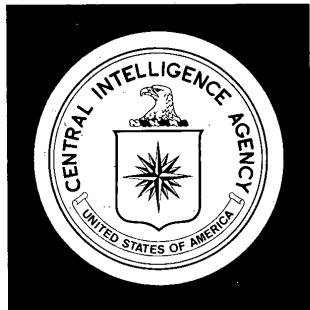
The agreement Yamani referred to would have been reached during informal talks he initiated. The ministers had been unable to agree to lift the embargo in their formal meetings earlier in the day, probably because of Libyan and Syrian opposition. Syria apparently decided to go along with the majority decision, but Libya evidently is still opposed.

The reported Arab agreement followed an early Sunday decision by OPEC members to maintain current posted prices during the next quarter. This agreement and those of OAPEC were not easily reached, primarily because the oil-producing countries are aware that any substantial increase in petroleum production must ultimately lead to a lowering of prices. Although Arab petroleum production is only 85 percent of the level in September 1973, prices in the world crude oil market have been softening for several weeks as adjustments to higher prices have curbed demand.

The decision by OPEC to maintain current posted prices for the next quarter was a compromise between Saudi Arabia and the hard-line countries. Saudi Arabia had hoped to lower them, while Algeria, Libya, and Iran pressed for higher prices. Yamani's statement that production would be only partially restored apparently reflects a compromise with the Algerians, who opposed lifting the embargo unless production were maintained at the present level.

*FOR THE PRESIDENT ONLY*

*Top Secret*



# The President's Daily Brief

*March 19, 1974*



*4*  
25X1  
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*FOR THE PRESIDENT ONLY*

**THE PRESIDENT'S DAILY BRIEF**

March 19, 1974

**PRINCIPAL DEVELOPMENTS**

It does not appear likely that the SALT negotiators will finish their work by the end of this year, given the Soviets' reluctance to complete a permanent agreement. *(Page 1)*

The French have approached their EC partners to propose establishment of a meaningful EC energy policy, according to Luxembourg's foreign minister. *(Page 2)*

Notes on South Vietnam, Cambodia, France, Cuba, Guatemala, and USSR-Yemen appear on Pages 3 and 4.

*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

**USSR**

It does not now appear likely that the SALT negotiators will finish their work by the end of this year. Although the second session of this phase of the Geneva talks is only four weeks old, one Soviet delegate has already said that not enough remains this year to reach a new agreement. The second phase of the negotiations began well over a year ago, but the substantive positions of the two sides are in some respects as far apart as ever.

The Soviets are plainly in no hurry to negotiate a permanent agreement, mainly because they like the terms of the Interim Agreement, which does not expire until July 1977. In their view, a longer term agreement might reduce the advantages in ICBM and SLBM numbers and throw-weight they have under the Interim Agreement. The Soviets also claim that Washington is not willing to compensate them sufficiently for US forward-based systems and NATO's strategic weapons. There have been some informal hints recently of flexibility on the issue of forward-based systems, but the Soviets are still seeking wherever possible to link this question to key elements of the US position.

It is unlikely that there will be further movement at the Geneva talks until after Secretary Kissinger's trip to Moscow next week. The Soviet delegates claim that they have received no new instructions; they say they would like the US to elaborate on its latest proposal that priority be given to the problem of establishing equal throw-weight limitations on ICBMs equipped with MIRVs.

**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

**FRANCE-EC**

The French have approached their EC partners to propose establishment of a meaningful EC energy policy, according to Luxembourg Foreign Minister Thorn. An EC energy policy group would have responsibilities resembling those already being handled in the 12-nation Energy Coordinating Group, but the French are promising a wider range of cooperation. Paris wants EC energy policy discussed at the EC Council meeting on April 1-2.

According to Thorn, the French initiative arose out of a meeting in Paris last week between President Pompidou and EC Commission President Ortoli. Ortoli told Pompidou that the success thus far of the Coordinating Group--which had alarmed the French--was partly a consequence of French unwillingness to endorse EC cooperation in energy matters.

Thorn advocated that the EC eight and the US counter Pompidou's move by accelerating progress in the Coordinating Group and, above all, by moving rapidly to schedule a broad conference including the lesser developed countries and the producers.

*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

**NOTES**

South Vietnam: Fighting in the central highlands has eased, at least temporarily. Both sides appear to have suffered heavy casualties in Communist attacks over the weekend near Kontum city and near the border of Pleiku and Binh Dinh provinces. Senior military officials in Military Region 2 believe the attacks were coordinated and are concerned that more may soon take place. There has been heavy infiltration of men and materiel along the Communist logistic corridor in the western highlands in the past few months, as well as a continuing effort to expand the logistics system to the east.

Cambodia: The loss to the Communists of the isolated provincial capital of Oudong, some 20 miles northwest of Phnom Penh, is of little tactical importance, but it is a significant psychological setback for the government. Cambodian Army troops late yesterday were still holding out just east of Oudong, but Khmer Communist troops were burning buildings and trying to remove the town's 20,000 civilian inhabitants. A government relief column attempting to move down Route 5 from the north is bogged down in the face of stiff resistance.

France: The deputy editor in chief of a pro-government periodical told the US political counselor on March 14 that "Pompidou is slipping rapidly"

25X1

Cuba: Cuban Armed Forces Minister Raul Castro has been negotiating off and on with the Soviets since February 5, apparently seeking to procure sophisticated military weapons. The length of Castro's visit to Eastern Europe is partially due to side trips, but he has returned to the USSR for several days after each trip, a pattern that suggests he is having difficulties with the Soviets. Castro may be asking for more than the Soviets are willing to supply, particularly in terms of upgrading Cuba's arms inventory. Since 1968, arms shipments from the Soviet Union have been largely to replace expended munitions, destroyed aircraft, and worn-out equipment.

(continued)

**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

Guatemala: The Guatemalan Government appears to have stifled opposition to the fraudulent presidential election and is going ahead with preparations to inaugurate its candidate, General Kjell Laugerud. Top army generals seem to be backing the government. Appeals by the defeated candidate, General Efrain Rios Montt, for nationwide strikes have gone unanswered, and police have easily broken up street demonstrations. Rios has now removed himself, in effect, from a position of opposition by accepting a recall to active duty in the army

25X1

USSR-Yemen (Sana): Moscow has begun sending military equipment to Yemen (Sana) again after a break of over three years in deliveries. The transfer of some West European manufactured ground force equipment from other Arab states to Sana last year and discussions with the US for a large assortment of arms and military training may have led Moscow to revive its military assistance.

*FOR THE PRESIDENT ONLY*

*Top Secret*



# The President's Daily Brief

March 20, 1974

4



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*FOR THE PRESIDENT ONLY*

**THE PRESIDENT'S DAILY BRIEF**

March 20, 1974

**PRINCIPAL DEVELOPMENTS**

The reaction in South Asia to plans for expansion of the US naval facility on the British island of Diego Garcia and to movements of US warships into the Indian Ocean area has been generally unfavorable.  
*(Page 1)*

UK renegotiation of terms of the EC accession treaty will focus on the common agricultural policy, British contributions to the EC budget, and the opening of the EC market to raw materials produced by Commonwealth countries. *(Page 2)*

Tokyo is moving cautiously in oil discussions with the Arabs because it believes the long-term outlook is for a decline in oil prices. *(Page 3)*

Prince Sihanouk, who returned to Canton yesterday from Laos and North Vietnam, has underscored the Khmer Communists' position against negotiations.  
*(Page 4)*

A note on USSR-Cuba appears on *Page 5*.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**SOUTH ASIA**

The reaction in South Asia to plans for expansion of the US naval facility on the British island of Diego Garcia and to movements of US warships into the Indian Ocean area has been generally unfavorable. Pakistan alone has informed Washington that it will not voice objection to the US decision on Diego Garcia.

India, Sri Lanka, Bangladesh, the Maldives, and Nepal are opposed to the US plans.

25X1

25X1

A British Foreign Office spokesman said yesterday that no ministerial decision has yet been made on proceeding with plans for Diego Garcia. Lower level defense and Foreign Office officials still say they expect the project to be approved.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

UNITED KINGDOM

A British Foreign Office official has stated that UK renegotiation of terms of the EC accession treaty will focus on three points:

- the common agricultural policy, which is raising prices for the British consumer;
- British contributions to the EC budget, which now are \$190 million a year larger than the amount the UK receives from the EC;
- the opening of the EC market to raw materials produced by Commonwealth countries.

Prime Minister Wilson alone will decide what must be done to fulfill Labor's election pledge to renegotiate. Foreign Secretary Callaghan is expected to explain general British expectations at a meeting of EC foreign ministers on April 1-2.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**JAPAN - MIDDLE EAST**

Tokyo is now moving cautiously in oil discussions with the Arabs because it believes that the long-term outlook is for a decline in oil prices. Although the Japanese discussed economic cooperation with Saudi Arabia earlier this year, serious follow-up talks are not likely to take place until at least next month. Tokyo probably will try to avoid signing any long-term bilateral oil deals with the Saudis.

A proposal to barter crude oil for \$1 billion in credits for industrial projects in Iraq may fall through unless agreement can be reached on the price of the oil. Negotiations with Iran for construction of an oil refinery there also have stalled. The Japanese want naptha produced at the refinery for use in Japan, but Tehran wants the Japanese to help finance construction of a petrochemical complex that would use the naptha locally.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**CAMBODIA**

Prince Sihanouk, who yesterday returned to Canton from Laos and North Vietnam, has underscored the Khmer Communists' position against negotiations. In a delayed broadcast of a speech delivered in Sam Neua on March 12, Sihanouk rejected the possibility of any talks with the Lon Nol government and again said that any negotiations would have to be between representatives of his "government" and Washington. The Prince also lashed out at "bigger and stronger" countries--almost certainly China and the USSR--which "prefer to compromise with American imperialism...if not literally throwing themselves into its arms."

Sihanouk's tough line jibes with recent statements by [redacted] Khmer Communist official [redacted]. This official indicated that the Communists were worried that "certain great powers" were waiting until the end of the dry season to exert pressure for talks.

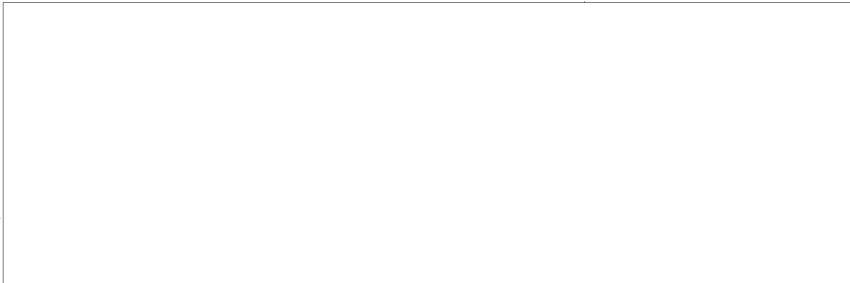
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NOTE



*FOR THE PRESIDENT ONLY*

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# The President's Daily Brief

March 21, 1974

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**FOR THE PRESIDENT ONLY**

**THE PRESIDENT'S DAILY BRIEF**

March 21, 1974

**PRINCIPAL DEVELOPMENTS**

The Soviets are modernizing SS-11 silos at two more ICBM complexes in preparation for a new ICBM.  
(Page 1)

The USSR has supplied Somalia with the SA-2 surface-to-air missile system and MIG-21 aircraft. (Page 2)

The Khmer Communists, despite their victory at Oudong this week, are showing signs of losing some of their military momentum. (Page 3)

Some 66,000 North Vietnamese troops have started south since early September, the second lowest total for comparable periods in the past six dry seasons.  
(Page 4)

Foreign Minister Jobert, in recent talks with his Italian counterpart, outlined a French plan for a new European confederation. (Page 5)

The firepower of the South Sea Fleet, traditionally the smallest of China's three fleets, has been significantly increased. (Page 6)

Notes on USSR-China, Mozambique, and USSR-Bangladesh appear on Page 7.

