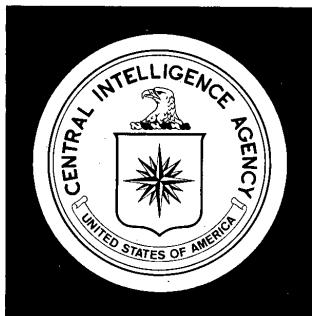


Notes by D.C.I.
2/1/74
W.W. 2/74



The President's Daily Brief

February 1, 1974

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declassification approved by
the Director of Central Intelligence

THE PRESIDENT'S DAILY BRIEF

February 1, 1974

PRINCIPAL DEVELOPMENTS

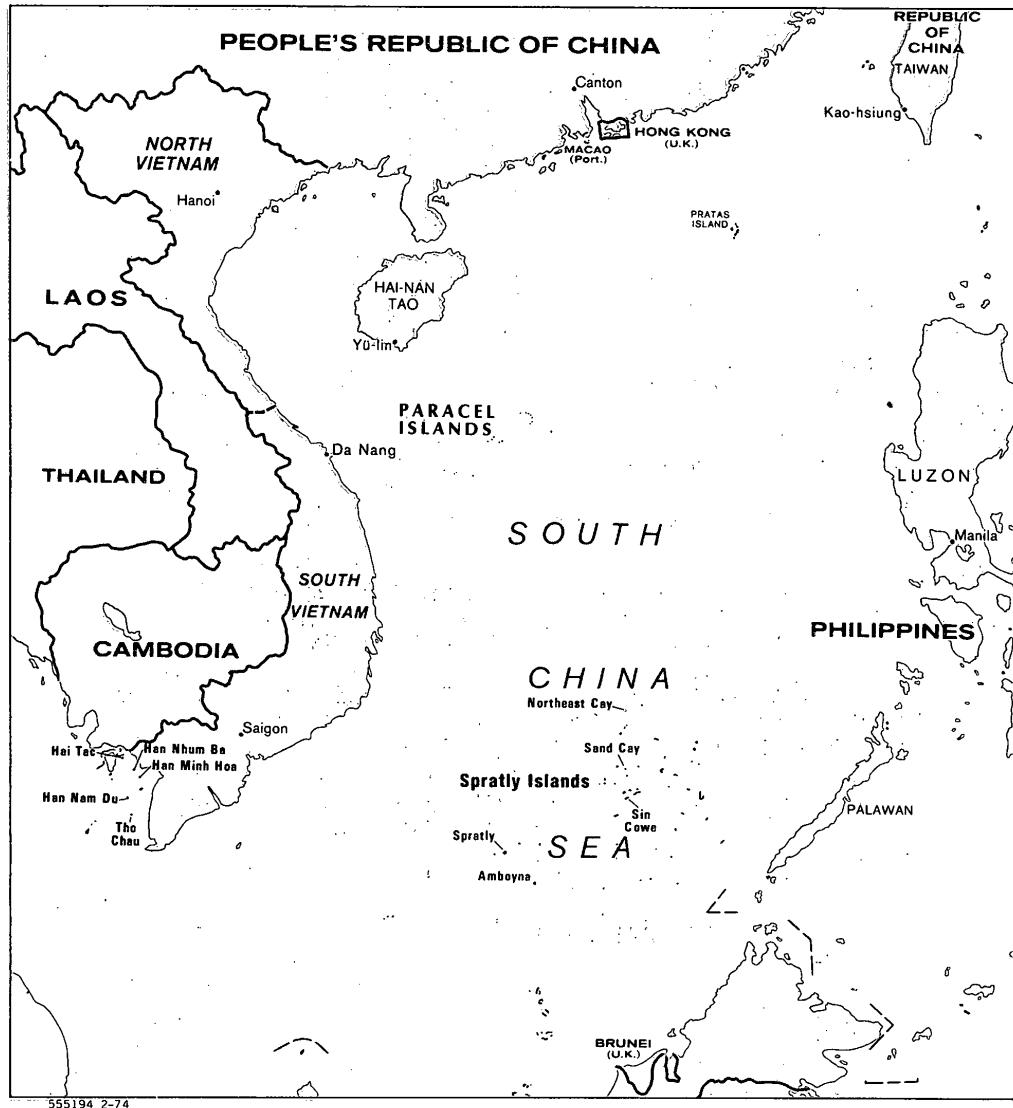
An item on South Vietnam appears on *Page 1*.

The alleged discovery of a plot against the Libyan regime and President Qadhafi's five-day absence from public view have given rise to rumors of serious strains within the Libyan leadership. (*Page 2*)

The French Government has publicly acknowledged that it is developing an air-to-surface missile which can carry a 500-kiloton nuclear warhead. (*Page 4*)

The Soviets are currently displaying a go-slow attitude toward the MBFR talks, probably for tactical purposes. (*Page 5*)

FOR THE PRESIDENT ONLY



555194 2-74

SOUTH VIETNAM

A South Vietnamese task force of three ships and 136 men began to make landings on the Spratly group of islands this morning without incident. The islands involved are Sin Cowe, Spratly, Amboyna, Northeast Cay, and Sand Cay. The commander of the task force has been told not to engage any other military forces that might be in the area, and not to attempt landings on any occupied islands.

* * *

25X1

South Vietnamese troops on January 30 also reinforced two of the islands they claim in the Gulf of Thailand and occupied three others [redacted]

[redacted] One of the islands--Hai Tac--is near the disputed line that separates Cambodia and Vietnam. Saigon has maintained a military garrison and radar station on this island for several years; it is therefore unlikely that its moves will be contested. The other four islands are generally acknowledged to be within South Vietnam's territorial waters.

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Saigon's moves may be related to its plans for granting further offshore oil exploration rights. Apparently as a result of recently intensified disputes over the Paracels and the Spratlys, Saigon moved up its timetable for oil company bidding for concessions, many of which are in the Gulf of Thailand. The bidding will now take place in February or March, several months ahead of the original schedule. [redacted] Saigon urgently needs foreign exchange and is determined to move on concessions before other countries with conflicting claims can act.

25X1

LIBYA

The alleged discovery of a plot against the Libyan regime, and President Qadhafi's five-day absence from public view, have given rise to rumors of serious strains within the Libyan leadership. No unusual military or security activity has been observed in Tripoli, however, and Qadhafi reappeared yesterday, apparently in firm control.

25X1

The discovery of the plot and the lack of positive results from his meeting with Tunisian President Bourguiba in Geneva last week apparently prompted President Qadhafi to retreat into temporary seclusion. Qadhafi is deeply disappointed by the course of events in the Middle East, the failure of his Tunisian merger initiative, and his troubles at home. In the past, such withdrawals have led to threats by Qadhafi to resign. If he does so again, it may intensify tensions within the regime.

* * *

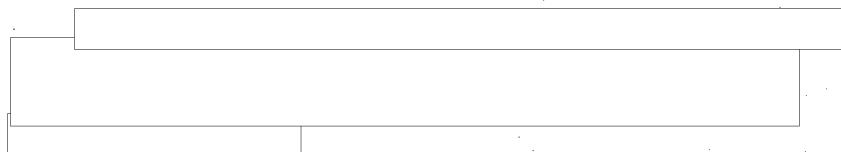
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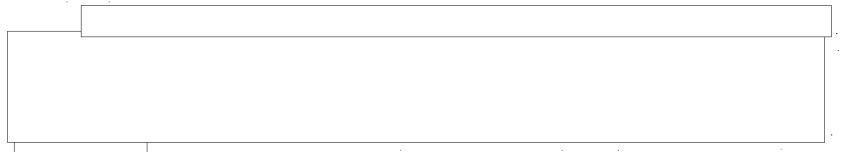
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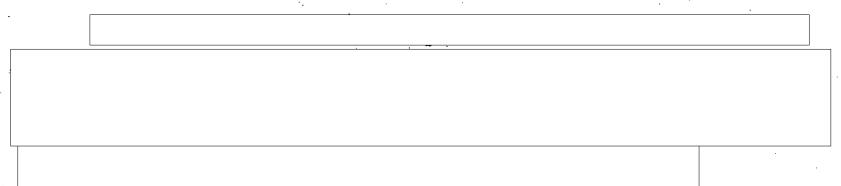
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FOR THE PRESIDENT ONLY

FRANCE

The French Government has publicly announced that it is developing an air-to-surface missile which can carry a 500-kiloton nuclear warhead and which will have a range of 50 to 90 miles.

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25X1

The French reportedly plan to use the missile with their next-generation tactical aircraft, a fixed-wing version of the Mirage G8. The aircraft-missile combination would provide additional deep-strike capability and could take over some missions of the aging Mirage IV strategic bombers.

The French Government has ordered a prototype of the new plane, designated the G8A, which should become operational toward the end of the decade.

USSR-MBFR

The Soviets are currently displaying a go-slow attitude toward the MBFR talks, probably for tactical purposes. Moscow's chief delegate has told a US representative that he plans a sight-seeing excursion soon since "in view of the pace of negotiations," there is time to make such a trip. He has also raised the question of Easter and summer recesses, thus implying that prolonged negotiations are expected. Brezhnev similarly took a negative attitude in his recent Havana speech when he questioned the sincerity of some Western participants in the talks.

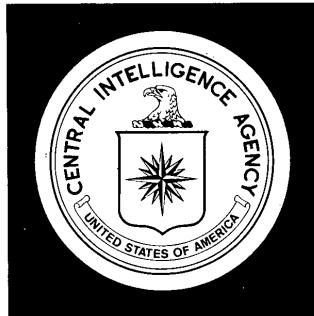
The Soviets apparently do not see a need to make any conciliatory gesture in the near future. They have a draft on the table and believe that the next move is up to NATO.

Moscow's chief delegate has also made a strong pitch for private US-USSR discussions. While he apparently tried to give the impression that the presence of Soviet allies might restrict Soviet freedom of maneuver, it is more likely that his offer was made to create mistrust and disarray in the NATO camp.

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The President's Daily Brief

February 2, 1974

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THE PRESIDENT'S DAILY BRIEF

February 2, 1974

25X1

PRINCIPAL DEVELOPMENTS

25X1

[redacted] Soviet [redacted] Pages 1 and 2. 25X1

Romania plans to challenge the USSR next week at the force reduction talks. (Page 3)

South Korean President Pak Chong-hui has expressed his increased concern about the possibility of a North Korean attack. (Page 4)

The Cambodian military situation is discussed on Page 5. 25X1

[redacted] the UK, [redacted] 25X1
[redacted] (Page 6) 25X1

Notes on the USSR, Egypt-Israel, and the EC appear on Page 7.

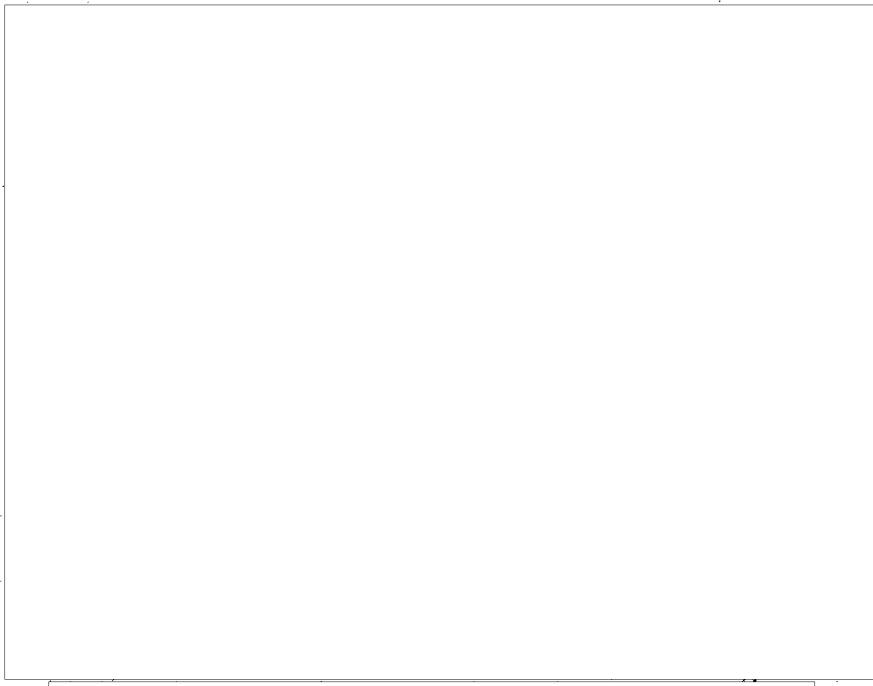
FOR THE PRESIDENT ONLY

USSR

25X1

[redacted] Dombarov-skiy ICBM complex [redacted] construction is continuing on the silos for the Soviets' new large ICBM, the SS-X-18. [redacted] the depth of all of the new large silos--both those that are being built from scratch and those being converted from SS-9 silos--will be the same.

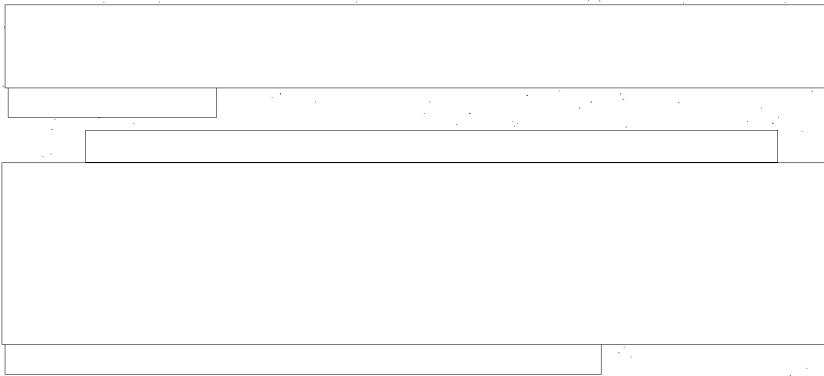
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ROMANIA

The Romanians are planning to introduce substantial amendments to the Warsaw Pact's proposals at the force reduction talks in Vienna next week.

[redacted] Bucharest will try to broaden Moscow's concept of notification and verification and will call for expanding both the geographic limits and the scope of military disengagement. The Romanian delegation has already circulated a draft to the Warsaw Pact allies, including the Soviets.

25X1

The Soviets have indicated that the Romanian proposals will not be accepted. This will come as no surprise to Bucharest. The Romanians' main purpose is to get their views about European security before the widest possible audience.

Bucharest's proposal is a shortened version of the ten points that Ceausescu believes should govern the conduct of international relations. The draft's call for broadened verification and notification is intended to protect Bucharest from its Pact allies.

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SOUTH KOREA

President Pak Chong-hui in a meeting on January 31 with Ambassador Habib expressed his increased concern about the possibility of a North Korean attack. Pak stressed that he had no specific information about North Korean intentions, claiming that his feeling was almost visceral--based on 13 years of carefully watching his North Korean adversary. He did, however, list some indicators--Pyongyang's recent naval activity off the west coast near ROK-held islands, its hostile propaganda, and its negative attitude toward the North-South talks. Pak also made specific reference to "recent information" about the arrival of additional Soviet aircraft in the North and the strengthening of North Korean reserve divisions along the DMZ.

Most of the points raised by Pak have been heard before. Since last summer, South Korean officials have been talking about the possibility of some limited North Korean action. Much of this is for domestic consumption and in recent weeks has been used to justify new measures to control political dissent. The references to the new Soviet aircraft and to the buildup, however, are new.

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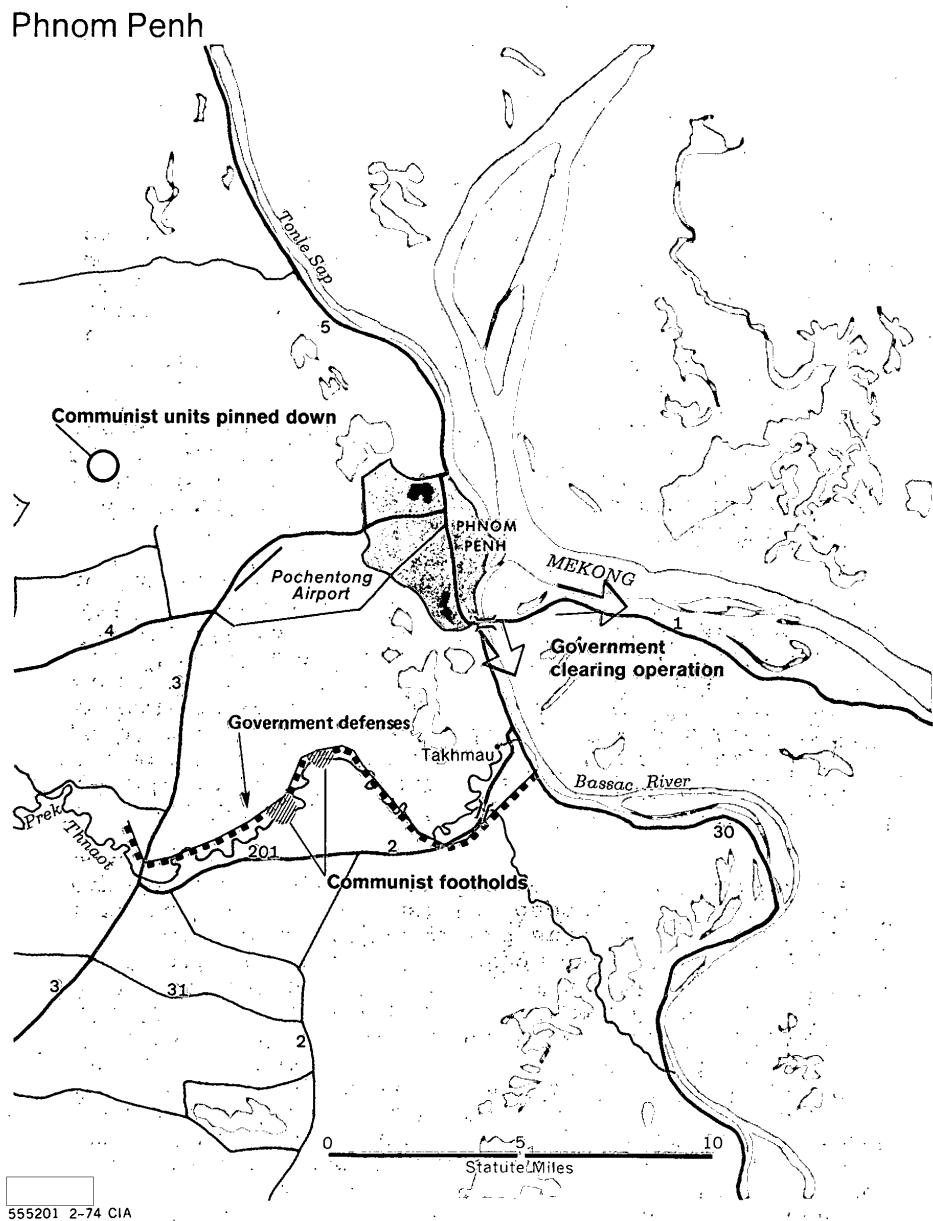
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Because of [redacted] several logical inconsistencies, and a lack of corroborating information, we view the report as highly suspect. Nonetheless, it appears to have prompted Pak to raise the security question with Ambassador Habib. Pak's emphasis on the speculative nature of his information leads us to believe that he does not attach great weight to the report but considers it worthy of being checked out. He specifically requested Habib to assist in this effort [redacted]

25X1



CAMBODIA

The Khmer Communists resumed their shelling of Phnom Penh today after a four-day interlude. About 70 howitzer rounds hit the southern and southwestern areas of the capital, killing at least 16 persons.

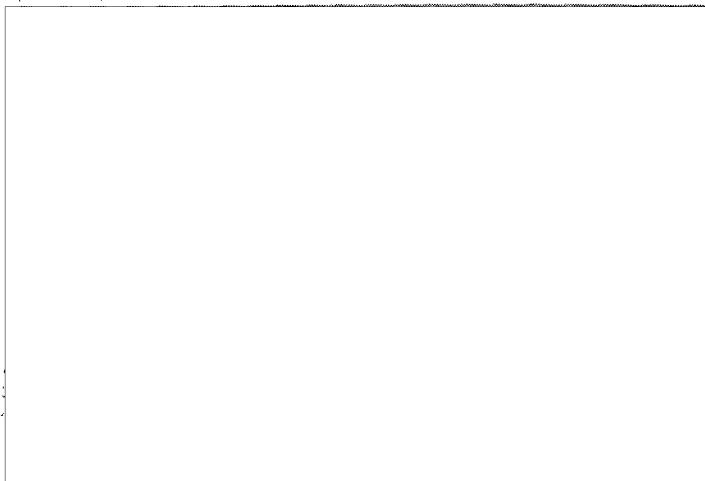
North of Phnom Penh, enemy pressure caused the withdrawal today of Cambodian Army units from positions on the east bank of the Tonle Sap River opposite the capital's petroleum storage depot at Prek Phnou. The enemy followed the ground attacks with ineffective mortar fire against the depot. Reinforced government units are attempting to push the Communists back.

Little significant ground combat occurred this week in the south. Both government and insurgent commanders are having coordination and discipline problems. The lull has allowed Cambodian Army reinforcements to counter increased Communist activity along Route 1 and the Bassac River southeast of Phnom Penh. Small Communist units raided villages along Route 1 within three miles of Phnom Penh earlier this week, and the southern suburb of Takhmau is receiving mortar fire from the Bassac's east bank.

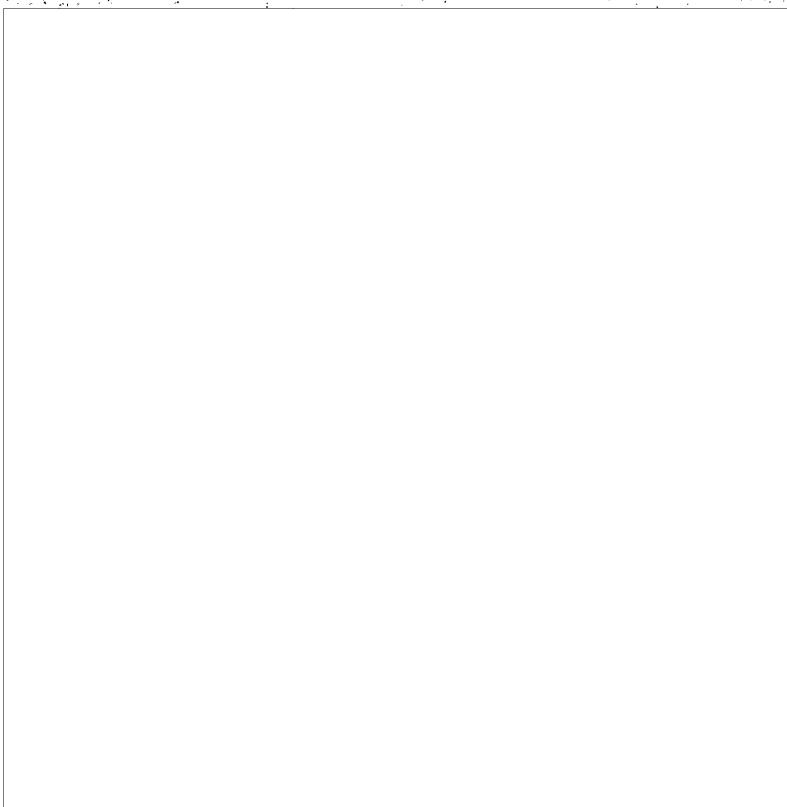
To the northwest, government artillery is keeping Communist units pinned down some five miles from Pochentong Airport. Intercepts indicate that the Communists have drawn units from the outlying provinces to reinforce the northern front.

UK

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NOTES

USSR:

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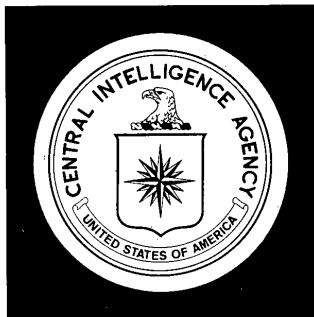
Egypt-Israel: Foreign Minister Eban has informed Ambassador Keating that Egypt has begun dismantling the surface-to-air missile sites on the Suez Canal's east bank. Egyptian officials last week agreed to remove the five sites by February 20 after Israeli officials had raised the issue at the Kilometer 101 talks. According to Eban, the Egyptian Army was at first reluctant to dismantle the sites but complied with President Sadat's "immediate, unequivocal orders" to do so.

25X1

European Communities: The EC foreign ministers reportedly made some progress toward agreement on regional development policy at their meeting on January 30, and this seems to have lessened tension for the moment. The broad debate requested by Belgium concerning the future of the community has been deferred until the Council meeting on February 4-5. Widespread dissatisfaction with France's recent behavior is likely to surface during this debate.

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The President's Daily Brief

February 4, 1974

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THE PRESIDENT'S DAILY BRIEF

February 4, 1974

PRINCIPAL DEVELOPMENTS

25X1

The Cambodian military situation is discussed on
Page 1.

25X1

Foreign Minister Gromyko is said to be planning to visit Paris in mid-February in preparation for President Pompidou's trip to Moscow. (Page 3)

In Jordan, mutinous elements of an armored brigade stationed some 15 miles north of Amman returned to their barracks yesterday but are still threatening to march on the capital if their demands are not met. (Page 4)

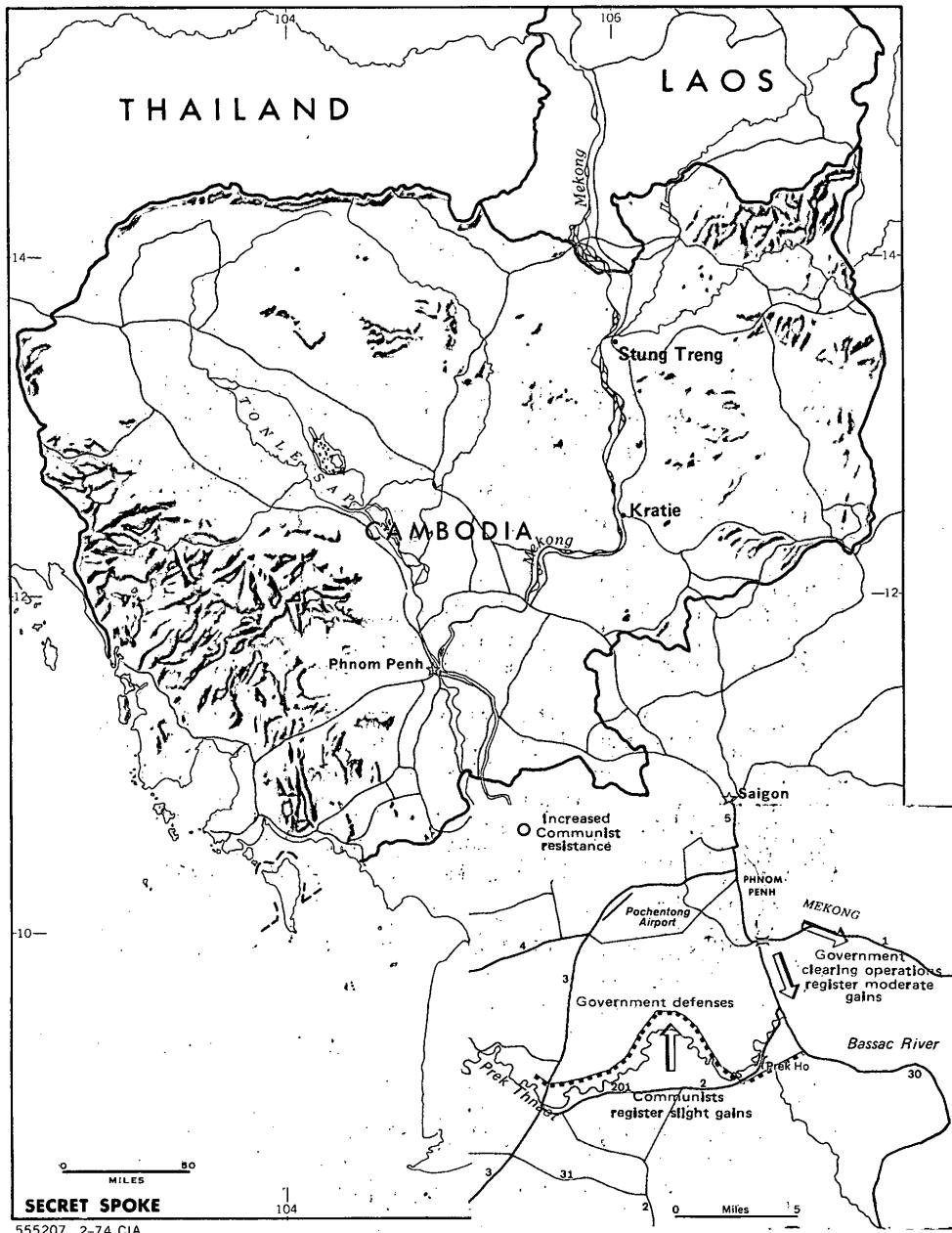
President Sadat's dismissal of the managing editor of Al-Ahram probably is designed to muzzle the increasingly unruly journalist. (Page 5)

25X1

Notes on Venezuela, Brezhnev's departure from Cuba,
[redacted] Soviet [redacted]
on Page 6.

25X1

FOR THE PRESIDENT ONLY



CAMBODIA

Khmer Communist artillery units have not shelled Phnom Penh in the past two days, although ground action around the capital has increased slightly. Communist attacks along the city's southern defenses have forced some withdrawals by Cambodian Army units from positions along the north bank of the Prek Thnaot River. Northwest of Pochentong Airport, government forces are on the attack but are meeting increasingly stiff resistance. Elsewhere, Cambodian Army units have made modest gains in clearing operations along Route 1 and the Bassac River southeast of Phnom Penh.

An intercept of February 1 indicates that a meeting of the standing committee of the Khmer Communist Party is being called for February 5 or 6 at an undisclosed location. The meeting is to assess the current tactical situation around Phnom Penh in order to "encourage a movement to attack and penetrate Phnom Penh immediately by jointly organizing and further expanding our forces to the maximum extent possible." Given the insurgents' command and control difficulties on the several tactical fronts surrounding Phnom Penh, however, their ability to mount a major coordinated offensive against the capital remains questionable.

A message of January 29 shows that the Khmer Communists are continuing to receive and allocate military equipment and vehicles recently given to them by Hanoi. The message notes that the transfer of equipment for insurgent forces in the western and southwestern regions of the country and in the Phnom Penh area is almost complete.

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USSR



USSR-FRANCE

Foreign Minister Gromyko is reportedly planning a trip to Paris in mid-February to lay the groundwork for one by President Pompidou to the USSR. Gromyko presumably will try to flatten the bumps so that Pompidou's visit can proceed smoothly.

The Soviets are already dropping hints in Paris that they hope the French will forgo complaints about an alleged Soviet-US "condominium" and about Moscow's failure to consult with Paris during the Middle East war in October. Public airing of such grievances late last year, together with fresh Soviet misgivings about possible changes in France's attitude toward West European defense cooperation, brought unusually high strain in relations between the two countries.

The Pompidou visit has been in the works for several months. In view of the frictions late last year, however, the Soviets have been dragging their feet. It now appears he will travel to the USSR not long after Gromyko's consultations in Paris.

25X1

[redacted] The French have been bitterly critical of what they consider Moscow's cavalier attitude toward the protocol on consultations, which the two countries signed in 1970.

25X1

During Soviet Deputy Foreign Minister Kovalev's visit to Paris last month, the French passed on specific suggestions about how to improve bilateral consultations. These may now be included in a Soviet proposal to be negotiated by Gromyko for signing at the summit. It is possible that Paris is seeking an accord similar to the US-Soviet agreement to consult bilaterally on situations that could lead to nuclear war. The Soviets, for their part, have been encouraging other countries to conclude agreements of this kind.

JORDAN

Mutinous elements of the elite 40th Armored Brigade, stationed about 15 miles north of Amman, quickly returned to their barracks yesterday, but they are still threatening to march on Amman if their demands are not met.

The move is apparently not directed against King Husayn, who is in London. It is, however, clearly intended to force him to remedy a number of long-standing grievances, particularly among the lower ranks of the army. The mutineers--primarily drivers and perhaps some junior officers--are demanding higher pay and lower commodity prices. In addition, they are asking for the dismissal of the [redacted] unpopular chief of staff, Sharif Zayd bin Shakir, and the return of the King's uncle, Sharif Nasir, as army commander. They may also be demanding the resignation of the government of Prime Minister Zayd Rifai, which they blame for the high cost of living.

25X1

Acting in the King's absence, Crown Prince Hassan and armed forces chief Majali succeeded at least temporarily in calming the mutineers and made the rounds of other army units yesterday to try to keep the mutiny from spreading. Hassan is known to be close to Sharif Nasir and is sympathetic to the mutineers' demands. He will almost certainly press Husayn to meet the 40th Brigade's demands as soon as the King returns.

No senior officers were involved in the mutiny or are likely to try to take advantage of the present undercurrent of disgruntlement. Civilian leaders in Amman reportedly are calm.

25X1

[redacted] If Husayn moves promptly to mollify the mutineers, as he probably will, the trouble is unlikely to spread. But if, once he returns to Amman, he procrastinates or responds with half-measures, more serious incidents could flare up.

EGYPT

President Sadat's dismissal over the weekend of Muhammad Hasanayn Haykal as managing editor and chairman of the board of Al-Ahram, while naming him presidential press adviser, probably is designed to muzzle the increasingly obstreperous journalist. Although frequently assumed to be a spokesman for Sadat, Haykal has in fact been his own man since the death of his patron, President Nasir. Since the cease-fire of October 1973, Haykal has consistently shown a pessimism about peace settlement prospects and a skepticism about US intentions that run counter to Sadat's own position and actions.

On February 1, Haykal devoted his weekly article to an attack on US aims in the Middle East. His statement that US policy has not altered appeared to be a direct slap at Sadat's repeated public assertions that it has indeed changed and should be reciprocated by gestures from the Arabs.

There is some question whether Haykal will accept his new appointment. Sadat may also come in for some criticism from the intellectual establishment at Al-Ahram for appointing Deputy Prime Minister Hatim as board chairman; Hatim, who is also information minister, was involved a year ago in the removal from the newspaper of several leftist writers and, despite their later reinstatement, he is not a popular figure in press circles.

On the other hand, Ali Amin, who will take Haykal's position as managing editor, is highly respected among the press. Sadat may hope to mollify his opponents in Al-Ahram with this appointment while, at the same time, signaling through Hatim's appointment that open opposition to government policies will not be countenanced.

NOTES

Venezuela: Caracas has announced that it will give Central American countries, which have been affected by the Arab oil cutback, preferential treatment in oil supplies but not in prices. The supplies apparently will come from royalties paid in crude to the government by foreign oil companies.

25X1

USSR: [redacted]

25X1

[redacted]
25X1

USSR-Cuba: General Secretary Brezhnev returned to Moscow this morning after a one-week visit to Cuba. A joint declaration on the visit was signed Saturday but has not yet been issued. The only agreements announced so far provide for Soviet assistance to Cuban aviation and for help to Cuba in finding new petroleum resources.

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February 5, 1974

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THE PRESIDENT'S DAILY BRIEF

February 5, 1974

PRINCIPAL DEVELOPMENTS

The South Vietnamese General Staff believes the Communists are planning new attacks in the central highlands within the next two weeks. (Page 1)

King Husayn has decided to return to Amman directly from London today as dissidence continues in units of the Jordanian Army. (Page 2)

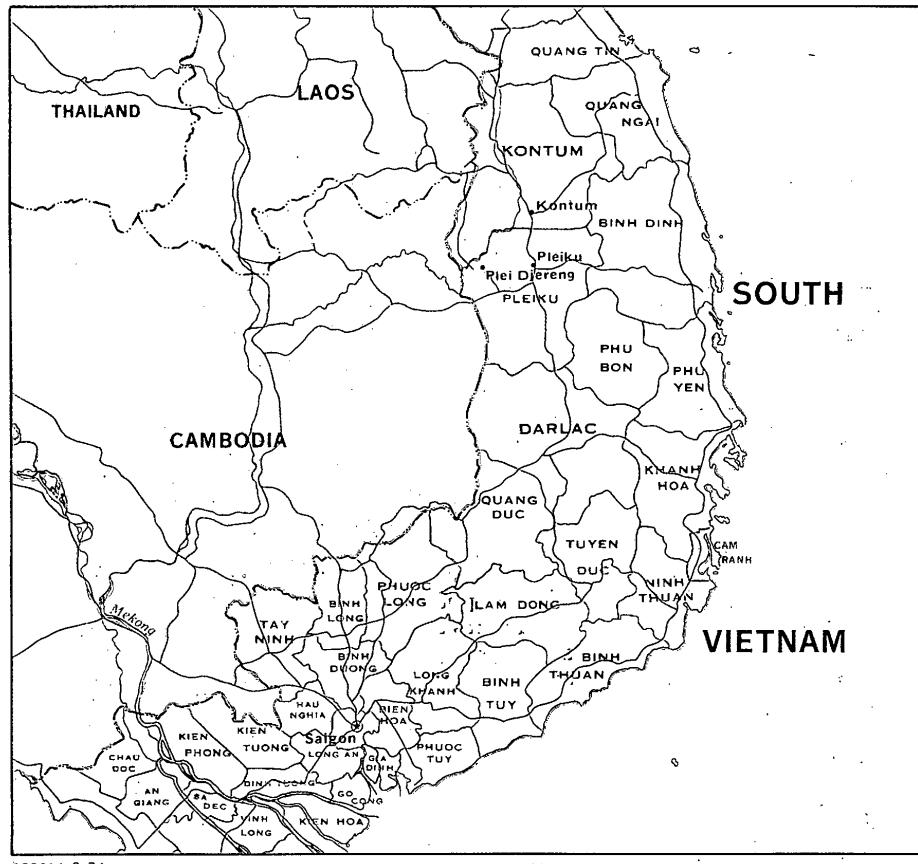
With last week's West European Communist party meeting in Brussels safely behind them, the Soviets are now promoting an all-European Communist conference. (Page 3)

The Saudis are said to have agreed to supply Italy with an additional 20 to 30 million tons of crude oil over the next three years. The agreement should help to cool the debate in Rome over Italy's Middle East policy. (Page 4)

Australian Prime Minister Whitlam, speaking in Thailand, reiterated his advocacy of a US military withdrawal from Southeast Asia and criticized the former US bombing of Vietnam from Thai bases. (Page 5) 25X1

Notes on Argentine-Soviet trade talks [redacted] and a South African uranium enrichment process appear on Page 6. 25X1

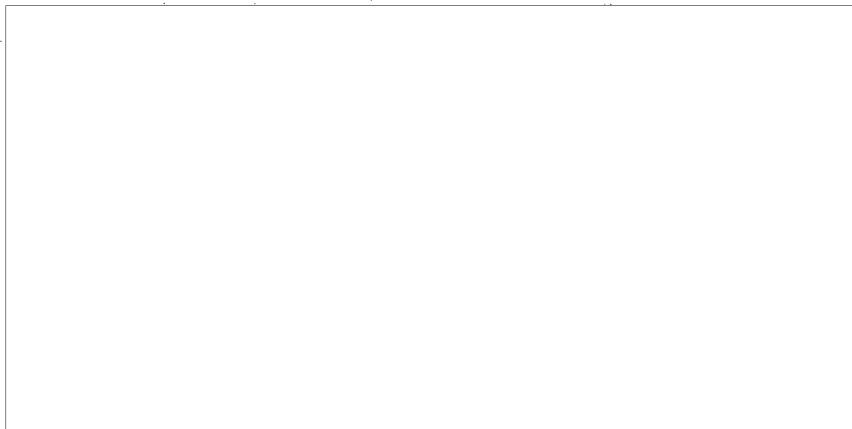
FOR THE PRESIDENT ONLY



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SOUTH VIETNAM

Saigon's Joint General Staff believes the Communists are preparing for new military action in the central highlands within the next two weeks.



