



# The President's Daily Brief

*5 September 1973*

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

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

THE PRESIDENT'S DAILY BRIEF

5 September 1973

PRINCIPAL DEVELOPMENTS

Brezhnev told [redacted] recently that the present focus of Soviet-US trade should be on concluding several modest deals. This is a shift from past Soviet emphasis on the need for early agreement on large, long-term ventures, and fits in better with Western views of the prospect for US-Soviet economic cooperation. (Page 1)

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[redacted]  
[redacted] USSR [redacted] Egypt  
[redacted]

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The Japanese have announced that their first two communications satellites will be placed into orbit by US rockets in 1976. Earlier they had hoped to be able to use a space booster of Japanese design. (Page 5)

There have been more clashes between government forces and tribal insurgents in Baluchistan Province. Pakistan's neighbors--Iran, Afghanistan, and India--also have a stake in what happens there and are keeping close watch on the unrest. (Page 6)

The transcript of Prime Minister Jallud's press conference on September 2 shows that he did not say Libya would refuse to sell oil for dollars as reported in the Western press. (Page 3)

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USSR-US

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[redacted]  
[redacted] last week, Brezhnev changed his tune somewhat in discussing prospects for Soviet-US trade. He stressed that although big, long-term projects grab newspaper headlines, primary attention should be given at present to concluding several smaller deals.

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*Brezhnev's emphasis on the importance of smaller transactions is a shift from what he and other top Soviet leaders have said in the past. Earlier this year they went to considerable lengths to underscore the need for large deals of a long-term nature as the most advantageous for both sides. Brezhnev's remarks [redacted] suggest that the past few months have brought to the Kremlin a view more in keeping with Western assessments of the potential for US-Soviet economic cooperation.*

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Brezhnev used the opportunity to praise President Nixon and lament Watergate. He voiced a suspicion that opponents of Soviet-US accommodation are trying to exploit Watergate, and said he wanted to build detente so firmly that it will not be an issue in future US politics.

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USSR-EGYPT

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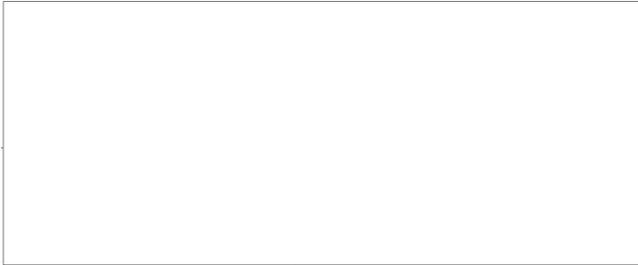
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LAOS

Prime Minister Souvanna Phouma, frustrated over rightist resistance to the draft peace agreement, reportedly plans to submit his resignation at a cabinet meeting today in order to "avoid a coup."

*The threat may be a ploy to force the rightists to accept the agreement. It will worry the majority of Lao Army leaders, who now appear ready to support the Prime Minister even if he signs the protocol implementing the agreement without obtaining additional concessions.*

In case the rightists are considering any "rash attempt" to prevent the signing of the protocol, however, Lao Army Commander in Chief General Bounpone has ordered the transfer of several hundred troops from the south to Vientiane, where they will reinforce strategic points in and around the city. Meanwhile, the Lao Communists continue to complain about delays in signing the document. During a press conference yesterday, chief Communist negotiator Phoumi Vongvichit blamed the rightists and suggested that the US would be able to pressure them into going along with Souvanna.