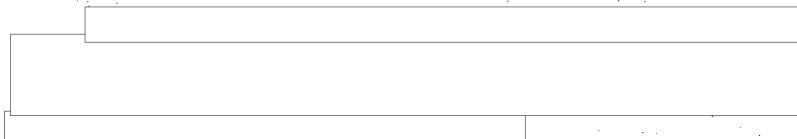
**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

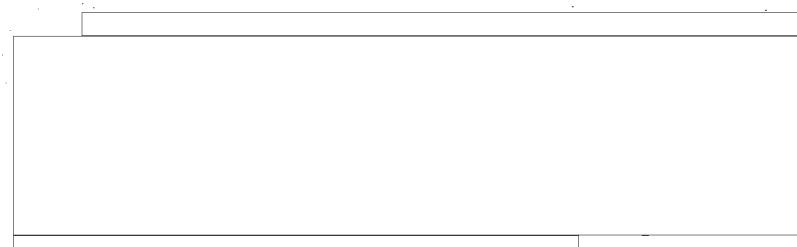
USSR

The Soviets are modernizing SS-11 silos at two more ICBM complexes in preparation for a new ICBM. [redacted] work under [redacted] way at Perm in the western USSR and Gladkaya in the central part of the country. The most likely missile to be installed in the modernized silos is the SS-11 Mod 3, which carries three re-entry vehicles that are not independently targetable.

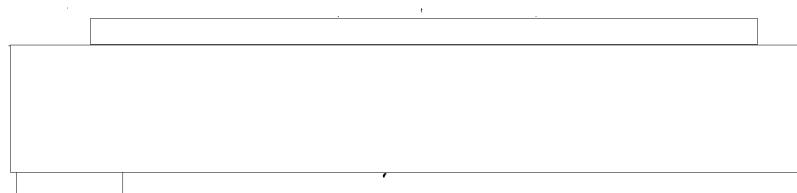
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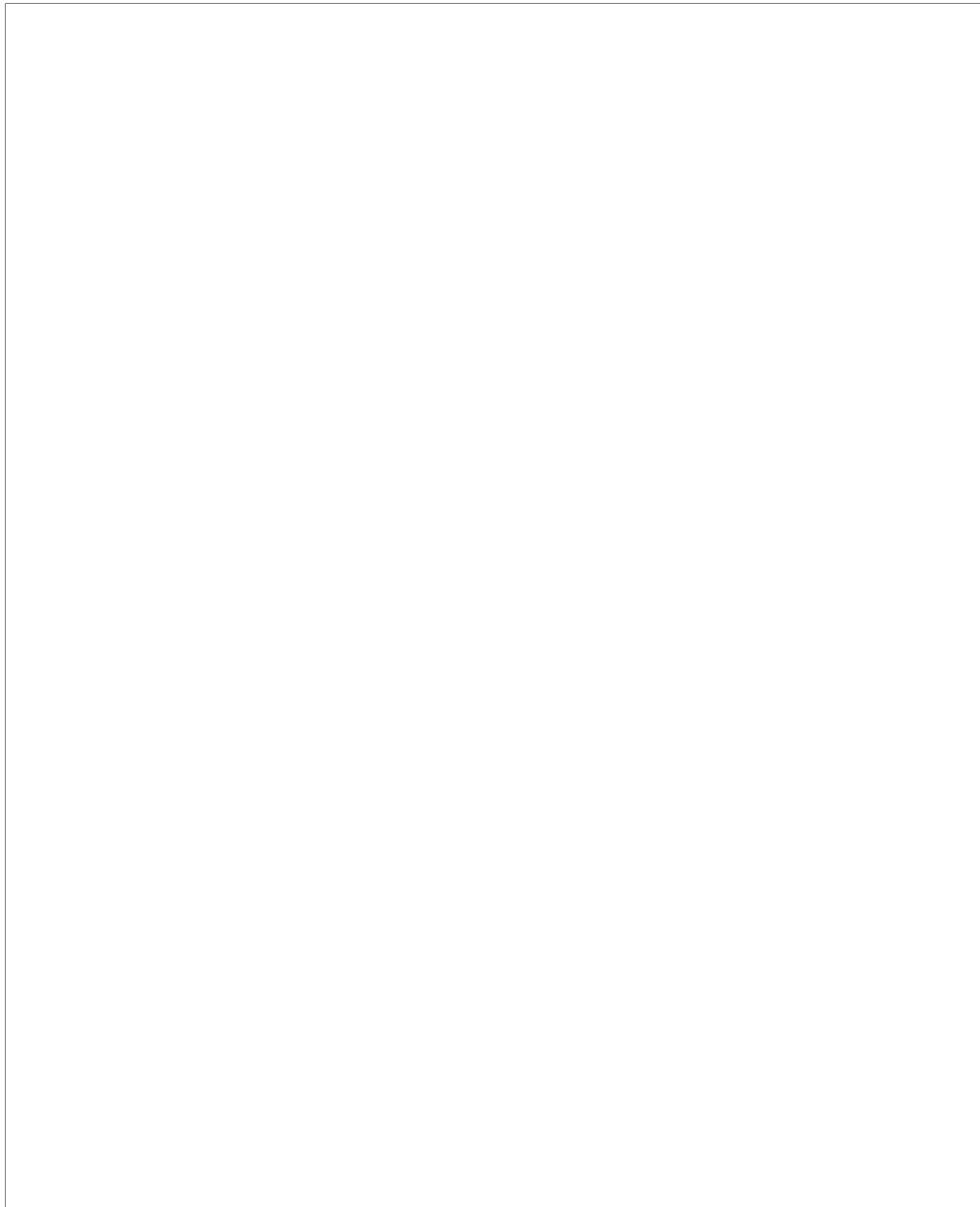


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*FOR THE PRESIDENT ONLY*

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*FOR THE PRESIDENT ONLY*

SOMALIA-USSR

The Soviets have supplied Somalia with the SA-2 surface-to-air missile system and MIG-21 aircraft.

25X1  
25X1

SA-2  
missile equipment at a SAM support facility north-west of Mogadiscio.

25X1  
25X1  
25X1  
25X1

An SA-2 launch site was also observed in the early stages of construction in the same area. Although Somali military personnel have had some training on the SA-2, they probably still cannot operate them without Soviet assistance.

25X1  
25X1

25X1

25X1

News of these arrivals is certain to increase the nervousness of the Ethiopian Government, which has long-standing territorial quarrels with Somalia.

*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

**CAMBODIA**

Despite their victory at Oudong this week, the Khmer Communists are showing signs of losing some of their military momentum. The insurgents entered the present dry season with great expectations; they hoped that by concentrating most of their forces in the Phnom Penh area, they could score a quick "total victory" over the government. They have failed, and losses have been high.

Intercepted messages indicate that the Communists' morale and confidence have been eroded. The seizure of Oudong will help raise their spirits, but that victory--which may be short-lived--is pretty much a consolation prize.

The Communists have paid other costs for their military preoccupation with Phnom Penh. As insurgent units from the countryside have moved into the capital region, the Communist forces left in some rural areas have been hard put to oppose Cambodian Army actions. Weakening of the Communists' local security in turn has made it more difficult for Communist civil administrators to maintain their hold over villagers who are already resentful over oppressive population control measures. Over 45,000 civilians have voluntarily left Communist zones in the past month to resettle around such provincial capitals as Kompong Thom and Pursat.

25X1

The Communists are by no means assured of taking either Kampot or Kompong Thom. The government is alert to both threats and, particularly at Kampot, is building up its own forces.

**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

**NORTH VIETNAM**

Some 66,000 North Vietnamese troops have started south since early September--the second lowest total for comparable periods in the past six dry seasons. This is only slightly more than Hanoi sent south in 1969-70, and it is substantially lower than the total observed before the 1972 spring offensive.

According to intercepts, 21 infiltration groups--about 11,000 men--have started south so far in March. If infiltration continues at this rate, March's total will exceed 16,000 troops. Continuation of this rate into May would bring the total for this dry season to the relatively moderate level--94,000--of last year's dry season.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**FRANCE-EC**

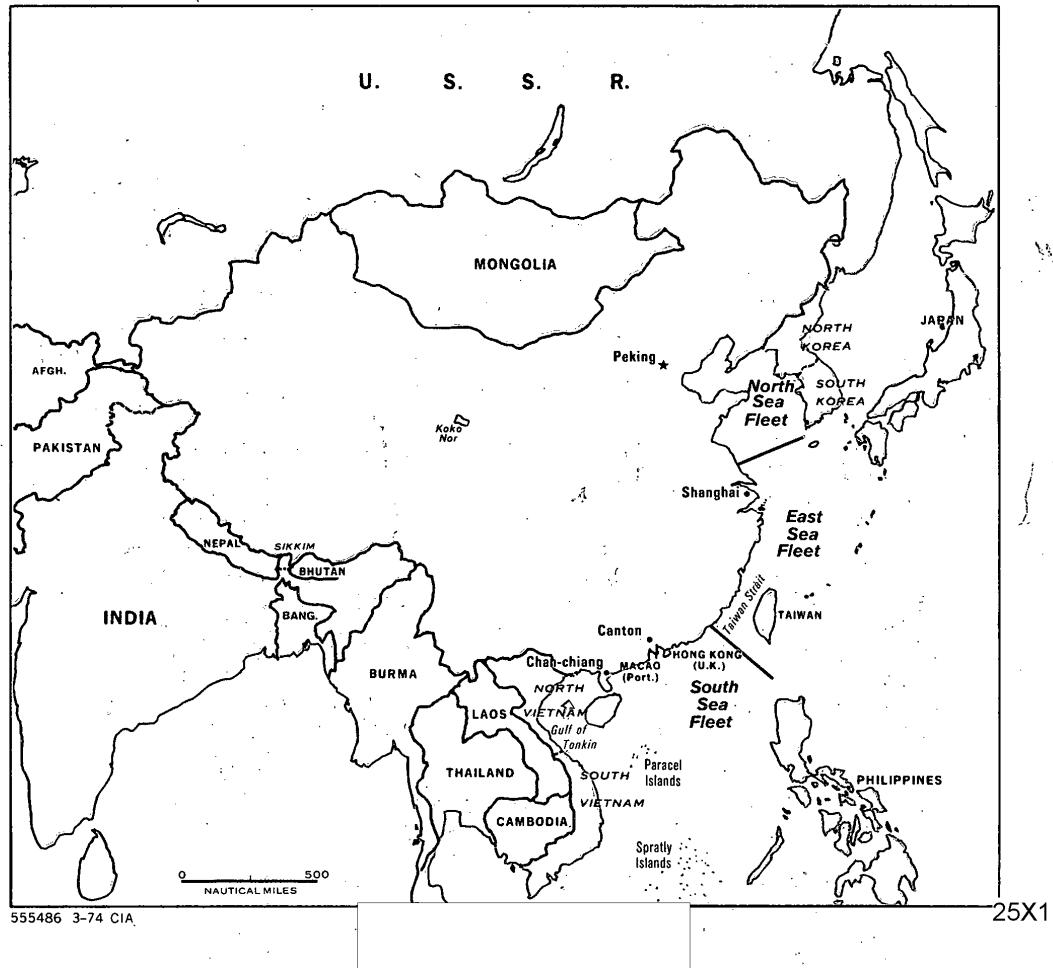
Foreign Minister Jobert outlined a French plan for a new European confederation during talks with his Italian counterpart on March 15-16. The plan, which calls for an executive, a political secretariat, and a bicameral parliament, will be offered at the EC summit scheduled for late May, although the scheme would function outside existing community institutions.

The executive could be rotated among member states, while the parliament would be composed of a senate representing confederal interests and a chamber based on population. At least the chamber would be elected directly.

Although some elements of this scheme seem to be significant concessions to France's EC partners, Jobert's proposal reflects France's long-standing desire to circumvent formal EC institutions in developing European political unity.

The plan also is apparently part of a wider initiative on European unity that includes France's recent proposal for a European energy organization and possibly an initiative to set up a new type of joint float against the dollar.