25X1

Communist moves in the highlands appear designed to discourage further government probes into their western redoubts, and it seems unlikely that they will try to take any of the major population centers in the highlands such as Kontum and Pleiku cities. The Communists may fear that the government operation to recapture the Plei Djereng outpost in Pleiku Province will push farther west into Communist infiltration routes and base areas. Indeed, the government's commander for the highlands, General Toan, recently claimed that his troops had regained the initiative in the area and would continue attacking the Communist forces.

Neither side currently has enough strength to inflict a major defeat on the other in the highlands. Both, however, have sufficient troops and firepower to keep up a fairly intense rate of fighting for several weeks.

JORDAN

Jordan's King Husayn is cutting short his trip and returning directly to Amman from London today, according to a sensitive State Department cable. He has asked that his visit to the US be postponed until later this month. No reason was given for the postponement, but it is almost certainly because of the trouble that broke out in the Jordanian Army last weekend.

25X1

Yesterday, the elements of Jordan's elite 40th Armored Brigade that were responsible for the initial incidents Sunday appeared to gain support from other units of the 3rd Armored Division.

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25X1

25X1

The mutiny had appeared to lose momentum when Crown Prince Hussan and armed forces chief Majali succeeded Sunday in calming the original group of dissidents--about 40 enlisted men--by promising to take up their complaints with King Husayn upon his return to Jordan. The protesters, however, have apparently solicited and received support from the lower ranks of other units.

The soldiers' demands are primarily non-political--higher pay and special grants to pay off debts, such as higher ranking officers receive. Some, however, are calling for dismissal of the chief of staff, Sharif Zayd bin Shakir, and the return of Sharif Nasir, the King's uncle, as army commander. On learning of the trouble, Shakir returned from London and is touring army units in an attempt to placate the dissidents. So far, there has been no violence. The incident has not yet appeared in the press, but news is being spread in Amman by word of mouth.

USSR

With last week's West European Communist party meeting in Brussels safely behind them, the Soviets are now promoting a pan-European Communist conference. The Moscow-oriented West German Communist Party has openly endorsed such a conference, and Soviet and East European media lost no time picking up the statement. The Soviets apparently view a European meeting this year as a prelude to a world meeting in 1975.

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ITALY - SAUDI ARABIA

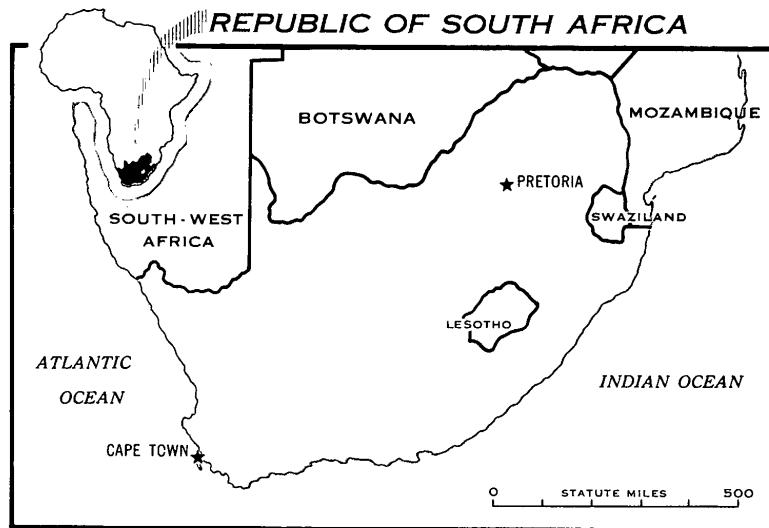
The Saudis reportedly have agreed in principle to supply Italy with an additional 20 to 30 million tons of crude oil over the next three years. Italy's oil consumption came to over 100 million tons in 1972. The details of the agreement, which apparently was concluded during Foreign Minister Moro's visit to Saudi Arabia last weekend, will be worked out between the two state oil companies. It involves agricultural and industrial cooperation and may include the exchange of Saudi oil for Italian industrial plants.

Although Moro apparently was unable to arrange any new oil deals during his visits to Kuwait and Iran, the Saudi agreement should help cool the debate in Rome over Italy's Middle East policy. Prior to the Foreign Minister's swing through the Middle East, the government was under sharp attack from business and political circles for following a policy calculated to offend no one while other West Europeans arranged separate deals with Arab oil producers.

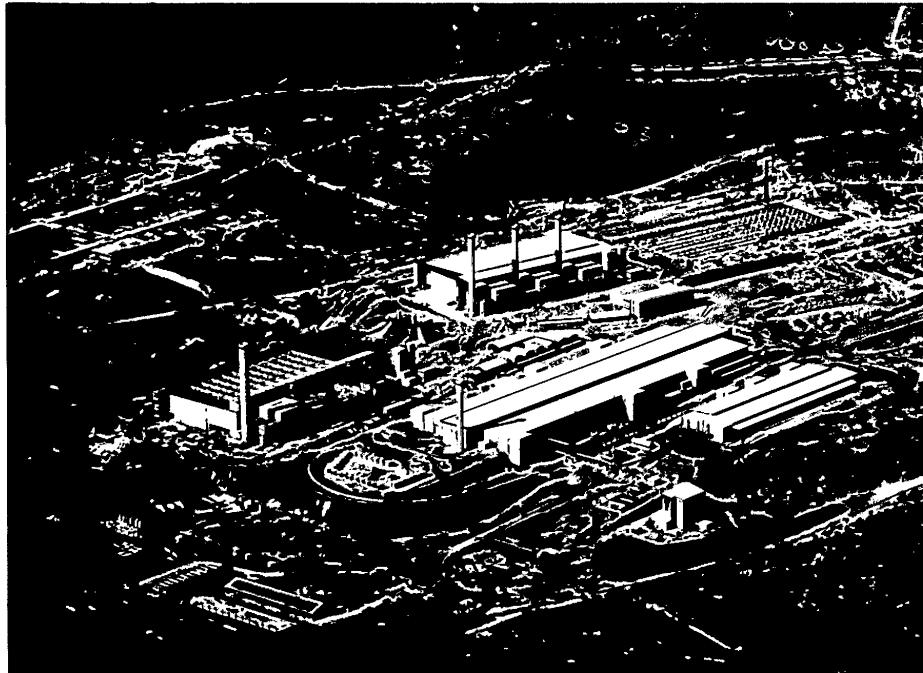
AUSTRALIA

During Prime Minister Whitlam's four-day visit to Thailand, he reiterated his advocacy of a US military withdrawal from Southeast Asia and criticized the former US bombing of Vietnam from Thai bases. These remarks were applauded by the Thai press, which only a year ago roundly denounced similar comments by Whitlam. This change in press treatment reflects the newly critical view of US-Thai relations that has emerged in Bangkok since the overthrow of the Thanom regime.

25X1



Uranium Enrichment Plant Under Construction Near Pretoria, South Africa



555210 2-74 CIA

25X1

NOTES

Argentina-USSR: A large Soviet economic delegation arrived in Buenos Aires last week to discuss the sale of equipment for electric power projects, off-shore oil exploration, coal mining, petrochemicals, and fishing. Argentina wants to sign a long-term agreement for the export of beef and other consumer goods to the USSR. The Soviets, however, will insist that the Argentines buy more Soviet goods in order to correct the persistent imbalance in trade between the two countries.

25X1

Argentina: [redacted]

25X1

South Africa: A new uranium enrichment pilot plant built near Pretoria apparently will use an "aerodynamic" process that involves the use of large amounts of helium. The method of enrichment may involve a technique developed by a West German scientist. This process has never been used commercially, however. The government claims that the process, which will be tested in the pilot plant late this year, will be economically competitive. Although it, like any isotope separation process, is designed to produce reactor fuel, it could be adapted to produce weapons grade material.

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February 6, 1974

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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

February 6, 1974

PRINCIPAL DEVELOPMENTS

Bonn's hopes for making significant strides toward EC unity have been set back by the French. (Page 1)

Prime Minister Heath's response to the miners' decision to go ahead with a national strike on Sunday suggests that the government intends no further concessions. (Page 2)

Jordan's King Husayn has returned home to find that dissidence is spreading. (Page 3)

In China, the anti-Confucius campaign has moved into a new phase. (Page 4)

The French are pursuing negotiations with Saudi Arabia for oil. (Page 5)

25X1

[redacted] Syria. (Page 6)

25X1

A meeting of the Palestine Liberation Organization will probably be postponed because of dissension over the question of participating in the peace negotiations. (Page 7)

25X1

[redacted]
The Japanese Foreign Minister's attempt to line up support within the ruling Liberal Democratic Party for an aviation agreement with China has sparked political infighting. (Page 9)

Notes on the Philippines, Egypt, and Laos appear on Page 10.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

WEST GERMANY - FRANCE - EC

West German hopes for making significant strides toward EC unity while Bonn chairs the EC Council this winter and spring have been set back by the French decision to float the franc. German officials are particularly bitter over the French action because it followed Bonn's offer to make some \$3 billion available to help France stay in the European joint float.

Some German officials suspect that the French had hoped West Germany would react with some hasty action that would have shifted the onus for the EC's difficulties to Bonn. There is still some speculation in Bonn, however, that Paris may make some conciliatory gesture or even rejoin the float later this year.

Bonn has not yet abandoned all hope of progress in the EC during its chairmanship. Finance Minister Schmidt, speaking in London last week, reaffirmed West Germany's call for a coordinated European effort to find a solution to the world energy and monetary problems. Schmidt also indicated that the remaining five members would continue the joint float in the hope that others--meaning France--would join.

Meanwhile, the US Embassy in Bonn believes that the West Germans are taking a close look at their foreign policy in light of recent setbacks suffered by the EC, the hardening of Soviet and East European attitudes toward the Federal Republic, and uncertainties about the continued US military presence in Europe. There is a growing feeling in some quarters that continued close ties with the US are of first importance, while others advocate a more conciliatory line toward the USSR and its allies.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

UNITED KINGDOM

Prime Minister Heath's response to the miners' decision to go ahead with a national strike on Sunday suggests that the government intends no further concessions. Heath accused the miners of an unwillingness to compromise, and Secretary of State for Employment Whitelaw commented that "no government could have been more reasonable."

Because negotiations have failed and there is no effective legislation to deal with the current crisis, Heath may be forced to call an early election. Although the miners may still refuse to return to work should the Tories win, Heath could impose a wage-price freeze as the next stage of his counterinflation program. He would probably try to get parliamentary approval for sterner industrial relations legislation.

Should the Trades Union Congress fulfill its pledge of last month to throw the full support of its 10 million members behind the miners, something approaching economic chaos is likely to result. Strikes would add to the already mounting trade deficit, turn the economic growth rate downward, and bring rising unemployment. Britain has been on a three-day workweek since the beginning of the year, and the government has threatened to cut back further if a strike occurs. The miners' ban on overtime, in effect for nearly three months, has reduced coal production by roughly 30 percent. The government now estimates that the power stations' coal stocks will carry the country only through March.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

JORDAN

King Husayn returned to Amman from London last night to negotiate with rebellious army elements, whose demands appear to have hardened since trouble erupted last weekend.

The small group of enlisted men who started the trouble has gained adherents from among the lower ranks of other units.

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So far, one attempt to mollify the dissidents has failed. A conciliatory message allegedly sent from the King in London was circulated yesterday morning, but most of the rebellious troops do not believe it came from him.

The troops were disdainful of the claim in the message that the government is doing its best to lower the cost of living and to raise soldiers' pay. The message postponed the decision on a prime demand, suspension of debts owed by enlisted men. As a result, the dissidents insist they will henceforth negotiate only with King Husayn.

Besides economic benefits, the troops are calling for dismissal of the army and air force chiefs of staff and the Prime Minister, whom they blame for the high cost of living. They want the King's uncle, Sharif Nasir, to be named army commander and prime minister.

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So far, loyalty to the King is firm. There has been no violence, and both Amman and Zarqa appear calm. Local media have not reported the trouble, but public discussion of it is growing.

Security officials are concerned that the situation may be exploited by civilian dissidents in the form of sympathy demonstrations in Amman. Security forces probably could not be counted on to suppress such a demonstration with force.

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FOR THE PRESIDENT ONLY

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CHINA

The anti-Confucius campaign has intensified. Peking apparently issued instructions late last month making the campaign a priority task. The propaganda media are devoting almost exclusive attention to it, and Chinese residents are waiting in line to buy newly published anti-Confucius material.

On February 2, an editorial in the official party newspaper indicated that the campaign has Mao's personal endorsement and called on "every leading comrade" to take a stand. Terming the drive a "mass political campaign," a "thoroughgoing revolution," and a "war," the editorial noted that the campaign is linked with the "current class struggle."

The campaign has become the largest political movement in China since the Cultural Revolution of the mid-1960s, but its objectives appear to be more limited. The February 2 editorial injected a note of caution, warning cadre to "keep firmly to the general orientation" of the struggle. Provincial broadcasts have echoed this theme and have called for discipline in carrying out the campaign. Many Chinese and foreign observers have speculated that the drive is aimed at someone in the current leadership. The Cultural Revolution, by contrast, was an attempt to shake up the entire Chinese party and government apparatus.

The campaign has contributed to heightened political tensions. Policy debates, particularly in the fields of culture and education, are being waged in the media almost daily. Western music has come under attack, and a Western film maker was denounced for an unflattering portrayal of life in China. Foreign diplomats in Peking have noted that domestic political tensions are being reflected in the increasingly standoffish behavior of Chinese officials.

FOR THE PRESIDENT ONLY

FRANCE - SAUDI ARABIA

The French are pursuing negotiations with Saudi Arabia for oil, and hope to get 800 million tons over 20 years with 200,000 barrels per day as an average over the first three years. Imports would rise sharply thereafter. The final price has not been established. French officials are comparing the reported UK contract with Iran at \$7 per barrel, plus margin, to recent "small" Saudi offers to France of about \$11 per barrel.

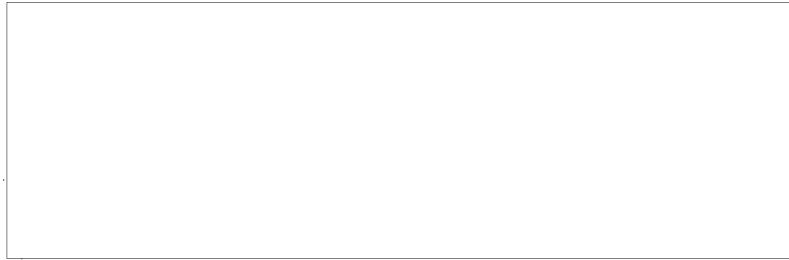
According to the US Embassy in Paris, industrial projects proposed by the French include construction of oil tankers and petrochemical plants, and expansion of the Jidda refinery. Water desalination projects, color TV systems, steel works, international telephone hook-ups, and mineralogical research are also being discussed. French inability to come up with a unified industrial package is probably causing delays in the talks. Foreign Minister Jobert reportedly is dismayed that French business is not geared to provide such offers and that the Quai cannot provide business with the necessary staff support.

Negotiations are being conducted under an intergovernmental committee established during Jobert's visit in late January. The French hope to reach general agreements on oil purchases and on industrial and technical assistance by late March. Paris believes it is essential to arrange deals now on a government-to-government basis, because it feels the Saudi regime will assume an increasingly important position in oil marketing while the role of the international companies will decline.

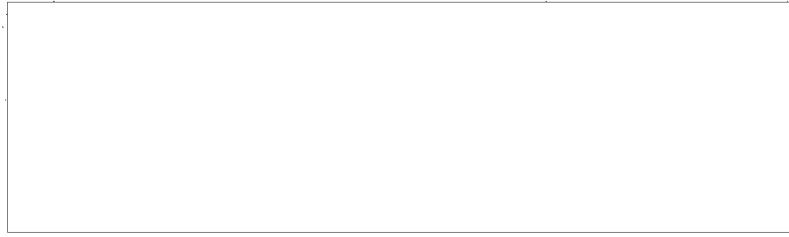
FOR THE PRESIDENT ONLY

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SYRIA-IRAQ-EGYPT



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FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

FEDAYEEN

A meeting of the legislative council of the Palestine Liberation Organization (PLO), scheduled for February 15, will probably be postponed indefinitely. According to [redacted] the Syrian-controlled Saiga fedayeen organization, a council meeting at this time would only emphasize the dissension over the question of participating in the peace negotiations.

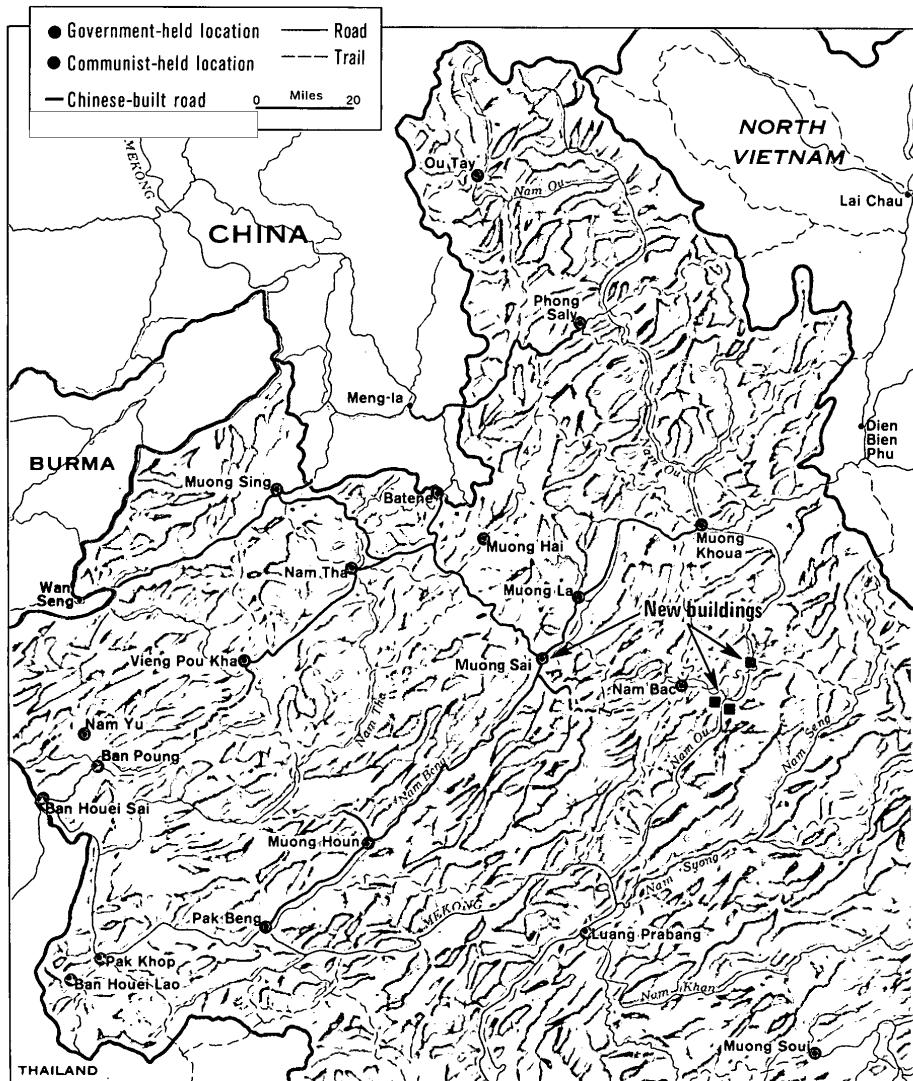
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PLO chairman Arafat is meeting this week with other fedayeen leaders in Damascus, after consultations with the leaders of Egypt, Libya, and Saudi Arabia. Arafat almost certainly has been appealing for their help--or at least noninterference--in his efforts to forge a peace policy that other fedayeen leaders can accept.

President Sadat has complicated Arafat's task by insisting that the PLO reach an agreement with King Husayn on Palestinian representation at the peace talks. Although some Fatah moderates would accept a limited working relationship with Husayn for tactical purposes, the more radical, non-Fatah PLO leaders would not. They are already criticizing Arafat for his willingness to involve the Palestinians in peace negotiations and his failure to condemn the Egyptian-Israeli disengagement.

FOR THE PRESIDENT ONLY

Chinese Road Network in Northwest Laos

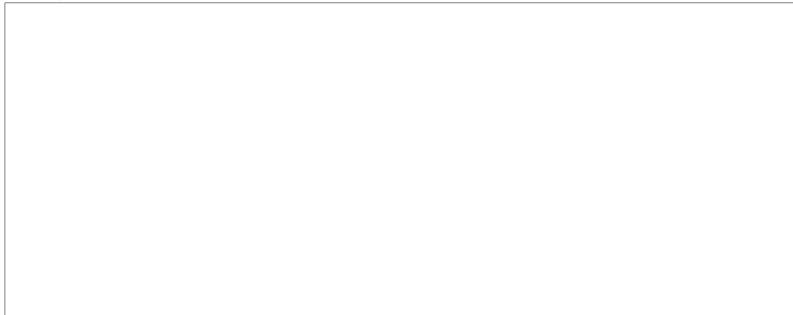


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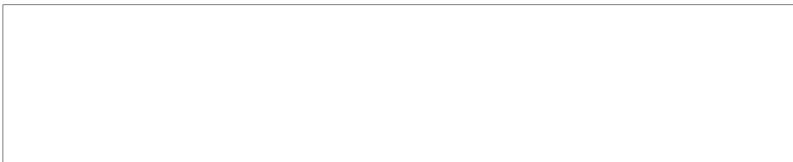
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FOR THE PRESIDENT ONLY

CHINA-LAOS



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The latest photography provides no evidence of a significant expansion of the Chinese-built road system. The Chinese have apparently begun construction of numerous buildings along the Ou River, however, and are expanding their facilities at Muong Sai, the central town along the road network. Many of the new buildings appear to be suitable for housing, possibly for the troops that have just arrived.

FOR THE PRESIDENT ONLY

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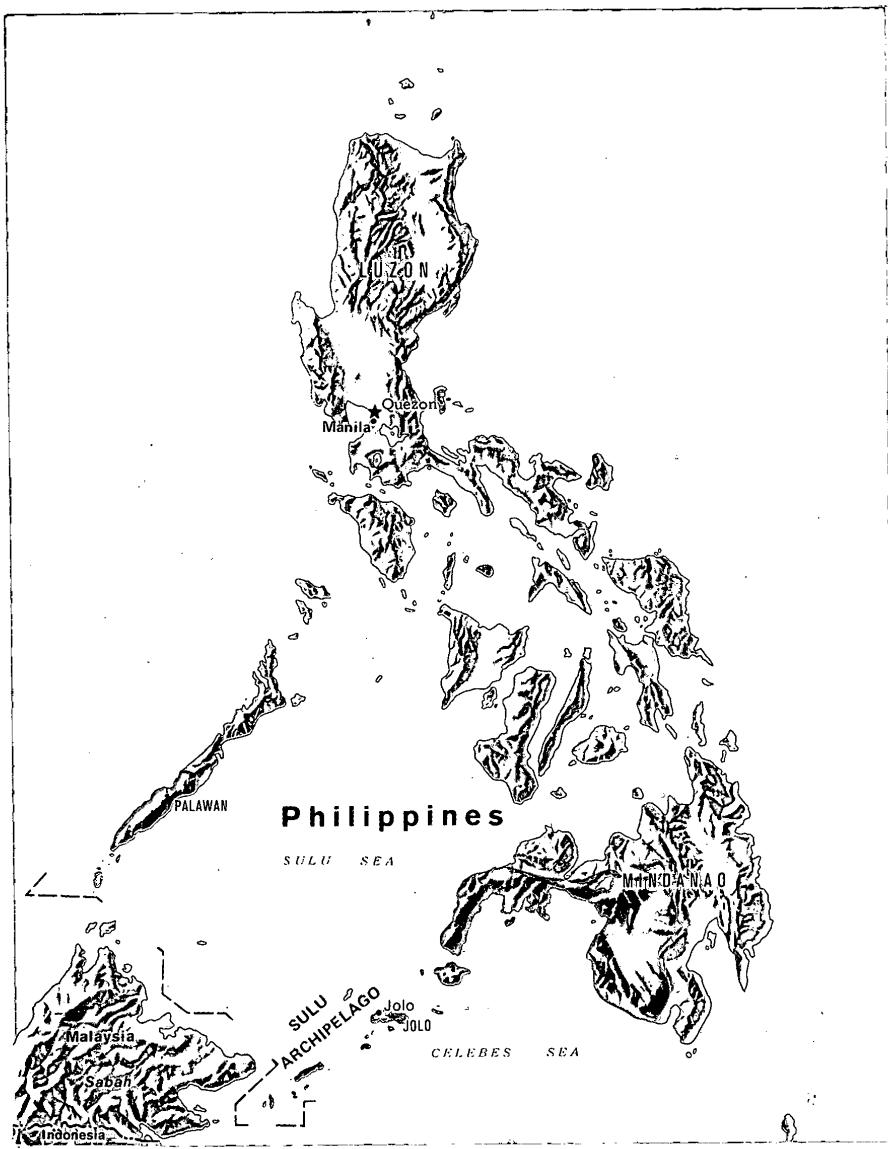
JAPAN

Foreign Minister Ohira's attempt to line up support within the ruling Liberal Democratic Party (LDP) for an aviation agreement with Peking has sparked considerable political infighting. While a clear majority of LDP Diet members favors the agreement, the dissenters represent political and business interests that cannot be ignored.

Some Diet members are ideologically opposed to close dealings with Peking. Others receive financial support from Japanese firms doing business with Taiwan. Still others, such as Finance Minister Fukuda, would like to see Ohira and Prime Minister Tanaka stumble politically on the issue. Fukuda and Ohira are leading contenders to succeed Tanaka as prime minister.

Discussions within the LDP will probably continue until pro-Taiwan elements have demonstrated their sincerity to constituents and sponsors. A face-saving arrangement will probably result. Although Tanaka has so far given little support to Ohira on this issue, he clearly realizes the foreign minister's importance in the cabinet. Ohira has committed his prestige to the agreement and failure to receive party approval could cause him to consider resigning.

FOR THE PRESIDENT ONLY



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Area predominantly Muslim

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NOTES

Philippines: The government on February 4 launched a new combined military offensive against radical Muslim dissidents in the Sulu Archipelago, where insurgent activity has been heaviest in recent weeks. Mortar attacks on government positions on Jolo Island have forced the Philippine Air Force to remove planes from its base there. Dissident Muslim leaders in western Mindanao may now be tempted to take advantage of the government's preoccupation with Jolo to increase their own activity.

Egypt: President Sadat may have postponed the cabinet change he was considering last month in order to avoid giving the impression that Egypt regards the Arab-Israeli conflict as over or that Cairo is relaxing its military guard. The reorganization was to have brought Economy Minister Hijazi to the prime ministership, a post that Sadat has held along with the presidency for the past year. Hijazi has been heavily involved in Sadat's new economic programs. With or without the cabinet change, Sadat will probably continue with his plans for reconstruction and economic liberalization.

Laos: The government and the Communists have reached agreement on the establishment of a joint police force, according to a Pathet Lao announcement. This eliminates a major obstacle to the formation of a coalition government, which could be set up in the next few weeks.

FOR THE PRESIDENT ONLY

Top Secret



The President's Daily Brief

February 7, 1974

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Exempt from general
declassification schedule of E.O. 11652
exemption category SR(1)(2)(3)
declassified only on approval of
the Director of Central Intelligence

FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

February 7, 1974

PRINCIPAL DEVELOPMENTS

[Redacted]

(Page 1)

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The EC Council has approved a position paper which will allow the community to adopt a cooperative stance at the energy conference in Washington next week. (Page 2)

[Redacted]

(Page 3)

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Brezhnev's week-long visit to Cuba did not result in any major new agreements but brought Cuba more firmly into the Soviet orbit. (Page 4)

Canadian Energy Minister MacDonald is to visit the Middle East later this month to improve and expand Ottawa's relations with Arab states. (Page 5)

King Husayn appears willing to grant pay raises to rebellious enlisted men, but seems to be balking about replacing unpopular leaders. (Page 6)

An exchange of statements by Peking and Saigon has increased tension over Vietnamese troop landings in the Spratly Islands. (Page 7)

Hanoi's campaign to expand recognition of the Viet Cong's Provisional Revolutionary Government has so far been unsuccessful. (Page 8)

[Redacted]

(Page 9)

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A note on the OECD economic forecast appears on Page 10.

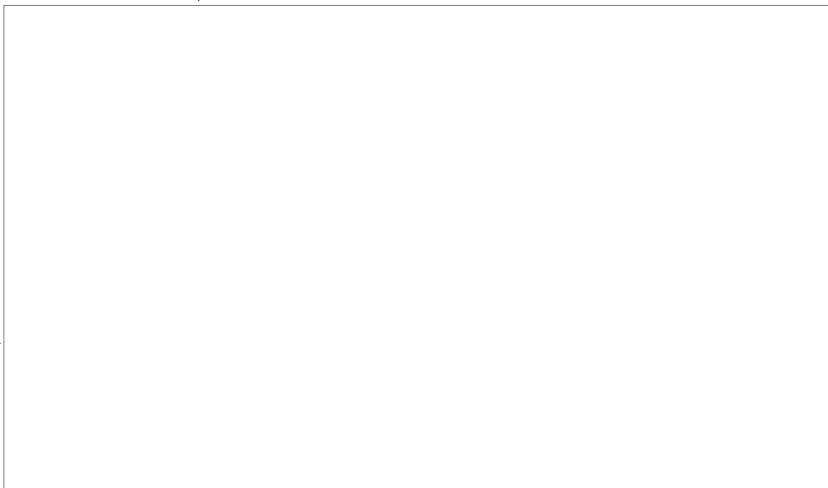
A review of the situation in Greece after the first ten weeks of rule by the new regime is at Annex.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

USSR - MIDDLE EAST

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EC

The EC Council on February 5 approved a position paper designed to permit a cooperative stance by the community at the Washington energy conference next week, despite basic reservations about the conference and differences among the EC members.

The principal points of the paper, which was released to the press in order to strengthen the EC's bargaining position, are:

- the need to avoid a confrontation between oil importing and producing countries;
- the desirability of including all oil importing and producing nations in future international discussions, with a view toward starting these broader talks before April 1; and
- the necessity of preventing the Washington conference--"especially in its present composition"--from being transformed into a permanent organization.

Commission President Ortoli and Council President Scheel, the EC's delegates to the Washington conference, told US officials in Brussels yesterday that the community is going to insist on these points, but they stressed the EC's willingness to discuss fully every item on the conference agenda.

This professed flexibility with regard to the agenda is probably intended in part to take the edge off the communiqué's highlighting of positions that run counter to US aims. It is also evidence of the lack of complete agreement among the Nine about what should be discussed in Washington and may reflect uncertainty in the EC over what the US position will be on sharing responsibilities in the areas of finance and energy supply.

The conference has helped to delay formation of a common EC position on a new relationship with the Arab world. Nevertheless, some EC members--particularly the French--are counting on some announcement after the EC foreign ministers' meeting on February 14 that the Nine are ready to begin talks with the Arabs on economic cooperation.

In Washington, the EC will be cooperative in certain specific areas, such as the development of alternative energy resources. The EC believes that such cooperation should take place within existing organizations like the OECD, but it has not ruled out the establishment of "short-term working groups" to examine other possibilities.

FOR THE PRESIDENT ONLY

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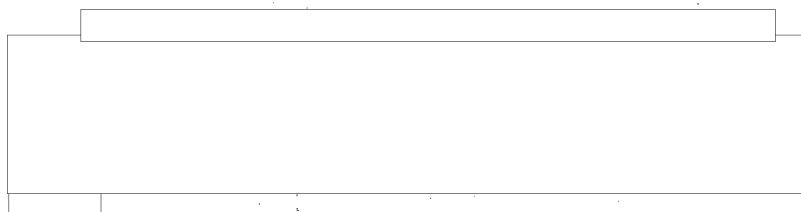
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FOR THE PRESIDENT ONLY

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USSR-CUBA

Brezhnev's week-long visit to Cuba brought no major new agreements and no evidence that Cuba would be any less a drain on the Kremlin's treasury. The visit tied Cuba more firmly to the Soviet orbit, however, and Brezhnev is probably more confident that Castro can be brought to accept, however grudgingly, the Soviet view of the benefits of detente.

The joint declaration signed by Brezhnev and Castro called for improved bilateral cooperation and the integration of the Cuban economy into CEMA. The Soviets clearly intend to maintain close supervision of the Cuban economy. There was no mention of future military assistance, but Brezhnev probably agreed to consider Cuban requests for more modern weaponry. Cuban Armed Forces Minister Raul Castro flew to Moscow the day after Brezhnev arrived home.

Castro's remarks on Brezhnev's efforts toward detente are his warmest to date, and he seems to have been satisfied that Cuba's interests will not be compromised in Moscow's bilateral dealings with the US. The declaration calls for the termination of both the "blockade" of Cuba and the US presence at the Guantanamo naval base.

Castro endorsed Moscow's Asian security proposal and implicitly criticized Peking. The declaration did not, however, mention a world Communist conference. Neither was there any indication that a meeting of Latin American Communist leaders took place in Cuba during Brezhnev's visit.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

CANADA - MIDDLE EAST

Energy Minister MacDonald's planned trip to the Middle East later this month will be important in Ottawa's efforts to improve and expand relations with the Arab world. MacDonald will try to convince the Arabs of Canada's neutrality on Middle East matters and will seek assurances of continued Arab oil exports to Canada.

Before the October war, Ottawa attached a low priority to relations with Arab countries. Canada has only four small missions in the Middle East--in Beirut, Cairo, Tehran, and Tel Aviv. Ottawa is now scrambling to make up for lost time. Last week, Canada established nonresident diplomatic relations with several Persian Gulf sheikhdoms and is seeking Saudi approval to open an embassy in Jidda.

This activity does not presage any dramatic shift in Canada's relations with Israel. Domestic support for Israel remains strong and, although there is obvious concern about oil shortages, the Trudeau government has publicly stated that it will not respond to Arab blackmail.

MacDonald will probably also visit Iran, which supplies 16 percent of Canadian oil imports.

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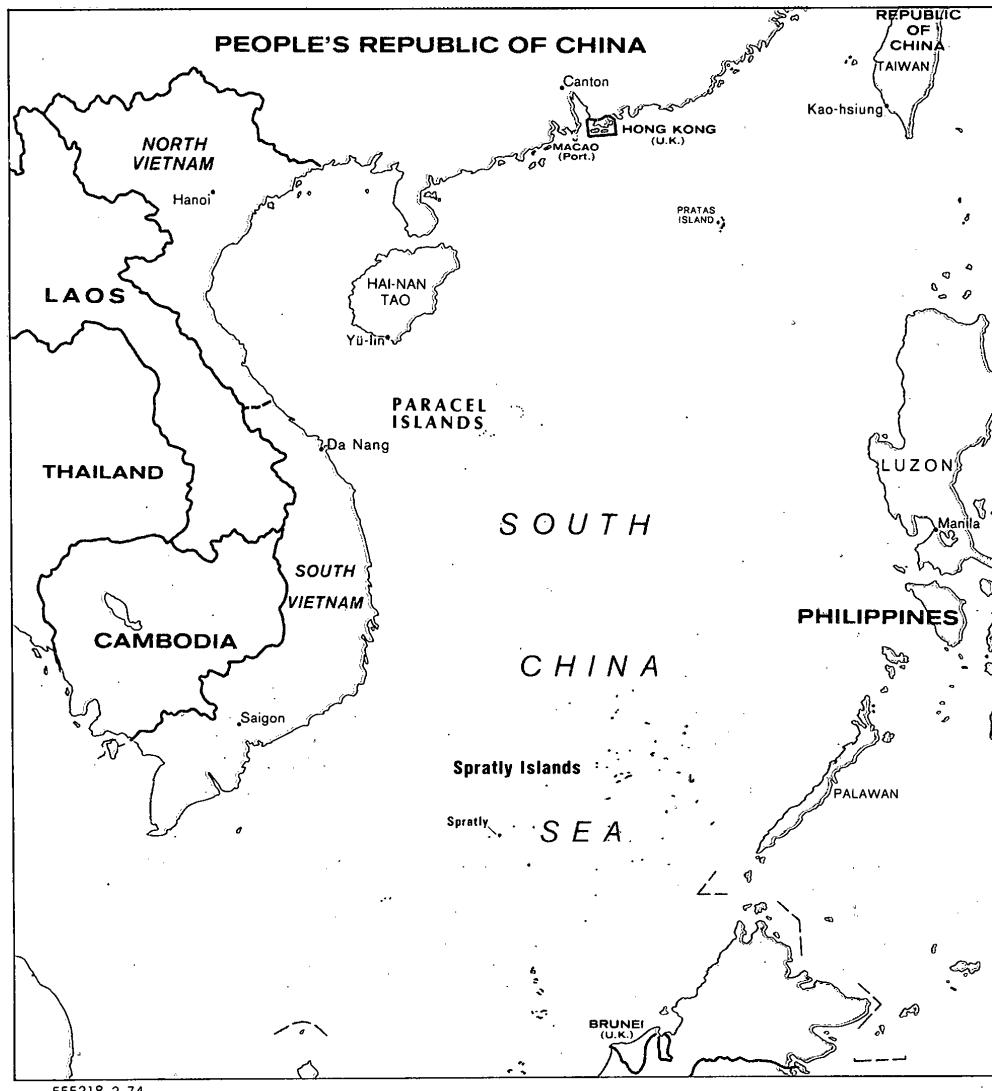
JORDAN

King Husayn began negotiating yesterday with rebellious enlisted men from the 40th Armored Brigade. Their mutiny has created Jordan's worst domestic crisis since the King's showdown with the fedayeen in September 1970. Husayn appears willing to grant pay raises but apparently intends to negotiate other demands, such as removal of the army chief of staff and the Prime Minister.

The five-day-old mutiny is still nonviolent. Dissident leaders, however, have threatened to march on Amman from their base at Zarqa if their demands are not met.

News of the mutiny has spread, despite government efforts to suppress publicity, and fedayeen propaganda will soon add to Husayn's problems. The public appears sympathetic to the enlisted men's protests, but there have been no reports of supportive civilian demonstrations.

FOR THE PRESIDENT ONLY



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FOR THE PRESIDENT ONLY

CHINA - SOUTH VIETNAM

Peking has called the landings by Vietnamese troops in the Spratly Islands a "new military provocation" and declared that it will not tolerate such an infringement on its territory. Although Saigon's reply was decidedly defensive, it has dispatched two more warships to the area.

China has no forces in the Spratlys and has not patrolled the area. While Peking may bring force to bear, there are no signs of preparations for such an action. The islands are beyond the range of China's fighters and at the extreme range of medium bombers based on Hai-nan. A military move would create diplomatic as well as logistical problems for Peking since Taiwan and Manila also claim the islands and have troops on several of them.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

VIETNAM

Hanoi's campaign for expanded recognition of the Viet Cong's "Provisional Revolutionary Government" (PRG) has so far been unsuccessful. North Vietnam has pressed hard on the issue in negotiations with the UK, several European countries, and Japan.

North Vietnam's stiffening demands on recognition of the PRG seem related to a decision last fall to stress political action and diplomacy and for the time being to forgo heavy military operations in the South.

As a result of this decision, Hanoi asked the British late last year not to send their ambassador, even though the North Vietnamese had earlier given agreement and the ambassador was already en route.

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[redacted] Its justification is that London has not recognized the PRG.

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Dutch and Belgian ambassadors accredited to Hanoi are still waiting in Peking because the North Vietnamese have refused to let them present their credentials. Japan and North Vietnam agreed last fall to exchange ambassadors, but Hanoi subsequently has parried Japanese moves to open an embassy. North Vietnamese officials have hinted to all three governments that a "gesture of recognition" for the PRG would get their envoys into the capital.

