



The President's Daily Brief

29 November 1973



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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

29 November 1973

PRINCIPAL DEVELOPMENTS

Yesterday's cease-fire violations in the Middle East included the killing of an Israeli soldier at the unloading point for Third-Army-destined supplies. The Arabs ended their summit conference by reiterating their conditions for a peace agreement, while Israel's Labor Party leaders drafted a platform that reportedly contains significant concessions to party doves. (Page 1)

In Greece, [] comments by General Ioannidis indicate that the promised new elections are a long way off. (Page 3)

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President Makarios of Cyprus is buying more arms from Czechoslovakia, and Turkey warns that it is ready to paradrop arms to Turkish Cypriots. (Page 4)

North Korean gunboats penetrated South Korean waters yesterday, but withdrew before South Korean naval units could act to remove them. (Page 5)

In South Vietnam, both Saigon and the Communists continue to raise the level of military activity in the highlands and north of Saigon. (Page 6)

Notes on the sharp rise in the price of gold yesterday, on troop infiltration in Vietnam, and on South Korean student unrest appear on Page 7.

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ARAB STATES - ISRAEL

Sporadic exchanges of small arms fire marred the cease-fire on both the Egyptian and Syrian fronts yesterday, but the Egyptian-Israeli talks at Kilometer 101, suspended yesterday at Israel's request, are scheduled to resume this morning.

In the most politically sensitive violation, an Israeli soldier was killed by sniper fire at the unloading point for supplies destined for the Egyptian Third Army. Tel Aviv protested to the UN Truce Supervisory Organization that it was intolerable that violations should continue, "particularly in this area." Further incidents could disrupt the movement of supplies to the Third Army.

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Arab leaders closed their conference in Algiers yesterday with a moderately-worded declaration reiterating the Arabs' basic conditions for a peace agreement. They affirmed that a lasting peace can come only when Israel withdraws from the occupied territories, "first and foremost Jerusalem," and restores the "established national rights" of the Palestinians. According to Arab League Secretary General Riad, the conferees also discussed Arab military preparedness, decided to provide Egypt and Syria with financial assistance, and resolved to continue the use of oil as a political weapon.

Riad told the press that in the future the Organization of Arab Petroleum Exporting Countries will allocate Arab oil on the basis of other nations' "stand toward the Arab cause." For December, Japan, the Philippines, and most of Western Europe will be exempt from projected cutbacks because of their recent shifts to a more pro-Arab position. The Arabs

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also reportedly agreed to institute an oil boycott and to sever diplomatic and economic ties with South Africa, Rhodesia, and Portugal. They have guaranteed the supply of oil to African states that have broken diplomatic relations with Israel.

Prior to his departure from Algiers yesterday, President Sadat repeated recent Egyptian charges that the talks at Kilometer 101 are suffering from Israeli "evasion and stalling." Although he did not directly tie Egypt's participation in next month's peace conference to progress at the talks, Sadat asked "how can we meet at a peace conference when firing is going on daily?" He reportedly indicated that he would be contacting the Soviet Union and the US about the implementation of the UN's cease-fire resolutions.

Leaders of Israel's ruling Labor Party yesterday drafted a platform from which to seek a vote of confidence from the party's central committee. Press accounts indicate that the document contains significant concessions to party doves, but is unyielding on basic security issues. The most obvious concession reportedly came in a provision calling for the "preservation of the Jewish nature of Israel"--shorthand for abandonment of the policy of annexing occupied Arab territories. The document lists "striving for peace" as the central goal of the party and allows for some territorial concessions.

The new platform reportedly retains three basic tenets that are in fundamental opposition to Arab aims, however. These include Israel's refusal to return to pre-1967 borders, its insistence that Jerusalem remain united and under Israeli control, and its opposition to the establishment of an independent Palestinian state on the West Bank.

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GREECE

[redacted] comments by General Ioannidis, the military police chief who masterminded Sunday's coup, indicate that the new elections promised by Prime Minister Androutsopoulos yesterday are a long way off.

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Ioannidis has told a former minister that he favors "free" elections only at the proper time, and that parties representing Communists and leftists would be outlawed. [redacted] he believes the Greeks are not ready for democracy, and even if free elections were held they would not accept the results. Several months ago he stated that the Papadopoulos junta had been in power too briefly to experiment with democracy, and needed ten to 20 years to carry out its program.