*FOR THE PRESIDENT ONLY*



*FOR THE PRESIDENT ONLY*

**CHINA**

The firepower of the South Sea Fleet, long the smallest of China's three fleets, has been significantly increased. [redacted]  
three Riga-class guided-missile destroyer escorts, eight Osa-class guided-missile boats, 22 Styx cruise missile crates, and two R-class attack submarines at naval facilities near Chan-chiang, where the South Sea Fleet is based.

25X1

[redacted]

Since driving the South Vietnamese out of the Paracel Islands in January, the Chinese have been expanding the areas covered by regular military operations in the Gulf of Tonkin and the South China Sea.

25X1

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**NOTES**

USSR-China: Moscow is making a propaganda issue out of what appears to have been a minor incident on the Sino-Soviet border west of Mongolia. Tass charged yesterday that Peking has refused to return a Soviet helicopter and its crew of three that made an emergency landing just inside Chinese territory on March 14. According to Tass, the helicopter lost its way while on a mission of mercy. In publicizing the incident, the Soviets may hope to head off any Chinese effort to exploit it as evidence of Soviet espionage activity against China.

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25X1

Mozambique: Anti-Portuguese rebels in Mozambique may soon be using Soviet-supplied SA-7 missiles.

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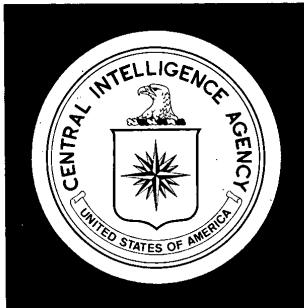
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USSR-Bangladesh: The last two Soviet minesweepers involved in harbor-clearing operations at Chittagong are en route home. As many as 14 naval auxiliaries have taken part in Soviet clearing and salvage activities there since March 1972; only five remain. The entire operation is scheduled to conclude by the end of June.

*FOR THE PRESIDENT ONLY*

*Top Secret*

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# The President's Daily Brief

*March 22, 1974*

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*FOR THE PRESIDENT ONLY*

THE PRESIDENT'S DAILY BRIEF

March 22, 1974

PRINCIPAL DEVELOPMENTS

The Egyptian Army is demobilizing some of its reserves  
that were called up for the October war. (Page 1)

[ ] Warsaw Pact [ ]

(Page 2)

25X1

25X1

25X1

[ ] 25X1

[ ] (Page 3)

25X1

President Pompidou's health has caused cancellation  
of his trip to Japan. (Page 4)

Changes in the Hungarian leadership have weakened  
the position of party chief Janos Kadar. (Page 5)

[ ] Havana [ ]

Mexican [ ]

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Page 6.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**EGYPT**

The Egyptian Army is demobilizing some of its reserves that were called up for the October war. According to a reliable source of the US Embassy in Cairo, a group was scheduled to be released on March 16 and a second group on April 16.

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[redacted] The Egyptian Navy has also demobilized some commandos.

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The release of reservists from active duty would be in line with what appears to be a generally relaxed posture in the Egyptian military.

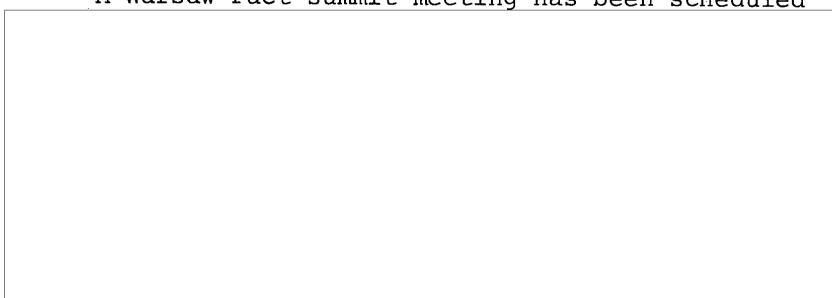
*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

WARSAW PACT

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A Warsaw Pact summit meeting has been scheduled



*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**CAMBODIA**

In discussions last week with the French ambassador to Peking, Sihanouk's "prime minister," Penn Nouth, stressed that there can be no political dealings with the Lon Nol government and that "US efforts" to create such a dialogue are in vain. According to Nouth, Sihanouk will negotiate only with the US, and if the US does not respond, the war will continue "as long as necessary." Nouth argued that prolonging the conflict will serve to enhance the Khmer Communists' political power at the expense of "moderates" such as himself and Sihanouk.

Sihanouk himself revived the subject of talks between his "government" and the US in a speech made in Laos on March 12. There are no signs, however, that Khmer Communist leaders in Cambodia are ready to consider a compromise settlement with the Lon Nol government. In the most recent restatement of the insurgents' position, a senior Khmer Communist official in Paris ruled out any negotiations leading to a coalition government or a territorial division of the country. He said that there could be no "third force" solution for Cambodia and took some pains to proclaim the Khmer Communists' independence from their allies.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**FRANCE**

The counselor of the Japanese Embassy in Paris told a US official yesterday that President Pompidou's trip to Japan has been canceled [redacted]. The trip had been scheduled for April 23-26. Pompidou also had to cancel an appearance at an important diplomatic function yesterday.

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

HUNGARY

A shake-up in the top Hungarian leadership has weakened the political position of party chief Janos Kadar and dealt a major setback to Budapest's more liberal economic and cultural policies. Personnel changes announced at a party plenum late Thursday indicate that Kadar has acceded to pressures for increased orthodoxy both from Moscow and from Hungarian conservatives.

The key victims of the shake-up were the party secretaries in charge of economics and cultural affairs who were symbols of Kadar's cautiously liberal domestic policies. The party official responsible for daily supervision of the military and security organs was also replaced, suggesting that some laxities had developed in these sensitive areas.

Kadar's position has been weakened, but he is very adept at balancing competing political interests. Kadar's decision to chair the commission that will draft a new party program indicates that he is determined to weather the current set-back and to limit the damage done to his economic and cultural policies.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**NOTE**

Mexico-Cuba: [redacted]

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[redacted]  
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*FOR THE PRESIDENT ONLY*

*Top Secret*



# The President's Daily Brief

*March 23, 1974*

4



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THE PRESIDENT'S DAILY BRIEF

March 23, 1974

PRINCIPAL DEVELOPMENTS

Hanoi's leaders have restated their intention to put reconstruction and development in North Vietnam ahead of the struggle in the South over the next couple of years. (Page 1)

Soviet propaganda is using the Paracels incident and Chinese support for insurgents in Burma to exploit traditional distrust of the Chinese in southern Asia. (Page 2)

Ethiopia's new government is attacking long-standing problems and, at least for the moment, appears to be coping effectively with threats to its authority. (Page 3)

Notes on France, the USSR-Egypt, China, and the USSR appear on Pages 4 and 5.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**NORTH VIETNAM**

The Hanoi leadership has reiterated its intention to put reconstruction and development in North Vietnam ahead of the struggle in the South over the next couple of years.

In a recent authoritative article, Vice Premier Le Thanh Nghi states that the North's "key task" is to rebuild and industrialize the economy. He bluntly asserts that the North should not be "too bent" on maintaining vigilance and on "making preparations for war," lest the reconstruction effort suffer. He indicates that this will be the party line through 1974 and 1975.

Nghi makes it clear that Hanoi also remains committed to the struggle in the South. He claims, however, that North Vietnam can best fulfill its revolutionary duties by building its own economic strength, a theme stressed by party leader Le Duan last spring. Nghi does not rule out the possibility that, once the North has rebuilt its economy--and improved its military forces--it will try another major military campaign in the South.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**USSR - CHINA - SOUTHEAST ASIA**

Moscow's propaganda mill has been using the Paracels incident and Chinese support for insurgents in Burma to exploit traditional distrust of the Chinese in South and Southeast Asia. In February, Soviet envoys in five South Asian countries, including Burma, met in Moscow to discuss ways of countering Chinese influence in the area. Ambassadorial consultations are not unusual, but the anti-Chinese theme of that particular meeting was exceptional.

Soviet anti-Chinese propaganda may also reflect an underlying concern that Peking's effort to increase its influence in southern Asia is somehow being abetted by the US.

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[redacted] collusion between the US and China had enabled Peking to act recklessly in the Paracels. Moscow has also publicly charged that such collusion has taken place in northern Burma, and has argued that Peking's mild reaction to the Diego Garcia base indicates that Peking favors an expanded US naval presence in the Indian Ocean.

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

## ETHIOPIA

The new and shaky government is attacking long-standing problems and, at least for the moment, appears to be coping effectively with threats to its authority.

Prime Minister Endalkatchew this week named the 30 members of a conference to liberalize the constitution. They come from both modern and traditional segments of Ethiopian society and also include figures from the country's Muslim population. The conference will have six months to revise the constitution so as to give Ethiopia a parliamentary government.

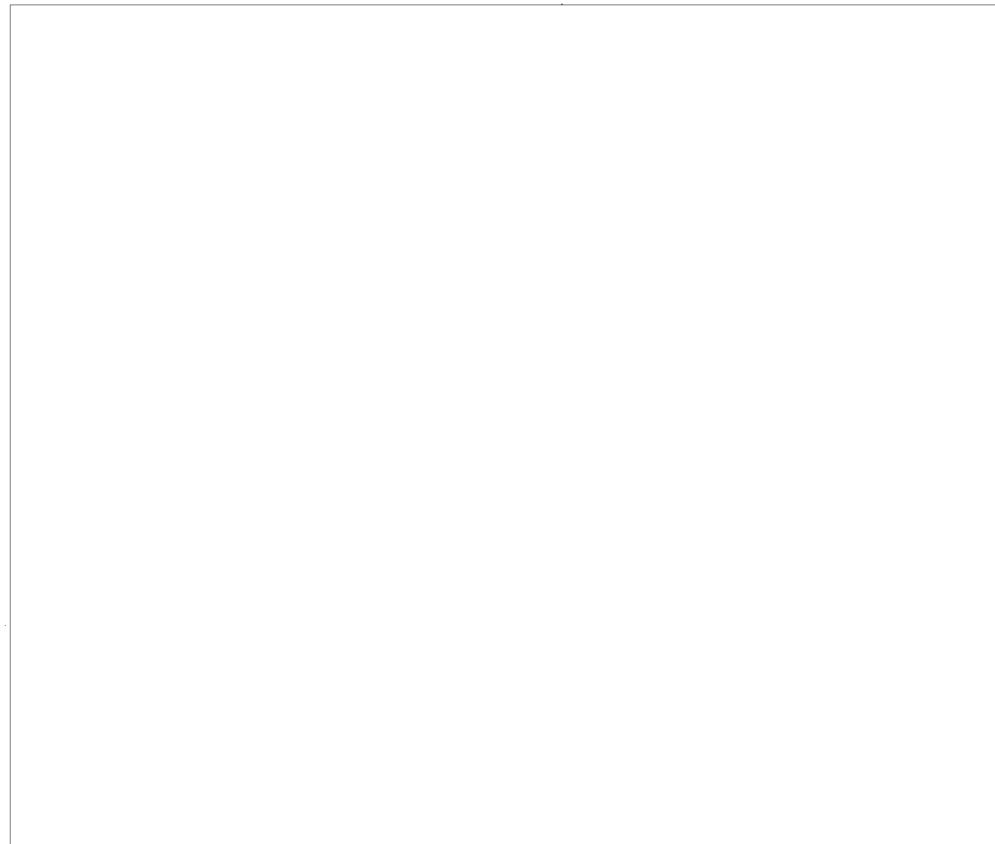
In an effort to deal with famine and serious drought, the government has assigned troops and military vehicles to distribute relief supplies. The public school teachers' association has agreed to send its members back to work, and secondary schools in the capital appear to be functioning again. Teachers and students at Haile Selassie I University are still out on strike, however.

The army this week put down a protest by military orderlies at the Harar Military Academy. It is also performing search and destroy operations against Eritrean insurgents, who might try to exploit the recent unrest.

Serious problems remain. Money must be found for the pay raises the Emperor promised to both military and civilian officials; there is serious unrest in rural areas, particularly in an area south of the capital where tribesmen have burned farms and killed livestock; and military dissidents who began the recent troubles have reportedly threatened to intervene again if the government fails to live up to its promises.