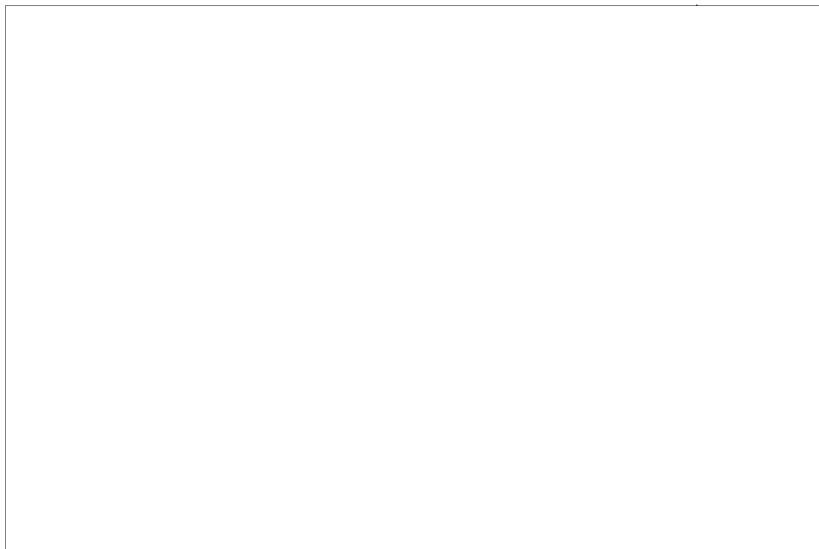
Even the French, who previously were reported wavering on recognition, are now firmly against it.

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FOR THE PRESIDENT ONLY

USSR



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FOR THE PRESIDENT ONLY

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NOTE

OECD: The Organization for Economic Cooperation and Development has revised downward its already bleak world economic forecast for 1974. The sharpest adjustment is in the forecast for the UK--from no growth to an anticipated decline in output of 2.4 percent. Sharp declines in real growth are also anticipated for Japan and West Germany. The rate of inflation is expected to accelerate in all countries except Italy. The deficit in current accounts--trade and services--in the seven major industrial countries of the OECD is expected to increase from less than \$1 billion in 1973 to nearly \$30 billion in 1974.

FOR THE PRESIDENT ONLY

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GREECE

The first ten weeks of rule by military police chief Ioannidis have reinforced initial impressions that his government would not end internal ferment and that it could not cope effectively with the country's economic problems.

Outwardly, the regime appears to have a firm grip on the situation. Student dissidents are back in classes and, although said to be restive, have yet to offer the kind of challenge that led to Ioannidis' ouster of Papadopoulos. A factor in the students' behavior undoubtedly is their fear that the government will act on its promise to repress any antigovernment demonstrations. Some government officials, however, are convinced that student demonstrations are inevitable.

Labor groups that played a part in the student-led riots in November have also been quiet since the coup. Extreme leftist elements also reportedly have been ordered by their leaders to refrain from anti-government activity. Many leftist leaders have been arrested by previous regimes, and they probably fear being shipped off again to remote island prisons if their supporters challenge the Ioannidis government.

Opponents from the old political world seem more frustrated than they had been under Papadopoulos. Except for the exiled Andreas Papandreou and his supporters, who are determined to continue working against the regime, these former opposition politicians do not appear to have the spirit for a test of strength with the military.

Aside from keeping the lid on potential dissidence, the new government has done little. Ioannidis' style is to work behind the scenes, and he has failed to convey a sense of direction to the government. The men he has placed in charge of ministries and departments are short on administrative talent.

There has been little movement toward dealing with Greece's substantial economic problems--an increasing wage-price spiral and trade deficit. Although the failure to deal effectively with the country's financial woes seems unlikely in itself to bring Ioannidis down, it does give his detractors yet another handle for criticism.

(continued)

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FOR THE PRESIDENT ONLY

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There is growing evidence of ferment within the regime itself. Some of Ioannidis' military colleagues, for example, are said to have demanded the removal of Prime Minister Androutsopoulos, who is suspect to them because he served in Papadopoulos' cabinet.

Much of the dissatisfaction with Androutsopoulos comes from younger officers who have pressed for the prosecution of all "corrupt" members of the old regime. Some would even try Papadopoulos. Three former ministers allegedly tainted by graft and fraud have been placed under house arrest. They have not been charged with corruption, however, but with activities "dangerous to the security of the state." Androutsopoulos may stay for the time being, particularly since there is a shortage of "acceptable" candidates for top positions. A cabinet shuffle seems almost certain within a few months, however, and he could be a casualty.

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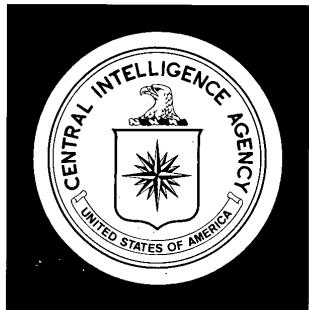
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FOR THE PRESIDENT ONLY

Top Secret



The President's Daily Brief

February 8, 1974

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Exempt from general
declassification schedule of E.O. 14176
exemption category 5B(1), 2)(3)(3)
declassified only on approval of
the Director of Central Intelligence

FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

February 8, 1974

PRINCIPAL DEVELOPMENTS

Hanoi has held two Central Committee plenums in the past few months to decide plans and strategy in both North and South Vietnam. Although the Communists are still talking about an eventual offensive in the South, they consider their situation weak.
(Page 1)

The miners' executive committee is meeting today to decide whether to accede to Prime Minister Heath's request to postpone the strike until after the election on February 28. *(Page 3)*

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Syria

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(Page 4)

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Kuwait

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A draft constitutional amendment to provide for a referendum on merger with Libya leaves the Tunisian Government ample room to postpone indefinitely the union agreement signed on January 12. *(Page 6)*

Notes on Libya, Laos, Vietnam, Turkey, and Nationalist China appear on Pages 7 and 8.

The succession problem in the Soviet Union is discussed at Annex.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

VIETNAM

Hanoi has apparently held two Central Committee plenums in the past few months--the first such meetings since the signing of the Paris accord. Together they provided guidance for the party rank and file on Communist plans and strategy in both North and South Vietnam.

The first of the plenums (the 21st since the last party congress in 1960) was apparently held last fall and dealt with future strategy in South Vietnam. As usual with meetings on the South, the North Vietnamese have not mentioned the plenum publicly, but extensive information on it is beginning to arrive [redacted]

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[redacted] Guidance from this plenum makes the following general points:

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--At some time the Communist side will again go on the offensive and achieve final victory in the South.

--That time is a good distance away, however, and for now the Communist side is to build up its forces, defend its territory, and try to improve its political position.

--Even though it may be years before these efforts bear fruit (one rallier says he was told to expect victory in the period 1979-84), troops and party cadre are to have faith in the party's omniscience and in the inevitability of a final victorious assault.

In contrast to the 21st plenum, the 22nd was played up immediately by North Vietnamese media. It apparently convened late last month and seems to have been concerned principally with the reconstruction of North Vietnam. It may have laid down guidelines for a five-year plan beginning in 1976, and for one-year plans in the two intervening years.

* * *

Briefers in the South are now informing party cadre of the 21st plenum's resolution on southern strategy. One such briefing [redacted]

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[redacted] gives insight into the party's bleak assessment of the Communists' present situation in the South. [redacted] admits that the Viet Cong control few people, have lost access to the bulk of the population, cannot find recruits for their guerrilla units, and are experiencing serious economic problems. It acknowledges Saigon's

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FOR THE PRESIDENT ONLY

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increased influence in the countryside, noting that the Thieu regime is strong "from the central level to the village and hamlet level." Saigon is also given high marks for its "well-trained and well-equipped army," its effective internal security forces,

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Beyond urging careful doses of increased military action, [] provide little specific guidance for overcoming these problems. [] note vaguely that several factors, notably in the economic sphere, are working against Saigon, and [] say that Communist-controlled areas inside South Vietnam and aid from "socialist" and "independent" countries abroad are important assets.

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One of the more revealing aspects of this account is the credibility gap that apparently exists between lower level cadre and the party leadership. Local cadre are told explicitly that, despite their confusion and puzzlement, they must have confidence in their leaders and follow party guidance. Much of the early part of the resolution is an historical account of the victories of the revolution, pointing out that even in times when things looked bad, the party leadership ultimately developed a successful strategy. The message for local Viet Cong advocates of a major offensive is that only the leadership can determine both the timing and propriety of such a policy.

FOR THE PRESIDENT ONLY

UK

The miners' executive committee is meeting today to decide whether to accede to Prime Minister Heath's request to postpone the strike until after the election on February 28. The union president, a moderate, believes that the strike ought to be deferred. Some of the militants on the committee, however, are opposed. The Labor Party will probably ask the miners to delay their action, since the party is already saddled with an election manifesto that is unlikely to appeal to the electorate.

One of Heath's principal goals is to increase the Tories' parliamentary majority, which now stands at 15. If he is successful, he will consider this a mandate to continue his counterinflation program and request tougher measures to regulate industrial relations. Most late opinion polls give the opposition Labor Party a slight but hardly significant lead.

Government and private estimates of the economic effects of a strike--particularly a lengthy one--may have convinced Heath that an election was necessary. Leaders of the Confederation of British Industry urged Heath this week to try to avert the strike lest it lead to the worst economic catastrophe since World War II. As many as 4 million workers could be unemployed, steel production could be cut in half within three weeks, and severe power restrictions would have to be imposed within five weeks.

FOR THE PRESIDENT ONLY

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SYRIA

[redacted] President Asad believes Syria should attend the Geneva peace conference, but that he is concerned about continued opposition within the army, the fedayeen, and a faction of the Baath Party, for which Foreign Minister Khaddam is the principal spokesman.

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[redacted] the Khaddam faction distrust President Sadat, who they believe is more interested in recovering the Sinai than in cooperating with Syria. The group opposes further cooperation with Cairo and favors closer ties with Iraq and the continuation of the oil embargo.

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The Baath-dominated National Progressive Front--an umbrella organization for all of Syria's major political parties--is apparently also sharply divided between Khaddam's supporters and those, ostensibly led by Prime Minister Ayyubi, who favor disengagement talks and continued cooperation with Egypt.

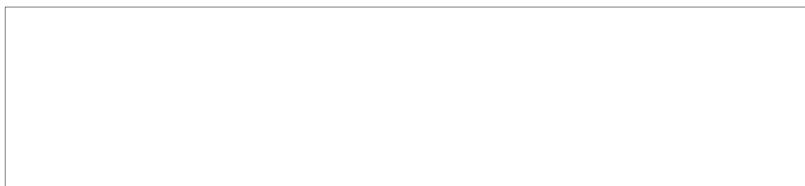
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[redacted]
Because of this discord, Asad appears to be taking a variety of steps to try to line up military and political support before making a final decision on negotiations with Israel.

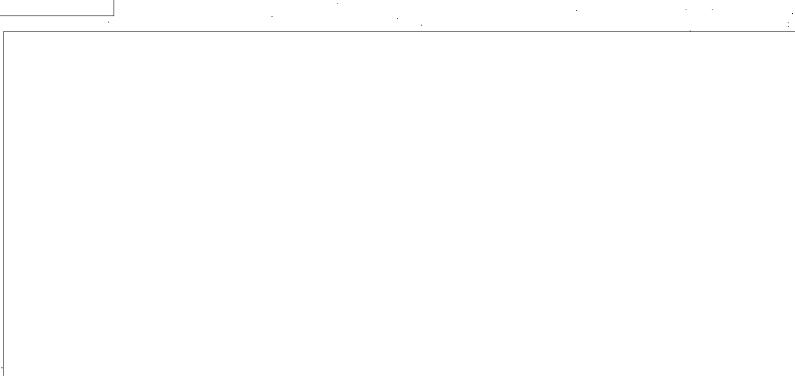
FOR THE PRESIDENT ONLY

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KUWAIT-USSR

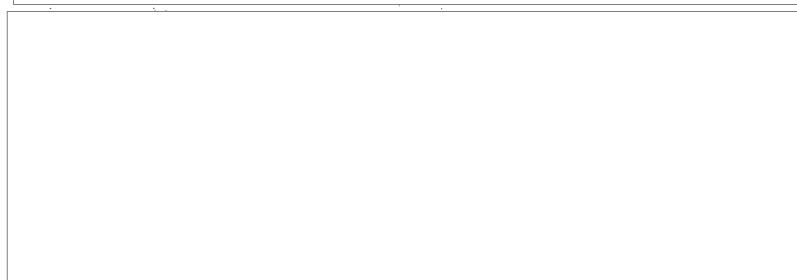


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TUNISIA

A draft constitutional amendment to provide for a referendum on merger with Libya leaves the Tunisian Government ample room to postpone indefinitely the union agreement signed on January 12. As presented to the National Assembly by Prime Minister Nouira, the amendment calls for a consultative process leading toward a treaty that would still have to be ratified by the National Assembly before a referendum could be held.

The postponement of the merger, [redacted]

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[redacted] is having an unsettling effect on Tunisian politics. Presidential hopefuls are maneuvering for positions of strength and forming alliances in the belief that the period of transition from President Bourguiba to another leader has finally begun.

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Much will depend on how soon the 70-year-old Bourguiba returns from medical treatment and several weeks of rest in Switzerland, and whether he reconsiders his decision to run for re-election next November. Prime Minister Nouira, his deputy and party director Mohamed Sayah, and Interior Minister Belkhodja hold the key positions while Bourguiba is out of the country. All three are potential presidential timber. They joined forces to shelve the union agreement with Libya, and they were instrumental in getting Bourguiba to sack ex-foreign minister Masmoudi, still another contender for power.

There has been no hard evidence that the military will abandon its traditionally apolitical role during this period of transition. Younger officers who, like their civilian counterparts, saw prospects for money and promotion in the merger, were disappointed when it was shelved, but they do not appear to be actively opposing the government decision. The Interior Minister is nonetheless concerned about the possibility of subversion from the military; surveillance of officers has been increased and a civilian watchdog over the military has been appointed. These moves could provoke far greater resentment among the military than the government's retreat from the merger.

FOR THE PRESIDENT ONLY

NOTES

Libya: Libyan Prime Minister Jallud has left on a visit to Warsaw, Moscow, and possibly Prague. Jallud last visited the USSR about two years ago. He will probably discuss arms purchases, since Moscow and Prague have been the primary suppliers of military equipment to the Libyan Army. The Prime Minister is also seeking technological cooperation from all three countries.

Laos: Prime Minister Souvanna has defused potentially troublesome student discontent in Laos, at least for the moment. On February 5, he convinced leaders of the Vientiane-based Lao Student Federation, which has organized and supported recent student demonstrations in the central and southern provinces, that they should hold off on protests in Vientiane for the time being. He told them that demonstrations could disrupt his efforts to form a new coalition government. Students in Savannakhet have apparently also agreed to suspend demonstrations. The students had earlier occupied the USAID compound and the Thai-owned radio station in Savannakhet, but they did no damage to either installation. No anti-US overtones were apparent in the students' activities.

Vietnam: The Thieu government is organizing a nationwide campaign to drum up popular support for its position on the Paracel Islands dispute. The government probably hopes to head off criticism of its military setback and of its unsuccessful diplomatic efforts to get international support. The campaign is unlikely to increase positive support for the government, but the appeals to patriotism may temporarily divert some attention from domestic problems.

Turkey: Prime Minister Ecevit's coalition cabinet received a narrow vote of confidence yesterday from the National Assembly. The vote completes the formal process of installing a new government following elections last October. Ecevit has indicated that he will soon seek talks with the US to reconsider the two-and-a-half-year ban on opium-poppy cultivation. He reiterated in parliament, however, his pledge to consider "humanitarian concerns" while ending the "unfair treatment" of poppy farmers.

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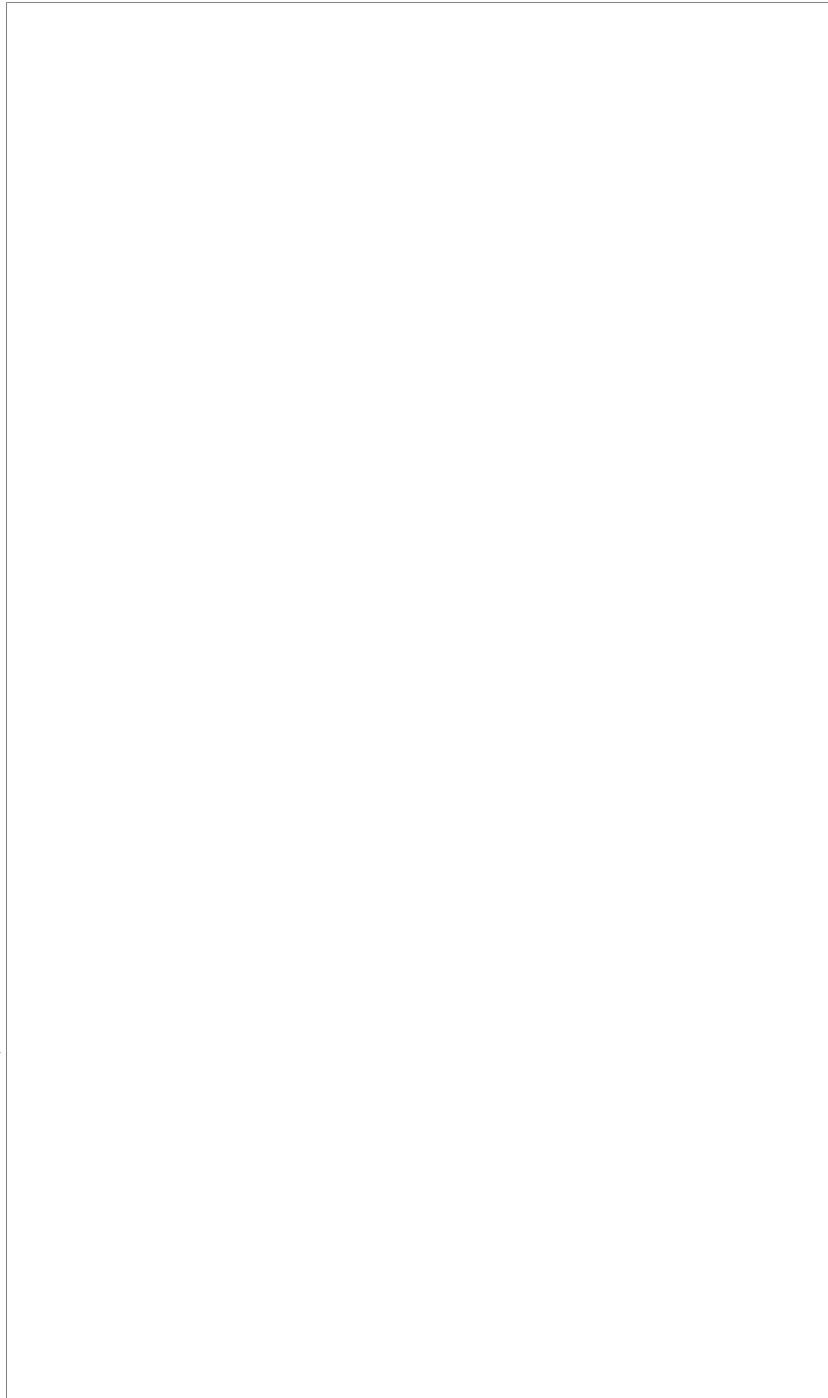
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Nationalist China: Premier Chiang Ching-kuo
has approved a plan to reduce the armed forces from
560,000 to 500,000 men by July 1, 1979.

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SUCCESSION IN THE SOVIET UNION

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The succession problem for the Soviet leadership is complicated by the fact that Brezhnev and his contemporaries are a clique of older men, held together by balance of power and self-interest. As a group, they have been a great stabilizing factor in leadership politics. Men in their late 60s and early 70s (see chart) hold the party's top position (Brezhnev), two unofficial party positions as "second" secretary (Suslov and Kirilenko), the premiership (Kosygin), and the presidency (Podgorny), as well as lesser offices represented on the Politburo. Power balance and self-interest have restrained Brezhnev in his attempts at self-aggrandizement, on the one hand, and, on the other, have inhibited challenges to his position which would threaten the top leadership as a whole.

Brezhnev is, in fact, the youngest member of the senior group of leaders, and this may encourage him to hope that he can survive a generational turnover within the group. If he considers such a turnover highly likely in the near future, he could build alliances with younger leaders and perhaps join them in an effort to ease out some of his senior colleagues. In the process, he might even be able to add to his own titles either Podgorny's presidency or Kosygin's premiership, a frequently rumored ambition. This course would be risky, and it would go against Brezhnev's conservative nature and style. It also would require repairing some personal and organizational relationships with the younger leaders.

The other senior leaders seem generally to have little ambition beyond preserving their own status. Kirilenko, who is the same age as Brezhnev, is probably the only one who entertains even a flicker of hope of becoming general secretary. This kind of defensive outlook on the part of the senior leaders means that they probably are not eager to break ranks and, in collaboration with junior colleagues, to initiate a shake-up.

The problem for the younger leaders of today is not, as it was for Brezhnev and company in 1964, combining to topple the party leader. The best they can hope for in the short run is simply to begin to pick away at the phalanx of aging superiors. Given Brezhnev's predominant position, the most realistic

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and logical course would be an alliance of the younger officials with him against some of the older leaders. Political divisions among the younger men and various ties with the seniors, however, would be complicating factors.

Illness or death, however, may help to break up the logjam at the top of the Soviet hierarchy. Should Brezhnev die or be incapacitated in the not-too-distant future, Party Secretary Kirilenko would be the best bet to succeed him. Kirilenko's prospects will diminish with each additional year that Brezhnev remains on the scene, and those of First Deputy Premier Mazurov, Moscow party boss Grishin, KGB Chairman Andropov, and--to a lesser extent--Minister of Agriculture Polyansky and Trade Union chief Shelepin are likely to improve if Brezhnev remains in office for another two years or so.

For the moment, however, Kirilenko remains the odds-on choice to replace Brezhnev. As a successor to the General Secretary, Kirilenko would stand as a fairly orthodox Marxist-Leninist, and, at least initially, he would be more cautious about dealing with the West. Kirilenko's public support of detente is infrequent and often conditional, and he has been in the forefront of those who champion the "Brezhnev Doctrine" of limited sovereignty. He was widely reported to have urged the Soviet invasion of Czechoslovakia, despite doubts expressed by Suslov and others.

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In his public statements, Kirilenko has come as close as any other top Soviet leader to advocating explicitly a vigorous foreign policy. He has termed aid to the Vietnamese and Arabs not only a "revolutionary duty," but also a requirement of Soviet security. He has strongly criticized the Communist Chinese leadership and has defended the Soviet policy of attacking Peking's political and ideological positions, but he has not shut the door on an eventual reconciliation with China.

(continued)

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Kirilenko's relative militancy in foreign policy statements has its corollary in domestic policies, especially in the cultural and social spheres. Although in recent years he apparently has accepted the rationale behind increased consumer-goods production, he has argued against major increases in the allocation of resources to agriculture and housing, and he puts greater emphasis on exhortation and persuasion than on material incentives for improving labor productivity. Kirilenko has revealed something of a pragmatic attitude toward economic management; however, his speeches on this theme have consistently promoted less dogmatic solutions to managerial problems.

Little is known of Kirilenko's real views on defense and strategic questions. His only public statement to date on SALT was a strictly pro forma assertion in April 1970 that the talks can produce results "if the United States makes an honest attempt to solve the problem at hand and does not try to achieve one-sided gains." This cautious remark was consistent with Kirilenko's generally wary attitude toward the US. These views no doubt underlie Kirilenko's repeatedly expressed opinion that a "dangerous international situation makes it necessary to increase the USSR's defense capabilities."

Against this background, Kirilenko, as general secretary, would probably be somewhat more imaginative in the field of domestic affairs than Brezhnev has been. In foreign affairs, Kirilenko's regime probably would not undertake any sharp departures from the course that has been followed under Brezhnev. Whatever his personal views on policy, as a compromise candidate he could not move any further than his Politburo colleagues would allow. Any gradual shift in foreign policy under his leadership would probably be away from detente rather than toward it.

Kirilenko's style of leadership would probably be less colorful and exuberant than Brezhnev's. Kirilenko gives the appearance of a modest, efficient administrator, not a politician who enjoys being on the hustings. Such a change in style would be in step with a probable return to a more collective leadership following a change at the top.

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The President's Daily Brief

February 9, 1974

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THE PRESIDENT'S DAILY BRIEF

February 9, 1974

PRINCIPAL DEVELOPMENTS

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Amman believes that Jordan's mutinous troops are completely under control, but some officials [redacted] fear that the King [redacted] is not prepared to deal with the problems underlying the disorders. (Page 1)

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The Israelis, professing to see growing support for Jordan among West Bankers, are trying to recruit leaders friendly to King Husayn for positions in a West Bank administration under greater Arab control. (Page 2)

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Greek [redacted]

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(Page 3)

The Cambodian Army has gained some ground in its attempt to dislodge Communist elements southeast of the capital. (Page 4)

Argentina's Vice President Maria Peron will chair a national congress of the Peronist movement that is apparently designed to complete her authority to act for the President when he goes to Madrid for medical treatment later this month. (Page 5)

Mexican federal agents have made an impressive beginning to a special anti-narcotics campaign in Culiacan, Sinaloa, the stronghold of heroin traffic in Mexico. (Page 6)

[redacted]
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JORDAN

The Jordanian Government says it believes the army is completely under control following King Husayn's visits with the troops and the announcement of military pay increases. Some officials, [redacted] nevertheless believe that underlying problems that contributed to the disorders have not been dealt with and are not fully understood by the King.

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ISRAEL

Israel is trying to recruit leaders friendly to King Husayn for positions in a West Bank administration in which Arabs would have a larger role. Most of the leaders apparently are to be drawn from the ranks of traditional, pro-Jordan West Bank notables.

An Israeli Foreign Ministry official has told US Embassy officers in Tel Aviv that Husayn's government, too, has taken steps to improve its position on the West Bank. Amman has, for example, resumed paying the salaries of its former civil servants there who have continued in their positions under the Israeli occupation and who also receive Israeli salaries. These moves by Jordan apparently have Israel's tacit blessing.

Many West Bankers, meanwhile, continue to suspect that Tel Aviv and Amman have secretly agreed to reinstate Jordanian civil control in the West Bank gradually, leaving security in Israeli hands.

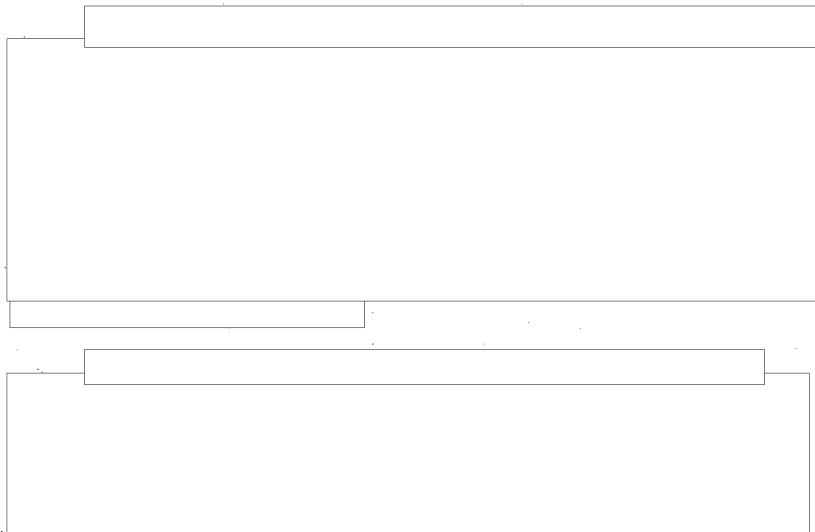
Perhaps with such developments in mind, Israeli officials profess to see evidence of a trend toward greater support for Jordan among West Bankers and a lessening of sympathy for the Palestine Liberation Organization. Any increased support for Jordan, however, would probably not reflect a significant decline in the PLO's standing, but rather a growing realization by many West Bankers that King Husayn may represent the only realistic hope that the Israeli occupation will end soon.

Whatever the reasons for it, Israel views such a trend favorably. Tel Aviv has long insisted that it would negotiate only with Amman, not with Palestinians in exile, concerning a West Bank settlement.

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GREECE

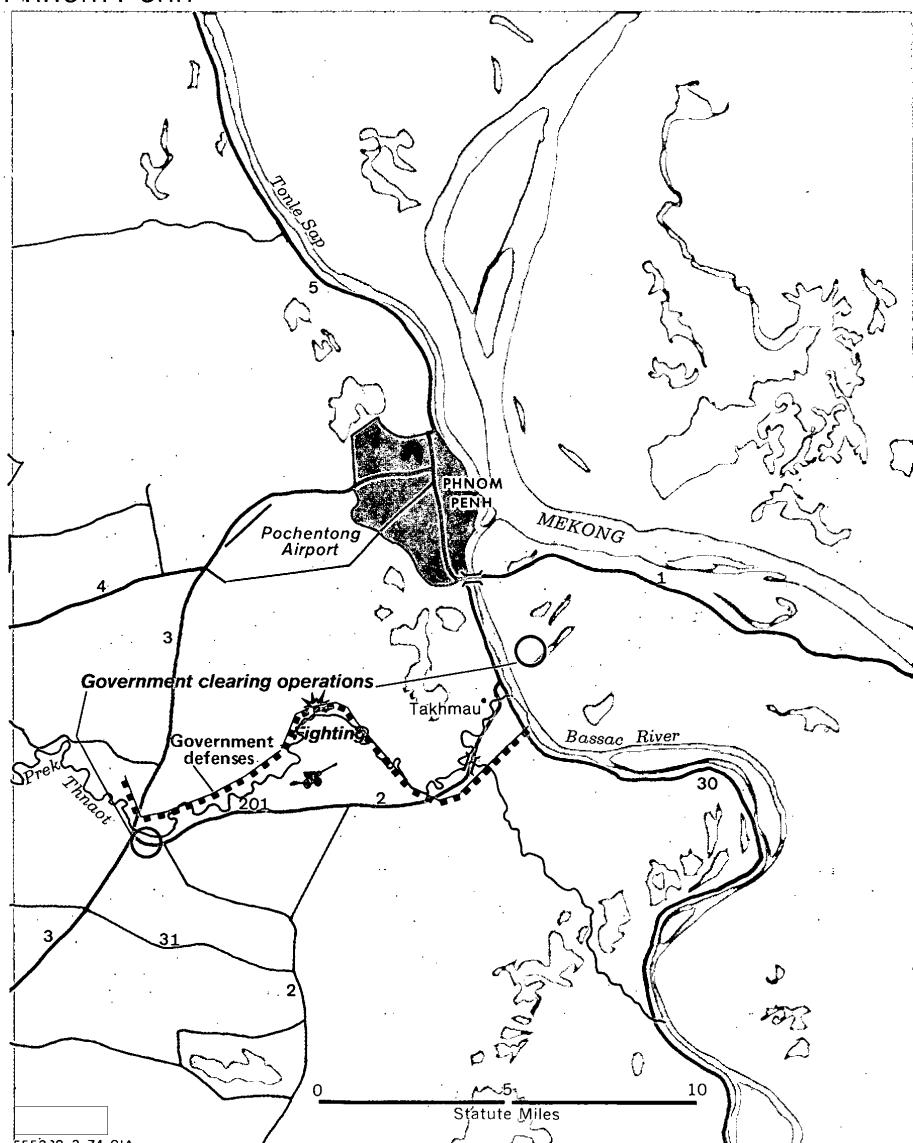


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Phnom Penh



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CAMBODIA

Units of the Cambodian Army's 2nd Division yesterday gained ground in their effort to dislodge Khmer Communist elements located southeast of the capital between Route 1 and the Bassac River. According to a Communist intercept, government operations have disrupted the insurgents' logistic activity.

Government forces anchoring the western end of the defense line also reported progress in sweep operations in the vicinity of Route 3. Elements of the nearby 1st Division, however, continue to meet stiff resistance north of the Prek Thnaot River.

The insurgents are maintaining their artillery positions south of the Prek Thnaot, and an intercepted message of February 6 indicates that they are trying to assemble more 105-mm. howitzer ammunition. Other messages indicate that some of the Communist forces south of the capital have many sick and wounded and need rice.

Insurgent communications still have not disclosed details of the scheduled meeting of Khmer Communist leaders on February 5 or 6 that was to review the tactical situation around Phnom Penh. Some of these leaders may meet late next week with unidentified Vietnamese Communist personnel, according to a message of February 7. The site of this meeting and the subjects to be discussed also have not been disclosed.

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ARGENTINA

Vice President Maria Peron is rapidly becoming the chief political spokesman for the President and will chair a national congress of the Peronist movement which opens today.

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Mrs. Peron is said to be taking her instructions from the President. Since Peron's illness last November, his wife has frequently acted for him; the congress may be designed to round out her authority to act for him when he goes to Madrid later this month for medical treatment.

President Peron seems to have given up any hope of placating the leftists, especially Marxist-oriented youth, within his badly split movement. Recently, he virtually read them out of the movement in a speech in which he said the movement could not admit those who seek to impose "foreign" ideologies and doctrines.

If this sharp turn against a key sector of the Peronist movement is formalized at the congress, the cohesion of the movement will be severely tested. Young radicals have already identified Mrs. Peron and several key presidential advisers as reactionary enemies. They seem certain to become more vocal in their criticism when Peron leaves for Europe.

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MEXICO

Mexican federal agents have made an impressive beginning to a special anti-narcotics campaign in Culiacan, Sinaloa, the stronghold of heroin traffic in Mexico. On February 4, the agents raided a wealthy section of Culiacan City reputed to be the home of most of the area's drug traffickers. They seized nine kilograms of heroin and opium and a heroin laboratory, and arrested 17 people. Major traffickers may have escaped arrest, however.

The raid is significant because Culiacan drug barons are accustomed to operating with near impunity. Local police do not enter the area, either from fear or because of payoffs. The raid should serve notice that the federal government means to take a firm hand.

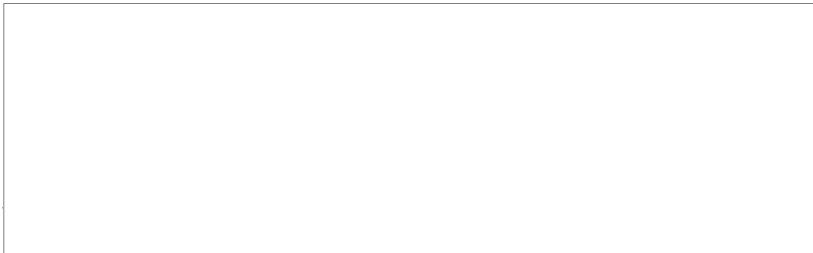
Elsewhere in the Culiacan area, agents in the previous week seized 17 kilograms of heroin and opium, 1 million amphetamine tablets, and over 3 tons of marijuana.

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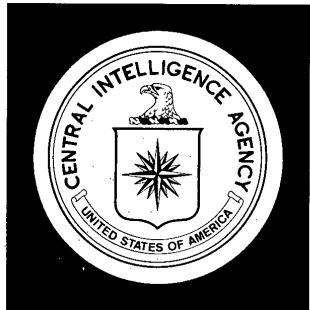
NOTE



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February 11, 1974

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THE PRESIDENT'S DAILY BRIEF

February 11, 1974

PRINCIPAL DEVELOPMENTS

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A meeting of the heads of state of Egypt, Saudi Arabia, Algeria, and Syria is tentatively scheduled for February 13 in Aswan [redacted]. President Sadat, King Faysal, and President Boumediene hope to nudge Syria's President Asad toward talks with Israel on disengagement. (Page 1)

The long-term agreement between France and Iran signed on Saturday offers France the prospect of major sales of industrial equipment, but it will be a year or two before French earnings will be significant. (Page 2)

The EC foreign ministers are likely to approve, at their meeting on February 14, proposals for cooperation with Arab nations in a wide range of fields. If the Arabs respond favorably to the plan, mixed EC-Arab working groups would eventually be established. (Page 3)

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MIDDLE EAST

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A meeting of the heads of state of Egypt, Saudi Arabia, Algeria, and Syria is tentatively scheduled
[redacted] in Aswan, Egypt
[redacted] The presence of Syria's President Asad
remains in doubt.

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[redacted]

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[redacted]

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Egyptian Foreign Minister Fahmi so far has denied
press reports of the meeting.

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[redacted]

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The meeting is beginning to surface in the press.
According to a Cairo press report, the heads of state
will also discuss the oil embargo and plans for po-
litical negotiations after the disengagement of forces
is completed.

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FRANCE-IRAN

The long-term French-Iranian agreement signed on Saturday offers France the prospect of major sales of industrial equipment. The French can also point to the deal as a success in their policy of concluding government-to-government deals with the oil-producing countries.

Even if most of the proposed projects are built, however, it will be a year or two before French earnings will be significant. France will receive some payment in the form of natural gas and oil-exploration rights, but oil trade was not specifically mentioned [redacted]

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[redacted] several contracts worth about \$3 billion are in an advanced stage of negotiation and that the latest talks added projects worth an additional \$1.5 to 2 billion. The projects include nuclear power plants, a liquefied natural gas plant, a petrochemical complex, and liquefied natural gas tankers. No schedules for beginning the projects were released.

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As part of the package, France indicated an interest in building a natural gas pipeline from Iran to Europe. This long-standing notion, reflecting the ambitions of French industry, was touted as an opportunity for European cooperation.

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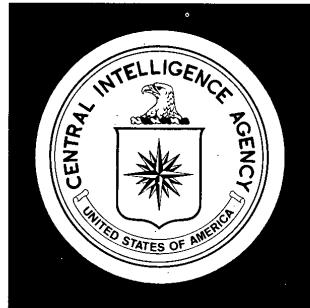
EC - ARAB STATES

The EC foreign ministers, at their next meeting on February 14, are likely to approve the proposals for cooperation with Arab nations which the EC political directors agreed to last week. The proposals would offer cooperation between the EC Nine and the Arabs in such fields as transportation, industry, agriculture, technical training, and science.

France suggested the present plan, essentially as it now stands, at a political directors' meeting in January. It is a response to the Arab request last December for "cooperation with Europe in all fields on the basis of mutual respect and benefit." Should the Arabs respond favorably to the plan, mixed EC-Arab working groups would be established, and an Arab-European conference would be convened, probably this fall.

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The President's Daily Brief

February 12, 1974

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THE PRESIDENT'S DAILY BRIEF

February 12, 1974

PRINCIPAL DEVELOPMENTS

Bonn's efforts to bring defense questions before the European Community made some notable progress last week when French officials agreed to a discussion of European force reductions in that forum. (Page 1)

French [redacted]

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[redacted] 25X1

[redacted] 25X1

(Page 2)

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The first of four Mars probes launched last summer passed within about 900 miles of the planet on February 10 and may have landed a capsule on the planet. A second probe will reach the vicinity of Mars today. (Page 4)

South Korea's President Pak Chong-hui is preparing to meet possible large-scale student protests this spring. (Page 5)

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EC-MBFR

Bonn's efforts to bring defense questions before the European Community made some notable progress last week when French officials agreed to participate in a discussion on European force reductions in that forum. The EC political committee at its meeting on February 6-7 established an expert working group to meet at an early date to begin such discussions.

The main task will be to examine in detail the implications of the MBFR negotiations for European integration, especially in the area of defense co-operation. The working group's mandate, however, is broadly worded to include any relevant international negotiations or agreements. By joining the working group, the French will be able to inject issues related to SALT and the US-Soviet agreement on the prevention of nuclear war. Paris has argued repeatedly that both imply a weaker US commitment to the defense of Western Europe.