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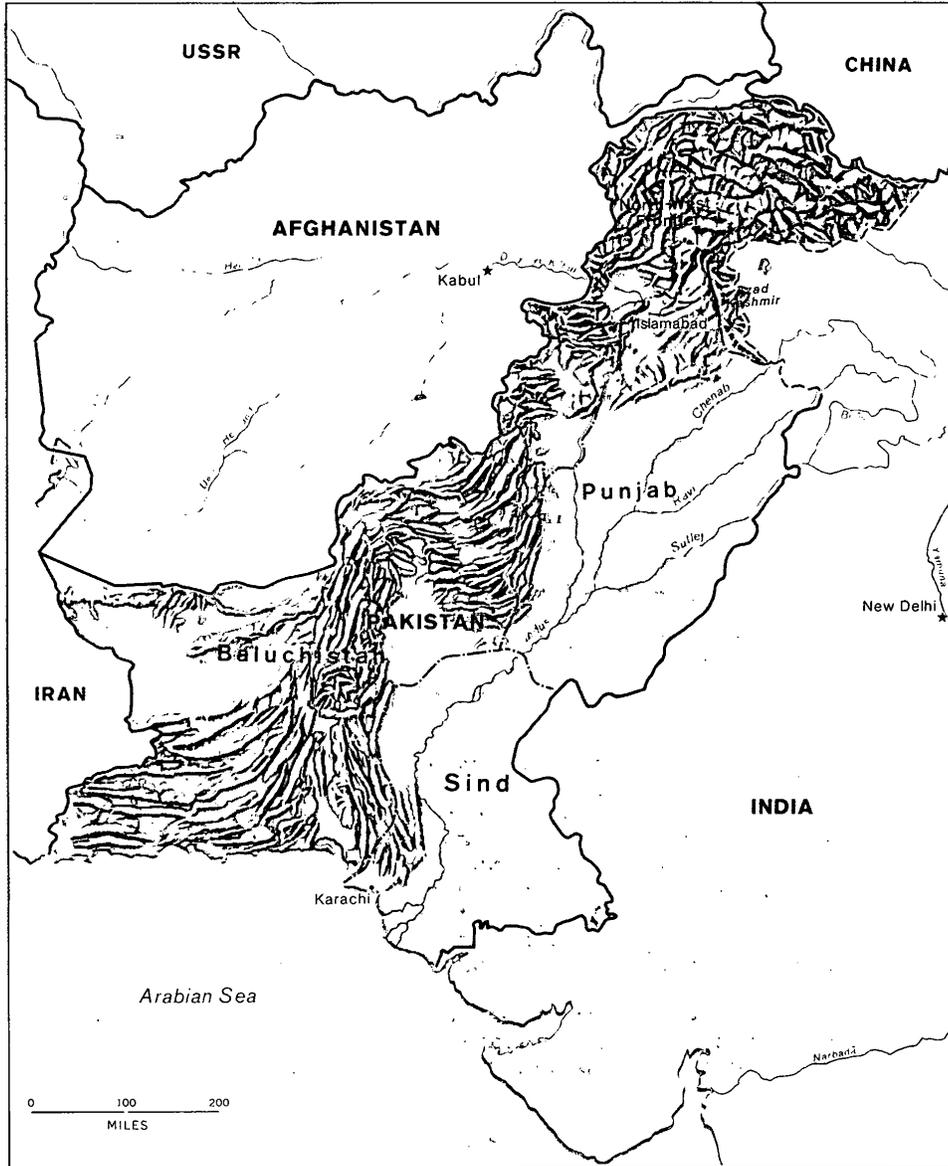
JAPAN

The government has announced that Japan's first two communications satellites will be placed into orbit by US rockets launched from the US in 1976.

*Earlier the Japanese had hoped to use a space booster of Japanese design to launch the satellites. This apparently has proven beyond the capability of Tokyo's fledgling space program, making it necessary to turn to the US in order to avoid delay in meeting increasing domestic communications requirements. Nevertheless, the Japanese say that work on their own rocket will continue.*

*As for design and fabrication of the satellites themselves, the Japanese are just beginning to develop the technology. US firms will probably receive about half the money spent (\$30 to 50 million) to build the first two.*

### Insurgency Continues in Baluchistan



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**PAKISTAN**

Clashes between tribal insurgents and the armed forces continue in Baluchistan Province.

*In large part, the current clashes are an outgrowth of the continuing political struggle between supporters of Prime Minister Bhutto and the major opposition parties, which have widespread appeal among several of the important tribes in Baluchistan. Attempts to reach an accommodation between Bhutto and his opponents collapsed in late July, and the three top opposition leaders in the province were arrested on 15 August. They remain under detention.*

*The arrests have not led to any dramatic increase in tribal unrest, but in some areas a general deterioration in the security situation is evident and tribal opposition to the government appears to be growing.*

The army reportedly now has a division at full strength, plus two independent brigades, in the province, which has a population of 2.5 million. There are also several thousand militia and paramilitary troops operating in Baluchistan.

*The government presumably has adequate forces to maintain control. Increasingly serious clashes with the insurgents are probable, however, especially if no political agreement between Bhutto and the opposition is reached.*

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*Potentially more serious are the international aspects of tribal unrest in Baluchistan. The Shah, concerned with a restless Baluchi minority in Iran and fearful of further dismemberment of Pakistan, has sent several armed helicopters to assist Bhutto in the anti-insurgency effort. The Indians will be unhappy about this because New Delhi is increasingly worried that Iranian assistance to Pakistan, though small-scale now, could lead to a substantial transfer of Iranian arms that might eventually be used against India.*

Meanwhile, the new government of Afghanistan, with close ethnic ties to the Baluchis, chose to protest strongly the recent arrests--a move that increased existing suspicions in Islamabad regarding Afghan intentions toward Pakistan's two frontier provinces.

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NOTE

Libya: A review of the transcript of Prime Minister Jallud's press conference on September 2 shows that Jallud did not say Libya would refuse to sell oil for dollars as reported in the press. He did say that Libya had suffered losses by holding some reserves in dollars, but added that the solution to this problem should be worked out by OPEC. Jallud made no mention whatever of a \$6 per barrel price for oil, and he specifically confirmed that the price for Libyan oil remains \$4.90. In the past, Jallud has said that Libyan oil is "worth \$6 per barrel," which may account for the erroneous press reports.

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