Ethiopia apparently is turning to the US for help. Endalkatchew has told the US ambassador he would like to send a high-level delegation to Washington to discuss increased US military and economic assistance.

*FOR THE PRESIDENT ONLY*



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*FOR THE PRESIDENT ONLY*

NOTES

France: Foreign Minister Jobert, who is visiting Algeria this weekend, stated in an interview published by the Algerian press service that continuation of the oil embargo against the Dutch and discrimination against the Danes endanger EC-Arab cooperation. Senior Quai officials told the US Embassy on March 21 that Jobert felt it was "high time" to make a strong statement to the Arabs emphasizing the necessity to treat all EC members equally. Jobert's statement is part of Paris' current effort to re-establish its European credentials and to assume leadership of its European partners.

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USSR-Egypt: [redacted]

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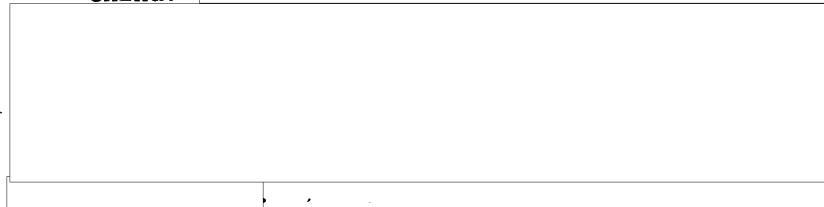


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China: [redacted]

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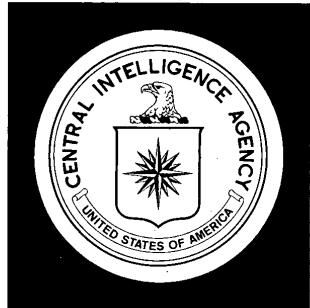
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# The President's Daily Brief

*March 25, 1974*

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**FOR THE PRESIDENT ONLY**

**THE PRESIDENT'S DAILY BRIEF**

March 25, 1974

**PRINCIPAL DEVELOPMENTS**

The Arab League foreign ministers' conference, which opens today in Tunis, will apparently focus on relations with Europe and non-Arab Africa, as well as the coming UN General Assembly special session on energy and development. (Page 1)

Moscow evidently is giving added assurances of support to Baghdad as the Kurdish problem grows.  
(Page 2)

The Soviets may be tightening controls on Jewish emigration. (Page 3)

Heavy fighting continues in the Oudong area northwest of Phnom Penh as a Cambodian Army relief column is stalled by stiff resistance. (Page 4)

A note on the USSR appears on Page 5.

**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

## ARAB LEAGUE

The Arab League foreign ministers' conference starting in Tunis today apparently will focus on relations with Europe and non-Arab Africa, as well as on the coming United Nations General Assembly special session on energy and development.

According to press reports, the conferees will also discuss the progress of the peace negotiations and again call for complete Israeli withdrawal from all occupied Arab territories, including Jerusalem. Egypt, Syria, and Jordan, however, probably hope to avoid any declaration by the conference which would impair their negotiating flexibility. Syrian President Asad is said to be particularly concerned that Arab forums such as this might force him to adopt a more rigid negotiating position when he must keep his options open.

The Arab ministers will probably seek to overcome Libyan and Iraqi misgivings concerning the recent lifting of the oil embargo and to work out a joint strategy to pursue in the special UN session and with the EC. The conference may form a committee to pursue the possibility of a dialogue with the Europeans on oil and related issues in response to the Community's call for an Arab-European conference. The Dutch reportedly are hopeful that the conference will recommend lifting the oil boycott against them.

Moroccan Foreign Minister Benhima recently said that Cairo, Damascus, and Amman have agreed to postpone the next Arab League summit conference, scheduled to open in Cairo on April 15. He added that they have also agreed to hold the summit in Rabat instead of Cairo, probably next September.

*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

**USSR-IRAQ**

Moscow evidently is giving added assurances of support to Baghdad as the Kurdish problem grows.

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Minister Grechko [redacted] Soviet Defense  
[redacted]

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[redacted] arrived on March 23 and is not scheduled to leave until after the March 26 deadline for the Kurdish rebels to accept the government's autonomy plan.

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The Soviets have openly praised Baghdad's proposal and favor its immediate acceptance by Kurdish leader Barzani. If a peaceful solution is not reached, Moscow probably will back Baghdad's efforts to subdue the rebels and enforce the plan.

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Moscow reportedly has served notice on Iran not to stir up trouble on its common border with Iraq. Iran has long provided material and financial support for the Kurds, and Moscow is probably concerned that Iran will exploit the situation.

The USSR has been cautiously neutral in its public treatment of the border problem between Iran and Iraq [redacted]

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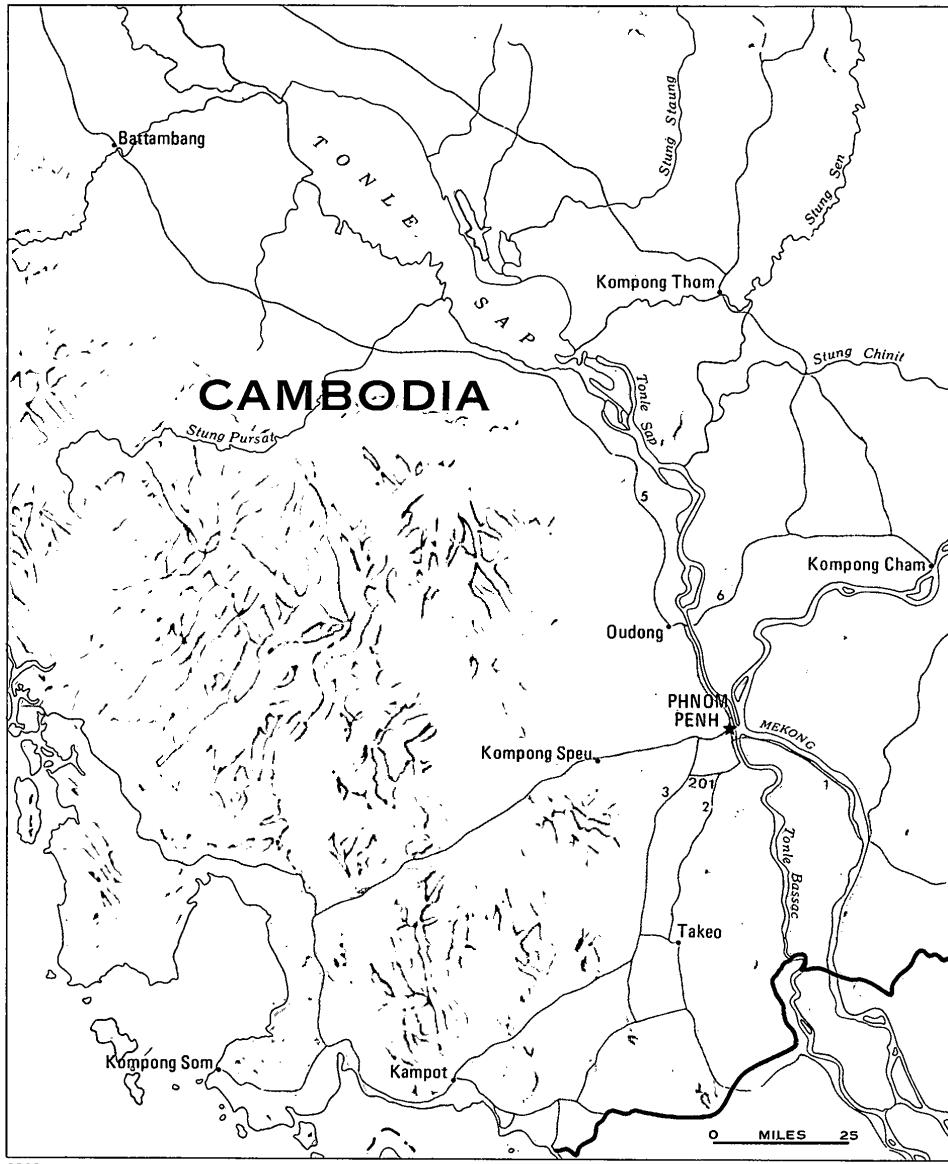
**USSR**

The Soviet Union may be tightening controls on Jewish emigration. Sources of the US Embassy in Moscow say that new procedures for emigration applications, reportedly in effect since March 1, have already brought a decrease in the number of applications for emigration to Israel.

Emigration applications must now be typewritten, according to these sources, and character references must go back at least six months. The latter requirement means in effect that a prospective emigrant must quit his job six months before applying or run the risk of being fired and receiving an unfavorable reference when his employer learns of his plans.

Applications must also now be submitted through local police headquarters, rather than directly to passport authorities. Police officials are said to be turning back a large number of applicants for failure to meet the new requirements.

**FOR THE PRESIDENT ONLY**



**FOR THE PRESIDENT ONLY**

**CAMBODIA**

Heavy fighting continues in the Oudong area north-west of Phnom Penh. A 2,000-man Cambodian Army relief column, which late last week moved west to within one mile of Oudong, is now stalled by stiff resistance. Another relief force is moving toward the town from the south but has made only limited progress. Government troops, which were approaching Oudong from the north, have been diverted by increased pressure on other nearby army positions.

The army high command is giving top priority to the counterattack at Oudong. River convoys have moved armor and artillery up the Tonle Sap River to a beach-head several miles east of Oudong, and the encircled units near the town are receiving daily air support.

Combat activity picked up somewhat in the Phnom Penh area over the weekend as the Communists overran a government position ten miles southwest of the capital. Insurgent units also increased pressure against government defenses on the east bank of the Mekong just upstream from the capital. Government forces at Kampot City have withstood several Communist ground attacks and shellings in the past few days.

**FOR THE PRESIDENT ONLY**



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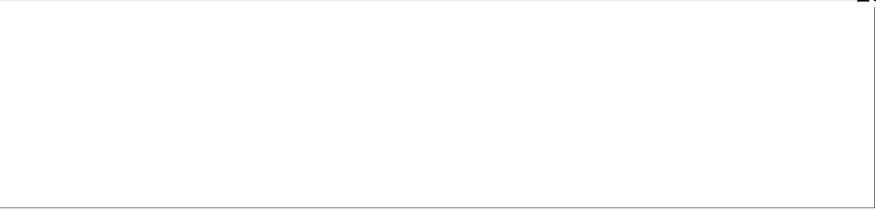
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**NOTE**

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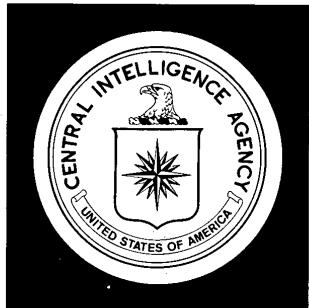


*FOR THE PRESIDENT ONLY*

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# The President's Daily Brief

*March 26, 1974*

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**FOR THE PRESIDENT ONLY**

**THE PRESIDENT'S DAILY BRIEF**

March 26, 1974

**PRINCIPAL DEVELOPMENTS**

Yugoslavia is expanding its quarrel with Italy over Trieste. (Page 1)

Loyal Ethiopian troops have put down a mutiny by radical airmen at a base south of Addis Ababa. (Page 2)

The South Vietnamese Air Force has begun daily air strikes against Loc Ninh in Binh Long Province and targets in northern Tay Ninh Province. (Page 3)