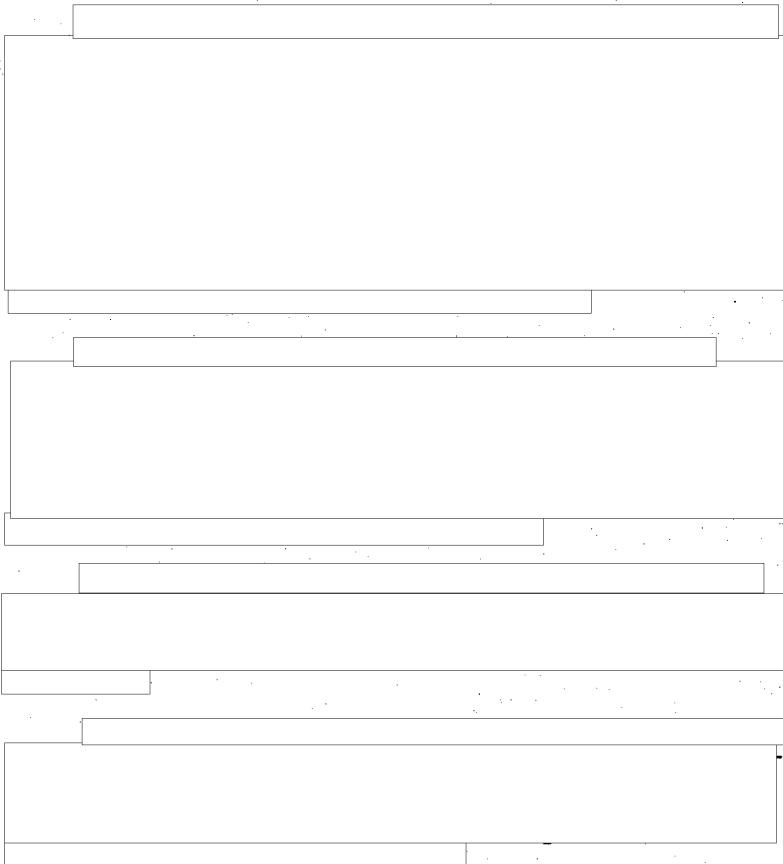
The greatest obstacles confronting Bonn in its efforts to establish the working group have been Paris' long-standing reluctance to debate defense questions in the EC and its strong opposition to MBFR. West German officials concede that the French, and perhaps the British, might use the new EC forum to speak out against the force reductions talks in the hope of slowing their progress.

The Western participants at the negotiations in Vienna hope to postpone consideration of West European force reductions until a second, later phase of the talks. Nevertheless, West German officials maintain that the time is ripe for the EC, as well as NATO, to reach a consensus on the nature and scope of reductions compatible with Western Europe's security. In Bonn's view, the working group will serve this purpose as well as force Paris to reveal its views more fully on issues related to MBFR.

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FRANCE



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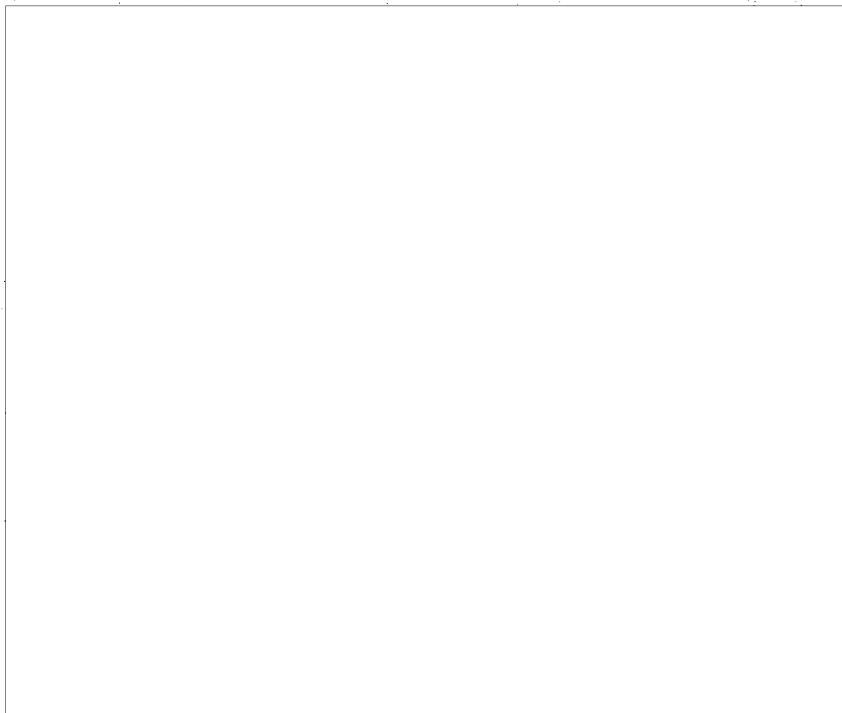
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USSR



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USSR

The first of four Mars probes launched last summer--Mars 4--passed within about 900 miles of the planet on February 10, and a second--Mars 5--will reach the vicinity today. It is assumed that a capsule containing instruments was separated from the first probe and landed on the planet's surface. Mars 5 may also attempt to land a capsule.

Two other Soviet probes will arrive in the vicinity of Mars on March 9 and 12. These vehicles, designated Mars 6 and 7, may go into orbit around the planet to perform experiments and serve as data-relay satellites for the instruments on the surface.

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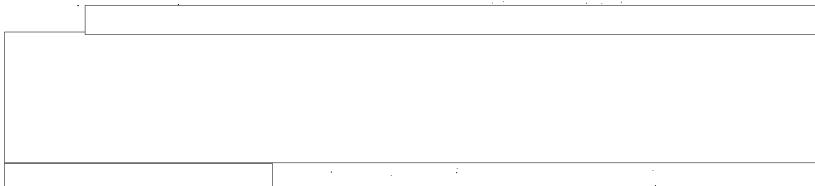
SOUTH KOREA

- President Pak Chong-hui is preparing to meet possible large-scale student protests this spring.

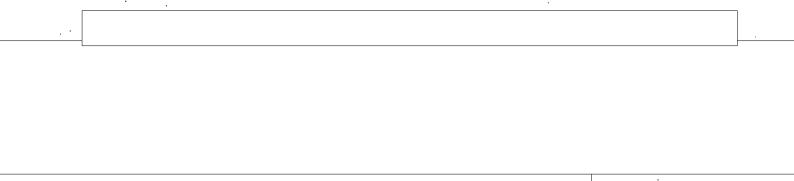
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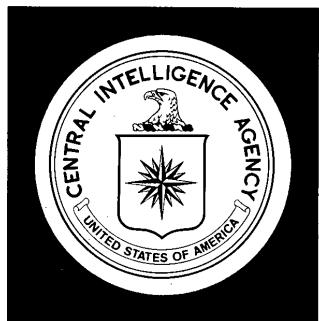
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The President's Daily Brief

February 13, 1974

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THE PRESIDENT'S DAILY BRIEF

February 13, 1974

PRINCIPAL DEVELOPMENTS

The arrest of Aleksandr Solzhenitsyn is discussed on Page 1.

King Faysal is trying to postpone the conference of Arab oil ministers that had been scheduled tomorrow in Tripoli. (Page 2)

Israel may be planning to retaliate for Syria's shelling of Israeli civilian settlements on the Golan Heights. (Page 3)

Communist footdragging has considerably diminished chances for naming a new coalition government in Laos by February 21, the first anniversary of the peace accord. (Page 4)

Philippine troops are gradually reasserting control over Muslim rebels in the city of Jolo. (Page 5)

President Sadat appears to be offering good offices to bring together representatives from India, Pakistan, and Bangladesh so that there can be a fully attended Islamic Summit on February 22. (Page 6)

Romania's President Ceausescu is touring Arab states to stave off an economic boycott of Romanian goods. (Page 7)

Prime Minister Whitlam, during a recent tour, was largely successful in convincing Southeast Asian leaders that Australia is sincere about desiring a constructive role in the region. (Page 8)

At Annex, [redacted]
[redacted] China [redacted]

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FOR THE PRESIDENT ONLY

USSR

Aleksandr Solzhenitsyn is under arrest, according to his wife. Police took Solzhenitsyn from his wife's apartment late Tuesday, after he refused to comply with a summons to appear at the prosecutor's office that morning. Solzhenitsyn had appeared to abandon all caution recently and to seek confrontation with the regime. His defiance of the summons was a challenge to legal authority that could not be left unanswered.

Western newsmen who saw Solzhenitsyn on Monday told the US Embassy in Moscow that he was resolved not to make the authorities' task easier. He did not seem averse to provoking them into taking him forcibly. He gave the correspondents part of the unpublished last half of the Gulag Archipelago; the extract condemns current Soviet legal procedures.

Solzhenitsyn also issued this week a written statement that refers to the "complete and general illegality ruling in our country," and demands that a host of past and present wrongs be corrected. In essence, he is enunciating the principle of civil disobedience.

Implications of the arrest for Soviet foreign and domestic policy will depend on the nature of the charges and the handling of the case. The most satisfactory solution, from the Kremlin's point of view, would be expulsion--a theme that has been sounded repeatedly both privately by Soviet officials and publicly by the media. The leveling of formal charges yesterday, however, leaves open the possibility that he will be tried and convicted. A quick trial and light sentence on some minor charges, perhaps unrelated to publication of the Gulag Archipelago, might be the best way out for the Soviets. Such a solution would lessen the damage the affair will have on Moscow's detente policy and on relations with foreign communist parties. Considerable damage would be caused by a long detention, a trial focused on Solzhenitsyn's activities as a writer, and a heavy sentence.

The decision to arrest the author was made at the very top. Until now, the leadership has not been ready to prosecute, largely because of the effect abroad. Commentators had voiced the opinion that action should not be taken that would make a martyr of Solzhenitsyn. Letters in the press urged that he leave, or be made to leave, the country.

ARAB STATES

The conference of Arab oil ministers, scheduled to begin tomorrow in Tripoli, was postponed early this morning, according to a spokesman of the Kuwait Embassy in Beirut. No reason was given for the postponement.

King Faysal had been working to obtain a postponement until after the Islamic summit in Pakistan February 22 and 23. [redacted]

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Faysal reportedly has been motivated by a desire to allow more time for attempts to work out a Syrian-Israeli disengagement. He may believe that unless there is progress on this soon, there is little prospect for an easing of the Arab oil embargo. The Saudis may also hope that postponement of the meeting will prompt Washington to increase pressure on Israel for concessions.

Meanwhile, Faysal and presidents Boumediene, Sadat, and Asad are scheduled to meet today in Algiers--not in Aswan, as reported earlier. They are likely to focus on military disengagement on the Syrian front as well as on the oil embargo.

SYRIA-ISRAEL

The Israeli press claims that the three-hour Syrian barrage along the entire front on February 11 was one of the heaviest since the October war and that for the first time Israeli settlements there were hit. Two Israelis were killed and five soldiers were wounded. One settlement was severely damaged.

[redacted], the Syrian shelling was perfectly timed to catch the settlers by surprise. Israeli commentators have suggested that this indicates a deliberate decision by Syria to inflict maximum casualties. The US Embassy in Tel Aviv believes that the government is behind press stories suggesting the attacks violated a tacit Syrian-Israeli understanding. The understanding was that the Israelis refrained from retaliatory air strikes as long as Damascus limited its attacks to military targets.

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Damascus may have launched the attacks in response to Prime Minister Meir's recent statements about Israeli retention of the Golan Heights and to allegations that the Israelis plan to start building a new city there. The shelling may also be more Syrian muscle-flexing prior to moving toward a disengagement agreement.

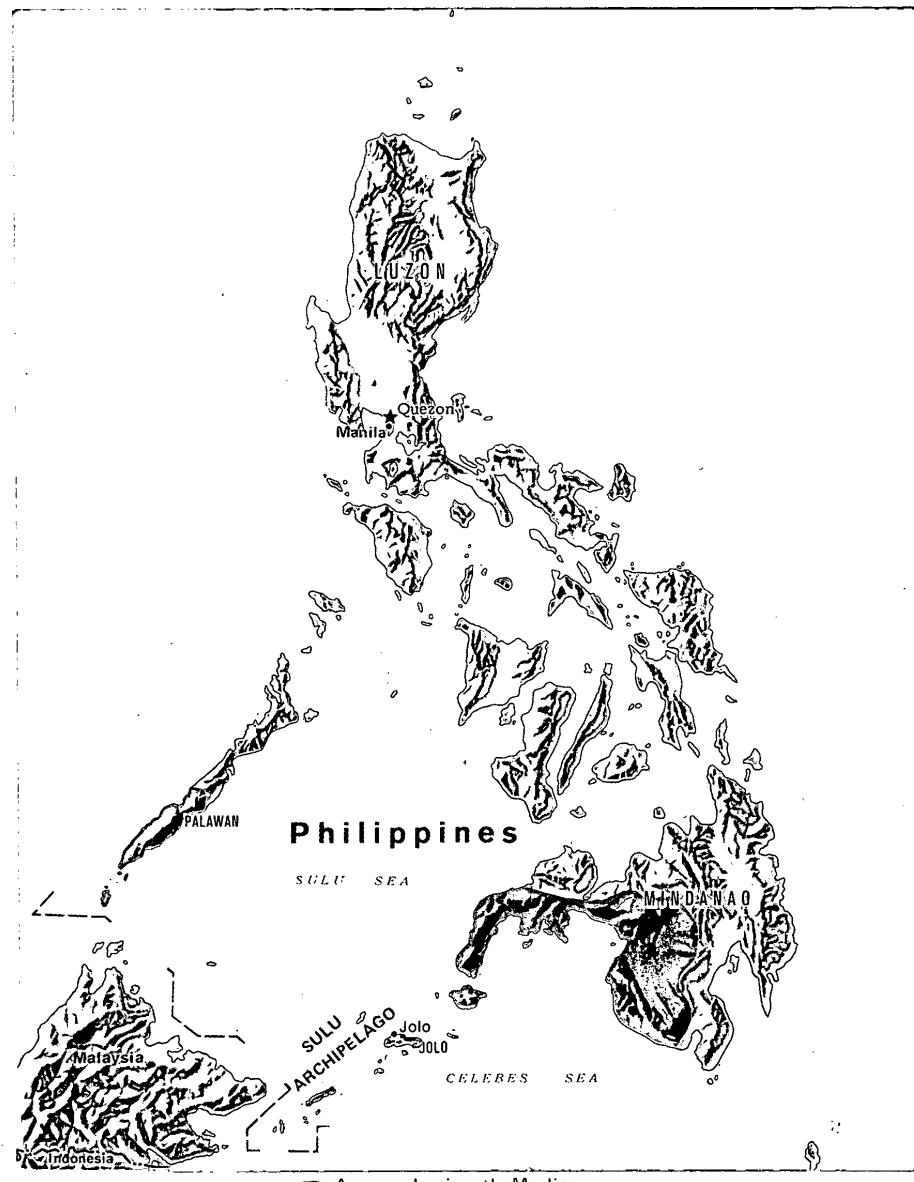
The Israelis have shown some restraint in the face of past Syrian shellings. They are likely to retaliate, however, if there are more attacks on Israeli settlements, particularly if these result in civilian casualties. The press has suggested that Israel might respond by shelling Damascus airport or by conducting air raids on Syrian military positions.

LAOS

Prime Minister Souvanna's prospects for naming a new coalition government by the first anniversary of the Laos peace agreement on February 21 have been considerably diminished. The chief Lao Communist negotiator, Phoun Sipraseuth, did not bring Souvanna the promised list of Communist cabinet ministers when he returned from his headquarters last week. The Pathet Lao leader, Prince Souphanouvong, sent only a letter dealing with procedures on investing the new government.

The Communists, according to Souvanna, are still strongly opposed to submitting the names of the new coalition cabinet to the National Assembly, whose authority they do not recognize. They want to submit the new government directly to the King instead, but he has steadfastly insisted that, under the constitution, assembly ratification must precede royal investiture of the government.

Souvanna, for his own reasons, is also reluctant to take the issue to the assembly, which is dominated by his rightist political opponents. They are unhappy with his handling of the negotiations and would almost certainly insist on some say in the new government's formation.



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PHILIPPINES

Government troops have only slowly been able to reassert control over the southern Philippine city of Jolo, which Muslim insurgents largely overran late last week. The rebels attacked after a new government military offensive was launched against Muslim strongholds elsewhere on Jolo Island.

The aggressiveness of the dissident force and the ineffectiveness of the Philippine armed forces allowed the Muslims to score early victories. Government commanders evidently believed that the recent amnesty program had reduced the insurgents to relatively small, isolated groups that could be easily handled.

The fighting on Jolo points up President Marcos' continuing dilemma in coping with the Muslim insurgency. He has tried both negotiations and force, neither wholly satisfactory. Some Muslim groups--generally those under the influence of traditional political leaders--have responded to offers of accommodation with the central government. Other groups, controlled by young radicals, reject negotiations because they believe a peaceful settlement would only strengthen old-line leaders whom they want to supplant.

Although the radicals probably still represent only a minority of the Muslim dissidents, military moves against them have often backfired, precipitating widespread violence in which moderate groups have participated as well.

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SOUTH ASIA

Pakistan and apparently India have agreed to attend the Cairo meeting, but Dacca has not yet firmly committed itself. The Bengalees publicly maintain that there can be no meeting at any level without formal Pakistani recognition

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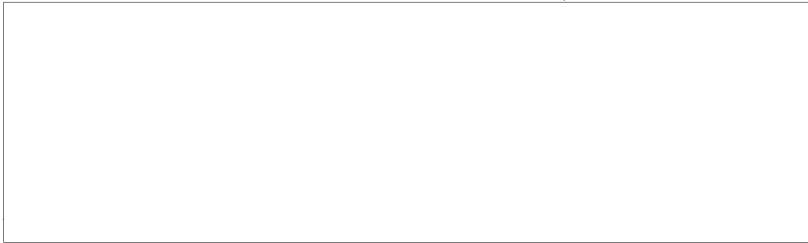
Dacca's insistence that recognition must precede the release of the 195 Pakistani prisoners of war held in India as "war criminals" has prevented resolution of the question. Pakistan maintained that their release must come first, but Prime Minister Bhutto has now agreed to extend recognition if Sadat can obtain a "cast-iron commitment" from Bangladesh that they will be released.

ROMANIA - MIDDLE EAST

President Ceausescu is on a tour of the Middle East in an effort to get the Arabs to accept his neutralist policy toward the area and to head off Arab plans to boycott Romanian exports. Romania suffered an Arab boycott after the Middle East war in 1967. A recommendation for new economic sanctions to be imposed against Romania because of its neutral position during the October war awaits action by the Arab League.

Ceausescu arrived in Tripoli yesterday and will later visit Beirut, Damascus, and Baghdad. The Romanian press suggests that Ceausescu will offer limited political and economic concessions, such as support for a Palestinian state and oil-extraction equipment. He will not bow to Arab demands that Bucharest break diplomatic relations with Israel.

NOTES



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Australia: Prime Minister Whitlam's 17-day trip through Southeast Asia went far toward convincing leaders of the six nations visited that his government is sincere in desiring a constructive role in the region. Whitlam [redacted]

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[redacted] exercised restraint in promoting an East Asian political forum--one of his projects that the Southeast Asian nations do not yet favor.

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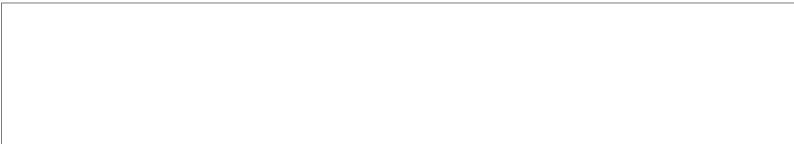
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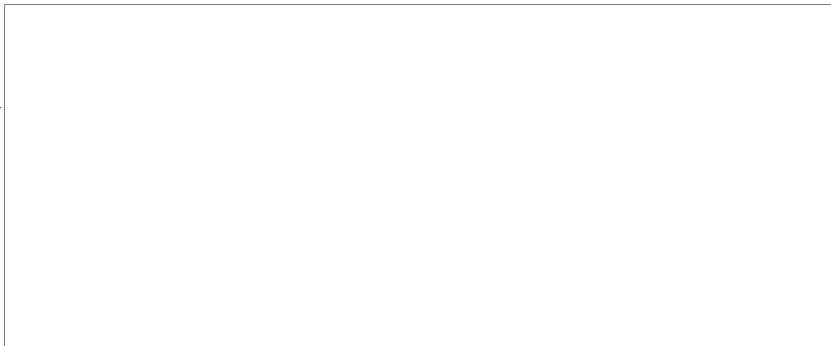
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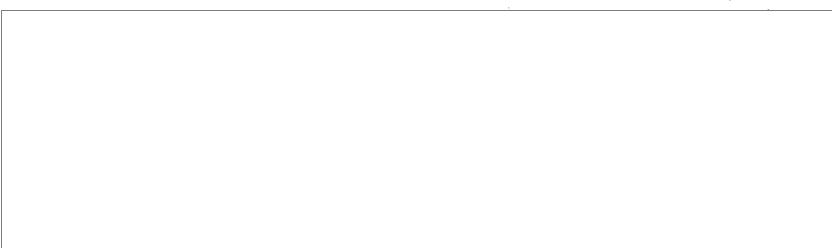
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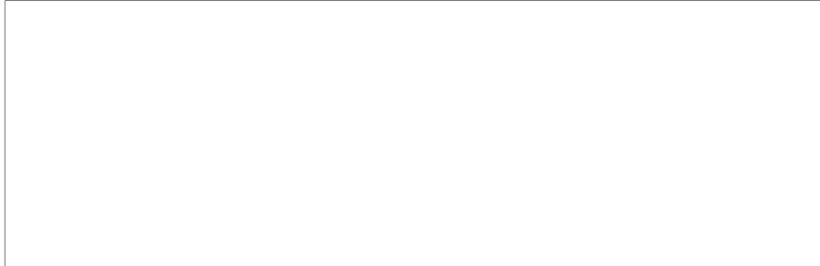
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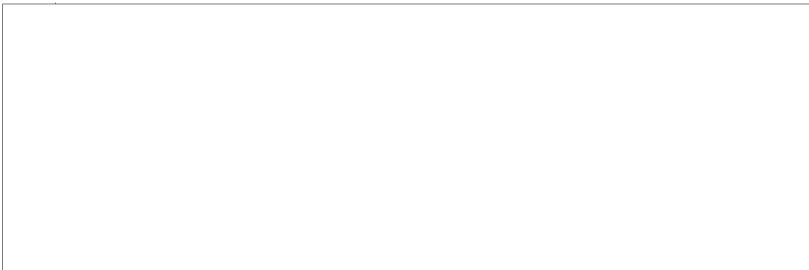


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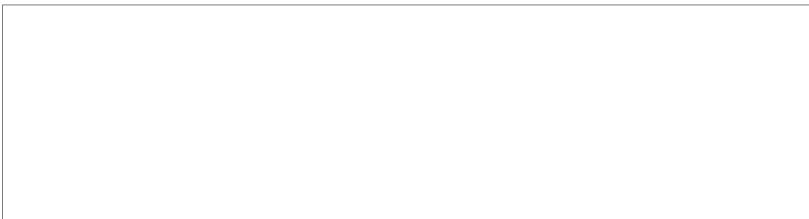
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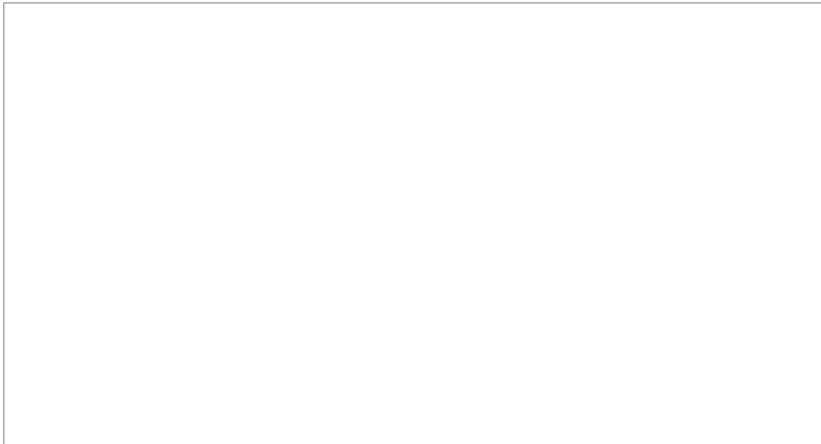
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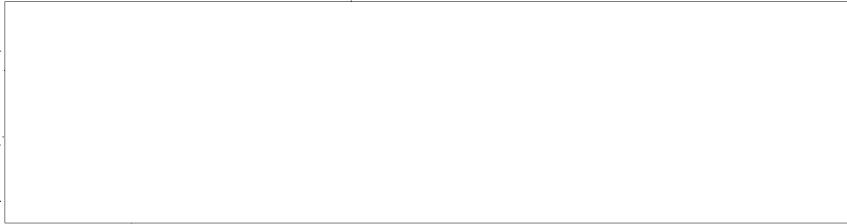


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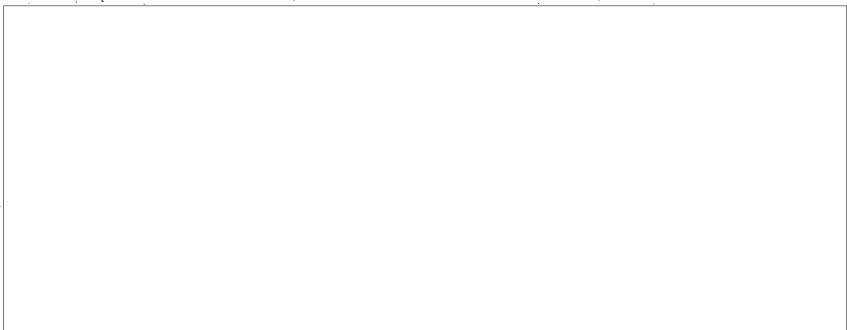
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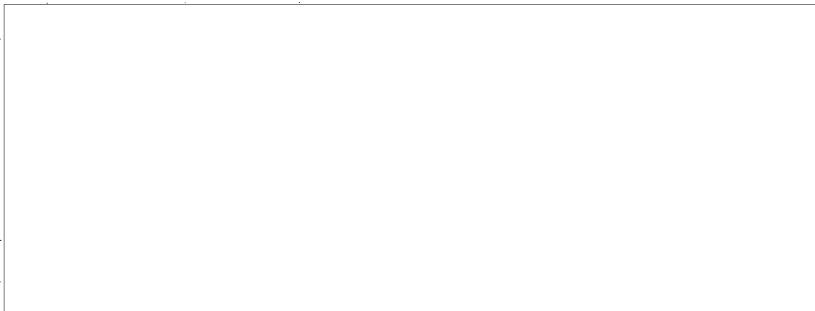
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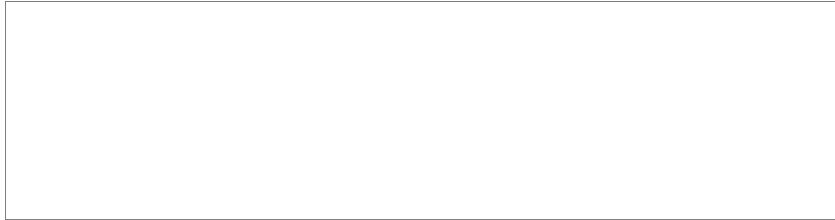
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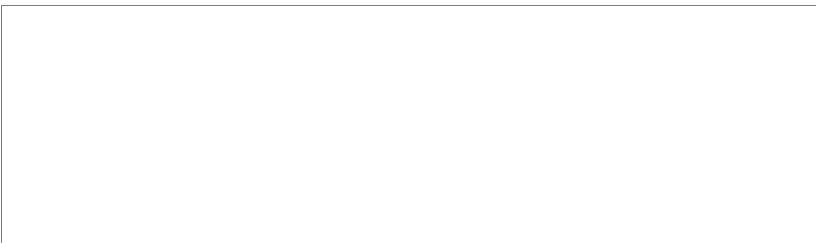
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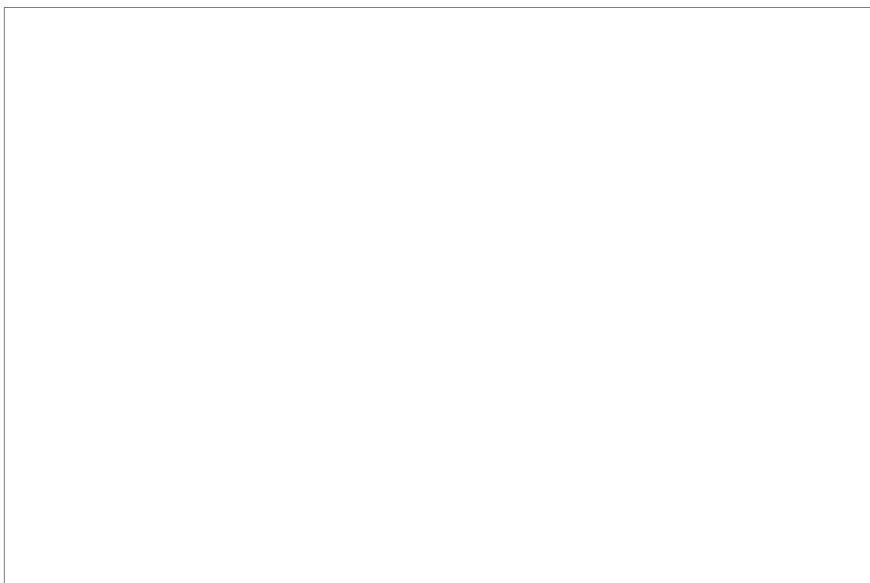
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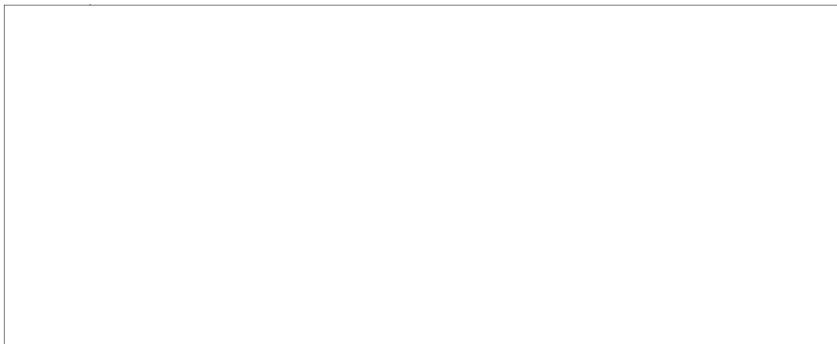
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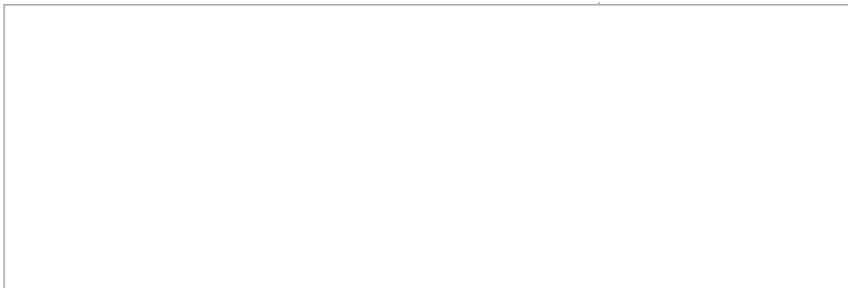


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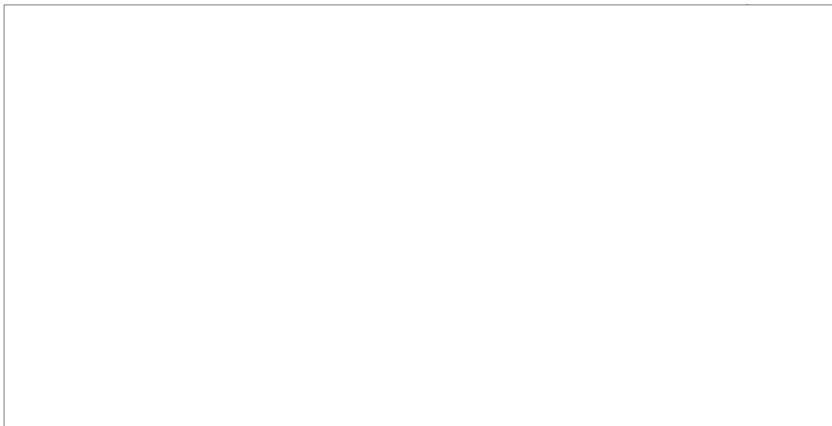
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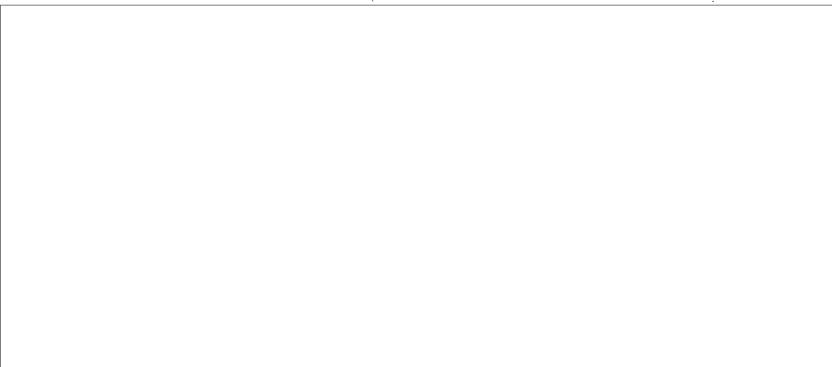
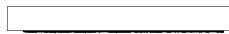
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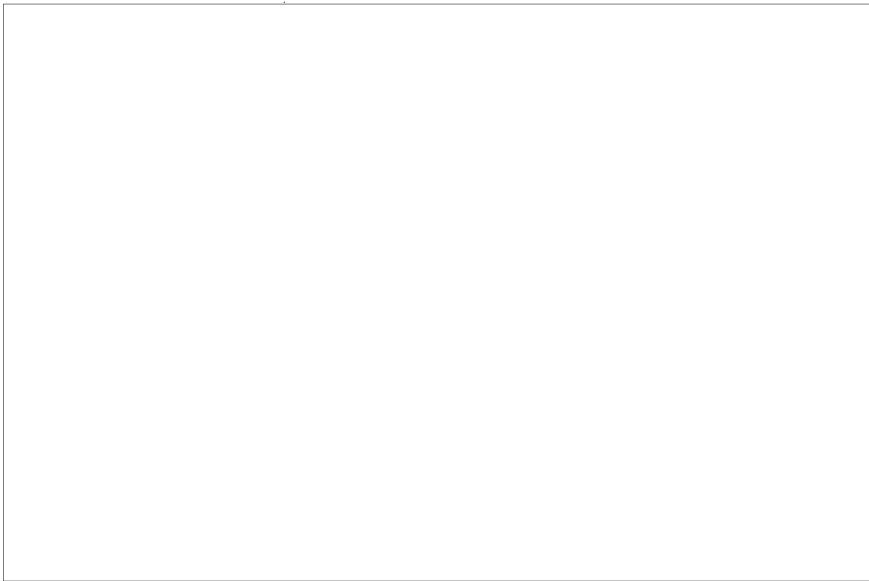
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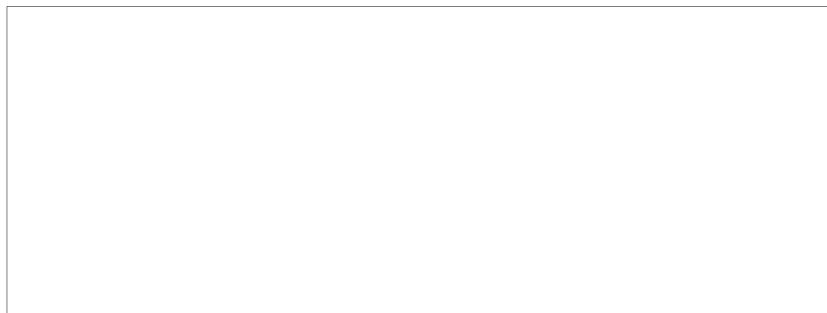
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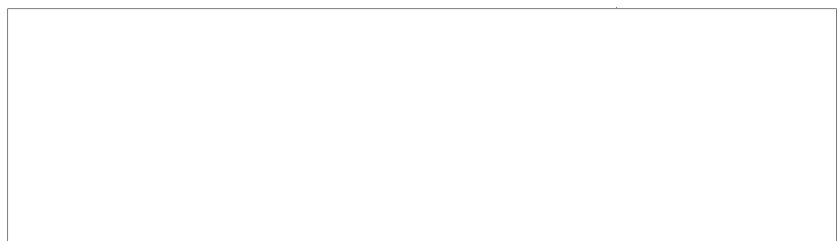
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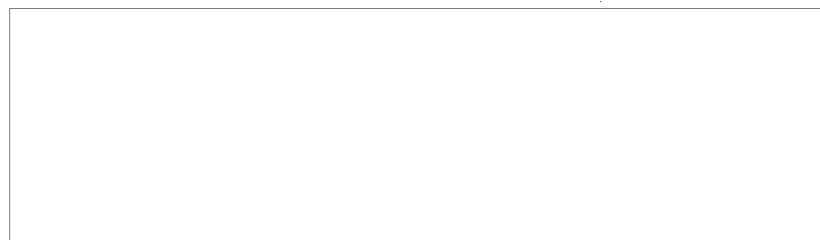
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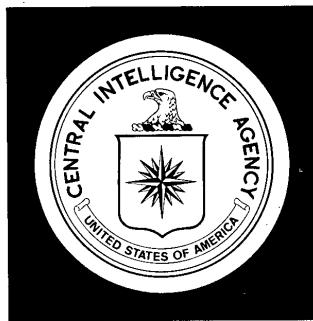
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FOR THE PRESIDENT ONLY

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The President's Daily Brief

February 14, 1974

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exemption category (b)(2)(C)
declassified only on approval of
the Director of Central Intelligence

THE PRESIDENT'S DAILY BRIEF

February 14, 1974

PRINCIPAL DEVELOPMENTS

An intercepted message indicates that the Khmer Communists will attempt a major push in the Phnom Penh area later this month. (Page 1)

Mrs. Meir's Labor Alignment appears to have reached an impasse in efforts to induce the National Religious Party to join a coalition government. (Page 2)

The Washington energy conference showed some shifts in power relationships within the EC. (Page 3)

The governors of EC central banks have discussed coordinating intervention to keep the EC's major floating currencies at rates that will avoid major shifts in trade patterns in the EC. (Page 4)

The bitter propaganda exchange between Seoul and Pyongyang appears to have ended prospects for any meaningful North-South accords for the present. (Page 5)

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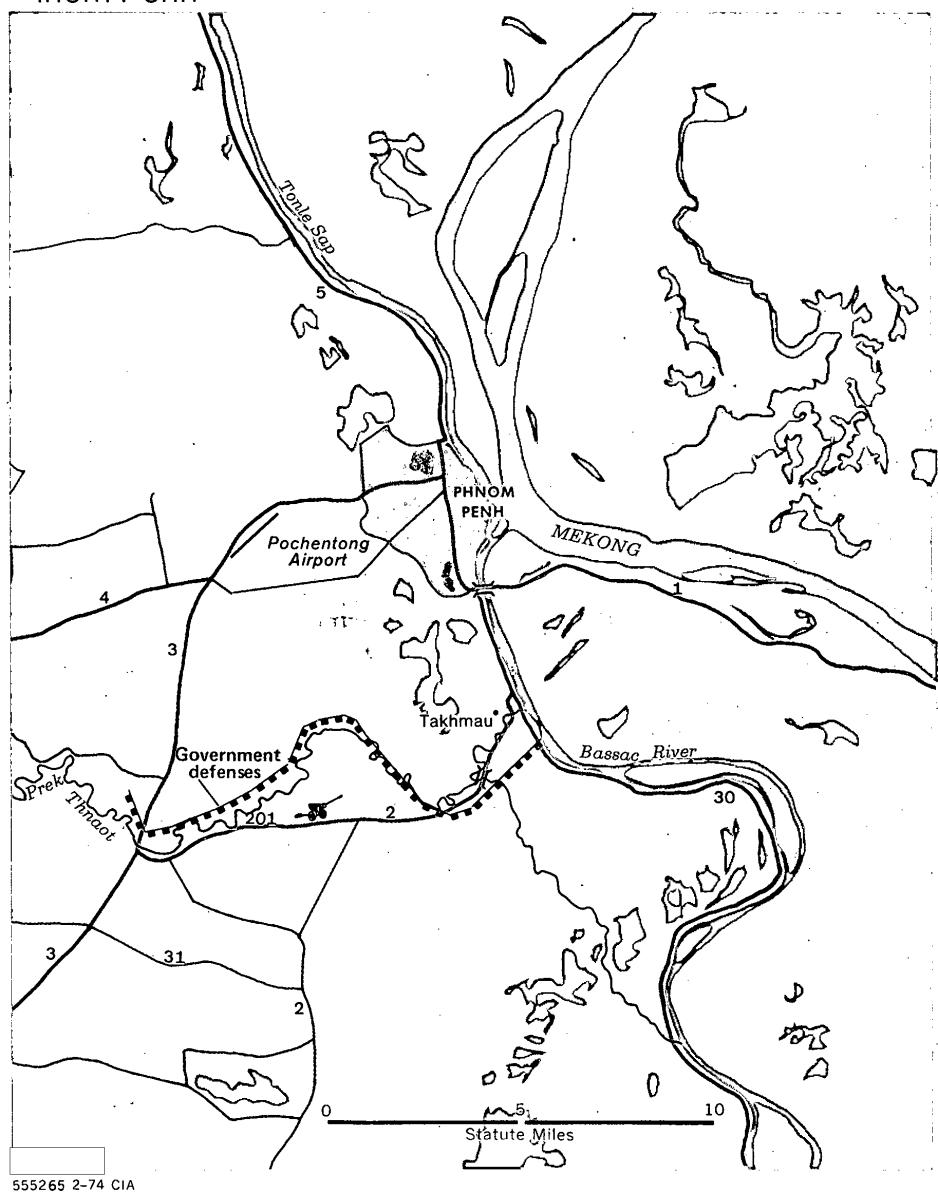
(Page 6)

Border fighting last weekend between Iran and Iraq may have been caused by Iranian road-building in a disputed border area. (Page 7)

The second of four Soviet space probes launched last summer arrived in the vicinity of Mars on February 12 and is now orbiting the planet. (Page 8)

FOR THE PRESIDENT ONLY

Phnom Penh



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CAMBODIA

The Khmer Communists apparently have decided to attempt another major push in the Phnom Penh area later this month. An intercept of February 11 indicates that the standing committee of the Khmer Communist Party reached the decision at a meeting last week, and instructions are now going out to battlefield commanders.