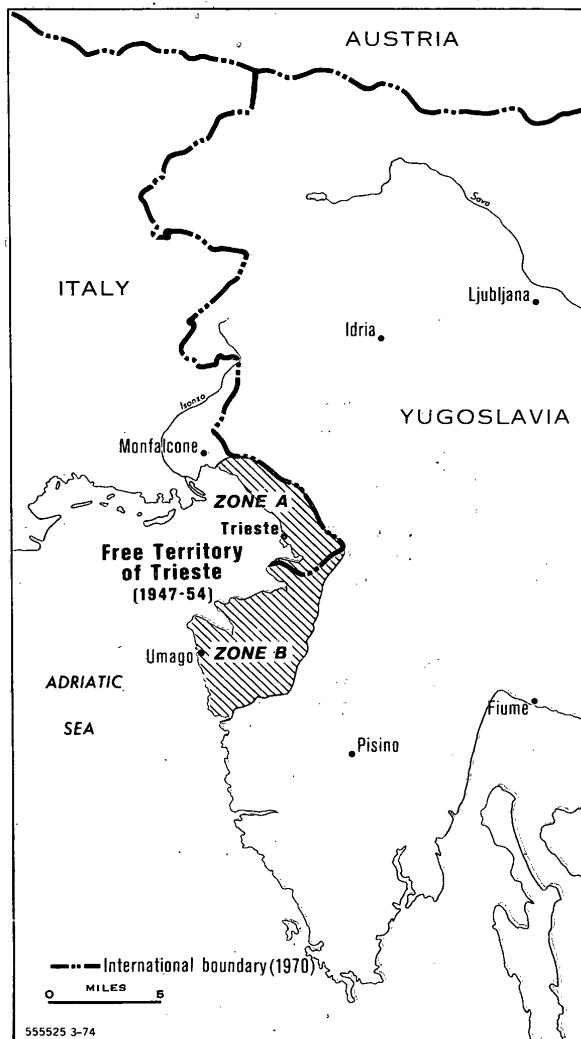
Hanoi has announced that a high-level Khmer Communist delegation will make an official visit to North Vietnam soon. (Page 4)

Pathet Lao representative Phoumi Vongvichit will meet with Prime Minister Souvanna in Vientiane to discuss a list of coalition cabinet and political council members. (Page 5)

North Korea's proposal for direct negotiations with the US is a basic bargaining position in the North-South talks, which resume tomorrow. (Page 6)

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**FOR THE PRESIDENT ONLY**



*FOR THE PRESIDENT ONLY*

**YUGOSLAVIA-ITALY**

Yugoslavia is expanding the quarrel with Italy over Trieste. A high-level Yugoslav Foreign Ministry official said yesterday that Belgrade "would now be forced" to reopen its claim to Zone A, an area the Italians have held without challenge since 1954. The official also threatened that Yugoslavia might reveal the contents of secret talks with Italy, a move that could prove embarrassing to the Italian Government.

Yugoslavia is also making a show of military preparedness against the alleged threat of an Italian invasion of Zone B. Belgrade's actions are a flat rejection of Rome's efforts last week to back away from the fuss created when it renewed its claim to Zone B, which the Yugoslavs have administered since 1954.

Tito probably intends no more than a demonstration of determination, but he may keep the heat on for some time. It gives him a chance to generate patriotism that could help obscure domestic problems during the national election in April and the party congress in May. Tito would not hesitate to use a NATO exercise scheduled for the northern Adriatic this week to inflame matters further.

*FOR THE PRESIDENT ONLY*

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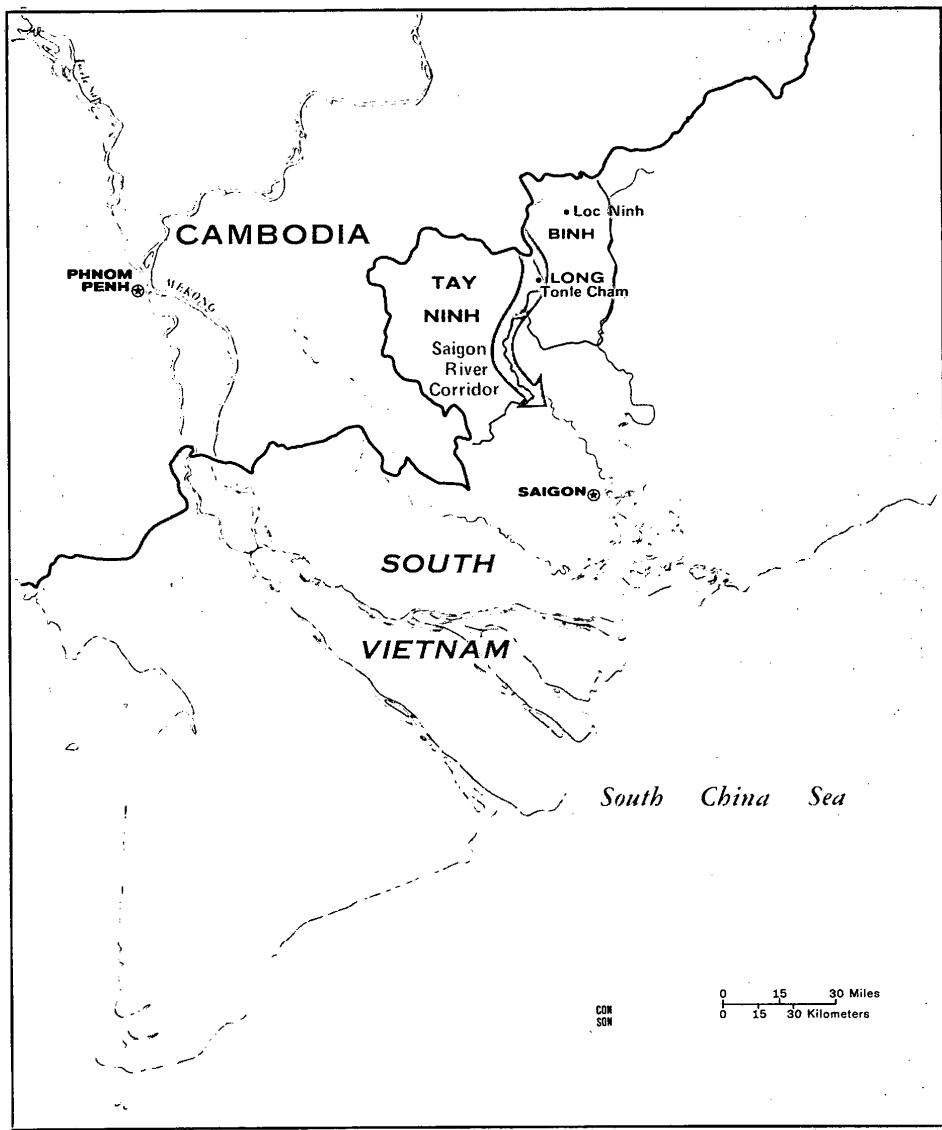
## ETHIOPIA

Loyal troops yesterday put down a mutiny by radical air force personnel at the air base at Debre Zeit, south of Addis Ababa. The capital is calm; troops are guarding radio stations and the ordnance depot.

Tensions between moderates and militants in the military and between the military and the civilian government are likely to persist. The air force mutineers reportedly are the hard core of the military dissidents who ousted the last government and wrested major concessions from the Emperor.

They are impatient with the government's failure to come through with promised pay raises and with the lack of progress toward economic and political change. They are also angry at the government's failure to try former cabinet members suspected of corruption. The militants believe continued agitation is the only way to maintain the momentum of last month's rebellion.

*FOR THE PRESIDENT ONLY*



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*FOR THE PRESIDENT ONLY*

SOUTH VIETNAM

On March 22, the South Vietnamese Air Force began daily air strikes against Loc Ninh in Binh Long Province and other targets in Communist-controlled areas of northern Tay Ninh Province.

The strikes are in reaction to increased Communist shelling and ground probes against the Tonle Cham Ranger base on the border between Binh Long and Tay Ninh. The base is the only remaining government position along a Communist corridor leading to Saigon, and has been under pressure for over a year.

The government's chief delegate to the Two Party Joint Military Commission has been instructed to denounce the attacks against Tonle Cham and warn that the air strikes will increase if the Communists do not agree to a truce in the area. The Communists will protest sharply against the air strikes, and may well retaliate by increasing attacks elsewhere.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**CAMBODIA - NORTH VIETNAM**

A Khmer Communist delegation headed by "deputy premier" and "defense minister" Khieu Samphan will make an official visit to North Vietnam in the near future, according to Radio Hanoi. Since the insurgents' dry season offensive is falling considerably short of the Khmer Communists' expectations, future strategy and tactics as well as the Khmer Communists' tough attitude toward negotiations seem certain topics for discussion. Samphan may also request additional military aid from the North Vietnamese.

There has been no indication that Sihanouk will participate in Samphan's talks with North Vietnamese leaders. Even though Sihanouk has been to Hanoi twice this year, he probably would like an opportunity to confer with Samphan. The two last met a year ago during Sihanouk's visit to Khmer Communist-controlled areas of Cambodia.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

LAOS

Pathet Lao chairman Prince Souphanouvong is sending his plenipotentiary representative, Phoumi Vongvichit, to Vientiane to resume talks with Prime Minister Souvanna.

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Phoumi is scheduled to arrive tomorrow [redacted]

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[redacted]

Souvanna and Phoumi hope to draw up a final list of coalition cabinet and political council members. They will probably also try to resolve the few procedural difficulties still impeding the neutralization of the twin capitals of Vientiane and Luang Prabang.

Souvanna believes that Phoumi's visit will facilitate a meeting between himself, Souphanouvong, and the King in Luang Prabang to "consecrate" the new coalition sometime before the Lao New Year in mid-April.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

KOREA

North Korea's proposal for direct negotiations with the US for a peace treaty to replace the 1953 Armistice is in the first instance a basic bargaining position in the North-South talks, which resume tomorrow.

In making the offer, Pyongyang in effect is stating that it will not accept any arrangement, short of a peace treaty, for continuing the Military Armistice Commission once the UN Command is dissolved. The North Koreans are particularly opposed to any formula that would lead to an all-Korean armistice commission unless, at the same time, US troops are withdrawn from South Korea.

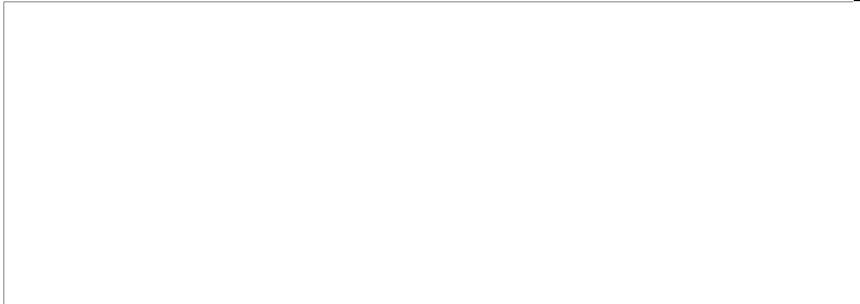
Pyongyang is also attempting to focus international attention on the continued US military role in the South. Part of the proposal calls for the US to cease sending arms to the South, to remove its troops "at the earliest possible date," and to cease maintaining any bases in the South once the troops have left. Pyongyang does not, however, demand US troop withdrawal prior to completion of a peace agreement.