The overall strategy outlined in the message calls for coordinated attacks on several fronts around Phnom Penh. The only detailed tactical plans contained in the message were for units southeast of the capital. Three Communist regiments there are scheduled to participate in a push up Route 1. The Communists evidently expect to begin the attacks around February 25.

How the Communists carry out these latest plans will be governed largely by whether they can overcome their shortcomings in command and control. In addition, many Communist units in the capital region have been in combat for almost two months and may need an extended period of rest and refitting. Such factors could delay increased Communist pressure against Phnom Penh until next month.

In any case, the Communists evidently intend to keep up their periodic shellings of the capital. An intercepted message yesterday indicated that insurgent gunners south of Phnom Penh have been ordered to try to hit new targets within the city.

ISRAEL

Israeli Prime Minister Meir's Labor Alignment appears to have reached an impasse in efforts to induce the conservative National Religious Party to join a coalition government. Press reports from Tel Aviv indicate that the National Religious Party has at least temporarily withdrawn from coalition talks.

Faced with this predicament, Prime Minister Meir might form a narrow coalition excluding the National Religious Party. Foreign Minister Eban told Ambassador Keating on February 12 that unless the religious party softened its terms for participation, the Alignment would form a coalition with only the Independent Liberal Party and the new Civil Rights Party. Eban added that two cabinet seats would be held open for the National Religious Party. This, he contended, would entice it to rejoin the government eventually.

A coalition without the National Religious Party would give Mrs. Meir a one-vote margin in the 120-member Knesset--a margin Eban admitted would be "uncomfortable." He said that the Alignment had secured the tacit agreement of the Agudat Religious Front to throw its five votes to the government on national security issues and on votes of confidence. The Communists, he thought, would also support the government against the right on Middle East peace issues.

It remains doubtful whether the Alignment will carry through on its threat to go ahead without the National Religious Party. Mrs. Meir probably still thinks that participation by the National Religious Party, with its ten Knesset seats, is needed if she is to govern effectively.

EUROPE

The Washington energy conference not only left France in isolation, but showed some shifts in the power relationships within the EC.

The decision of the conference to approve a call for "direct preparations of a conference of consumer and producer countries" contradicted the position paper that all the EC governments had accepted prior to the meeting. Although ostensibly a procedural matter, the French saw this point as raising the broad question of Europe's future relations with the US. They choose to stick to the view that acceptance of even a coordinating group composed of conference participants amounted to another European capitulation to "domination" by Washington--a charge to which many Europeans are on occasion sympathetic.

In this instance, the French were unable to carry the other EC members with them. Their failure stemmed in part from the Europeans' lack of confidence in their ability to cope with the energy crisis without US cooperation. It was also one of the first indications that, with the EC's enlargement, Paris cannot in every instance call the tune. The Germans, who are in a strong position because they hold the presidency of the EC Council, were not prepared to go along with the French, particularly since Bonn had the support of the British.

The immediate problems the community faces are no doubt difficult. The EC governments have postponed a meeting of foreign ministers scheduled for today at which the European-US declaration of principles was to have been discussed. The governments had also planned to announce after the meeting a wide-ranging offer of cooperation with the Arab states.

EC

The governors of EC central banks met on Tuesday and discussed the possibility of coordinating intervention to keep the EC's major floating currencies--the pound, lira, and French franc--at rates that will not cause major shifts in trade patterns within the EC. On Monday, French Finance Minister Giscard d'Estaing had announced that the EC was considering "joint monetary action" and that the French hope to offer concrete suggestions when community finance ministers meet on February 18 to discuss the possibility of joint intervention.

Despite the willingness of EC members to talk about rules of conduct for their floating currencies, an effective agreement to maintain exchange rate patterns through intervention would be very difficult to achieve. On the contrary, uncertainties over exchange rates caused by the rise in oil prices, coupled with the recent easing of capital controls in several EC countries, will probably lead to significant currency adjustments this year. These could only be prevented by heavy intervention, if at all.

The recent French decision to float the franc independently, as well as the earlier British and Italian decisions to float the pound and the lira, was made largely out of fear of massive reserve losses similar to those they sustained while trying to maintain fixed rates. Thus, it is highly unlikely they would agree to use their reserves for heavy intervention, particularly since they will need those reserves to finance balance-of-payments deficits resulting from higher oil prices.

KOREA

The bitter propaganda exchange between Seoul and Pyongyang appears to have ended, at least for the time being, prospects for any meaningful North-South accords. The immediate background of the exchange is the dispute over South Korean access to islands off the Korean west coast, but other factors are feeding the deterioration in relations.

Seoul has magnified the territorial sea dispute in order to claim that the North Korean military and subversive threat has increased and thereby to justify its own crack-down on domestic political unrest. Seoul supports its case by pointing to recent belligerent statements from North Korean leaders.

Pyongyang's statements are indeed strong--the harshest since North Korea began the dialogue with the South in 1971. The North Koreans accuse the Pak government not only of repression but also of hostility to the commonly accepted goal of Korean national unification. They emphasize what they call Seoul's provocative naval activity in the area of the western islands and stress that North Korea is willing to meet any hostile move by the South.

Pyongyang intends these statements to exacerbate what it sees as a gradually crumbling political situation in South Korea, and wants to avoid any move that might help Pak improve his domestic position. This accounts for the relatively low military posture that the North has adopted on the territorial seas dispute. There has been no significant harassment for over a month, and there have been no clashes or incidents that Pak could use to rally support. Pyongyang has also worked to prevent even an appearance of progress in the ongoing North-South dialogue; it has rejected Seoul's concept of a nonaggression pact and rebuffed other ROK efforts to generate some forward movement in their talks.

SOUTH VIETNAM



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FOR THE PRESIDENT ONLY

IRAN-IRAQ

The border fighting last weekend between Iran and Iraq may have been caused by Iranian road-building in a disputed border area.

[redacted] an Iranian construction crew ignored repeated warnings from Iraqi border guards to cease work on a road that the Iraqis claimed was being built on their side of the border. On February 4, the Iraqis opened fire but were driven back. The Iranians later seized a strategic hill overlooking the construction site, but on February 10 the Iraqis recaptured it using artillery and armor. The Iranians again counterattacked and pushed several miles inside Iraq.

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The Shah's instructions to his troops to hold the territory they have gained may have prompted Iraq to call for a Security Council meeting, rather than make another attempt to retake the area by force. Iran's military moves in the area also undoubtedly account for its opposition to Security Council involvement. Consultations are continuing at the UN in an effort to avert the formal Security Council session now scheduled for Friday morning. Secretary General Waldheim has informally offered to send an observer to the Iran-Iraq border area.

USSR

Mars 5, the second of four Soviet space probes launched last summer, arrived in the vicinity of Mars on February 12 and is now orbiting the planet.

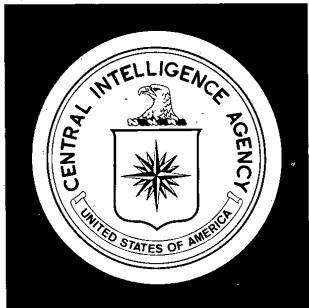
Two days earlier, Mars 4 passed within about 900 miles of the planet. In a rare disclosure of failure, the Soviets announced yesterday that Mars 4 was also intended to orbit the planet but failed. There is a possibility that Mars 4 released an instrument package to obtain data and pictures from the planet's surface.

The two other space probes--Mars 6 and 7--should arrive in early March.

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The President's Daily Brief

February 15, 1974

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

THE PRESIDENT'S DAILY BRIEF

February 15, 1974

PRINCIPAL DEVELOPMENTS

Moscow believes that the best deterrent to war between the US and USSR is reliance on a mutual threat of massive destruction, according to a Soviet official. (Page 1)

The French appear ready to retreat from their blanket opposition to a US proposal designed to improve NATO political consultations. (Page 2)

Tel Aviv is not considering heavy retaliation for the recent Syrian shelling of Israeli positions in the Golan Heights. (Page 3)

Iran's Finance Minister claims that Tehran will soon propose measures to invest its surplus oil revenues in oil-importing countries. (Page 4)

Communist military activity appears to be increasing in the Central Highlands at a time when South Vietnamese forces there are stretched thin. (Page 5)

North Korean naval ships sank a South Korean fishing boat and damaged another. (Page 6)

Soviet pressure may have played a part in President Sadat's decision to postpone planned cabinet changes. (Page 7)

Indonesia's President Suharto has moved in the past month to impose his personal authority over broad areas of national policy and clamp down on potentially divisive elements. (Page 8)

A note on South Korea's anti-corruption drive appears on Page 9.

China

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FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

IJSSR

A Soviet Foreign Ministry official has asserted that Moscow believes the best deterrent to war between the US and the USSR is reliance on a mutual threat of massive destruction of urban and industrial centers.

Speaking to a US diplomat in Moscow on February 12, Oleg Sokolov of the Foreign Ministry's USA Division said that Moscow is hesitant publicly to acknowledge its acceptance of the doctrine of mutual assured destruction for fear of giving the erroneous impression that the two superpowers contemplate with equanimity the idea of destroying each other.

Soviet leaders, said Sokolov, had decided only reluctantly to allow the press to deal with Secretary Schlesinger's statements regarding the new US nuclear targeting options. According to the Soviet official, the Secretary's comments on US-USSR strategic competition, coupled with recent increases in the US military budget, forced Moscow's hand.

Sokolov's assertion that the USSR adheres to the mutual assured destruction concept is highly unusual, and was probably prompted by Soviet concerns that the US is moving away from this doctrine and toward a counterforce strategy. [redacted]

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[redacted]
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The Soviets will remain hesitant to address the mutual destruction doctrine in public, partly because Soviet military leaders believe that open espousal of the doctrine might undercut their rationale for a nuclear fighting force and breed pacifism in the ranks. Silence on mutual assured destruction also has the effect of preserving Moscow's options vis-a-vis the Chinese and other nuclear powers that, in the Soviet view, do not yet have the capability to inflict an impermissible level of damage on the USSR in a nuclear exchange.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

NATO

The French appear ready to retreat from their blanket opposition to a US proposal designed to improve NATO political consultations.

At an informal meeting of the North Atlantic Council permanent representatives earlier this week, the French representative said that his government might be induced to agree to "occasional" Council meetings attended by the political directors of the members' foreign ministries, provided:

- no institutionalization of procedures results from the proposed February 28 meeting or any subsequent ones;
- the political directors do not meet alone-- Paris wants the permanent Council representatives in attendance;
- each Council member remains free to determine whom it will designate as its political director.

Earlier, the French had indicated that they opposed North Atlantic Council meetings "reinforced" by the presence of the political directors because they would duplicate and deprecate the work of the NATO permanent representatives. What the French really fear is that such meetings might detract from the regular monthly meetings of the EC political directors and furnish the US with an indirect voice in EC political discussions.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

ISRAEL

Tel Aviv is not considering heavy retaliation for the recent Syrian shelling of Israeli positions in the Golan Heights, according to Foreign Minister Eban. He told Ambassador Keating this week that Israeli military experts do not think Damascus wants to renew hostilities but instead is attempting to force concessions from Israel.

Tel Aviv believes that the Syrians see themselves in a weaker military and political position than either Egypt or Jordan. Damascus therefore considers it necessary to alarm the international community and maintain military pressure on Israel. Syria's discomfort has been compounded by the demobilization of some Israeli forces on the Egyptian front who would now be available for service on the Syrian front, if needed.

Fear that a retaliatory strike would upset attempts to launch disengagement talks with Damascus also is probably restraining Israel. Eban indicated that Israeli officials remain hopeful that these efforts will succeed, and he expressed cautious optimism about the outcome of Soviet and French initiatives on the POW question.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

IRAN

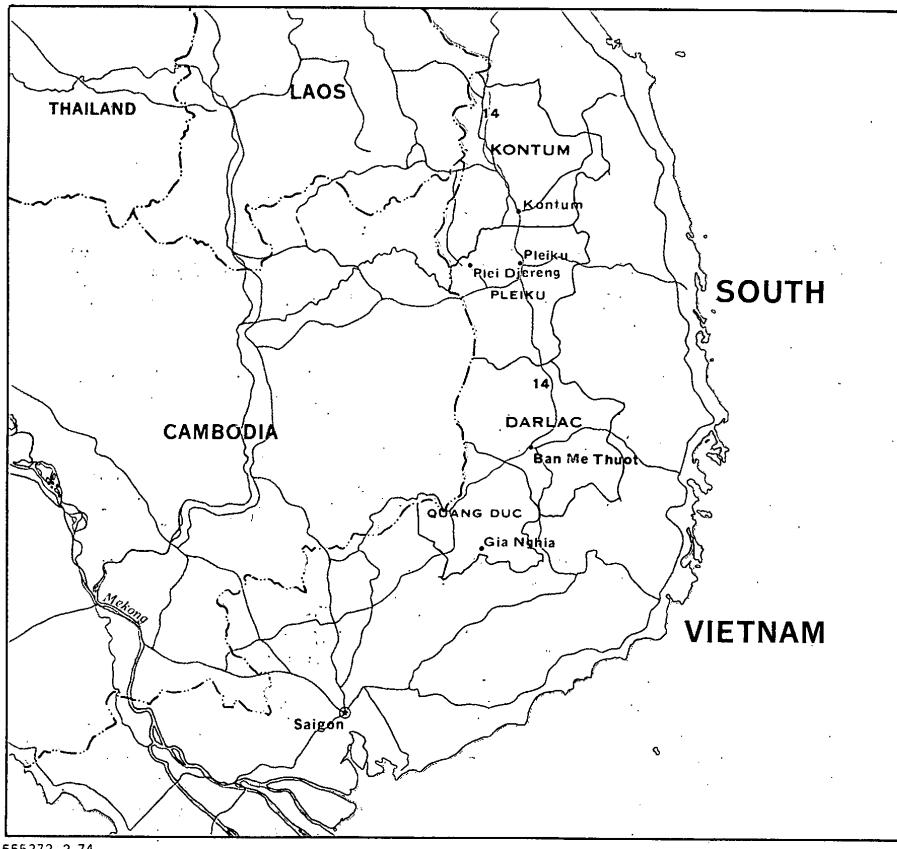
Tehran will soon propose measures to make Iran's surplus oil revenues available to oil-importing countries, according to Finance Minister Amouzegar. This is the first indication that oil producers will try to alleviate these countries' balance-of-payments difficulties. The Shah no doubt hopes to quiet criticism over the sharp price increases for oil, and to show that Iran will use its surplus funds productively.

According to Minister Amouzegar, Iran is prepared to:

- lend a sizable portion of its 1974 foreign exchange surplus to the International Monetary Fund (IMF);
- allocate funds to developing countries through the World Bank to enable them to purchase additional industrial products;
- purchase bonds issued by the World Bank and other international institutions;
- increase foreign aid and invest in the development of natural resources in both industrialized and developing countries.

The Shah will present these proposals to IMF Managing Director Witteveen and World Bank President McNamara on February 20 and 21 respectively. If agreement is reached, Tehran will have relatively secure and profitable outlets for much of this year's estimated foreign exchange surplus of \$13 billion. These new commitments presumably will not interfere with Tehran's plans to contribute to a proposed OPEC bank.

Other direct Iranian aid to developing countries is not likely to be large. Tehran will probably continue to lend funds at favorable rates to countries in which it seeks greater influence.



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FOR THE PRESIDENT ONLY

SOUTH VIETNAM

South Vietnamese forces in the central highlands are stretched thin at a time when Communist military activity may be increasing.

Communists attacked government positions north of Kontum city on February 13, while a government operation to retake a border outpost west of Pleiku city has met stiff resistance. The region's only reserve regiment, which was recently rated unfit for combat, has been sent to reinforce the operation. In Darlac Province, to the south, a government advance against a Communist border supply route has stalled.

Intercepted messages reflect Communist plans for new attacks in Quang Duc Province to draw South Vietnamese troops from other areas in the highlands. Government planners would be reluctant to shift troops there, however, since they believe a more serious threat exists in Kontum and Pleiku.

General Toan, the government's central region commander, would like to concentrate his forces on disrupting the Communist supply corridor that runs along the Cambodian border. With the current limited drives there already stalled, his troops could run into serious trouble if they try to push even further west.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

KOREA

North Korean naval ships from a squadron based at Cho-do sank a South Korean fishing boat late yesterday in international waters northwest of the Northern Limit Line. Another South Korean boat apparently was damaged and may have been taken under tow by the North Koreans.

Pyongyang's action appears aimed at keeping fishing vessels out of contested waters near the Northern Limit Line. South Korean fishing boats usually move into these waters at this time of year. North Korea has seized a number of these in the past, but has usually released ships and crew later.

The evidence available thus far suggests that the North Koreans were not deliberately trying to provoke Seoul.

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The South Korean Defense Ministry has already publicized the incident and announced that it has sent naval ships to search for survivors. A South Korean destroyer and one other ship have moved into the area.

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The incident is bound to raise tensions in the area. Even if the North Koreans choose to play down the incident, Seoul will almost certainly seize the chance to portray it as further evidence of Pyongyang's aggressiveness.

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FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

EGYPT

Soviet pressure may have played a part in President Sadat's decision to postpone planned cabinet changes. A well-informed diplomatic contact of the US Interests Section in Cairo has said that Moscow objected to the proposed appointment of the liberal Economy Minister Hijazi as prime minister.

During Egyptian Foreign Minister Fahmi's visit to Moscow last month, Soviet Foreign Minister Gromyko reportedly criticized Egypt's "turn toward the right" and indicated that Hijazi's appointment would complicate Soviet aid. According to this source, Soviet officials asked how they could be expected to continue to underwrite assistance to a country whose views increasingly diverge from the USSR's, and they strongly suggested that Hijazi's appointment be postponed.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

INDONESIA

President Suharto has moved in the past month to impose his personal authority over broad areas of national policy and to clamp down on potentially divisive elements.

Suharto has reshuffled military and intelligence personnel, ostensibly to increase effectiveness. The net result has been to erode the power base of armed forces deputy commander in chief, General Sumitro.

In addition, Suharto has recently created a new political and security council to "ratify" his decisions. This council includes only one ex officio representative of the defense establishment.

Suharto's actions have caused grumbling among the military because he failed to consult the generals in advance. While Suharto's position within the military government has long been that of first among equals, he is now acting more like a man with absolute authority.

Since taking over in 1966, Suharto has fostered greater centralization of authority in the Jakarta bureaucracies. Some generals now fear he wants to go one step further and centralize such authority in the presidential palace.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

NOTE

South Korea: President Pak Chong-hui has launched a widespread anti-corruption drive in an effort to increase public confidence in his government. So far, 40 officials--including five of vice ministerial rank--reportedly have been asked to resign. Since no senior officials have been removed, however, the political opposition is openly expressing its cynicism about the cleanup. The anti-corruption campaign could easily backfire on Pak if it should be used by his lieutenants to settle old political scores, and particularly if it should bring about disarray in the military, the police, and the security services.

FOR THE PRESIDENT ONLY

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ANNEX

China

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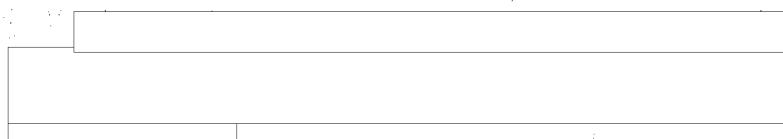
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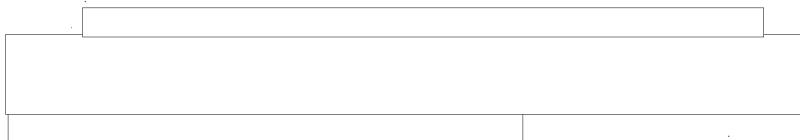
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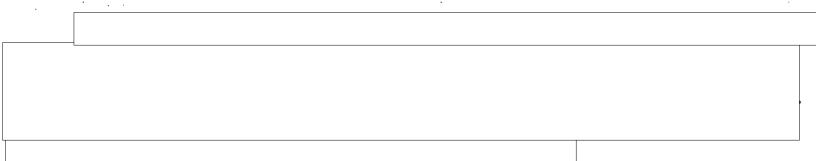
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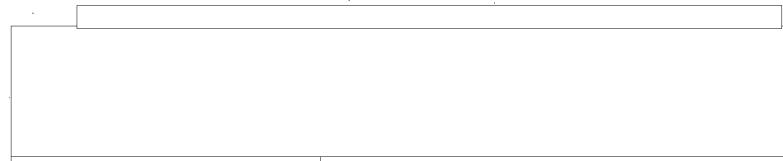
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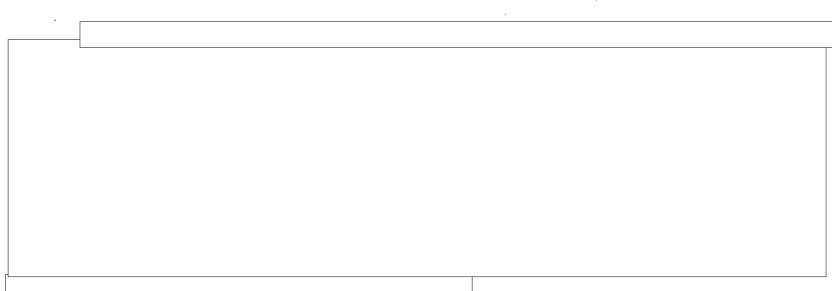
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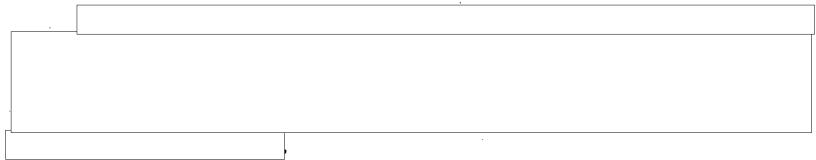
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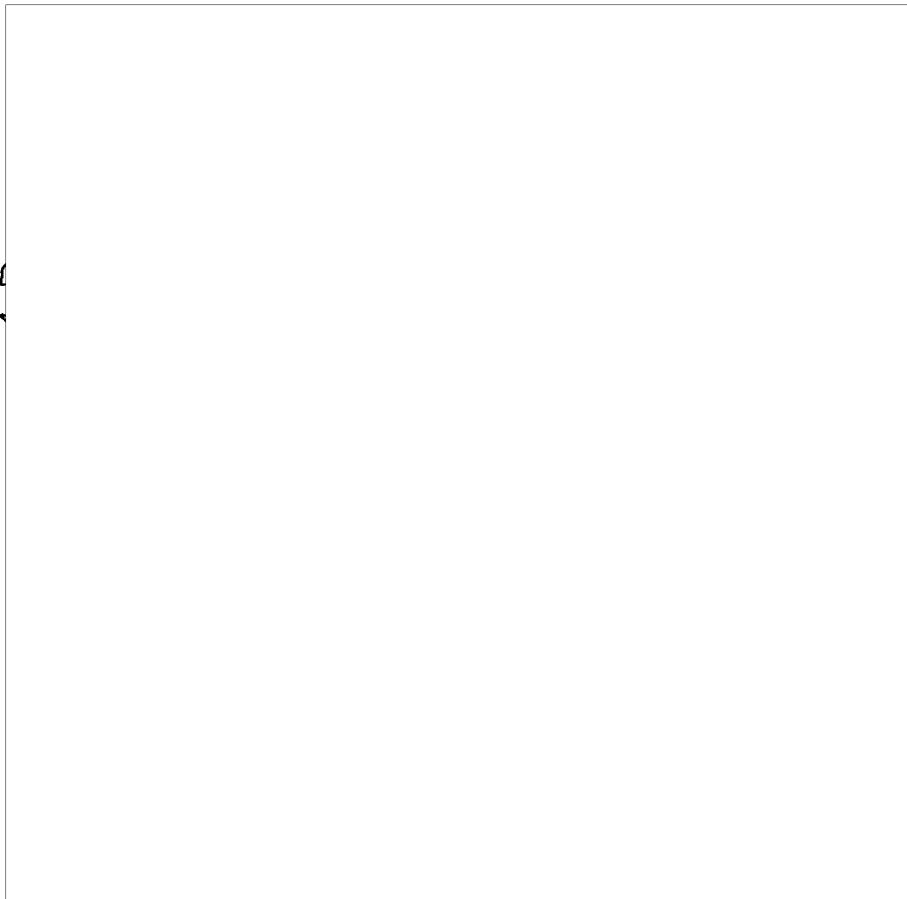


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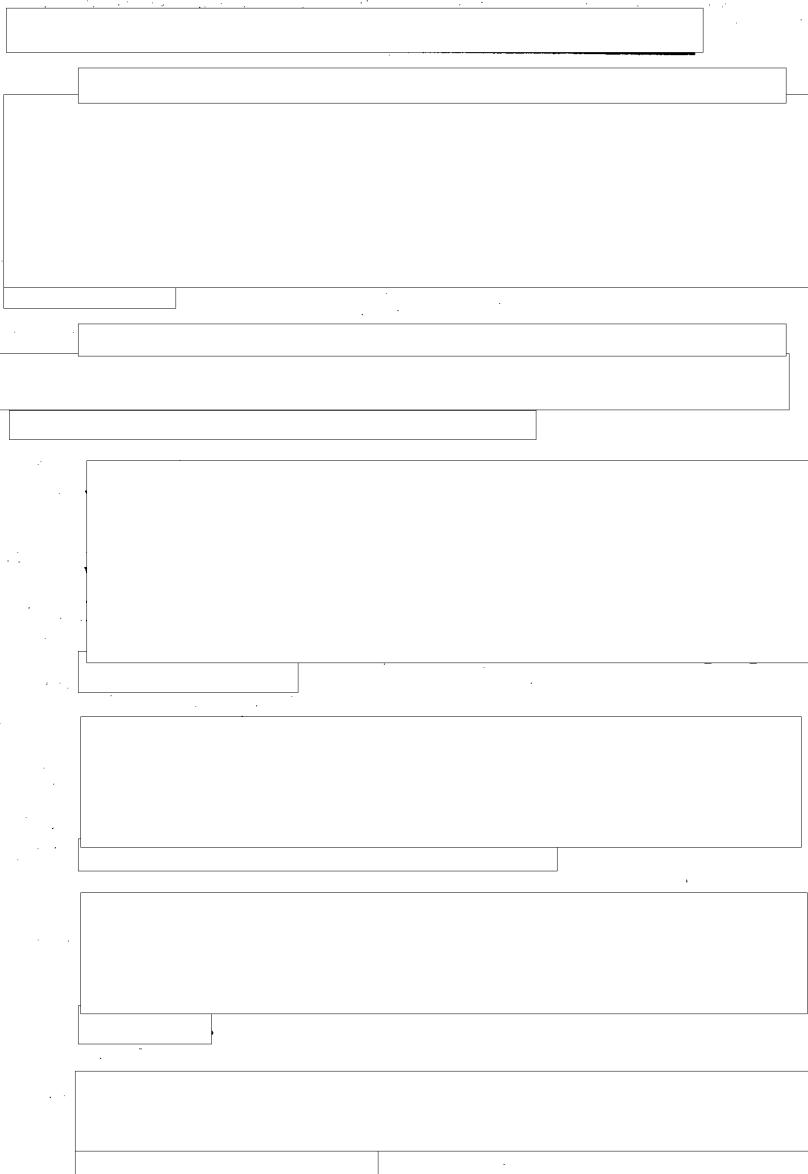
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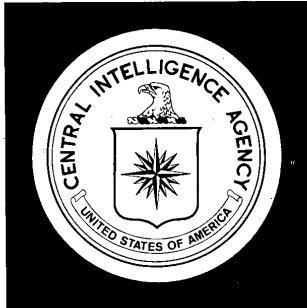
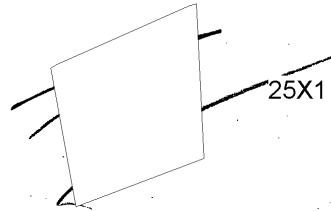
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The President's Daily Brief

February 16, 1974

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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

February 16, 1974

PRINCIPAL DEVELOPMENTS

European leaders are assessing the effects of France's isolated position and of Germany's strong stand on EC relations, in the aftermath of the Washington energy conference. (Page 1)

The South Vietnamese cabinet, with the exception of Prime Minister Khiem, resigned today at President Thieu's request. The shake-up apparently is part of a wider effort by Thieu to restructure the government. (Page 2)

South Korea reportedly is reinforcing some of the islands it occupies just south of the Northern Limit Line. (Page 3)

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(Page 4)

25X1

Tension apparently continues in the Jordanian Army in the wake of last week's mutiny. (Page 5)

No fighting has taken place along the border between Iran and Iraq since last Monday, but the situation in the area remains volatile. (Page 6)

The Economic Commission of the Organization of Petroleum Exporting Countries is studying the ramifications of recent oil price increases to determine whether prices should be changed on April 1. (Page 7)

Saudi Arabia has accepted a \$30 million subscription to the Eurodollar loan being made to France. (Page 7)

Notes on [redacted] USSR-Libya, [redacted]
[redacted] and French plans for marketing fighter aircraft appear on Pages 7 and 8.

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FOR THE PRESIDENT ONLY

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EC

In the aftermath of the Washington energy conference, European leaders are assessing the effects of France's isolated position and of Germany's strong stand on EC relations. Anxieties about the effect of the conference on European relations with oil producers and less-developed countries have faded, at least temporarily.

The West Germans, already shaken by the French decision to leave the joint float, are angry. Working-level Foreign Ministry officials say that Bonn's patience with Paris has worn thin and that Bonn will no longer tolerate a French veto on matters relating to European integration or to Europe's relations with the US.

Foreign Minister Scheel and Finance Minister Schmidt have openly criticized Paris for transforming the energy problem into a contentious political issue. Belgian Foreign Minister Van Elslande minced few words when he warned that France's "obstinate refusal to make reasonable compromises" is the real threat to European unity.

[REDACTED]

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Some European officials have compared the current EC trouble with that in the mid-1960s when France withdrew from active EC participation for several months. France will probably not do this now, however, because it is looking forward to assuming the chairmanship of the EC Council for six months, beginning in July.

France is already preparing for the next meeting of EC foreign ministers, at which it will press for approval of a plan for wide-ranging cooperation between the EC and Arab states.

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FOR THE PRESIDENT ONLY

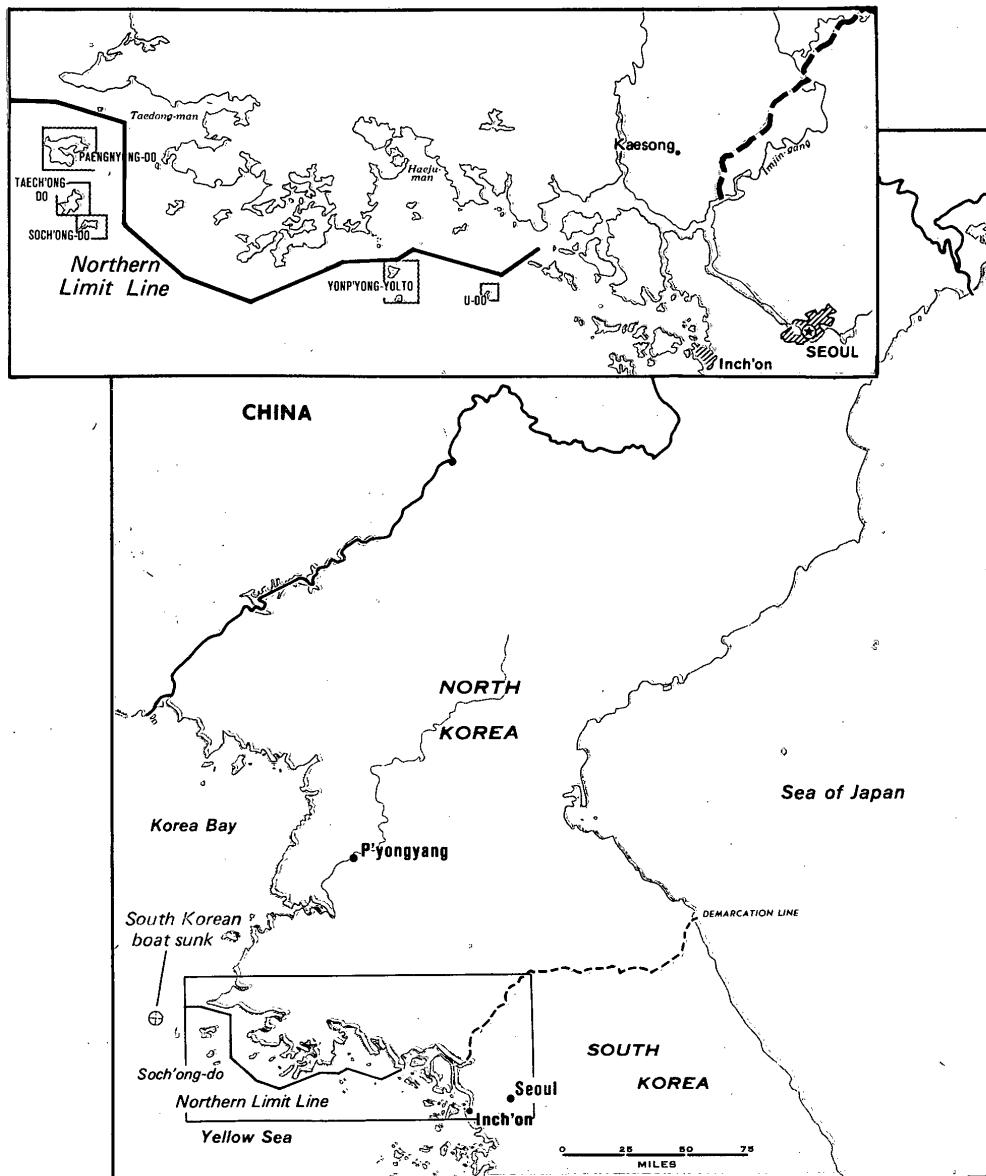
SOUTH VIETNAM

The South Vietnamese cabinet, with the exception of Prime Minister Khiem, resigned today at President Thieu's request.

Thieu asked those resigning to remain in a caretaker capacity until a new cabinet is formed. Some of the senior ministers reportedly will be named to posts in the new cabinet.

The shake-up apparently is part of a wider effort by Thieu to restructure the government. In reorganizing the cabinet, Thieu hopes to strengthen the prime minister's office and streamline the handling of pressing economic problems.

FOR THE PRESIDENT ONLY



FOR THE PRESIDENT ONLY

KOREAS

Seoul may be reinforcing some of the islands it occupies just south of the Northern Limit Line. ROK ships are reported bringing construction equipment into the islands to support a defense buildup which Seoul hopes to complete over the next several months.

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Pyongyang has not protested the reinforcement, but it continues to accuse Seoul of carrying out provocative activity in the vicinity of the islands. North Korea made its latest charges on February 15 in connection with the sinking of a South Korean fishing boat northwest of the Northern Limit Line. Pyongyang claimed the ROK craft had carried out a "hostile act of espionage" and stated that North Korean vessels had taken "proper self-defense measures."

Despite this strong wording, Pyongyang may try to play down the immediate incident. It has reportedly released a second fishing vessel captured in the encounter and has agreed to return the surviving crew member of the sunken vessel.

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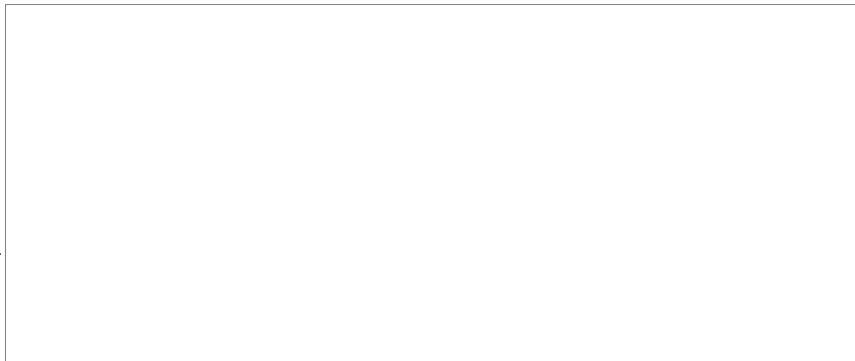
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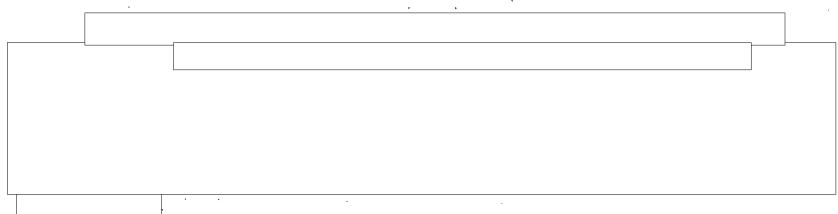
USSR



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FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

JORDAN

Tension reportedly continues to run high in the Jordanian Army in the wake of last week's mutiny.

[redacted] an investigation into the causes of the mutiny is now in full swing, and about 100 enlisted men--mostly senior non-commissioned officers--have been arrested. Junior officers and enlisted men are apprehensive.

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Unless King Husayn takes more positive steps than he has thus far to deal with the grievances that sparked the insurrection, he could be faced with worse trouble. Husayn reportedly intends to make personal appearances at more army units, to wipe out the debts of enlisted men as well as officers, and to establish a special royal secretariat to handle army complaints.

Thus far, however, the King has not admitted that the unpopularity of army chief of staff Bin Shakir and Prime Minister Rifai is among the main causes of lingering unrest.

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The mutineers believe the government would not have taken any action to control food prices or prevent shortages if they had not acted. The troops have not yet even been officially notified of the promised pay raise, although it has been announced over Radio Amman.

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FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

IRAN-IRAQ

No fighting has taken place along the border between Iran and Iraq since last Monday, but the situation in the area remains volatile.

During the fighting last weekend, Iranian troops moved several miles inside Iraq and there is no sign that they have withdrawn. Each side is unsure of the intentions of the other, and a minor incident could bring on another clash.

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In private talks with US Embassy officers, the Shah and other Iranian officials have tried to play down last week's fighting. The Shah has also let it be known that he will allow the Iraqi ambassador-designate to present his credentials today.

At the UN, the Security Council has adjourned until February 20, after meeting last night to hear Iraq and Iran trade charges of aggression.

Council members are expected to search for a compromise that can dissuade Iraq from insisting on full debate. The smaller states on the Council, in particular, seem anxious to avoid having to take sides in the clash between the two oil producers.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

NOTES

Oil: The Economic Commission of the Organization of Petroleum Exporting Countries, based in Vienna, is studying the ramifications of recent oil price increases to determine whether prices should be changed on April 1. Most commission members are trying to counter Saudi Arabia's claims that prices are already too high; some members are even toying with the idea of another price hike. The commission is also deliberating a long-term oil pricing policy based on the price of energy substitutes--a concept pushed by the Shah. The commission's recommendations will be considered when the organization's executive board convenes in March.

Saudi Arabia - France: Saudi Arabia has accepted a \$30 million subscription to the recent \$1.5 billion Eurodollar loan being made to Paris. The loan, which nine major international banks are arranging, will be used to help defray the increased balance of payments cost of the oil France imports.

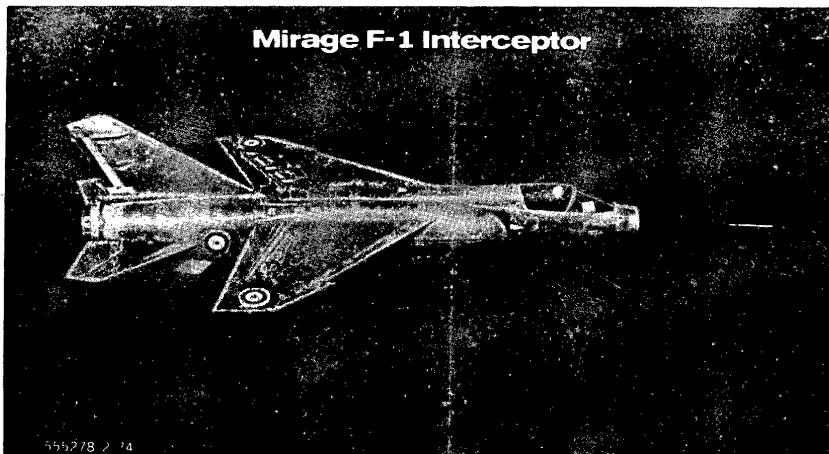
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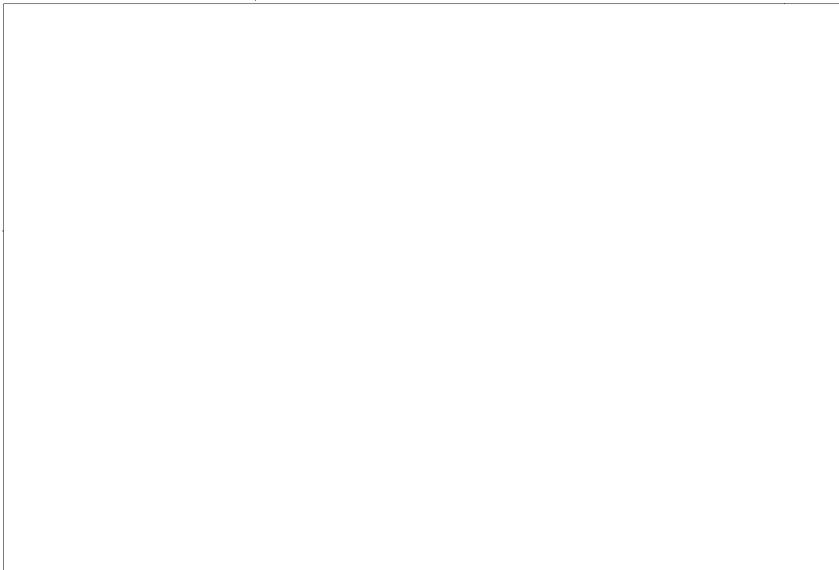
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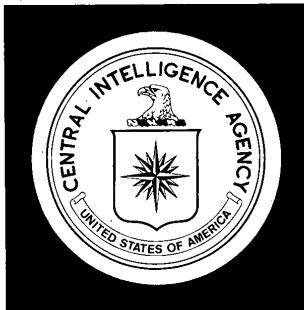
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France - Western Europe: Avions Marcel Dassault Company has proposed that France, Belgium, the Netherlands, and Australia jointly build a "Mirage F-1 International" aircraft, according to the French press. The proposal reportedly has the financial backing of the French Government and is apparently part of France's efforts to capture the European market for fighter aircraft during the second half of the 1970s. The F-1 International--or Super Mirage--is the planned export model of the Mirage F-1, an aircraft just now entering France's inventory. Its speed and altitude capabilities would be greater than the F-1, but it will probably not be operational before 1976.

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February 18, 1974

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THE PRESIDENT'S DAILY BRIEF

February 18, 1974

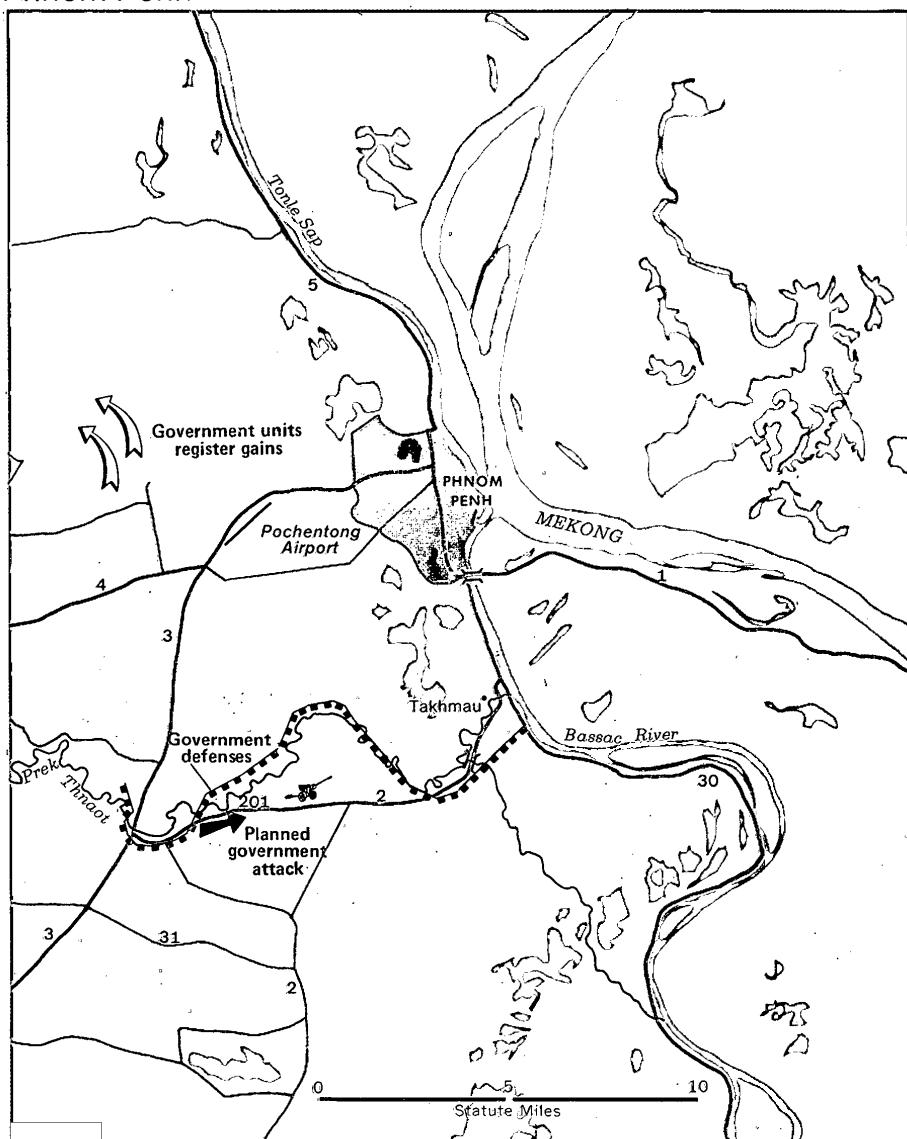
PRINCIPAL DEVELOPMENTS

Cambodian government forces will probably retain the initiative for the next few days as the Communists prepare for a renewed push on Phnom Penh toward the end of the month. (Page 1)

The Soviet Union is interested in renewing the dialogue with Japan, with particular emphasis on negotiating Siberian development projects. (Page 2)

FOR THE PRESIDENT ONLY

Phnom Penh



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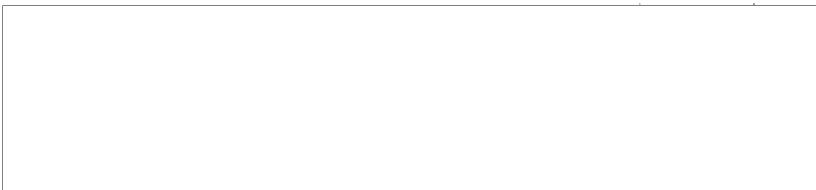
FOR THE PRESIDENT ONLY

CAMBODIA

Cambodian Army forces along Phnom Penh's southern front are scheduled to begin a drive in the next few days to expand government holdings near Route 3 on the southern bank of the Prek Thnaot River. The Khmer Communists will have to respond to this move against their western flank or risk envelopment of some of their units. These would include the artillery that has been shelling Phnom Penh. Northwest of the city, government units are mopping up after their successful assaults on insurgent troops seven miles from Pochentong airport.

Government ground forces will probably retain the initiative for the next few days as the Communists prepare for a renewed push on the capital toward the end of the month. Intercepted messages continue to reflect Communist plans for a coordinated effort on several fronts, but no specific date for the attacks has been mentioned.

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USSR-JAPAN

The Soviet Union is interested in renewing the dialogue with Japan begun during Prime Minister Tanaka's visit to Moscow last October.

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[redacted] Moscow wants to implement the agreements reached at that time, particularly those on Siberian development.

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Soviet officials in Japan maintain that the USSR is now ready for detailed negotiations on at least five separate Siberian development projects. They blamed bureaucratic wrangling in Moscow for past delays, but said that all Soviet ministries now agree on the need to move ahead. The Soviets denied that they have lost interest in the Tyumen pipeline

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[redacted]
The Japanese are disappointed in the lack of specifics and are skeptical that the Soviets are prepared to bridge the wide gap in the two countries' positions on economic issues. The Japanese want to keep their lines open, however, and have invited any one of the top three Soviet leaders to visit Japan after June.

FOR THE PRESIDENT ONLY

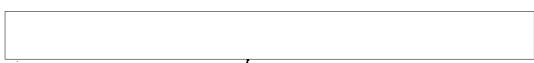
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The President's Daily Brief

February 19, 1974

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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

February 19, 1974

PRINCIPAL DEVELOPMENTS

Israel's National Religious Party has resumed coalition talks with Prime Minister Meir's Labor Alignment in an effort to resolve the question of who is a Jew--the issue on which negotiations had stalled.
(Page 1)

South Vietnamese Government changes announced yesterday reflect President Thieu's desire to upgrade Prime Minister Khiem's status and put greater momentum behind economic policies. *(Page 2)*

The Soviets have closed an area in the Pacific Ocean for extended-range tests of a new ICBM. *(Page 3)*

Despite efforts to negotiate bilateral agreements with oil producers, France seems to be no better off with regard to assured oil supplies than other major consumers. *(Page 4)*

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FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

ISRAEL

The National Religious Party has resumed coalition talks with Prime Minister Meir's Labor Alignment in an effort to resolve the contentious issue of who is a Jew--the question on which talks have so far foundered. A majority of the National Religious Party's negotiating team is said to be willing to accept a compromise giving a special ministerial committee a year to propose changes in the present law, which would meanwhile remain in effect. The National Religious Party is reportedly also demanding a commitment that the government not conclude any agreement on the future status of the West Bank; this issue, it believes, must be settled by new general elections. A compromise should be easier to find on this point than on the religious question.

The Independent Liberal Party, the third party in the coalition Mrs. Meir is attempting to establish, has not yet reacted to the new proposal, but it had pressed for the status quo on the religious issue and may balk at joining the cabinet under a compromise. A coalition between the Alignment and the National Religious Party, but without the Independent Liberal Party, would still control 64 of the 120 Knesset seats; the Liberal Party's four seats serve to give Mrs. Meir a more comfortable margin. She could achieve the same end by turning to the ultra-orthodox Agudah Religious Front.

Mrs. Meir is adamantly opposed to calling for new elections to break a deadlock--a process which could take two or three months--and she reportedly does not want to ask the President to renew her mandate to form a coalition when it expires on February 20. There has been some speculation that she will retire if she does not reach an agreement before the deadline, but such a move is unlikely at this time.

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SOUTH VIETNAM

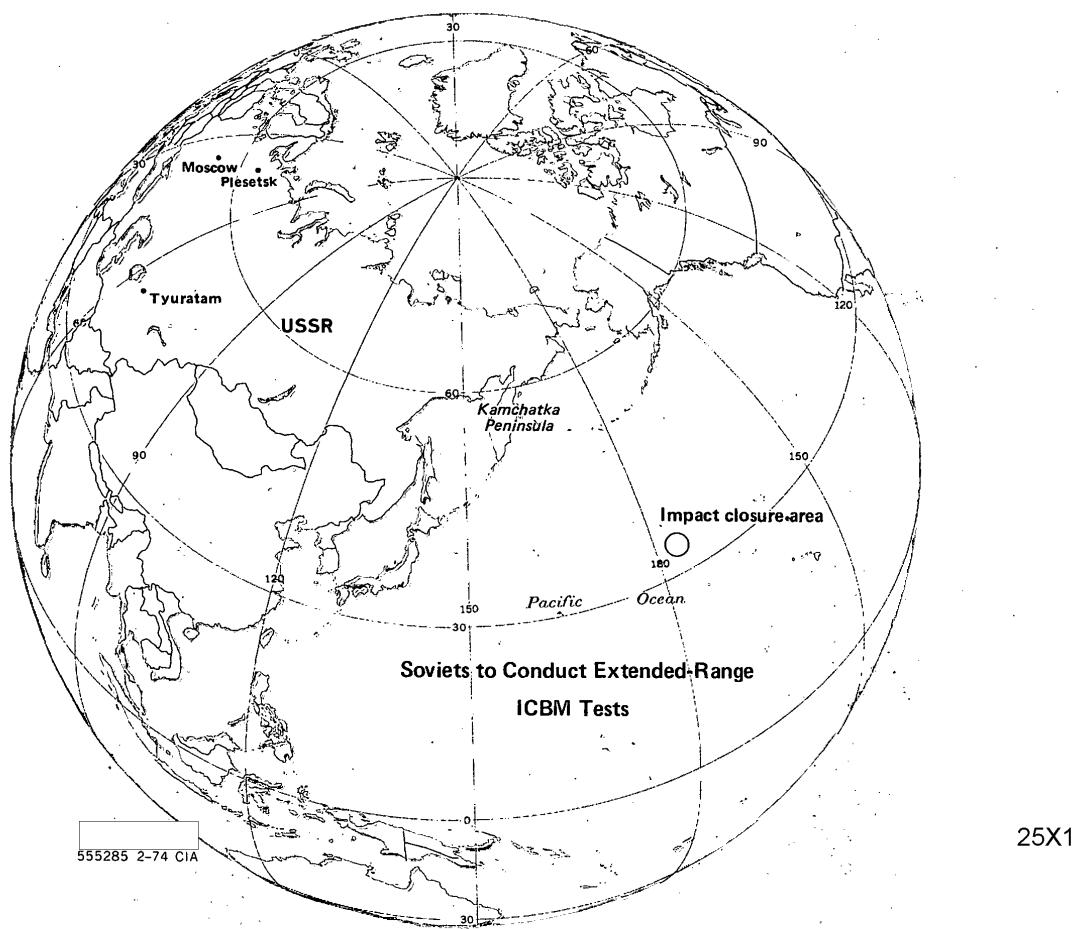
The government changes announced yesterday reflect President Thieu's desire to upgrade the status of Prime Minister Khiem and put greater momentum behind economic policies.

The most significant features of the changes are the transfer of certain functions from the president's office to that of the prime minister and the appointment of two new deputy prime ministers to oversee welfare and development activities. In naming presidential aide Hoang Duc Nha as Minister of Public Information, Thieu formalized Nha's authority in this area and, at the same time, moved him under Khiem. Khiem has been chagrined by Nha's freewheeling.

As deputy prime ministers, Thieu named Phan Quang Dan, concurrently Minister of Social Welfare, and retired General Tran Van Don, charged with "inspecting" national development programs. Both Dan, a cabinet holdover, and Don, a Lower House deputy and unofficial presidential adviser, are activists. Thieu presumably expects that they will bring stronger direction to the economic ministries now headed by competent technicians and bureaucrats. A third deputy prime minister, Nguyen Luu Vien, serves as Saigon's chief negotiator in Paris.

The chief casualty of the cabinet reshuffle is Pham Kim Ngoc, who was replaced as Commissioner of Planning by Nguyen Tien Hung. Ngoc was retained last October when other economic and financial officials were changed. Thieu's unhappiness with economic policy apparently centered on Ngoc, since those ministers appointed in October continue in the new cabinet.

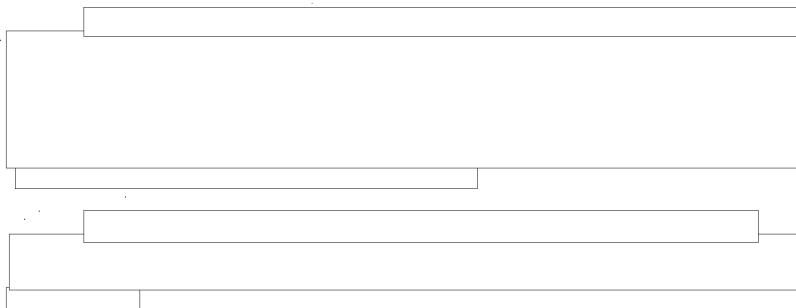
FOR THE PRESIDENT ONLY



FOR THE PRESIDENT ONLY

USSR

The Soviets have again closed an area in the Pacific Ocean for extended-range tests of one of their new ICBMs. Moscow announced yesterday that an area of about 1,500 nautical miles southeast of the Kamchatka Peninsula would be closed from today until March 10. The move coincides with the reopening of the SALT talks in Geneva.



FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

FRANCE

Paris has moved aggressively in the last three months to negotiate bilateral agreements with major oil producers. Today, the prime ministers of France and Libya are to sign an agreement guaranteeing oil in return for the construction of nuclear plants to furnish power for desalinization facilities, according to press reports. On balance, however, the French are no better off with regard to assured oil supplies than other major oil importers. The short-term gains, if any, will be largely political. Benefits in oil and potential foreign exchange earnings from industrial and military sales are far in the future and uncertain at best.

Of its bilateral arrangements, the agreement with Saudi Arabia is the most firm, and France should begin receiving oil this year in return for constructing a refinery. The multibillion dollar agreement with Iran, however, involves considerable additional negotiation. It now calls for Paris to build several nuclear reactors in Iran. This could create problems, since the French would probably need to use licensed technology from the US or encounter a long delay while they develop their own.

French deals with other Middle East governments are also somewhat up in the air. There apparently have been no new developments in discussions with Kuwait concerning a swap of arms and industrial goods for crude oil. [redacted]

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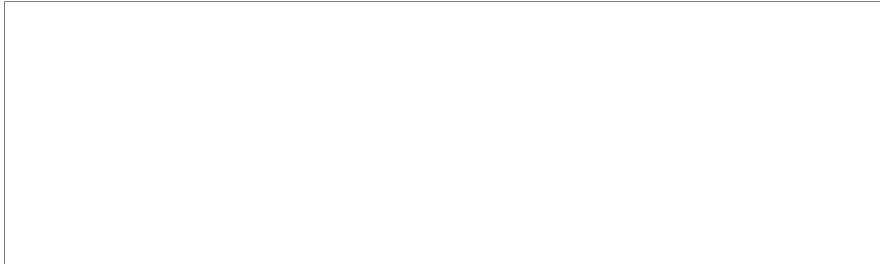
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NOTE



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Note by DCI

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THE PRESIDENT'S DAILY BRIEF

February 20, 1974

PRINCIPAL DEVELOPMENTS

Prime Minister Meir will not ask President Katzir to renew her mandate to form a new government when that mandate expires today. She apparently hopes thus to force a quick end to the political deadlock. (Page 1)

King Husayn is under pressure from the royal family to remove Prime Minister Rifai and Army Chief of Staff Bin Shakir. (Page 3)

Egon Bahr is going to Moscow this week to prepare the ground for a visit by Chancellor Brandt in the spring. (Page 4)

In Japan, the abrupt replacement yesterday of Vice Foreign Minister Hogen reflects Prime Minister Tanaka's growing difficulty in containing intraparty criticism on foreign policy issues. (Page 5)

Notes on Libya, the Japanese space program, and the EC appear on page 6.

FOR THE PRESIDENT ONLY

ISRAEL

Prime Minister Meir will not ask President Katzir to renew her mandate to form a new government when that mandate expires today. She apparently hopes to force a quick end to the political deadlock. If she fails, the President must begin consultations to find another party leader to attempt to form a government.

Mrs. Meir probably believes that the Alignment has gone as far as it can in meeting the National Religious Party's demands for joining the new cabinet. She apparently sees no point in extending the coalition talks for another three weeks, as allowed by law.

Over the weekend, Alignment negotiators made concessions to the National Religious Party on both the conversion to Judaism issue and the Jordanian West Bank question. The Alignment bowed to the National Religious Party's demand that the guidelines of the new government explicitly state that any territorial proposal concerning the West Bank would require new national elections.

The National Religious Party, however, wants to obtain rabbinical approval of the Alignment's compromise proposals, and the party's youth wing insists that the party's central committee must give its assent when it meets on February 24.

The net effect is to delay a final decision until after Mrs. Meir's current mandate expires. She may hope that her stand not to request an extension will force the National Religious Party to make a decision now.

Mrs. Meir still prefers to continue the coalition with the National Religious Party and the Independent Liberal Party that held power before the December election. If agreement with the National Religious Party cannot be reached, however, she may have to choose from among several other options, all of which are more or less distasteful to her.

These include a broad coalition with the right-wing Likud bloc, a narrow coalition with the liberal parties, a minority Alignment government, stepping down as Alignment party leader, or agreeing to a call for new national elections.

(continued)

The Alignment's party leadership appears divided over how to proceed if the current deadlock cannot be broken. Defense Minister Dayan leans toward a broad coalition with the Likud; other party leaders are more inclined to support a narrow coalition with the Independent Liberal Party and the new Civil Rights Party, leaving the door open for the National Religious Party to join later. Labor party leaders strongly want to avoid new elections.

Meanwhile, Defense Minister Dayan yesterday reportedly told members of his Rafi faction within the Alignment that he would not serve in the next cabinet. He cited as reasons for his decision the criticism of him within the Alignment and the agreement not to form an emergency cabinet, presumably one which would include the Likud.

Apparently, Dayan has not withdrawn his support for the present caretaker government and will stay on as defense minister.

25X1

JORDAN

King Husayn is under pressure from the royal family to remove Prime Minister Rifai and Army Chief of Staff Bin Shakir. They are the focus of much of the resentment that surfaced during the recent army mutiny.

Their dismissal would help ease discontent among junior officers and enlisted men, and would satisfy a number of higher level critics among the tribes and within the royal family. The King has been reluctant to drop them because of his close personal attachment to both men, and because he does not want to appear to be giving in to the mutineers.

After visiting virtually every army unit in the country and meeting with tribal leaders, Husayn convened a council of male members of the royal family last weekend. [redacted]

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Husayn no longer seems to believe [redacted] that Sharif Nasir or foreign agents instigated the mutiny. As a result of the investigation into the causes of the disturbances and his own visits to the troops, Husayn realizes that the enlisted men have a number of genuine grievances and that several officers have been guilty of negligence.

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[redacted] enlisted men have been arrested for their part in the mutiny. The King has not indicated what kind of disciplinary action he intends to take against them, but there seems to be a good possibility that he will punish some negligent officers as well as the mutineers. This could have a salutary effect on troop morale, especially if the King does not deal too harshly with the mutineers and dismisses Bin Shakir.

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WEST GERMANY - USSR

Special Minister Egon Bahr is going to Moscow next week to prepare the ground for a visit by Chancellor Brandt this spring. He hopes to talk with General Secretary Brezhnev, among others, about several controversial issues that will figure prominently in Brandt's talks with Soviet leaders. [redacted]

[redacted] these issues include:

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--long-range economic cooperation in energy and other fields;

--agreement on a formula for Berlin that would break the deadlock holding up several other agreements; and

--a cut back in the East German currency exchange requirement for visitors from the Federal Republic and West Berlin.

Bahr also hopes to review the world political situation with Brezhnev, and may relate his impressions of his recent visit to Washington.

JAPAN

The abrupt replacement yesterday of Vice Foreign Minister Shinsaku Hogen reflects Prime Minister Tanaka's growing difficulty in containing criticism from within his own party on foreign policy issues.

Recent misstatements in Washington by Foreign Minister Ohira and Ambassador Tasukawa about the timing of an Imperial visit to the US triggered the dismissal. Hogen, a skilled and respected diplomat, was sacrificed to ease pressure on the foreign minister, currently under attack by Liberal Democratic rightwingers and others in the ruling party who want to force his resignation as a first step to toppling Tanaka. These elements have used such issues as the government's halting progress toward an aviation agreement with Peking and Tanaka's turbulent Southeast Asian tour to support their charges that Ohira is a blunderer. Even if Tanaka and Ohira ride out the current storm, this new evidence of party discord will hurt them as the Liberal Democrats prepare for this summer's Upper House Diet elections.

The new vice foreign minister, Fumihiko Togo, will in general approach policy matters as Hogen does, and he shares Hogen's strong commitment to the US alliance.

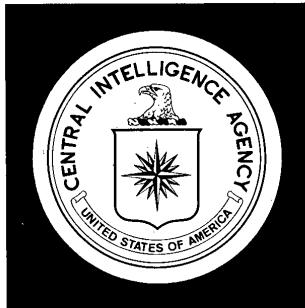
NOTES

Libya-Egypt: President Qadhafi offered what amounted to an apology to President Sadat yesterday in a brief speech before the Egyptian Assembly. Qadhafi praised the Egyptian military for its performance during the war and thanked the Egyptians for defending the Arab nation. Despite the conciliatory tone, Qadhafi did not endorse Egyptian policy, and called for a "closed-door airing of sincere differences," hinting that the military struggle against Israel is still uppermost in his mind.

Japan: The launching over the weekend of Japan's fifth satellite indicates that Tokyo's space program has passed a major hurdle. The success was due to a new guidance and control system on the launch vehicle, comparable to that used on US and French strategic missiles. The new control mechanism would be of value if Japan should decide to develop missiles for military use. Despite the successful launch, Japanese space technology is still in its infancy, particularly in the development of a large space booster.

EC: At a recent EC committee meeting the French suggested that the pending Multilateral Trade Negotiations, designed to liberalize world commerce, should be postponed or scaled down because of the oil crisis. Contrary to the French position, most EC participants have a strong interest in opening the trade negotiations on time, albeit to proceed cautiously. All EC states but West Germany are expected to have large trade deficits next year. Moreover, slower domestic growth and higher unemployment in Europe probably will increase protectionist sentiments and work against the goal of trade liberalization.

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The President's Daily Brief

February 21, 1974

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

THE PRESIDENT'S DAILY BRIEF

February 21, 1974

PRINCIPAL DEVELOPMENTS

Prime Minister Meir will keep the door open for the National Religious Party to join her cabinet as she attempts to form a minority coalition government.
(Page 1)

The EC intends to proceed with a try for Community cooperation with the Arab states. *(Page 2)*

The ring of SA-5 missile sites defending Moscow is now almost complete. *(Page 3)*

The Soviets are having problems developing liquid hydrogen rocket engines for their space boosters.
(Page 4)

On Pages 5 and 6, we analyze the issues that concern the Latin American foreign ministers gathered in Mexico City.

The Islamic Summit, which begins tomorrow, will concentrate on a Middle East settlement and on joint economic projects. *(Page 7)*

West German spokesmen are downplaying reports that Chancellor Brandt is depressed and thinking of resigning. *(Page 8)*

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Today, the Note Pages include items on [redacted] Israel-Egypt, Japan, efforts to seat the Viet Cong at an international conference, and a prospective meeting of Latin American Communist parties.

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FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

ISRAEL

Prime Minister Meir will keep the door open for the National Religious Party to join the cabinet as she attempts to form a minority coalition government with the Independent Liberal Party. Her minority government will control 58 of the 120 Knesset seats.

The Prime Minister informed President Katzir of her decision last night after the National Religious Party, citing the refusal of the Chief Rabbinate Council to approve the last-minute compromise worked out with the Alignment on the religious issue, decided not to join the cabinet. She clearly hopes to induce the party to reverse its decision. Mrs. Meir said that she would hold open the cabinet seats originally earmarked for the National Religious Party until the deadlock on the religious issue is broken. The National Religious Party is not bound by the rabbinate's decision and the party's central committee may reconsider when it meets on February 24.

President Katzir has given the Prime Minister one more week to form a cabinet. She must then present it to the Knesset for a vote of confidence. Foreign Minister Eban told Ambassador Keating last week that the Alignment had quietly obtained the agreement of the orthodox Agudah Religious Front to throw its five votes to the government on votes of confidence, which would give her the necessary Knesset majority.

Defense Minister Dayan has apparently also closed ranks with the Prime Minister, who told reporters yesterday that she has requested Dayan to continue to serve in his post. Dayan told the World Zionist Council yesterday that he would give Mrs. Meir and any government she formed his fullest support, and he left the door open about serving in a new cabinet. Earlier, he was reported to have stated his opposition to an Alignment-led minority government.

The new minority government should be able to continue to conduct peace talks with the Arabs. The Prime Minister can probably count on sufficient support for the government from the liberal and leftist parties to ensure a majority in the Knesset on Middle East peace issues. Nevertheless, she is probably extremely uncomfortable with the present unstable state of affairs and can be expected to continue to seek a solution that will give her a workable majority in the Knesset.

FOR THE PRESIDENT ONLY

EC - ARAB STATES

Despite their disarray at the Washington energy conference, the EC Nine intend to proceed with their initiative for cooperation between the Community and the Arab states.

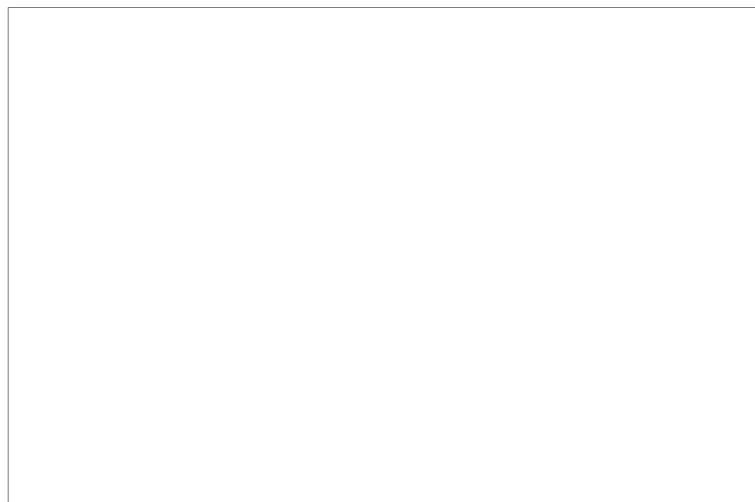
The French and British are ready to go ahead, and [redacted] the political directors from the Nine foreign ministries are expected to meet in Bonn tomorrow to review the matter. West Germany's attitude toward EC-Arab cooperation remains the principal uncertainty. US coolness toward the idea would presumably influence the West Germans, but Bonn would probably prefer not to emphasize its differences with France by opposing a move Paris has strongly supported.

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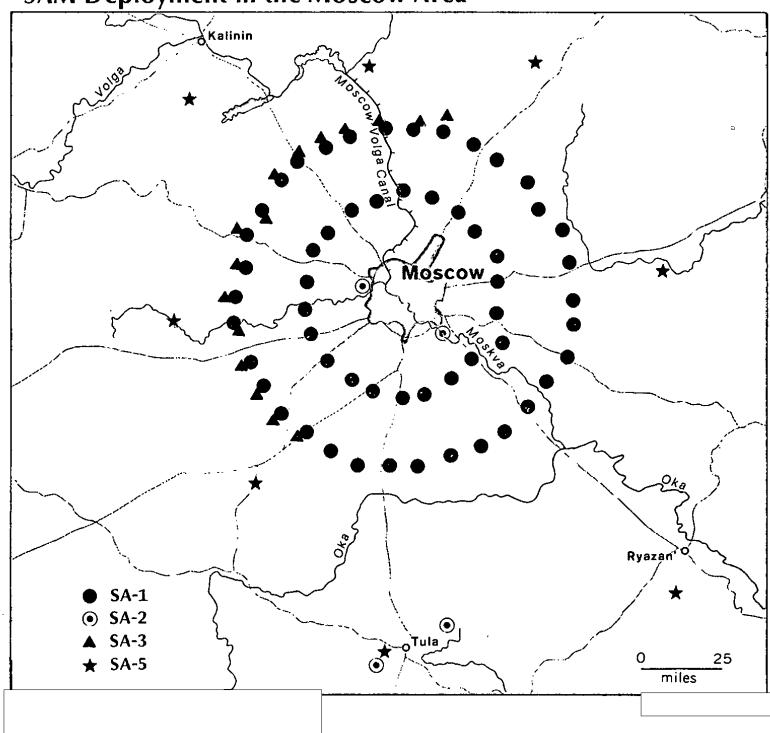
Meanwhile, Bonn is trying to arrange a Community meeting for today--to which the French would be invited--to develop an EC position on the work of the coordinating committee which was approved by the Washington conference over French objections. Most of the Europeans are eager to get on with setting up the committee, but several have mentioned the desirability of moving its meetings to a European site as soon as possible. The French may make it difficult for the EC Commission to participate.

FOR THE PRESIDENT ONLY

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SAM Deployment in the Moscow Area



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FOR THE PRESIDENT ONLY

USSR

[redacted] the Soviets are constructing an eighth SA-5 surface-to-air missile complex near Moscow. This complex, when operational, will complete the SA-5 air defense ring around the Soviet capital. This missile has an effective range of at least 100 nautical miles and can engage targets between 1,000 and 100,000 feet.

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The Soviets also have an SA-3 system in the Moscow area which employs a short-range missile effective against medium and low-flying aircraft down to 150 feet and perhaps lower. Deployment of this system around Moscow is complete except for the southeast quadrant which is less vulnerable to a low-altitude attack.

Over the next few years the older SA-1 and SA-2 systems probably will be phased out, leaving the two newer ones to provide air defense for the entire Moscow area.

FOR THE PRESIDENT ONLY



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FOR THE PRESIDENT ONLY

USSR

The Soviets are having problems developing liquid hydrogen rocket engines for use on space boosters. The use of such a high-energy propellant could eventually enable the Soviets to place twice as much payload in lunar or planetary trajectories with no appreciable increase in the weight of the launch vehicle.

At a recent international meeting of experts, the Soviets said their problems centered on controlling ignition of liquid hydrogen engines. US delegates believe that some of the problems might be overcome by using computer controls. The Soviets, however, probably will stay with their methods of control, which do not require an on-board computer. The US has been using liquid hydrogen engines since 1962 in the upper stages of several boosters, including the Saturn launch vehicles.

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Use of high-energy propellants in the Soviets' "J-vehicle," their counterpart of the US Saturn V booster, would require new and larger upper stages. Such a development is not now expected before the late 1970s.

FOR THE PRESIDENT ONLY

LATIN AMERICA

A strong sense of nationalism underlies each of the eight topics that the Latin Americans have raised for discussion with the US at the inter-American meeting of foreign ministers which begins today in Mexico City. Five items basically concern pressing economic issues that the Latin Americans believe the US can and should do something about. They want:

- greater access to US development resources and markets;
- no coercive economic measures against governments that act against foreign-based companies;
- higher prices for raw materials and better terms of trade;
- "codes of conduct" for multinational companies; and
- greater access to US technology.

The other Latin American items call for a review and revision of the existing inter-American system, Panamanian sovereignty over the canal, and a general review of the current state of US - Latin American relations. The two items added by the US are a review of the international situation and a discussion of the energy crisis.

Cuba is not participating directly and the Cuban question is not on the agenda but is bound to come in for a good deal of attention and informal discussion. Havana has dispatched a number of journalists and at least one diplomat to cover the conference and has indicated that it will be paying closer attention to this meeting than to any similar conference in the last decade.

Although the participants have displayed an unprecedented degree of unity--especially on the sovereignty-related agenda items--their many differences of opinion will still be evident. Both the Cuban issue and the energy crisis are likely to produce dissenting viewpoints. The regional and subregional antagonisms and bilateral problems that abound within the area will also intrude indirectly, even though the participants have agreed to bar new items from the already ambitious agenda.

(continued)

FOR THE PRESIDENT ONLY

Judging from past inter-American conferences, tangible accomplishments at the Mexico City meeting probably will prove difficult to identify. Indirect gains, however, may result not so much from the formal proceedings as from the corridor conversations and other private contacts. At this point, the optimists and pessimists appear fairly evenly divided among the Latin American participants. Even the skeptics, however, are eager to hear what Secretary Kissinger has to say. It is also recognized that the meeting offers the best opportunity yet to raise troublesome issues frankly and openly with a senior US official.

FOR THE PRESIDENT ONLY

ISLAMIC SUMMIT

The main points of the agenda at the Islamic conference opening Friday in Lahore will be the status of Jerusalem, a Middle East settlement, and several proposed joint projects, such as a development bank. King Faysal--who is footing much of the bill for the meeting--is particularly concerned with Jerusalem and feels he has a special responsibility to see that the Dome of the Rock area, the third holiest shrine in Islam, is returned to Arab control.

Saudi Minister of State Saqqaf plans to fly directly from the US to Lahore, where he will presumably report to Faysal and other Arab leaders on his talks in Washington. Leaders of Saudi Arabia, Egypt, Syria, and Algeria, who met at the mini-summit in Algiers last week, may use the occasion for informal consultations on results of the mission undertaken by Saqqaf and Egyptian Foreign Minister Fahmi.

Delegates to the conference will probably make an effort to avoid public disagreement, and the final communiqué is likely to be little more than a pro-forma statement. In private, however, a number of issues could prove divisive.

Continuation of the oil embargo against the US and other countries will probably come up. The emphasis, however, is more likely to be on the damage done to non-oil producing Muslims by the sharp price rise. They will probably seek an arrangement that will reduce the cost of oil to them.

President Qadhafi of Libya had been expected to lead opposition to negotiations with Israel. His recent meeting with Sadat and his reported fence-mending with Faysal, however, suggest that he has become worried about his isolation from the Arab mainstream and may adopt a less radical stance. Moreover, Sadat is probably right in expecting that a moderate position on negotiations will receive the backing of most non-Arab Muslims.

Other problems could arise at the summit. Fedayeen terrorists have reportedly been considering an attempt on some of the participants. King Husayn's dispute with the Palestine Liberation Organization may not arise in formal sessions, but Yasir Arafat's decision to attend led to Husayn's refusal.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

WEST GERMANY

Government spokesmen and Social Democratic Party officials have denied a flurry of reports in the West German press suggesting that Chancellor Brandt is deeply discouraged about recent political and economic developments in West Germany and is thinking of resigning.

As the country's first postwar Social Democratic Chancellor, Brandt is aware that he has been unable to deal effectively with the party's main source of support, the trade unions. With state elections--the first since the national elections of November 1972--less than a month away, Brandt is understandably concerned about his government's economic record. The government's failure to enforce its ten-percent ceiling for wage increases in settling the public service employees' strike is expected to set a precedent for other wage negotiations. Efforts to keep the 1974 rate of inflation below ten percent will be more difficult.