*FOR THE PRESIDENT ONLY*

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**NOTE**

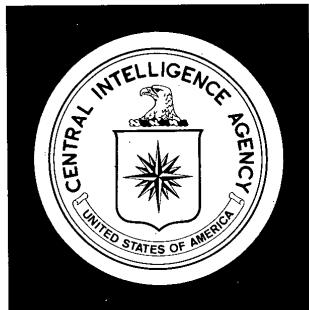
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# The President's Daily Brief

March 27, 1974

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THE PRESIDENT'S DAILY BRIEF

March 27, 1974

PRINCIPAL DEVELOPMENTS

[redacted] Moscow may be about to begin exporting MIG-23 aircraft to the Middle East, probably to Egypt. (Page 1)

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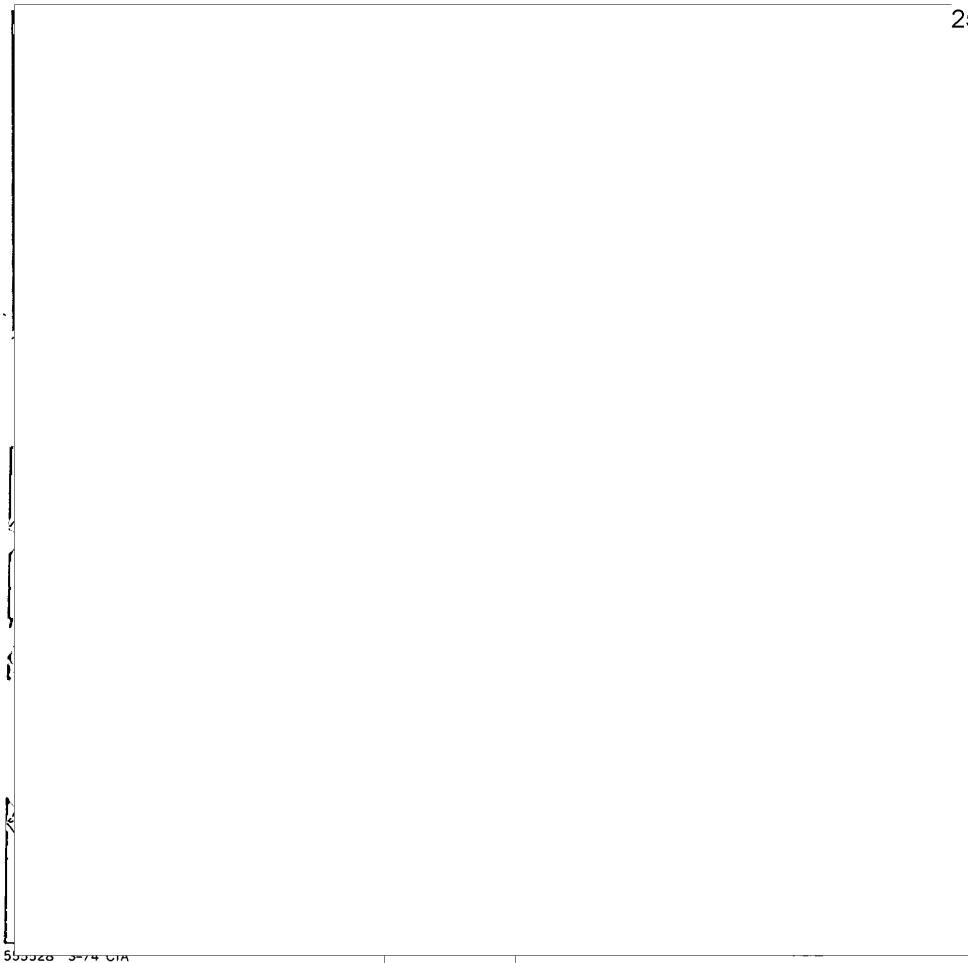
Indonesian President Suharto seems to have persuaded his military colleagues to suppress their differences in order to present a united front to civilian critics. (Page 2)

Substantial segments within the Portuguese military are still dissatisfied with the government's conduct of the African war and its treatment of military dissenters. (Page 3)

The Ethiopian military is increasingly restive over the government's failure to dismiss discredited senior officers and prosecute corrupt officials. (Page 4)

Notes on Syria-USSR, Libya-Egypt, Hungary, Romania, and the USSR appear on Pages 5 and 6.

*FOR THE PRESIDENT ONLY*



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*FOR THE PRESIDENT ONLY*

**USSR-EGYPT**

Moscow may be about to begin exporting the MIG-  
23 to the Middle East, probably to Egypt.

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**INDONESIA**

President Suharto, concerned by serious youth rioting in January and by the appearance of army factionalism, seems to have persuaded his military colleagues to suppress their differences. Top commanders, who met recently in Jakarta, apparently accepted without debate the official government position that recent student turmoil and army rivalries were primarily the work of political provocateurs and could be ended by tightening internal security. Neither did the military leaders object to Suharto's moves to take greater personal control of the military and civilian bureaucracy.

The military was deeply shaken by the January riots and probably still has doubts about Suharto's style of government, which seems to them to swing abruptly from liberal to authoritarian. His recent moves will not resolve the underlying social and economic issues that fueled the unrest. Any renewed signs of social tension will undoubtedly revive discussion within military circles about Suharto's leadership.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**PORUGAL**

Substantial segments of the Portuguese Army are still dissatisfied with the government's policy in the African territories and its treatment of military dissenters. Petitions have been circulated which call for a solution to the African problem similar to that advocated by the ousted General Spinola. Another document protests the arrest of officers involved in the short-lived revolt earlier this month.

Some members of the military are said to be drafting a petition calling for the removal of the army and defense ministers because they did not give Spinola their full support once the dispute became public.

Rumors still persist about a major shake-up in the government. There is no indication that the cabinet held its regular meeting last week.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

4

**ETHIOPIA**

The military is growing increasingly impatient over the government's failure to dismiss discredited senior officers and prosecute corrupt officials. Dissident police and army units, although still apparently loyal to the government, arrested several of their senior officers yesterday and broadcast demands for speedy judicial action against officials charged with corruption.

Such legal proceedings pose serious risks for Haile Selassie and Prime Minister Endalkatchew; the Emperor's prestige will suffer if widespread corruption is uncovered, and Endalkatchew, a minister in the former cabinet, is believed to have used his official position for personal gain. Officials in the new government may also be involved.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**NOTES**

Syria-USSR: President Asad has accepted a Soviet invitation to visit Moscow during the first half of April, according to Radio Damascus. He will certainly confer with Soviet leaders about Syrian-Israeli disengagement negotiations, and he may well press Moscow for still more arms. Asad is likely to resist whatever attempts the Soviets may make to persuade him to soften Syria's terms for attending the Geneva peace talks. Asad's trip nevertheless will help satisfy Soviet demands that the Arabs consult more fully with the USSR on the Middle East situation and thereby give Moscow a more prominent role in the negotiations.

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Hungary: Soviet pressure was apparently an important element in the shake-up of the Hungarian leadership last week.

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[redacted] the Hungarians, in response to Moscow's prompting, will conduct an exchange of party membership cards by this time next year rather than in 1980, when such an exchange was routinely scheduled. During the current Soviet-sponsored drive for orthodoxy in Eastern Europe, the exchange could be used by conservatives to thin out the Hungarian party's ranks, removing nationalists and economic "liberals." Both of these groups are important sources of support for party First Secretary Kadar, who has hitherto maneuvered deftly in pursuing relatively liberal policies.

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(continued)

*FOR THE PRESIDENT ONLY*

Romania: Personnel shifts announced at the Central Committee plenum yesterday are in line with Ceausescu's frequent shifting of party and state leaders to maintain a balance of loyalty and expertise. They do not indicate major changes in foreign or domestic policy. Premier Maurer has been replaced by Manea Manescu, a leading economist of proven loyalty, in a move that tightens Ceausescu's control of the bureaucracy. Others promoted were younger and better-educated than their predecessors and demonstrably loyal to Ceausescu; their past experience suggests an emphasis on increased efficiency in the domestic economy and in foreign trade.

USSR: The Soviets placed a satellite in a geo-stationary orbit for the first time yesterday

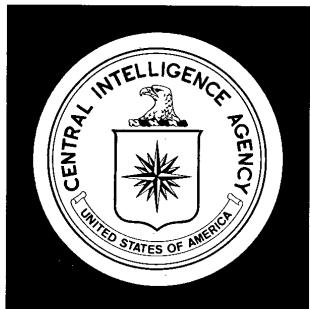
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Although the satellite's mission is unclear, it may be the first step in a program to develop a geo-stationary communications satellite; Soviet scientists have talked about such a satellite--Statsionar--on several occasions in the past five years. The orbit of the satellite launched yesterday would enable it to be used by ground stations in the Soviet Union 24 hours a day. It could also be used for gaining strategic early warning or gathering intelligence.

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# The President's Daily Brief

*March 28, 1974*

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*FOR THE PRESIDENT ONLY*

**THE PRESIDENT'S DAILY BRIEF**

March 28, 1974

**PRINCIPAL DEVELOPMENTS**

The Dutch foreign minister has informed London that the Netherlands will participate in an EC-Arab conference only if the embargo against the Netherlands is lifted and it is clear that the conference will not impede US - Middle East negotiations. (Page 1)

Saudi Oil Minister Yamani has told a US newsmen that his country will provide enough oil to compensate for Libya's continuing embargo. (Page 2)

Artillery, tank, and mortar fire between Israeli and Syrian forces on the Golan front flared abruptly yesterday after several days of relatively minor clashes. (Page 2)

The Algerian Government apparently has been calling home the troops and aircraft it sent to Libya and Egypt during last year's Arab-Israeli war. (Page 2)

Soviet party chief Brezhnev's personal intervention in the Japanese-Soviet talks on Siberian development raises the possibility that Moscow is prepared to make concessions that may be acceptable to the Japanese. (Page 2)

Notes on the USSR and Turkey appear on Page 3.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**NETHERLANDS - EC - ARAB STATES**

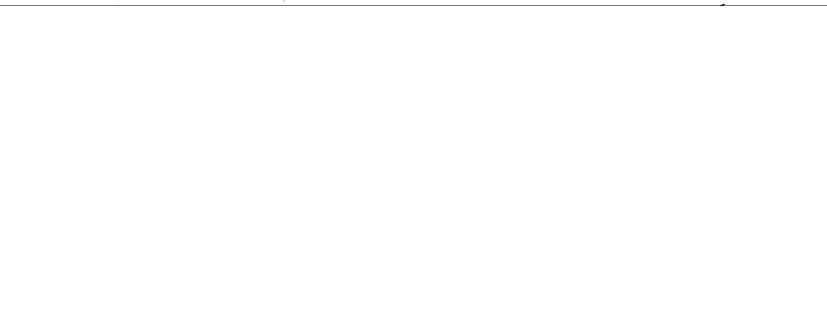
Dutch Foreign Minister van der Stoel has written to Foreign Secretary Callaghan placing conditions on Dutch agreement to an EC-Arab conference:

--the Arab embargo against the Netherlands must be lifted;

--the conference must not impede US - Middle East negotiations;

--progress must be maintained in the work of the Energy Coordinating Group set up at the Washington Conference.

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French Foreign Minister Jobert's recent efforts in Algiers on behalf of the Netherlands have not relieved the Dutch Foreign Ministry's suspicion of the French. The Dutch believe Jobert is interested mainly in undercutting opposition to an EC-Arab conference.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

NOTES

Oil: Saudi Oil Minister Yamani has told a US newsman that his country will provide enough oil to compensate for Libya's continuing embargo. Saudi shipments to the US will be set at 1,057,000 barrels per day, at least for the next 60 days, he said. This allocation is based on Saudi exports to the US last September, including overseas military bases, plus the amount of Libya's pre-embargo exports to the US.

Israel-Syria: Artillery, tank, and mortar fire between Israeli and Syrian forces on the Golan front flared abruptly yesterday after several days of relatively minor clashes. The exchange lasted over seven hours and involved the entire sector of the Israeli-held salient into Syria. The marked fluctuation in the intensity of clashes during the past 16 days tends to confirm that Syria's motivation for initiating most of the exchanges has been to maintain a credible negotiating position.

Algeria: The Algerian Government apparently has been calling home the troops and aircraft it sent to Libya and Egypt during last year's Arab-Israeli war. An armored brigade and aircraft units may have been withdrawn from Libya as early as January. There were still some Algerian planes in Egypt earlier this month, but a number have returned home, and the rest could return soon.

Japan-USSR: Soviet party chief Brezhnev's personal intervention in the Japanese-Soviet talks on Siberian development this week raises the possibility that Moscow is now prepared to cut through bureaucratic wrangling and make concessions that may be acceptable to the Japanese. Soviet intransigence on credit terms has been a major factor in delaying negotiations on Japanese development of Siberian coal, oil, gas, and forestry products. A Soviet trade ministry delegation is due in Tokyo on March 31 for another round of discussion on credit arrangements. The outcome of those talks should indicate whether early agreement is likely.

(continued)

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

USSR: A relatively small experimental aircraft  
the Soviets are building near the Black Sea [redacted]

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suggesting that it will be used to carry passengers or cargo. The aircraft seems intended to operate as an aerohydrodynamic vehicle, capable of operating close to the surface of water and at higher altitudes as well.