The embassy in Bonn notes, on the other hand, that many of Brandt's difficulties are not of his making. The energy crisis, inflation, unemployment, disaffection within the Social Democratic Party's youth wing, strains within the coalition, and disappointment over the development of the European Community and Ostpolitik all must appear either unsolvable to Brandt or at least to require energetic leadership that he for the time being seems unable to provide.

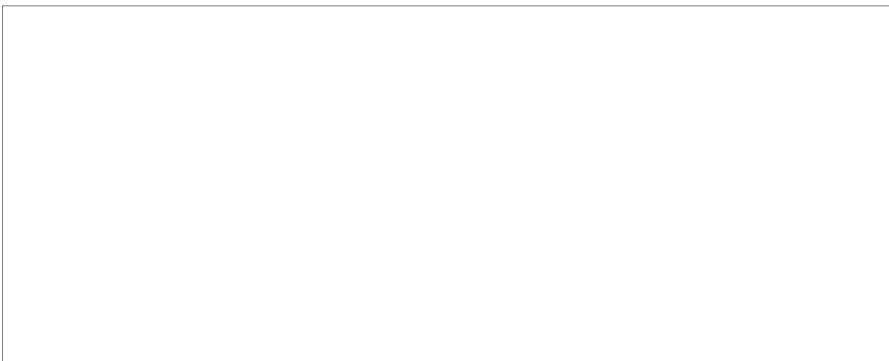
Despite these problems, the embassy believes he will continue as Chancellor until 1976. Brandt not only takes pride in his own and his party's achievements, but he is also aware that the problems he faces are no greater than those confronting other West European leaders.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

NOTES

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Israel-Egypt: Israeli forces are expected to complete their withdrawal from the west bank of the Suez Canal today as scheduled under the disengagement agreement. The separation of forces, which so far has proceeded smoothly, is to be completed on March 5, when the Israelis are to withdraw to the designated disengagement line in the Sinai Peninsula.

Japan-US: A scandal resulting from the falsification--apparently for non-political reasons--of radiation monitoring reports prepared for the Japanese Government by a private contractor has led the Foreign Ministry to ask the US to suspend visits of nuclear-powered submarines. The Japanese have in mind a suspension of such visits for the rest of February, but the duration could be longer because no contractor capable of providing an effective radiation monitoring service is willing to take the job. The Communists are making use of the scandal to push their opposition to US military bases in Japan. The press is giving broad and uncritical coverage to Communist charges that the Japanese public has been systematically misled since at least 1968.

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FOR THE PRESIDENT ONLY

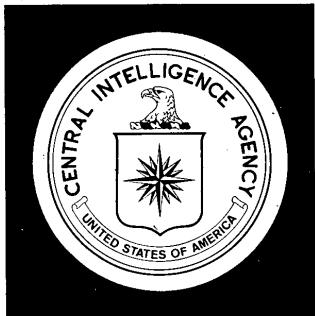
FOR THE PRESIDENT ONLY

Vietnam-Cambodia: Hanoi's efforts to seat the Viet Cong's Provisional Revolutionary Government have dominated back stage maneuvering at the Conference on the Law of War now under way in Geneva. The US delegation believes that the final vote on the seating issue, perhaps as early as today, will be extremely close. Saigon has received only lukewarm support from neighboring countries such as Indonesia, Thailand, and the Philippines in trying to block the PRG. A vote on seating Prince Sihanouk's representatives, which was unexpectedly called for on February 19 by China, Algeria, and a number of other countries, may also be held today.

International Communism: The Soviets are asking the Latin American Communist parties to meet in Havana in late 1974. Moscow, which is also promoting an all-European party meeting for late 1974, evidently hopes that the Latin American conclave will be yet another stepping stone toward an international Communist conference, perhaps in 1975. Cuban Premier Fidel Castro is said to have reluctantly agreed to play host.

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The President's Daily Brief

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February 22, 1974

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THE PRESIDENT'S DAILY BRIEF

February 22, 1974

PRINCIPAL DEVELOPMENTS

[Redacted]

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In Ethiopia, civil disturbances have broken out.
(Page 2)

[Redacted]

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Prime Minister Meir is going ahead with her attempt
to form a minority cabinet. (Page 4)

Unusual weather is threatening the Soviet winter
grain crop. (Page 5)

The Cambodian military situation is discussed on
Page 6.

Laotian Prime Minister Souvanna is still confident
that almost all obstacles to the formation of a new
coalition government have been overcome. (Page 7)

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Japan

China

(Page 8)

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French

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(Page 9)

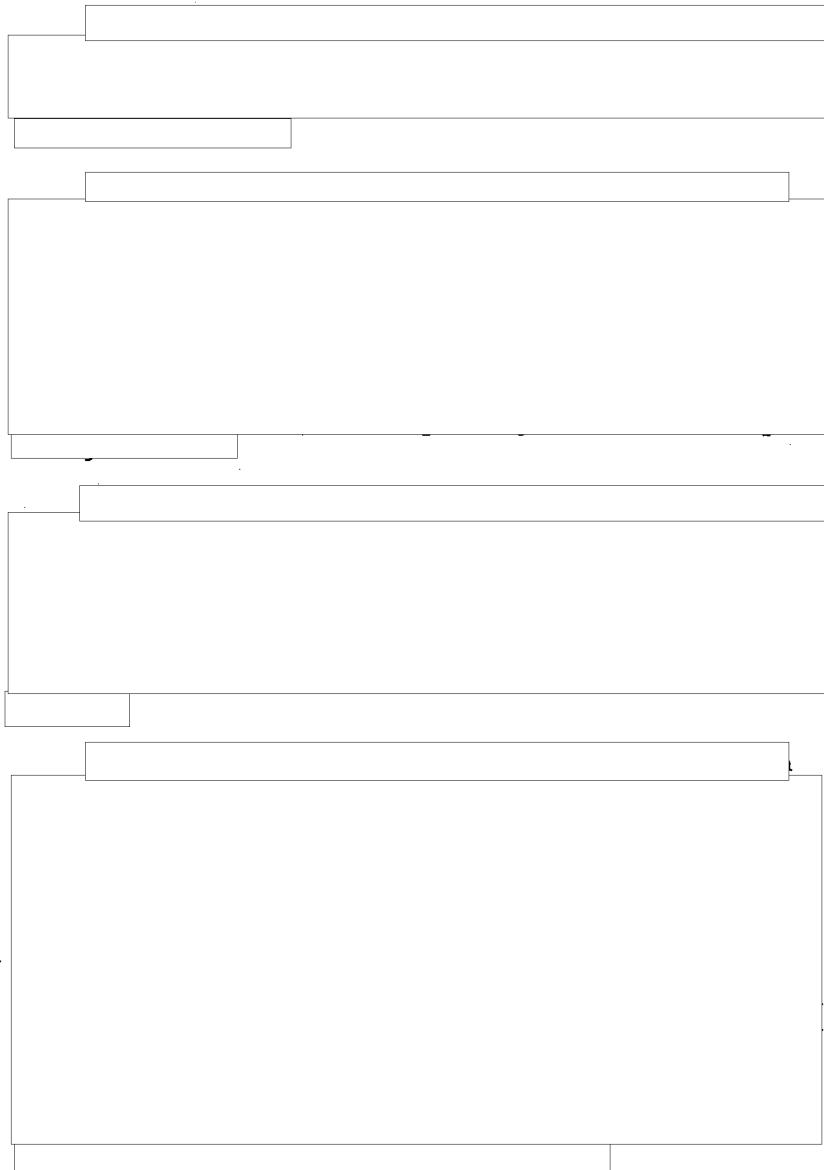
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Notes on the USSR, Yugoslavia, the UK, and Gromyko
and Jobert to Cairo appear on Page 10.

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FOR THE PRESIDENT ONLY

FRANCE



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ETHIOPIA

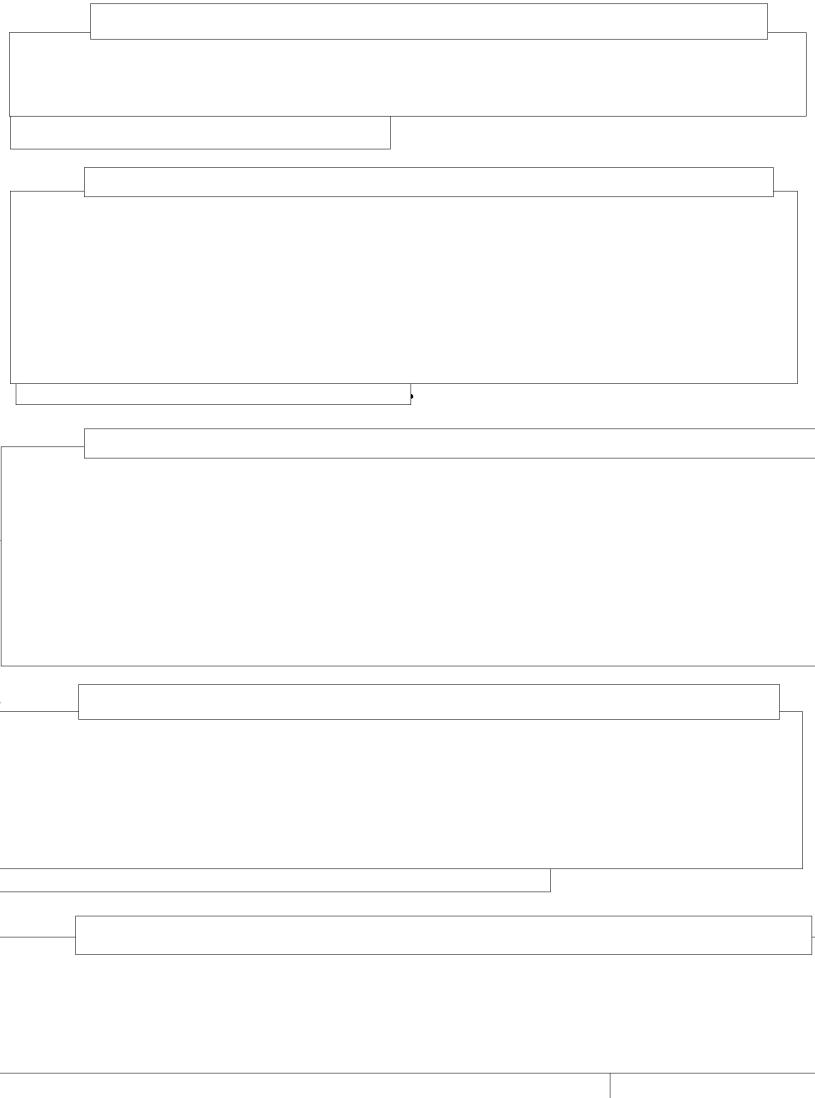
Civil disturbances stemming from long-standing economic and social grievances broke out in several parts of the country on February 19. The chief participants are students who are venting frustration over government policies and are supporting a nationwide teachers' strike. Public transportation has stopped because of attacks on buses, and taxi drivers are on strike to protest the rising cost of living. Diplomatic cars, including some US vehicles, have been among the targets of the demonstrators. Disturbances in one town had distinctly anti-US overtones.

Police reaction to the demonstrations has varied from extreme severity to apparent sympathy. So far, nine students are reported killed.

The Council of Ministers yesterday ordered security forces to crack down on all demonstrations. The ministers refused to compromise with the teachers or to reduce gasoline prices as demanded by taxi and truck drivers. Military units have been deployed to protect fuel supplies, the airport, and other key installations.

A strong show of force will probably result in an escalation of demonstrations and violence. Senior officials and much of the urban public doubt that the government of Prime Minister Aklilu can cope with the country's problems, and Emperor Haile Selassie may be forced to appoint a new government more committed to reform. The 81-year-old Emperor normally does not make important decisions quickly, but the seriousness of the situation may prod him to make an early move.

JORDAN



ISRAEL

Prime Minister Meir is going ahead with the formation of a minority cabinet. She is continuing discussions with the National Religious Party to attempt to get that party to join the cabinet, but negotiating sessions yesterday appeared to be fruitless. According to some reports received by the US Embassy in Tel Aviv, there is no chance that the National Religious Party will change its stand at this time.

Mrs. Meir met again with Defense Minister Dayan. Although Dayan to all appearances still strongly supports Meir, he apparently is balking at rejoining her cabinet. Press reports claim he is holding out for new elections or for a national unity government that would include the rightist Likud. A likelier explanation is that, before agreeing to serve again, he wants strong and unequivocal backing from other Alignment leaders, some of whom, he feels, have criticized his handling of the October war.

The opposition Likud yesterday attacked Mrs. Meir's decision to form a minority government. Calling the decision an act of political bankruptcy, the Likud executive committee announced its intention to push in the Knesset for the formation of a national unity government.

Soviet Winter Grain



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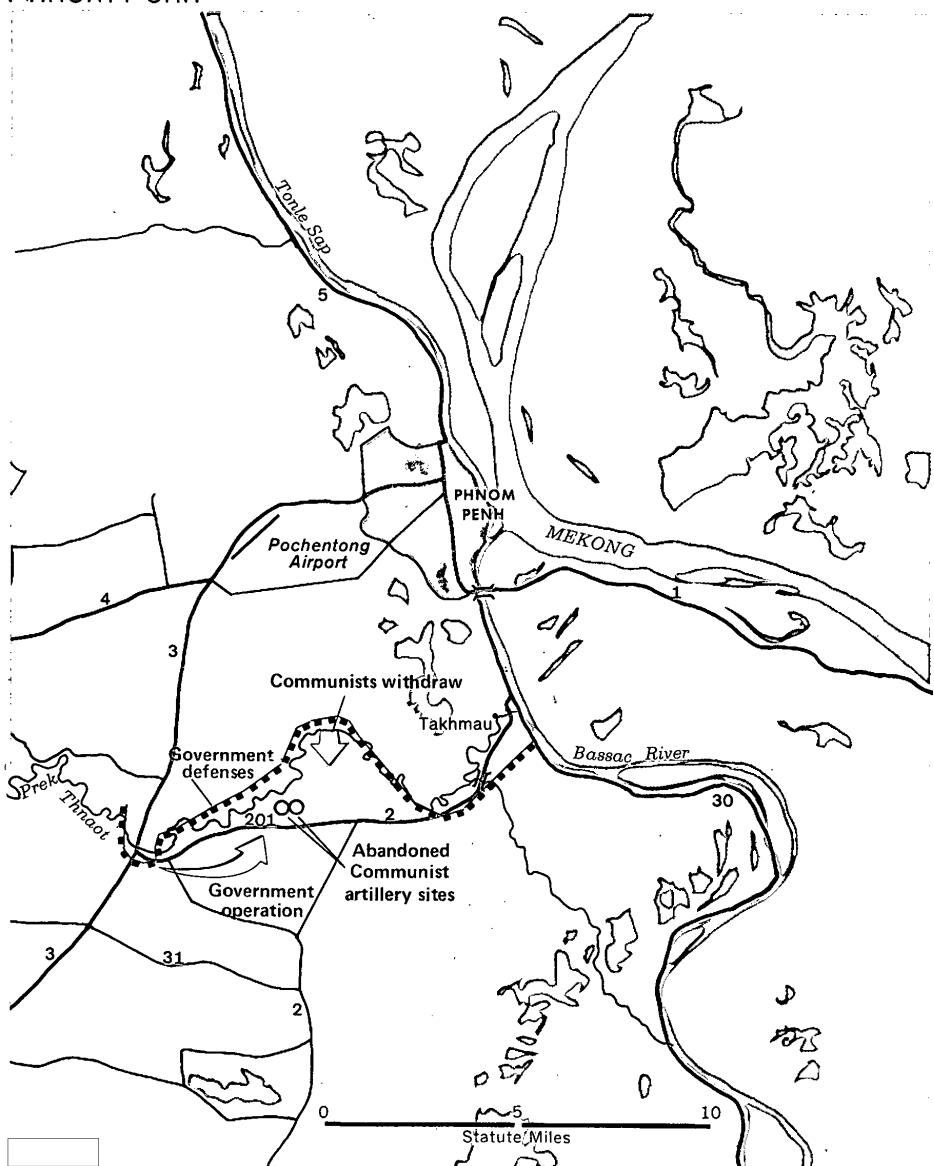
USSR

Flooding, melting snow, and ice crusts are threatening key Soviet grain areas, according to a front-page Izvestia article this week. Although stating "no special grounds for alarm and concern," the article ordered farmers to drain flooded fields immediately and prepare for the possibility that severe frosts could kill crops deprived of protective snow cover.

Unusual weather has already created problems. A rainy autumn delayed some sowing, and an early cold spell slowed the development and reduced the hardiness of the grain in most of the European USSR. A thaw in late December, followed by a sudden cold spell in mid-January, damaged sowings in the north-eastern Ukraine, the Central Black Earth Region, and the Lower Volga. The snow cover needed to insulate the plants from killing air temperatures was thin or absent over most of the area through January. Now, above-normal temperatures for February have completely melted the snow cover in key areas. Standing water and ice crusts can suffocate seedlings in some places, but even more threatening to all regions is the warm weather which reduces plant resistance to extreme cold, still likely to occur.

Although the winter grain area lost to winter-kill could exceed the long-run average of 20 percent, a large planting last fall and the reseeding of damaged areas with spring grain could still produce a normal or above normal 1974 grain crop. Reseeding is usually done with feed grains, however, so that winterkill tends to reduce the breadgrain harvest.

Phnom Penh



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CAMBODIA

Cambodian Army operations south of Phnom Penh apparently have forced the Khmer Communists to pull their artillery in this sector out of range of the capital. Advancing government troops yesterday discovered two abandoned artillery positions and over 400 expended 105-mm. howitzer casings near Route 201 some seven miles from the city. Communist units at the center of the southern defense line have withdrawn to the south bank of the Prek Thnaot River, leaving behind significant quantities of ammunition.

Government gains on the southern front follow closely successful government operations northwest of Phnom Penh, which resulted in heavy Communist losses in men and materiel. These setbacks may cause Communist leaders to delay a series of coordinated moves against the capital that were to begin around February 25. An intercept of February 19 indicated that the timetable for Communist attacks along Route 1 southeast of the capital has already slipped, apparently because of logistics problems unrelated to the fighting on other fronts.

LAOS

Despite his failure to form a new coalition government by February 21--the first anniversary of the Laos peace agreement--Prime Minister Souvanna is still confident that virtually all of the obstacles have been overcome.

Souvanna has been busy meeting with his Council of Ministers and with chief Pathet Lao negotiator Phoun Sipraseuth on the list of candidates for the coalition cabinet and the Joint National Political Council. He hopes to announce their membership within the next few days.

Souvanna's efforts have received a welcome boost from his chief political opponents on the right, the Vientiane-based Sananikone family. In a press conference on February 20, family spokesmen endorsed "without reservation" the Prime Minister's efforts to achieve national reconciliation. They also indicated that they expected the government would be directly invested by the King without prior ratification by the assembly--precisely the scheme that Souvanna has been lobbying for.

JAPAN-CHINA



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FOR THE PRESIDENT ONLY

FRANCE

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NOTES

USSR: The Soviets are rotating some of their warships in the Indian Ocean. A Sverdlov-class command cruiser and a frigate are leaving, and a Kresta II class guided-missile cruiser is en route by way of the Cape of Good Hope. The Kresta II, which has an admiral aboard, probably will make several port calls in the littoral countries and may remain in the Indian Ocean from two to five months. The rotation will reduce the number of Soviet surface warships in the Indian Ocean to seven.

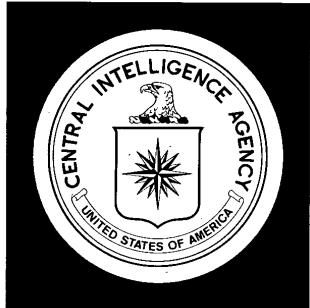
Yugoslavia: After canceling his trip to Hungary last week for unspecified reasons, Tito yesterday failed to attend ceremonies proclaiming Yugoslavia's new constitution. Yugoslav sources have confirmed to Western journalists that Tito is ill, but claim that he has only a cold which is "not serious."

UK: The government probably will announce a \$1-billion trade deficit for January, Britain's worst monthly deficit ever, just three days before national elections on February 28. Britain's record deficit was caused by an almost two-fold increase in crude oil prices and by the impact of the three-day workweek and other energy-related restrictions. Government officials expect a record current account deficit for 1974 and will try to fill the gap with loans from foreign capital markets and international financial organizations.

USSR-France-Egypt: An Egyptian official told Ambassador Eilts yesterday that Soviet Foreign Minister Gromyko will visit Cairo on March 1, a day after Secretary Kissinger's stopover there. The official also disclosed that French Foreign Minister Jobert will arrive in Cairo on March 6.

Top Secret

EPA



The President's Daily Brief

February 23, 1974

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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

February 23, 1974

PRINCIPAL DEVELOPMENTS

The US Interests Section in Damascus reports that President Asad has obtained the approval of the Baath Party leadership to seek a disengagement agreement with Israel. (Page 1)

Pakistan's recognition of Bangladesh moves the two countries closer to resolving problems left from the 1971 division of Pakistan. (Page 3)

The EC, badly shaken by the split between France and its partners at the Washington Energy Conference last week, appears determined to keep the rift from widening. (Page 4)

Disclosure by the National Coal Board that miners' wages are actually below, not above, the national average has caused trouble for Prime Minister Heath. (Page 5)

Student activists are raising the political temperature in Bangkok again. (Page 6)

Notes on USSR-Libya, Australia - North Korea, Iraq-USSR, and Ethiopia appear on Page 7.

Chinese and Soviet

[redacted] in the Annex.

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FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

SYRIA-ISRAEL

The US Interests Section in Damascus has heard from a variety of sources that President Asad has finally gained the approval of the leadership of the Baath Party to seek a disengagement accord with Israel and--if those efforts are successful--to attend the Geneva peace talks. On February 15, [redacted] Syria [redacted] told Fatah leaders that disengagement with Israel was imminent and that Fatah should begin to withdraw its units from the Golan Heights. Asad reportedly has also won the acquiescence of party leaders to support the lifting of the oil boycott against the US, once disengagement has been achieved.

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Asad is not in a position to accept disengagement at any price. He will try to obtain the withdrawal of Israeli forces from Al-Qunaytirah during an early stage of disengagement. Many Syrians attach considerable symbolic importance to regaining this town, which was lost to the Israelis in 1967, then briefly regained and lost again during the October war. Asad is also likely to press the Israelis to allow Syrian refugees to return to villages on the Golan Heights that were occupied during the October fighting and perhaps those occupied during the 1967 war.

Baath Party leaders reportedly are pressing Asad to continue the fight for the "rights of the Palestinians." Asad is said to be willing to defer discussion of this problem to the Geneva peace talks. For tactical reasons he reportedly has recently swung his support to the "moderates" within the Palestine Liberation Organization, led by Fatah chief Yasir Arafat. The "moderates" are trying to obtain fedayeen approval to set up a Palestinian government in exile that could negotiate at Geneva on behalf of all Palestinians for the establishment of an independent state composed of the Israeli-occupied West Bank and the Gaza strip.

[redacted]
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Tel Aviv is prepared--once it receives a list of Israeli POWs in Syria and assurances that Red Cross officials will be allowed to visit them--to negotiate a disengagement of forces from Syrian territory occupied in the October war but--so far--not

FOR THE PRESIDENT ONLY

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from the area captured in the 1967 war. Prime Minister Meir told a group of Israeli settlers from the Golan Heights on February 8 that she could not envision an Israeli withdrawal from the Heights that would include Al-Qunaytirah. She reiterated this stand only this week.

Mrs. Meir's decision to form a minority government probably makes her even less inclined, at least for the time being, to adopt a more flexible approach. The stability of her government depends on her conservative supporters, who are opposed to any Israeli withdrawal from the Golan Heights. Although eventually Tel Aviv might be more flexible on this issue, the Israelis most likely would still insist on retaining control of Israeli settlements on the Golan Heights and the area immediately behind them.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

SOUTH ASIA

Pakistan's recognition of Bangladesh yesterday moves the two countries a long step closer to resolving problems left over from the division of Pakistan in 1971.

It is not yet clear whether Dacca has agreed to the immediate release of 195 Pakistani prisoners of war accused of war crimes, the quid pro quo for recognition that Prime Minister Bhutto had been demanding. In any event, Bhutto's decision probably was made easier by Peking's categorical assurance on February 19 that even if Pakistan recognized Bangladesh, China would not do so until the prisoners are repatriated.

Prime Minister Mujibur Rahman will head a Bangladesh delegation to the Islamic summit meetings that began in Lahore yesterday. Various Muslim leaders had made a major diplomatic effort to get Islamabad and Dacca to agree to some formula under which Bangladesh--the second most populous Muslim nation--could participate. The government in Dacca, however, had refused to send a delegation to the conference prior to formal recognition by the Pakistanis.

The major remaining issue between Dacca and Islamabad is the division of Pakistan's foreign debt. Negotiations with the consortium of Western aid donors on rescheduling the debt and on new aid to the two nations have been hindered by the refusal of Bangladesh to sit down at the same table with Pakistan.

Recognition may marginally improve Pakistan's relations with India, since it could be seen in New Delhi as an indication of Pakistani reasonableness. More likely, however, the Indians will be concerned at the effect of recognition on growing anti-Indian sentiment in Bangladesh, which Pakistan has already been attempting to exploit by playing on traditional Muslim fear of Hindu domination.

FOR THE PRESIDENT ONLY

EC

The EC, badly shaken by the split between France and its partners at the Washington Energy Conference last week, appears determined to keep the rift from widening. Most other EC members, hoping to bring the French back into the fold on energy matters, are stressing the preliminary nature of the initial follow-up meeting in Washington next Monday.

France's partners may hope to take advantage of signs of flexibility in Paris' attitude toward participating in follow-up work. The French say they would join deliberations in the OECD, for example, provided that countries other than the 12 members of the coordinating group authorized by the Washington conference attend and provided that the community members speak "with a single voice." France's partners are willing to bend over backward in relations with Paris because they would like to let the French isolate themselves without outside provocation. [redacted]

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[redacted]

The desire not to exacerbate relations with France is accompanied by satisfaction that the Washington conference showed there are limits beyond which French obstructionism will not be tolerated. At the same time, there is concern that the issue of "choosing" between Europe and the US--always in the background of EC deliberations--may come to dominate community proceedings. The broader questions of the US-European relationship have, of course, not been resolved. France's partners clearly hope that implementation of the energy program will demonstrate the possibility of fruitful trans-Atlantic cooperation. Nevertheless, a need to maintain an appearance of community solidarity may make the EC as a whole more difficult to deal with on such matters as the trade negotiations and the US-EC declaration.

The meetings of EC agricultural and finance ministers this week were the first testing of the waters since the Washington meeting. The agricultural council failed to agree on 1974-75 support prices, partly because of the impending British and Belgian elections. The finance ministers authorized studies on possible EC-wide borrowing to finance the huge payments deficits expected this year. This kind of limited progress is about par for the EC. More serious tests of the EC's ability to pull itself together will come when the members take up possible EC-Arab cooperation and the controversial regional development fund.

FOR THE PRESIDENT ONLY

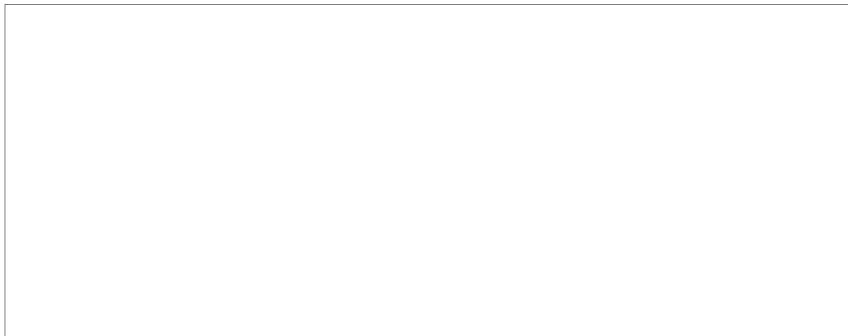
FOR THE PRESIDENT ONLY

UK

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At the Pay Board hearings this week on the miners' demands for wage increases beyond government guidelines, the National Coal Board disclosed that basic wage data comparing the miners with other occupations were not correct. Instead of being above the national average, miners' wages are actually 8 percent below. This disclosure follows an earlier statement by the Coal Board head that he agreed with the miners' demands but the government had tied his hands during the three months of negotiations.

British voters will now question whether the confrontation between government and labor, the strike, the three-day work week, and even the election itself might have been avoided. As expected, both Labor and the Liberals are promptly attacking Prime Minister Heath on this issue.



FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

THAILAND

Student activists are raising the political temperature in Bangkok again. They charge that government security elements recently leveled a village in northeast Thailand suspected of aiding Communist insurgents.

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[redacted] Three major student organizations staged a rally on Wednesday to demand that the government compensate the villagers and punish those involved. The government has not so far responded to this attack, which directly affects the military's interests.

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The students may not be able to enlist broad support on this issue. Recent articles in the Bangkok press have suggested that the student movement is beginning to lose its influence with the public, which has grown weary of unruly students. Several recent articles have portrayed a prominent student leader as a Communist sympathizer. Such allegations could give army leaders, who are worried about student disorder, a pretext to clamp down on leading activists.

An intensification of student unrest would strengthen army chief Krit Siwara's conviction that the caretaker government of Prime Minister Sanya should stay on after the national elections, now due to be held this summer. Krit--and probably the King--apparently believes that Sanya represents the best compromise between military rule and a left-wing regime.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

NOTES

USSR-Libya: The captain and crew of the Soviet freighter Nezhin, arrested by the Libyans on February 12, have been released, and the Soviet Embassy in Tripoli considers the incident closed. Two of the three Soviet warships that took up patrol positions near Libya on February 15 have moved away from the area. The other destroyer is still off Tripoli waiting to rendezvous with an auxiliary ship. The Nezhin affair has not disrupted subsequent Soviet merchant shipping to Libya. Since the incident, a Soviet freighter has arrived in Tripoli and another has departed Benghazi.

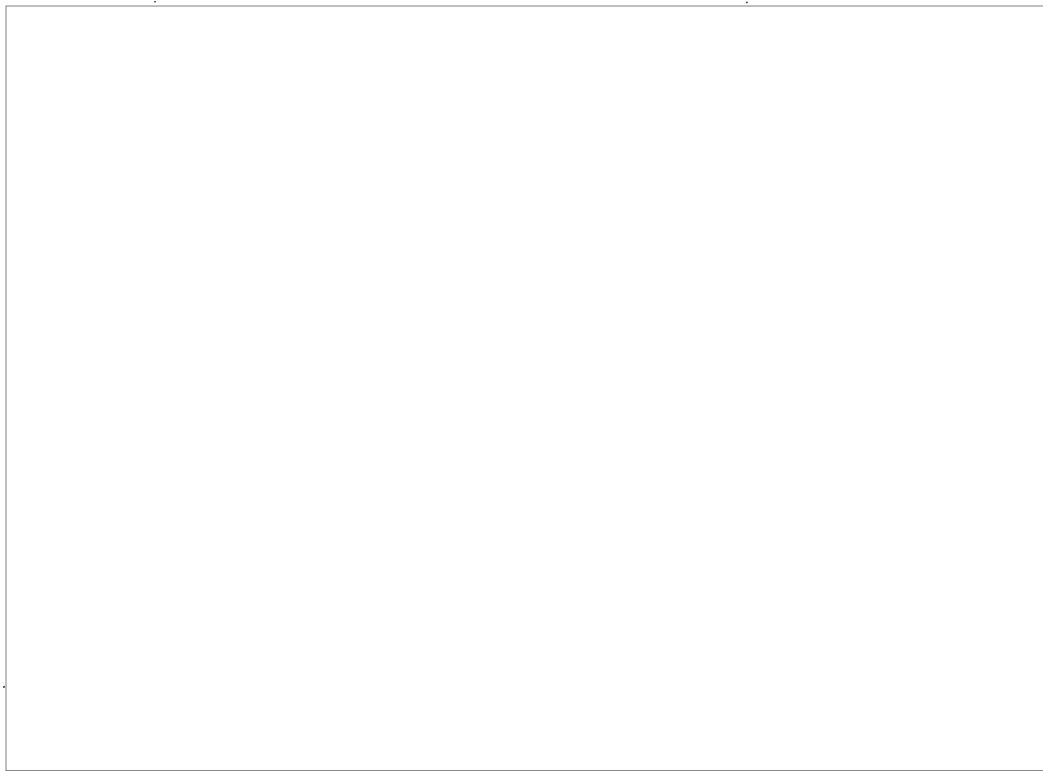
Australia - North Korea: Australia has decided to go ahead next week on recognition talks with North Korea. Agreement will probably be reached quickly, as Pyongyang is anxious to secure its first recognition from an important non-Communist nation. Canberra had previously postponed the step several times because of South Korean objections. Australian attempts to placate Seoul by suggesting that East European countries recognize South Korea have not borne fruit. Seoul has intimated that it will break relations if Australia recognizes North Korea, but will probably decide to live with the situation.

<u>Iraq-USSR:</u>	

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Ethiopia: Addis Ababa was quiet yesterday following three days of demonstrations by students and others protesting the government's educational and economic policies. Teachers and bus and taxi drivers are continuing their strike, however, and schools remain closed. The government made one concession by postponing the start of a new education program opposed by the teachers. Further incidents are likely unless the government takes action to allay widespread anxiety over increased living costs.

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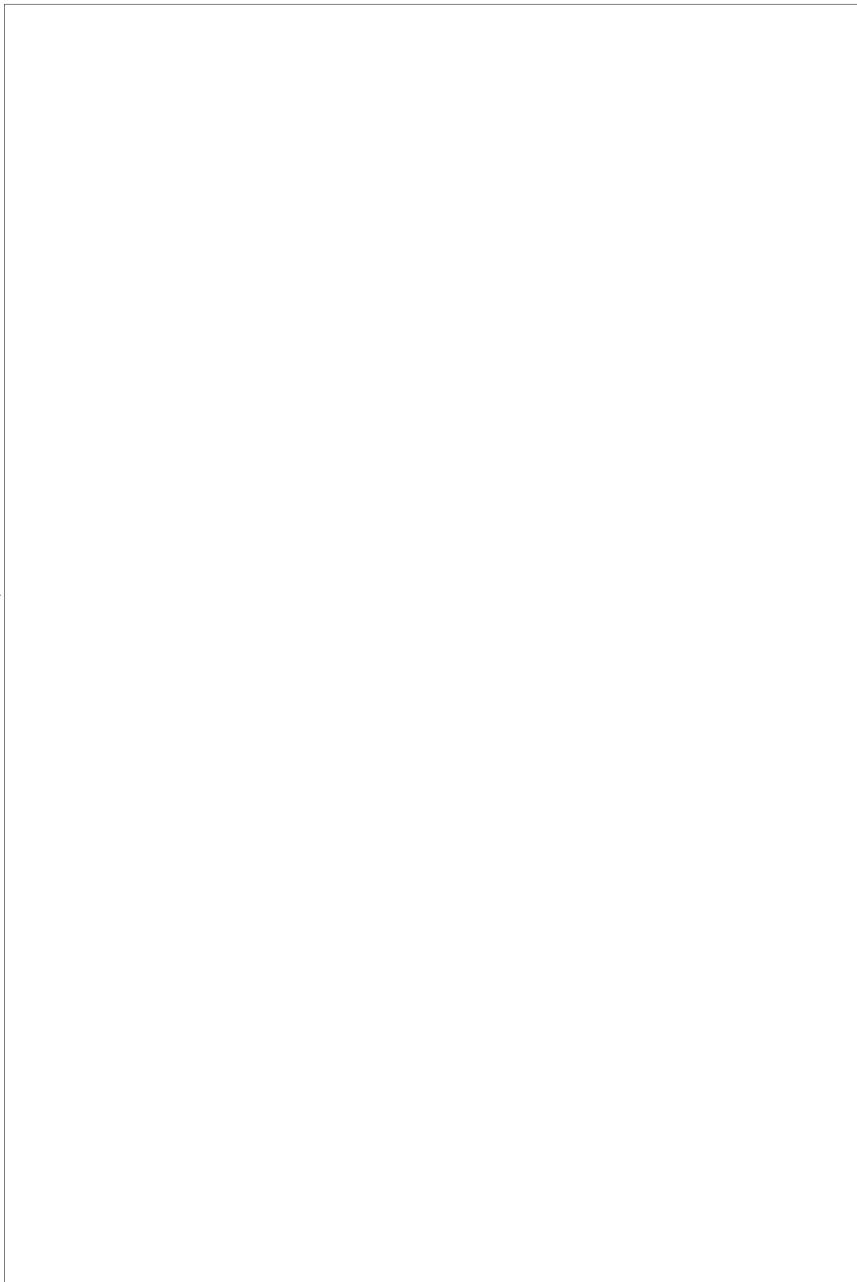
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[redacted] SINO-SOVIET [redacted]

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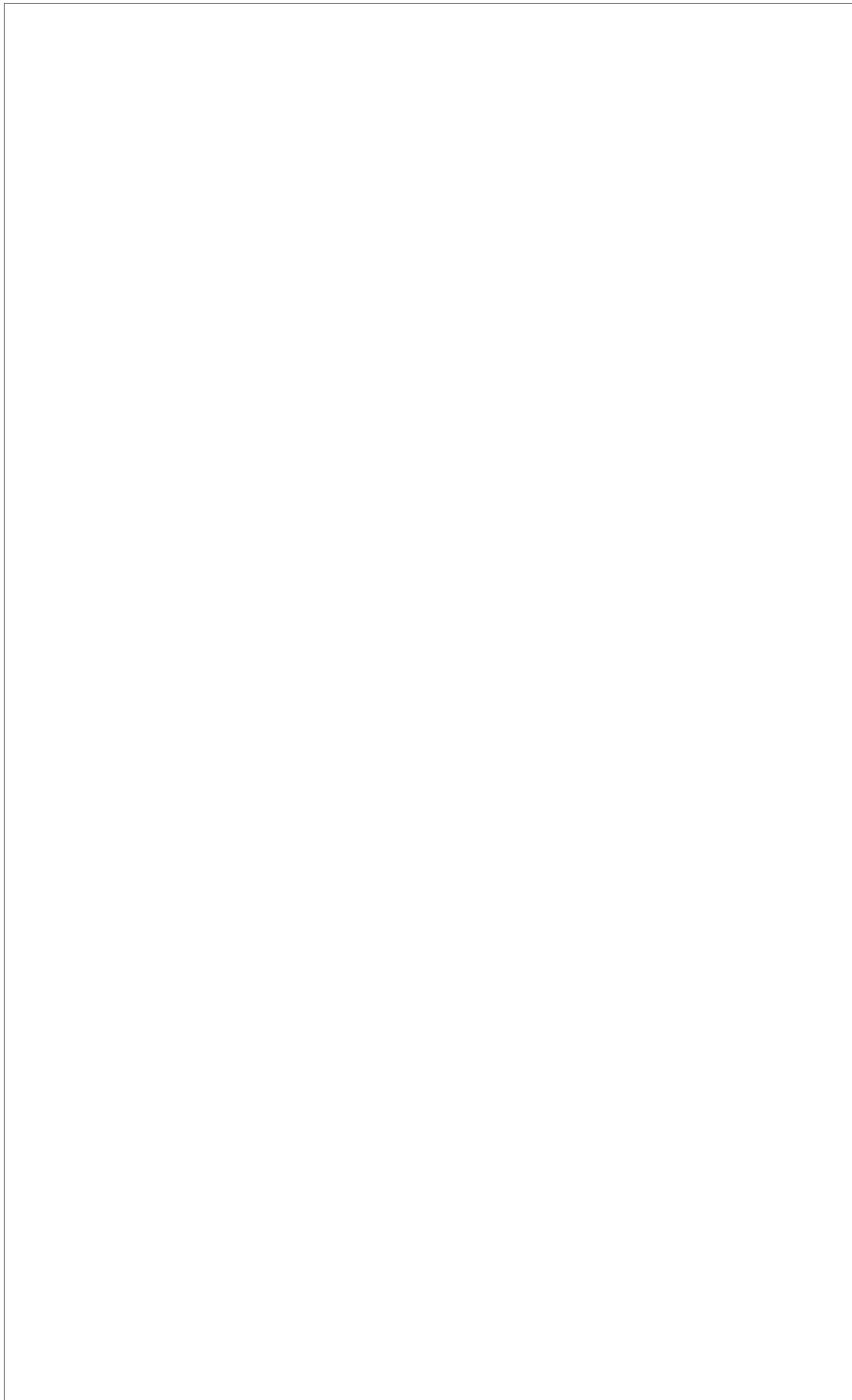


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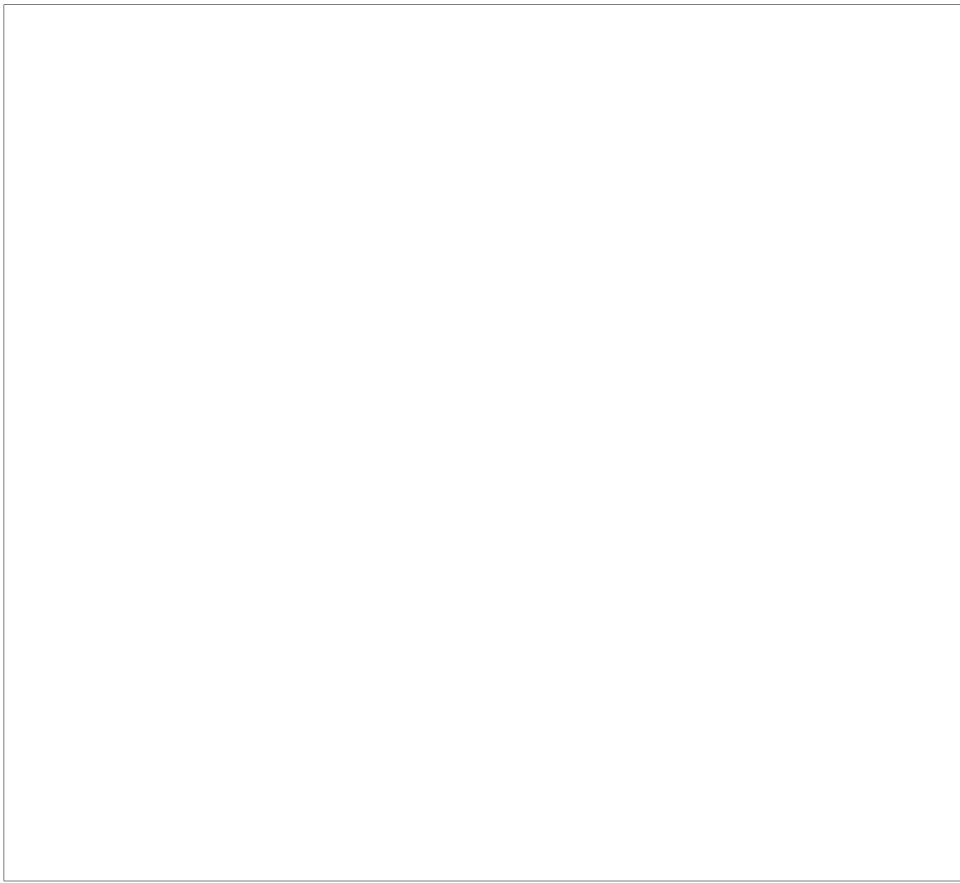
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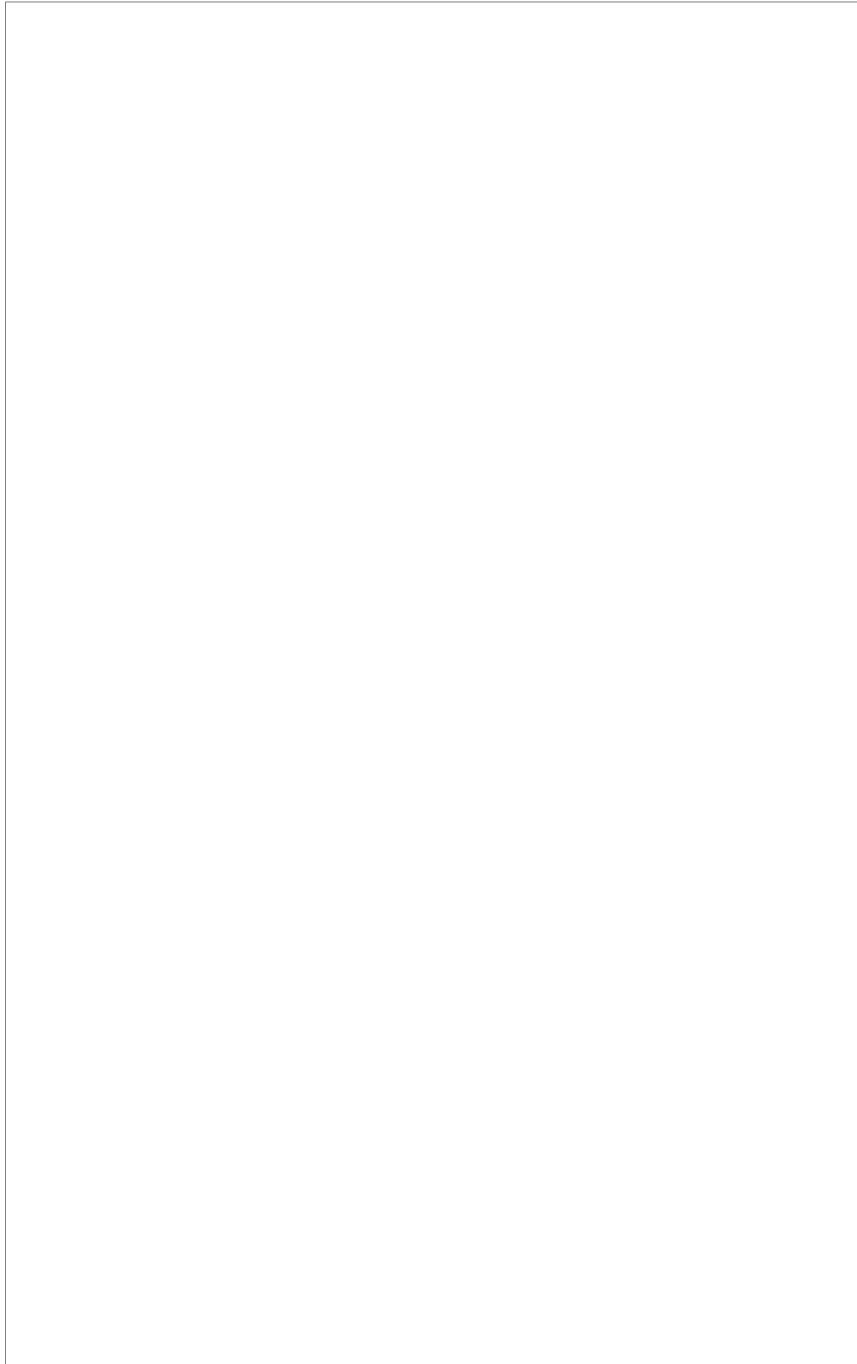
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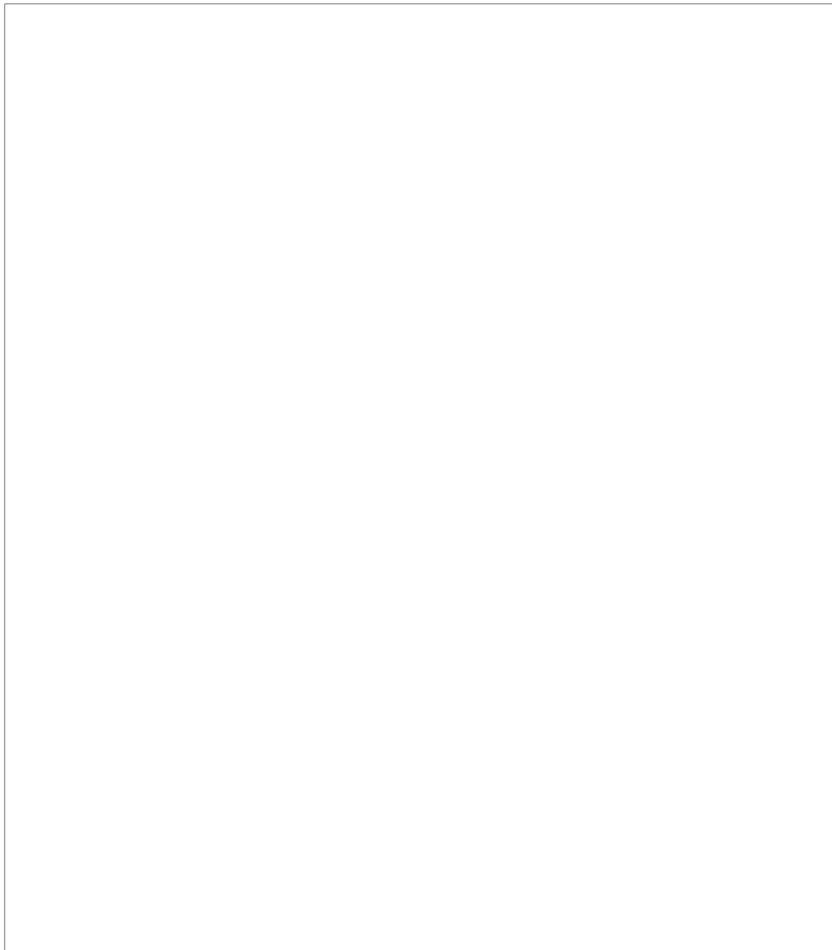


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The President's Daily Brief

February 25, 1974

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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

February 25, 1974

PRINCIPAL DEVELOPMENTS

President Sadat has reportedly urged Islamic Summit delegates from oil-producing countries to help relax the oil embargo on the US. (*Page 1*)

President Thieu has retired several general officers and province chiefs as part of his effort to streamline his government and weed out poor performers. (*Page 2*)

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

ISLAMIC SUMMIT

President Sadat has reportedly urged summit conference delegates from oil-producing countries to help relax the oil embargo on the US.

Al-Ahram editor Ali Amin told a US Embassy officer in Lahore that Sadat has met individually with delegations from the oil states. Amin indicated that the delegates all had agreed to recommend that the US be given "most favored nation" status at the next conference in Geneva of the Organization of Arab Producing and Exporting Countries. In a meeting later with reporters, Sadat announced the Arab ministers would meet next month and expressed his hope for some relaxation of the oil ban.

Amin also indicated that Sadat was confident Secretary Kissinger would have a disengagement agreement between Israel and Syria by the time of his visit to Egypt later this week. Sadat told the reporters that progress on Syrian disengagement would be a "good step toward easing everything."

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

SOUTH VIETNAM

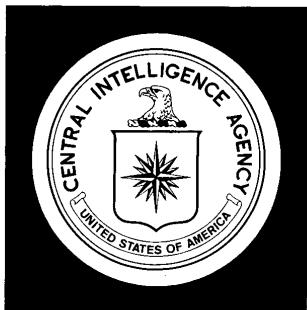
President Thieu has retired several general officers and province chiefs as part of his current effort to streamline his government and weed out poor performers. Greater efficiency and tighter centralization of day-to-day administrative operations under Prime Minister Khiem were among the major aims of the cabinet reorganization that Thieu ordered last week.

The retirement order affected at least ten generals and a few province chiefs, most of whom are army colonels. Thieu made his decision at a meeting on February 21 attended by Prime Minister Khiem, Vice President Huong, and Joint General Staff Chairman Vien.

At Vien's recommendation, most of the generals marked for retirement were without current assignments, holding lesser positions in the bureaucracy, or serving abroad as ambassadors. Three have been accused publicly of corruption. Although details are not yet available on the province chiefs affected, the meeting discussed the dismissal of as many as 12 deemed lacking either competence or honesty.

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February 26, 1974

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ILLEGIB

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THE PRESIDENT'S DAILY BRIEF

February 26, 1974

PRINCIPAL DEVELOPMENTS

India and Iran have concluded a major trade agreement. (*Page 1*)

The Thai Army is prepared to take stern measures if student agitation should get out of hand. (*Page 2*)

There are signs of renewed political friction in Phnom Penh. (*Page 3*)

Notes on Iraq-USSR, the USSR, Libya - Eastern Europe, and Romania appear on *Page 4*.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

INDIA-IRAN

India and Iran have concluded a major trade agreement that, [redacted] will go a long way toward ensuring that India's oil requirements are met. In return, India will supply cement, steel products, rail cars, machinery, and fishing trawlers.

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India will also receive two credits totaling \$370 million to expand iron ore mining operations and alumina production. When these projects are completed, India will supply Iran with 2.5 million tons of ore pellets and 100,000 tons of alumina per year for 20 years.

Neither the amount of crude oil involved nor the credit terms for the loans were made public. Although Iran's Minister of Economy claims that the agreement did not involve any "concessionary" price for oil, the cost probably will be well below the posted price. Iran already supplies 60-65 percent of India's crude imports.

Iran also agreed to help finance an expansion of India's refinery at Madras from an annual capacity of 2.8 million to 3.5 million tons. The refinery is owned jointly by the Indian Government, National Iranian Oil, and American International Oil.

In addition, India's balance-of-payments problem will be considerably eased because India will be allowed to pay part of its oil import bill with future exports to Iran. By providing 65,000 tons of steel and 300,000 tons of cement to Iran, however, India could intensify its already critical domestic shortages of both products.

From the Shah's standpoint, the deal with India has a number of attractive features. In the short run, it will provide Iran with some badly needed industrial goods and reinforce Tehran's interests in foreign refining operations. Over the longer term, it will give Iran an important source of supply for its ambitious steel and aluminum output plans. These plans call for Iran to be a substantial exporter of steel and aluminum products--a goal which could bring Tehran into competition with New Delhi in years to come.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

THAILAND

Army chief Krit Sawara recently told key troop commanders in the Bangkok area to be ready to move quickly and decisively should disorder again break out. Although he did not amplify his order, Krit most likely is thinking in terms of arresting selected student activists. During violent student demonstrations last January, the government relied on the police force to handle the situation and the army was not called on.

King Phumiphon apparently has quietly given his approval to the military to quell any sizable student-inspired disorder. [redacted] the King is having second thoughts about his support of the student movement, in light of some of the "radical" views now expressed by several student leaders.

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Despite some concern in Bangkok that the army may take advantage of the situation, there is no evidence that it would use a move against the students as a pretext to oust the civilian government. Strong measures to restrict student political activity, however, could lead to a confrontation between the army and the students. Army sensitivities are running particularly high because of student charges that army units recently burned down a village suspected of harboring Communist sympathizers in northeast Thailand.

[redacted]
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FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

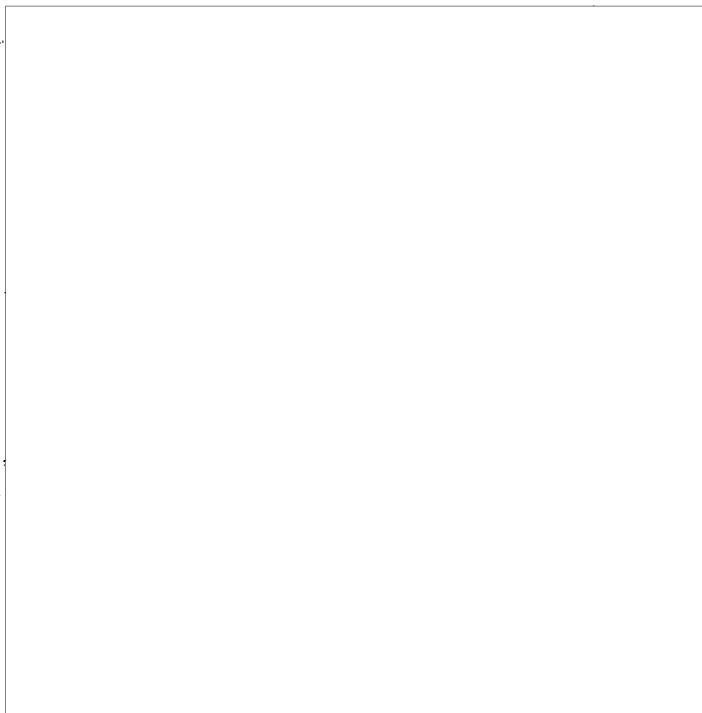
CAMBODIA

Republican Party chief Sirik Matak recently stated privately that he and his followers can no longer continue to work with President Lon Nol and members of his Socio-Republican Party. According to Matak, Lon Nol has "sabotaged" every attempt by the Republicans to help lead the country. Several Republican cabinet ministers have echoed Matak's criticism, but Prime Minister Long Boret has persuaded them to remain in the cabinet.

Matak also wants to abolish the High Political Council, on which he serves. Matak believes the three-man council, supposedly the country's ruling body, is no longer effective. He complained that it meets too infrequently and has little real work to do, since most important decisions are made before any business is referred to it. Long Boret, also a council member, reportedly shares Matak's views. Lon Nol is aware of this and has asked them to discuss the council further and to give him a "recommendation for action."

FOR THE PRESIDENT ONLY

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FOR THE PRESIDENT ONLY**NOTES**Iraq-USSR:

[redacted] the USSR has supplied FROG rockets--
 unguided tactical missiles--to Iraq. One such rocket,
 together with support equipment and resupply vehicles,
 was identified at a military installation about 45
 miles south of Baghdad. [redacted]
 [redacted]

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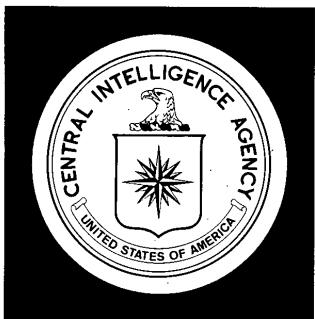
Libya - Eastern Europe: Libya has concluded agreements with Eastern Europe which could raise its direct oil exports to that area to 140,000 barrels per day this year--double the amount shipped in 1973. Poland and Romania signed long-term agreements with Libya this month--and Czechoslovakia reached a five-year agreement--to secure oil on a barter basis. Hungary and Bulgaria arranged last month for relatively small amounts of oil to be delivered this year. These shipments would represent less than 10 percent of Libya's probable oil exports for 1974.

Romania: Romania has decided to cut back industrial growth--now the highest in Eastern Europe--in favor of consumer production and agriculture in its five-year plan for 1976 to 1980, now apparently being drafted. President Ceausescu, who announced this radical change from present policy in a recent interview, obviously sees a political need to improve the lot of the consumer. An economic rationale may be anticipated balance-of-payments problems caused by large imports of machinery and equipment.

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THE PRESIDENT'S DAILY BRIEF

February 27, 1974

PRINCIPAL DEVELOPMENTS

China is making a special effort to signal the West, and Washington in particular, that the anti-Lin, anti-Confucius campaign does not affect Peking's policy toward the US. (Page 1)

Italy appears ready to release three Arab terrorists charged with planning to shoot down an Israeli airliner in Rome last September. (Page 2)

The Moroccan Government is concerned over the possibility of disorders as it looks toward the anniversary of the King's accession on March 3. (Page 3)

Mrs. Meir may ask Israel's President for another day or two to persuade Defense Minister Dayan, Transportation Minister Peres, and National Religious Party leaders to join the new cabinet. (Page 4)

UN Security Council members are working to head off Iraq's threat to call a council meeting today over the recent border clash with Iran. (Page 5)

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Tunisia [redacted]

25X1

(Page 6)

Notes on Japan, Ethiopia, and Iraq-Syria appear on Page 7.

FOR THE PRESIDENT ONLY

CHINA

The Chinese are making a special effort to signal the West, and Washington in particular, that the anti-Lin, anti-Confucius campaign does not affect Peking's policy toward the US.

Premier Chou En-lai so far has been the only top government figure to speak openly about the campaign. Addressing a diplomatic banquet on February 24, Chou cast his remarks about the movement within a narrow domestic political context. PRC newsmen in Hong Kong have reassured American journalists that chaos in China is not imminent, that Premier Chou is not in trouble, and that Chinese foreign policy is not going to be affected by the campaign.

Deputy Foreign Minister Chiao Kuan-hua told the West German ambassador in Peking on February 21 that recent developments in China have not changed relations with the US, and that Peking will continue to adhere to the policy outlined in the Shanghai communiqué. On another occasion recently Chiao privately labeled as ridiculous any speculation that Ambassador Bruce's return to Washington and Huang Chen's prolonged stay in Peking indicated problems between China and the US.

The Chinese are also making an effort to counter foreign press reports that businessmen are meeting difficulties in dealing with Chinese organizations. A China Resources Company official in Hong Kong assured US Consulate officers two days ago that the political campaign in China would not affect commercial relations. The Hong Kong office of the China Travel Service has informed the consulate that businessmen are traveling normally in China and that there has been no change in the processing of applications for foreign businessmen to enter the country.

ITALY

Italy appears about ready to release three Arab terrorists charged with intending to down an Israeli airliner with Soviet-made missiles in Rome last September.

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[redacted] by March 4 they will have been under detention for six months.

Rome has repeatedly assured US officials that the government cannot influence the "independent" Italian judiciary. It is nonetheless clear that major government officials,

[redacted] favor an early release of the terrorists.

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Rome's policy apparently is inspired not only by fear of reprisals by the PLO but also by a desire to improve relations with Arab oil producers--particularly Libya, the country's largest petroleum supplier. On February 25, the Libyans agreed to increase annual oil shipments to Italy from 23 to 30 million tons.

MOROCCO

The government is concerned over possible disorder as it looks toward March 3, the anniversary of King Hassan's accession to the throne and the date on which short-lived disorders broke out last year.

[redacted] 25X1

[redacted] 25X1

[redacted] 25X1

The government has also set up numerous roadblocks and has issued a communiqué stating that a small group of Moroccan dissidents had been captured recently after crossing the border from Algeria.

The Moroccan Government believes the current subversion is backed by Libya. Tripoli has made no attempt to hide its hostility to King Hassan since Qadhafi publicly supported a coup attempt against Hassan in 1971.

Although officers of the armed forces remain the chief internal threat to the King, there is currently no firm evidence of organized opposition within the military. Most potential troublemakers have been neutralized through reassignment, and the leaders of the two abortive coup attempts have been executed. Nevertheless, there is increased restiveness within the officer corps over their direct subordination to the King, his continuing distrust of the armed forces, and Morocco's lack of modern military equipment.

In the short run, King Hassan should easily be able to control isolated subversion launched from abroad or local demonstrations of popular discontent. The King continues to demonstrate both his willingness to deal harshly with dissident activity and his considerable skill in political manipulation. Effective power is increasingly concentrated in the palace, and the throne enjoys some popular support.

ISRAEL

Mrs. Meir may ask President Katzir today to allow her another day or two to form a government. She evidently wants the time to persuade Defense Minister Dayan, Transportation Minister Shimon Peres, and National Religious Party leaders to joint the new cabinet. Mrs. Meir intends to present her cabinet to the Knesset for a vote of confidence on March 4.

The Prime Minister's efforts to convince Dayan and Peres were encouraged yesterday when the Alignment's Rafi faction urged both men to remain in the cabinet. Dayan and Peres are leading members of this faction.

The National Religious Party, meanwhile, has apparently rejected another Alignment compromise offer on the religious issue. It announced no change from its earlier decision not to join the coalition; it still has to make a final decision on whether to vote for the minority government.

UN-IRAQ-IRAN

UN Security Council members are working to head off Iraq's threat to call a council meeting this afternoon if satisfactory progress is not made to resolve its complaint over the recent border clash with Iran.

The French president of the council has drafted a new, more or less neutral consensus statement which the Iranian and Iraqi representatives have agreed to refer to their capitals. The Iranian, however, appears to prefer an Australian compromise which leans in his country's favor.

Iraq may be willing to postpone the council meeting for another day or two if it is satisfied that Iran is moving toward an accommodation. If not, Iraq could present a resolution along the lines of the new French statement, perhaps altered so as to receive enough votes to pass.

Meanwhile, the situation along the border remains generally quiet, although both countries have continued to reinforce their forces at various points. Iraqi military movements continue in the northern area, but these are partly related to operations against the Kurds.

TUNISIA



NOTES

Japan: Prime Minister Tanaka has formally decided not to seek ratification of the Non-Proliferation Treaty during the current Diet session, according to Tokyo press reports. The session will end by early summer. Administrative foot-dragging, including the reluctance of Science and Technology Minister Moriyama to support the treaty, has precluded the possibility of establishing a safeguard system during the session. The Japanese regard this as a necessary prerequisite for ratification. Government sources suggest that progress may be possible after Upper House elections this summer and the formation of a new cabinet.

Ethiopia: Army and air force enlisted men, non-commissioned officers, and some junior officers in Asmara went on strike yesterday morning over low pay and placed their senior officers under restraint by closing off the compound containing the officers' living quarters. The US consul reports there are indications that a tank brigade and police and naval elements in Asmara have joined the dissidents [redacted]

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[redacted] There are no reports of violence or any evidence that direct military action is planned against the regime.

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Iraq-Syria: Baghdad's recent offer to grant \$50 million to Syria as part of a fund for defraying war damages may well have been an attempt by Iraqi leaders to strengthen Syrian opponents of disengagement. President Asad is likely to have interpreted the Iraqi offer in this light; there was no reference to it in the Syrian press, and Asad's government applied pressure on Egypt to have the Middle East News Agency kill the story. Syria has substantial aid commitments from other Arab countries and can do without Iraqi money.

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The President's Daily Brief

February 28, 1974

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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

February 28, 1974

PRINCIPAL DEVELOPMENTS

Emperor Haile Selassie will probably accept the resignation of his cabinet, offered yesterday, and so gain some time to deal with growing unrest.
(Page 1)

A rebellion by Argentine police and paramilitary forces in the industrial city of Cordoba--a stronghold of leftist strength--may give President Peron the excuse he has been looking for to oust the provincial government. Demonstrations also broke out in the western city of Mendoza. (Page 2)

The Soviets are converting two additional groups of SS-11 silos at ICBM complexes in the western USSR.
(Page 3)

The changes in the French cabinet yesterday apparently are intended to improve the government's handling of the energy crisis and are unlikely to affect the struggle over the presidential succession. (Page 4)

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25X1

Chinese (Page 5) 25X1

the Amphitrite and Crescent groups in the Paracel Islands showed 23 and 35 Chinese ships respectively. (Page 6) 25X1

In Laos, the next move in the negotiations to form a new coalition government apparently is up to the Communists. (Page 7)

North Vietnam, concerned about feeding a fast-growing population, will conduct its first national census since 1960 in April. (Page 8)

Notes on China-Laos and India appear on Page 9.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

ETHIOPIA

Emperor Haile Selassie will probably gain some time to deal with growing unrest in Ethiopia by accepting the resignation of his cabinet, offered yesterday, but the new government will have to act quickly to restore public confidence. Ethiopia's strained financial resources will make it difficult, however, for a new government to grant the concessions that will be required to regain control of the military and to ease discontent among other segments of the populace.

The Emperor yesterday announced that he would give priority concern to the army's living standard, but warned that the government was unable to accede to further financial demands.

Even as the Emperor spoke, the revolt in the armed forces was worsening. Dissident troops in Asmara have placed under house arrest most of the senior officers--including the armed forces chief of staff--who were sent to negotiate with them. The troops sent the Emperor's aide-de-camp back to the capital with a message reiterating their demands, which still are focused mainly on economic issues.

The revolt has now spread beyond Eritrea. The town of Debre Zeit, outside Ethiopia's main airbase near Addis Ababa, has been seized by units of the air force stationed at the base. Enlisted men and noncommissioned officers have taken command of a tank company farther south of the capital. Army enlisted men and marines control naval facilities at the ports of Massawa and Assab.

The developments of the past few weeks hold political implications that far exceed the immediate economic issues. Many junior and middle-level officers are showing increased political awareness, and there is growing evidence that they are in touch with each other and with discontented civilians.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

ARGENTINA

A rebellion by police and paramilitary forces broke out last night in the industrial city of Cordoba, and a demonstration--also involving police and troops--took place in the western city of Mendoza. The situation in Cordoba may give President Peron the excuse he has been seeking to oust the left-leaning provincial government; some reports suggest that Peron may be directly behind maneuvers to undermine leftist control of the province.

Most of Cordoba's police have joined the insurrection to demand the removal of the governing "Marxist clique." According to press sources, police have arrested the governor, his deputy, and other ministers and officials.

In Mendoza, police and some noncommissioned officers and troops are demanding a pay raise from the provincial government. The governor there has also been under attack as a leftist by some members of the Peronist government.

The Cordoba administration has been locked in a bitter struggle with conservative government and labor leaders in Buenos Aires since Peron's call for a purge of left-wingers last October. Peron has described Cordoba as a focus of leftist infection and has made it clear that he would like to rout Marxists and Trotskyites from key government and labor posts there. The trade union movement in Cordoba is especially dominated by radical leftists, many of them well-armed and violently opposed to the conservative Peronist labor bureaucracy.

Because Cordoba is a stronghold of leftist strength, violence is likely if Peron should attempt to make the ouster of provincial officials stick or intervene to take over the province. Sniper gunfire has already been reported in the city and left-wing extremists can be expected to put up a determined fight.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

USSR

The Soviets are converting two additional groups of SS-11 silos at the Pervomaysk and Derazhnya ICBM complexes in the western USSR. [redacted] 40 silos in all undergoing conversion at the two complexes.

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The silos probably are being prepared for the installation of a new ICBM. Candidates include the SS-X-17 and the SS-X-19, which have been tested with MIRVs, and the SS-11 Mod 3, which carries multiple re-entry vehicles that cannot be independently targeted.

Based on progress to date, conversion of a silo could probably be completed in 6 to 12 months, but construction of launch-control silos for these groups will require at least 18 months to complete. Conversion of other SS-11 groups at Pervomaysk and Derazhnya is expected to begin shortly.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

FRANCE

The changes in the French cabinet yesterday apparently are intended to improve the government's handling of the energy crisis. They are unlikely to affect the struggle within the coalition over the presidential succession.

The composition of the new cabinet will be announced on March 1. Jean Blancard, director of the Energy Office, may be elevated to a cabinet-level post. Although the minister of interior may be dropped, initial reports suggest that other major portfolios will be distributed much as they were in the last Messmer government.

Messmer, despite Pompidou's strong support, does not appear to be a major figure in the evolving struggle for the presidency. For the time being, the chief competition continues to be between supporters of Jacques Chaban-Delmas, a Gaullist, and Valery Giscard d'Estaing, the leader of the Independent Republicans--the junior partner in the coalition.

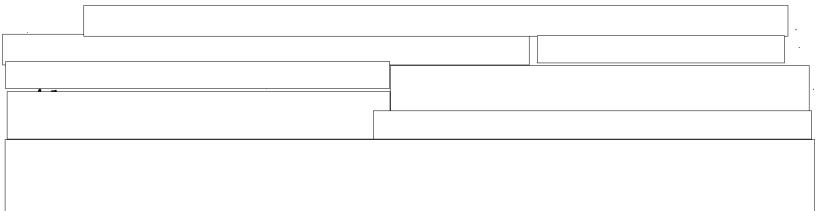
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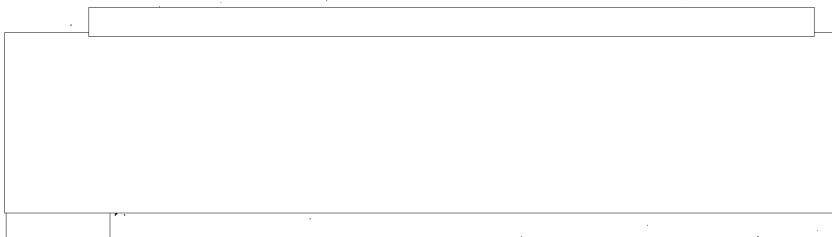
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CHINA



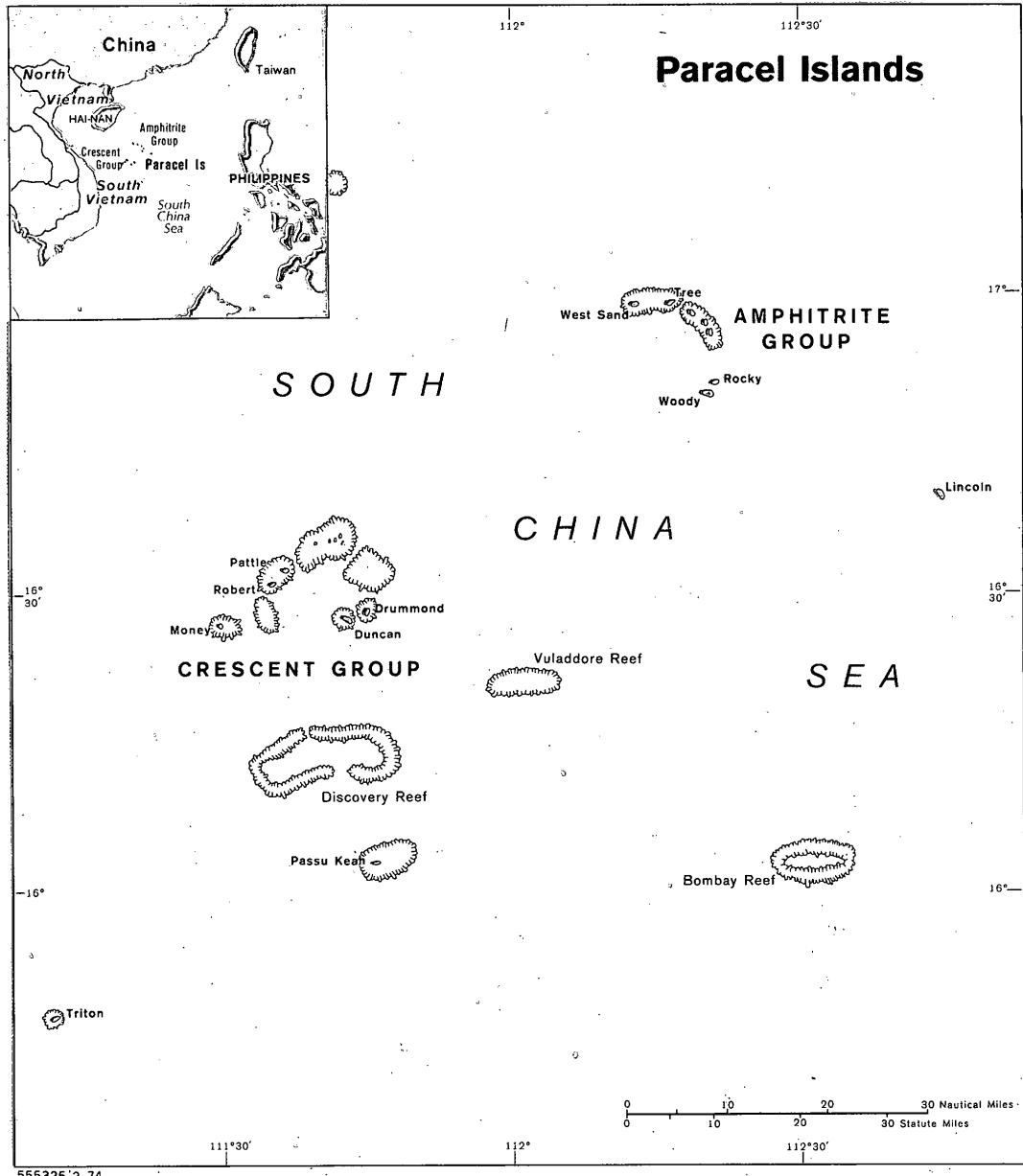
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CHINA

[redacted] Paracel Islands' Chinese
Amphitrite Group [redacted] ships in the area, including two R-class attack submarines. This is the farthest from the mainland that any Chinese submarine has ever ventured. No missile boats were observed in the Amphitrites, although at least two participated in the January 19 naval engagement in the Crescent Group.

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Both the Amphitrite and Crescent groups were [redacted] A total of 35 ships, including two destroyer escorts, were there. Numerous tents were seen on Pattle Island in the Crescents.

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The Chinese are regularly maintaining naval ships on station in the Paracels, [redacted]
[redacted] The substantial numbers of combatants in the harbor at Woody Island [redacted] strongly suggest that Woody Island is functioning as a forward operating base for the South Sea Fleet.

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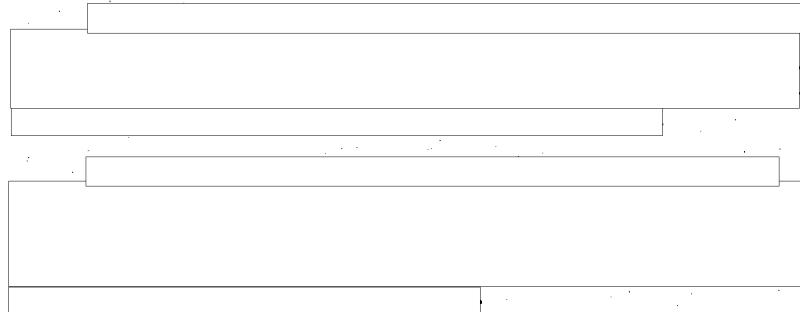
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LAOS

The next moves in the negotiations to form a new coalition government apparently are up to the Lao Communists. Chief Pathet Lao negotiator Phoun Sipraseth is due to leave Vientiane soon to report to the Communist leaders on his talks with Prime Minister Souvanna. Phoun said that he would return to Vientiane soon, but gave no definite date.



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For his part, Souvanna is still hopeful that the coalition will be formed in the near future. At a press conference last week Souvanna said he expects senior Pathet Lao official Phoumi Vongvichit to return to Vientiane "very soon" with a definitive list of Communist designees for the new cabinet and its advisory council.

After that, Souvanna expects to meet Lao Communist leader Souphanouvong to review and approve all the nominees for the new government. According to Souvanna, he and Souphanouvong--possibly accompanied by the entire membership of the coalition--would then be invested by the King.

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NORTH VIETNAM

North Vietnam, worried about feeding a fast-growing population, will conduct its first national census since 1960 in April. The census will provide a demographic framework for the 1976-1980 economic development plan.

Communist Party chief Le Duan recently said that since 1960 the population had grown by more than 10 million, which would mean a total of about 26 million. This is a much higher figure than Western estimates, which generally put North Vietnam's population at about 20 million.

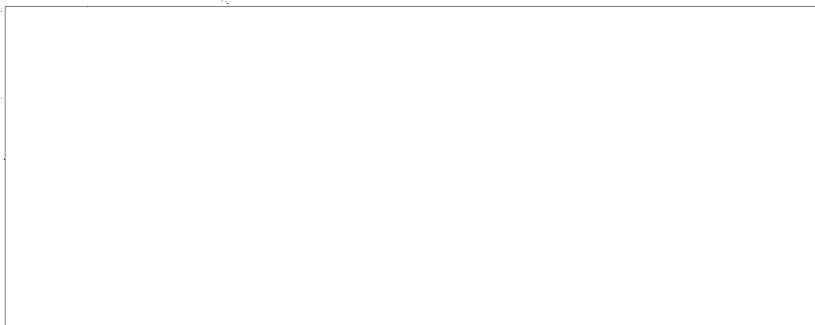
Hanoi's leading economist meanwhile has proposed a new birth-control program, the first such call by a national leader since the war intensified in 1965. North Vietnam suffers from chronic food shortages and is dependent on large imports of food from China and the USSR. If Le Duan's population figures are correct, food may become more scarce as time goes on.

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NOTES

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India: India so far has contracted for only 600,000 tons of fertilizer for 1974 plantings, about half the amount imported last year. If additional contracts are not concluded soon, Indian buyers may find themselves shut out of the tight fertilizer market. Despite a near-record fall harvest, government grain stocks remain low, and prices continue to rise. A cut in fertilizer supplies would reduce agricultural output and would compound New Delhi's political and economic problems.

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