USSR: The Soviets are negotiating with Europe's largest aluminum manufacturer, a French firm, for a commitment to build a \$1-billion aluminum complex in the USSR. They also are talking to Kaiser Aluminum for a similar, but much larger, complex. If both deals materialize, the Soviets would double their refinery and smelter capacity. Their present capacity is about half that of the US.

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Turkey: The [redacted]  
opium poppy growing ban [redacted]

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[redacted] will probably be lifted; during the recent election campaign, both parties in the ruling coalition advocated doing so. Postponing the decision will still allow normal fall planting. Earlier this month, planting to assure seed stocks was resumed.

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# The President's Daily Brief

*March 29, 1974*

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## THE PRESIDENT'S DAILY BRIEF

March 29, 1974

### PRINCIPAL DEVELOPMENTS

Israeli Defense Minister Dayan may be bringing to Washington a detailed proposal for disengagement on the Golan Heights, but he expects no early breakthrough. (Page 1)

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The Communists are moving large quantities of supplies, about half of it ordnance, southward through South Vietnam's Quang Tri Province. (Page 2)

West German [redacted]

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[redacted] (Page 3)

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Yugoslav [redacted]

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(Page 4)

The border dispute between Chile and Peru could involve the President of the United States under terms of a 1929 treaty. (Page 5)

A note on the equipping of all but one Soviet army with mobile surface-to-air missiles appears on Page 6.

FOR THE PRESIDENT ONLY

## ISRAEL-SYRIA

The Israeli press claims that Defense Minister Dayan is bringing a detailed proposal for disengagement of Israeli and Syrian forces to his talks with Secretary Kissinger.

According to the influential Israeli daily Haaretz, Tel Aviv's proposal would include withdrawal by Israel within the salient occupied during the October war to a distance of about 15 kilometers. Ten kilometers would be returned to Syria, and UN forces would occupy a five-kilometer area between the Syrians and the Israelis. The Israelis would retain a five-kilometer area within the salient.

Under this plan, forces within the salient and to an additional depth of 20 kilometers on each side would be thinned out. South of this salient, where the 1967 cease-fire line still divides the adversaries, a narrow no man's land would be created with forces thinned out on either side. According to Haaretz, POWs would have to be exchanged before any withdrawal takes place.

The Israelis are aware that their proposal would be unacceptable to the Syrians, who have insisted on immediate Israeli withdrawal from all the territory occupied in 1973 as well as from the town of Al-Qunaytirah, captured by the Israelis in 1967 but briefly held by the Syrians in October. The Syrians have also publicly insisted that Israeli agreement to withdraw from all occupied territories is a precondition for a disengagement agreement.

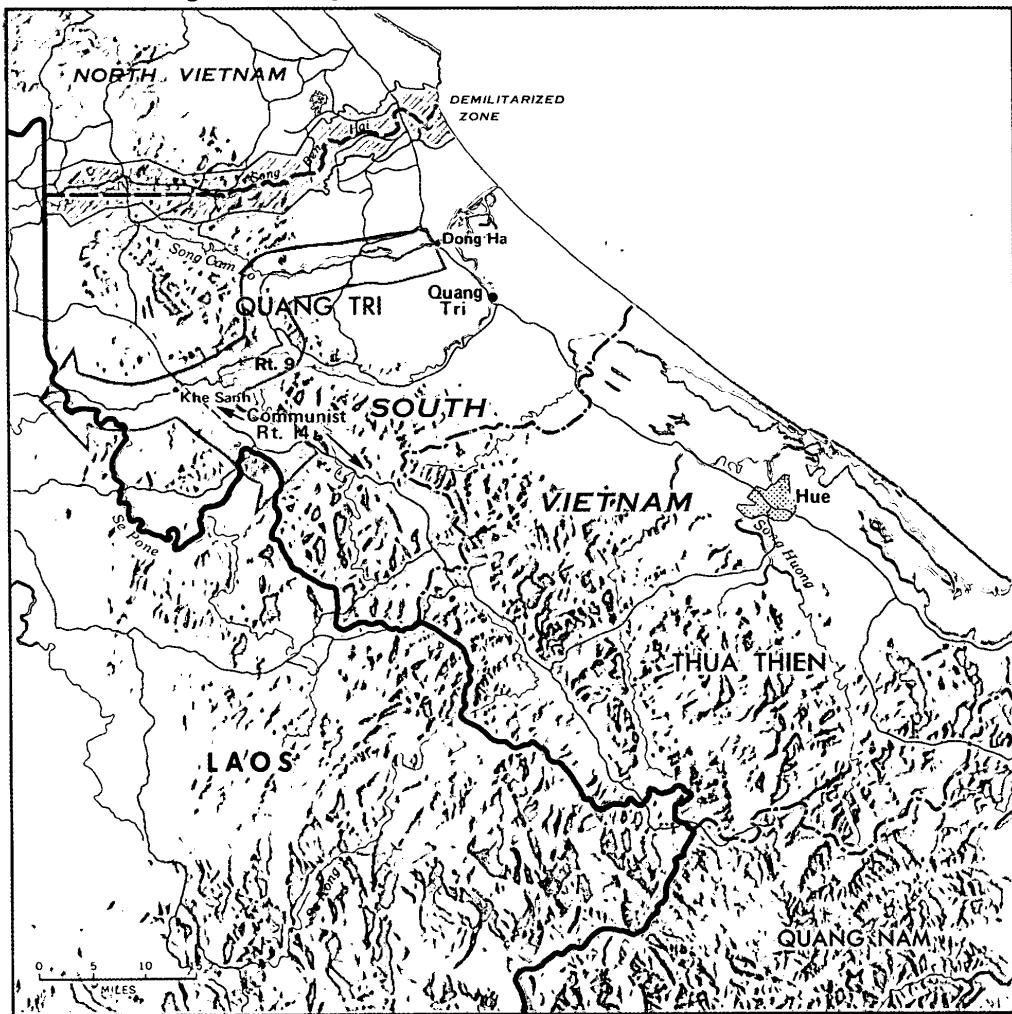
Israeli commentators say that Dayan does not expect any concrete results from the Washington meeting and that Israel is apparently prepared to see negotiations with Syria drag out for several months.

The current fighting along the Golan front, now in its third week, has been primarily the result of a Syrian effort--imitating Egypt--to bring pressure for a settlement. The Israeli response has varied widely. On several days the Israelis chose not to return the Syrian fire, but it was Israeli artillery that opened the heavy exchanges that lasted some 14 hours on March 27. It is unlikely that this action signifies an Israeli intent to expand the fighting or to begin any offensive against the Syrian forces.

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**Communist Logistic Activity**



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INDOCHINA

The Communists are moving large quantities of supplies through northern South Vietnam. Analysis of communications intelligence shows that since the beginning of the year, a North Vietnamese logistic unit in northern Quang Tri Province has handled possibly as much as 65,000 tons of cargo. About half of this is ordnance. The unit is responsible for moving supplies eastward along Route 9 from Dong Ha into Laos, and southward along Communist Route 14.

Most of the supplies probably go to units in South Vietnam, although small quantities may also be sent to Laos and Cambodia. The amount of ordnance handled during the past few months would allow the Communists in South Vietnam to continue fighting for several years at the current level and for more than a year at increased levels. These supplies supplement the sizable quantity of materiel which the Communists already had in South Vietnam.

The North Vietnamese have normally attempted to maintain large stockpiles of ordnance in South Vietnam, regardless of the level of fighting there.

## WEST GERMANY

West German Defense Minister Leber, discouraged over the continuing drift in Atlantic relations, is more than ever convinced that close defense ties with the US are vital for Germany's security. Leber has taken a strong stand, and apparently has helped influence the West German cabinet to espouse the idea of "effective consultations" with the US.

[redacted] 25X1

Leber has persuaded the current Eurogroup chairman, Norwegian Defense Minister Fostervoll, to call a meeting in early May for "stocktaking and planning." Leber apparently plans to press at that time for further steps toward defense coordination and cooperation [redacted]

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YUGOSLAVIA

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[Redacted]

Belgrade's decision to publicize some of its moves, notably the dispatch of tanks into Zone B and inspection trips there by navy and air force commanders, suggests the Yugoslavs are using the dispute to make it clear to all their neighbors that they intend to defend their country's territorial integrity.

[Redacted] on Monday. They said that increased Yugoslav military activity should be viewed in the context of a "defense against any and all powers" that might threaten Yugoslavia's sovereignty--presumably including the USSR. The generals claimed that their country is acting correctly in "signaling" its displeasure with the Italians, but they stressed that Belgrade's moves should not be read as a threat to Italy.

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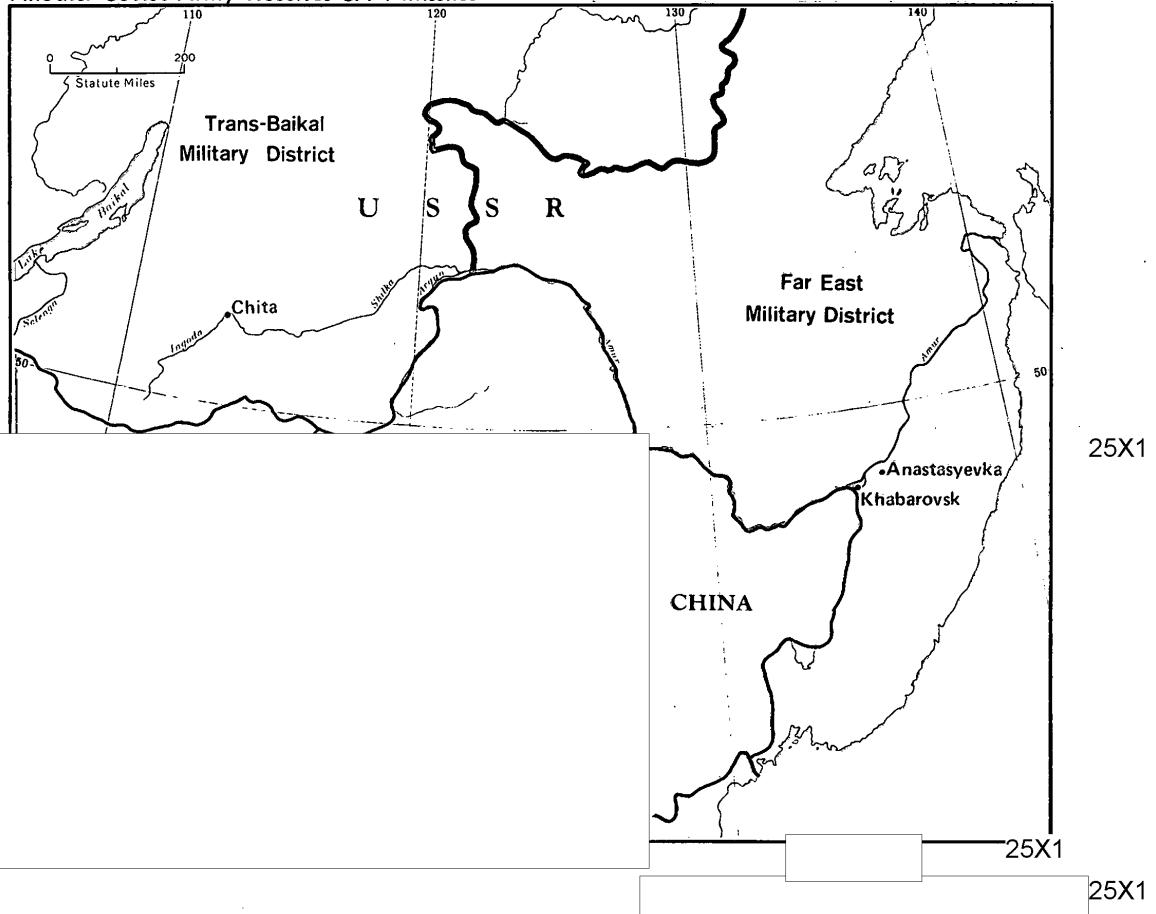
## CHILE-PERU

The territorial dispute between Chile and Peru could involve the US under terms of a 1929 treaty that formalized the results of the 19th Century War of the Pacific. The treaty provides for the settlement of interpretational disputes "by the President of the United States."

Peru suspects that Chile plans to make concessions to landlocked Bolivia that would involve Arica, a port that once belonged to Peru. Chile is not planning to cede Arica to Bolivia, which would violate the treaty, but may convert the city into an international free port. By such a move, Chile would hope to deter Peruvian revanchism, but any significant change in the city's status without prior consultation is likely to be denounced by Peru as a treaty violation. The US might then be drawn into the controversy.

The US is not a signatory to the treaty but the Harding, Coolidge, and Hoover administrations mediated between the parties, and the treaty's preamble notes that the accord was concluded "in conformity with the principles which the President of the United States of America, in performance of the good offices requested by the Parties...proposed."

Another Soviet Army Receives SA-4 Missiles



NOTE

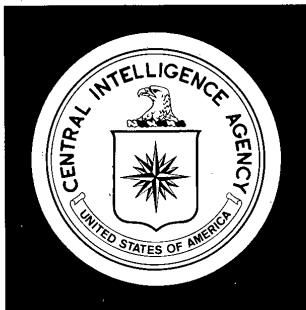
USSR: [redacted] the Soviets have almost completely equipped their armies with the SA-4 surface-to-air missile system. Only one Soviet army--located at Chita in the Trans-Baikal Military District--is not yet equipped with the system. Once this army is equipped, the Soviets may provide the missile to their Warsaw Pact allies. The SA-4 is a mobile system, designed to provide defense for ground forces against aircraft flying at medium to high altitudes.

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# The President's Daily Brief

March 30, 1974

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exemption category 3(b) (1)(2)(3)  
declassified under authority of  
the Director of Central Intelligence

**FOR THE PRESIDENT ONLY**

**THE PRESIDENT'S DAILY BRIEF**

March 30, 1974

**PRINCIPAL DEVELOPMENTS**

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Soviet [redacted]

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[redacted] (Page 1)

In China, the current political turmoil may have claimed its first high-ranking provincial victims.  
(Page 2)

In recent press interviews President Sadat has compared the Soviet Union unfavorably with the United States. (Page 3)

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[redacted] Soviets

25X1

[redacted] (Page 4)

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The NATO permanent representatives have overwhelmingly supported continuation of work on the US-NATO declaration regardless of action on the US-EC declaration. (Page 5)

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Algerian President Boumediene [redacted] would support Nouira [redacted] as the next president of Tunisia. (Page 6)

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Notes on West Germany - South Vietnam, South Korea, and South Asia appear on Page 7.

**FOR THE PRESIDENT ONLY**

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**USSR-CHINA**

[redacted]  
the USSR would be more conciliatory to China  
in bilateral discussions such as the border talks  
and economic negotiations. [redacted]  
[redacted]  
[redacted]  
[redacted]  
[redacted]  
[redacted]  
[redacted]  
[redacted]  
[redacted]

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Moscow's motives for following the line of this briefing presumably spring mainly from a desire to cool the more inflammatory aspects of Soviet relations with Peking and thereby limit the leverage that Moscow believes Washington gets from prolonged, open bitterness between the USSR and China. Moreover, in Soviet eyes, there is always a danger that Sino-Soviet tensions might reach a flash point and affect other Soviet policies, particularly detente with the West.

Looking ahead, as the Soviets move closer to calling upon the world's Communists to condemn the Chinese at another international conference, they must convince the more reluctant parties that Moscow has done everything possible to improve relations with the Chinese. Another longer term consideration is that the Soviets also want to prepare the ground for dealing with a post-Mao Chinese leadership.

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CHINA

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The current political turmoil may have claimed  
its first high-ranking provincial victims. [redacted]

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[redacted] political wall posters  
condemning by name the top two party and government  
leaders in Shansi Province. Hsieh Chen-hua and Tsao  
Chung-nan are probably being blamed for promoting an  
opera which includes an unflattering portrayal of a  
character apparently modeled on Madame Mao. There  
are indications that leaders in Shantung Province  
may also come under attack. Another opera first  
presented there includes a similar character. In  
Honan, it appears that a provincial leader is also  
in trouble, although no politically objectionable  
operas are known to have been produced there.

The attacks on the operas and the struggles  
over some other issues seem to add up to an effort  
by Madame Mao and her supporters to alter the force  
and direction of the anti-Lin, anti-Confucius cam-  
paign. If so, it would also seem that her forces  
are still in a relatively strong position.

The attacks on provincial figures may fore-  
shadow eventual criticism of high-level political  
figures in Peking. A People's Daily article on  
March 27 that attacked the Shansi opera warned  
that "whoever you are, however senior your official  
position, if you do not follow Mao Tse-tung's revo-  
lution line we shall strongly resist and struggle  
against you vigorously."

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

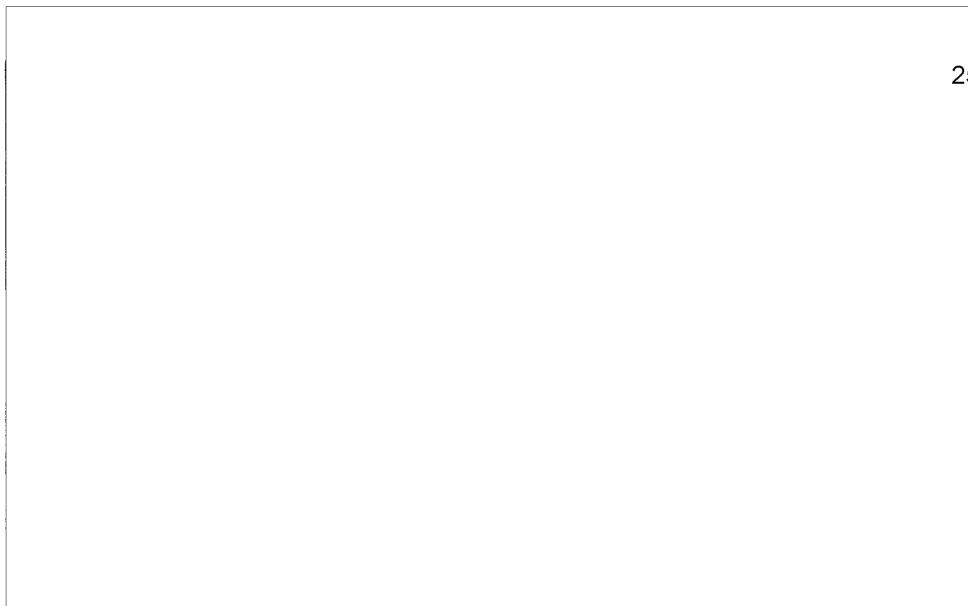
**EGYPT-USSR**

In recent press interviews President Sadat has compared the Soviet Union unfavorably with the United States, and he may be planning to sharpen his criticism of the Soviets in a major speech next week. A journalist close to Sadat, Ali Amin, predicted in a Middle East News Agency dispatch from Yugoslavia yesterday that Sadat, after he returns to Cairo from Belgrade, will "unveil political secrets connected with the behavior of certain big powers." An "important decision" is to be announced at the same time, according to Amin.

Amin's statement followed the Egyptian rebroadcast of a BBC interview with Sadat in which he praised the "radical change" for the better in the US attitude toward peace in the Middle East, expressed hope for better relations with Britain, and gave a temperizing reply to a leading question on the "ambiguity" of his relations with the Soviets. The Middle East News Agency also carried an interview with a Lebanese journalist in which Sadat charged that the Soviets had attempted to deceive him about alleged Syrian desires for a cease-fire on the opening night of the October war.

Soviet-Egyptian relations have reached the lowest point since the expulsion of Soviet military advisers in 1972. The Soviets, who were upset at having been excluded from the negotiations for the Egyptian-Israeli disengagement, have been increasingly critical of Sadat's friendly gestures toward the US and his interest in Western economic assistance and investment. Moscow has criticized Sadat's claims that US policy toward the Middle East has changed, and more recently condemned Sadat's support of the decision to lift the oil embargo on the US.

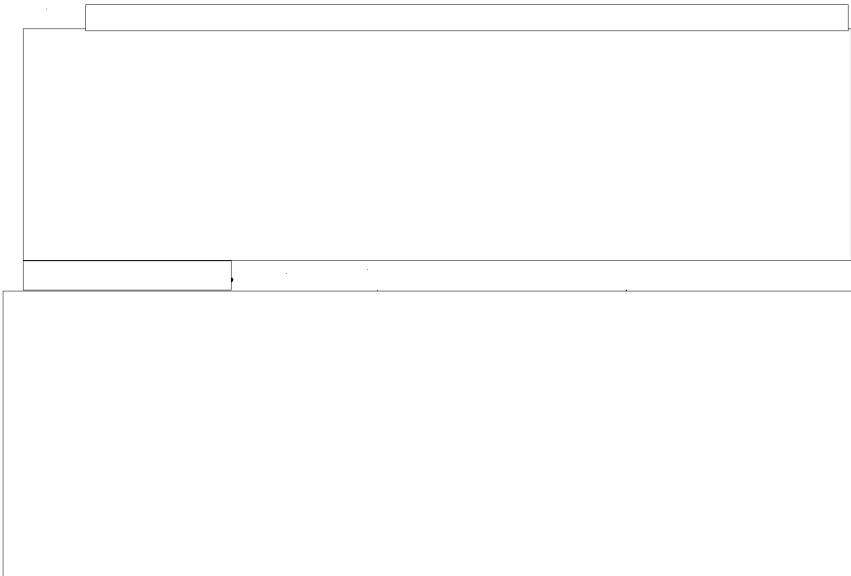
*FOR THE PRESIDENT ONLY*



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USSR



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NATO

At an informal meeting this week, the NATO permanent representatives overwhelmingly supported continuation of work on the US-NATO declaration regardless of action on the US-EC declaration.

Belgian NATO Ambassador de Staercke had urged that the representatives adopt such a policy. Secretary General Luns agreed, noting that the original US invitation for an Atlantic declaration was addressed to all NATO members and only later did the EC Nine opt for a separate declaration on US-EC relations. The West German, Italian, Norwegian, Dutch, Turkish, and Greek ambassadors all supported De Staercke. Only the French and Danish ambassadors questioned the proposal.

The Bonn Foreign Office has indicated agreement with UK Foreign Minister Callaghan's position that the fifteen should complete the US-NATO declaration in time for signature by the foreign ministers at the April meeting commemorating NATO's 25th anniversary.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

ALGERIA

[redacted]  
[redacted] Tunisian Prime Minister Nouira [redacted]  
[redacted]  
[redacted]  
[redacted]

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[redacted] is a logical choice  
for the Algerians to back. He led the opposition to  
the short-lived Tunisia-Libya merger agreement of  
last January, and has been working to improve rela-  
tions with Algeria since the merger fiasco. Nouira  
has also been friendly to the US.

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*FOR THE PRESIDENT ONLY*

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NOTES

West Germany - South Vietnam: The West German Foreign Ministry has agreed in principle to provide South Vietnam with more than \$17 million in aid for specific projects. Although the German package in itself will do little to help Saigon's balance-of-payments problem, it could encourage other potential donors to go ahead with their own economic assistance projects. Bonn is still withholding assistance from North Vietnam, largely because of Hanoi's continuing violations of the Paris accords as well as its demands for recognition of the PRG.

South Korea: Seoul will seek \$3 billion in foreign loans over the next two years. South Korea needs help to offset a projected \$1.1-billion trade deficit this year. Major Western donors, meeting in Paris this week, already have agreed on the need to increase funds. Based on South Korea's economic record, including a real growth rate of 17 percent last year, they believe that South Korea will be able to weather its economic difficulties.

South Asia: India, Pakistan, and Bangladesh are proceeding with plans to hold a high-level meeting in New Delhi on April 5 to settle the fate of 195 Pakistani POWs in India accused of war crimes by Bangladesh. Although it was feared the sudden illness and treatment in Moscow of Prime Minister Mujib would force a postponement of the tripartite conference, the Bengalee leader has apparently given his approval for the meeting. Some 75,000 of the more than 90,000 Pakistani POWs have already been repatriated, and soon all but the 195 will have been freed.

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