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For the present, Ioannidis says that the new government will give priority to the country's economic problems, and embrace all "politically clean young nationalists of the right and center." Although he claims he is not going to punish Papadopoulos or any of the colonels around him, a purge of the former president's supporters in the army and air force is already under way. As a conciliatory gesture, the government has released most of the students arrested in the demonstrations that preceded the coup and returned some expropriated land to farmers.

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CYPRUS-TURKEY

Early this month an emissary of President Makarios arranged for the purchase of arms from Czechoslovakia [redacted] The arms are to be delivered along with machinery and construction materials. They are intended to go to the Cyprus "tactical reserve" units, which Makarios has been expanding to counter General Grivas' guer-

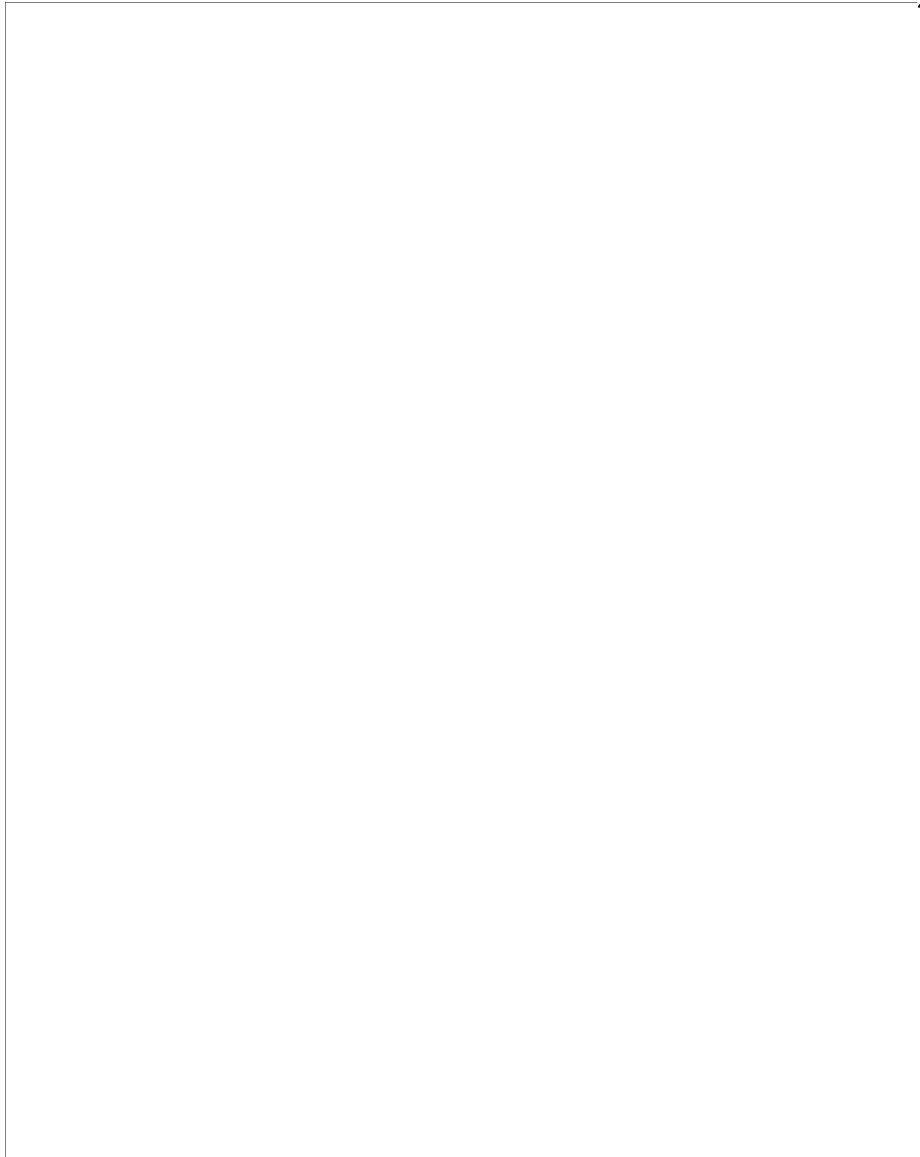
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A Turkish Foreign Ministry official on Tuesday stated that Ankara would immediately call upon the UN force on Cyprus to take custody of such a shipment--as the UN did with Czech arms imported in February 1972--and then to remove the weapons from the island. He said that Ankara was ready to parachute arms to Turkish Cypriots and had so informed Athens. Ankara fears that the Czech weapons would be turned against the Turkish Cypriots if intercommunal fighting should recur.

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KOREA

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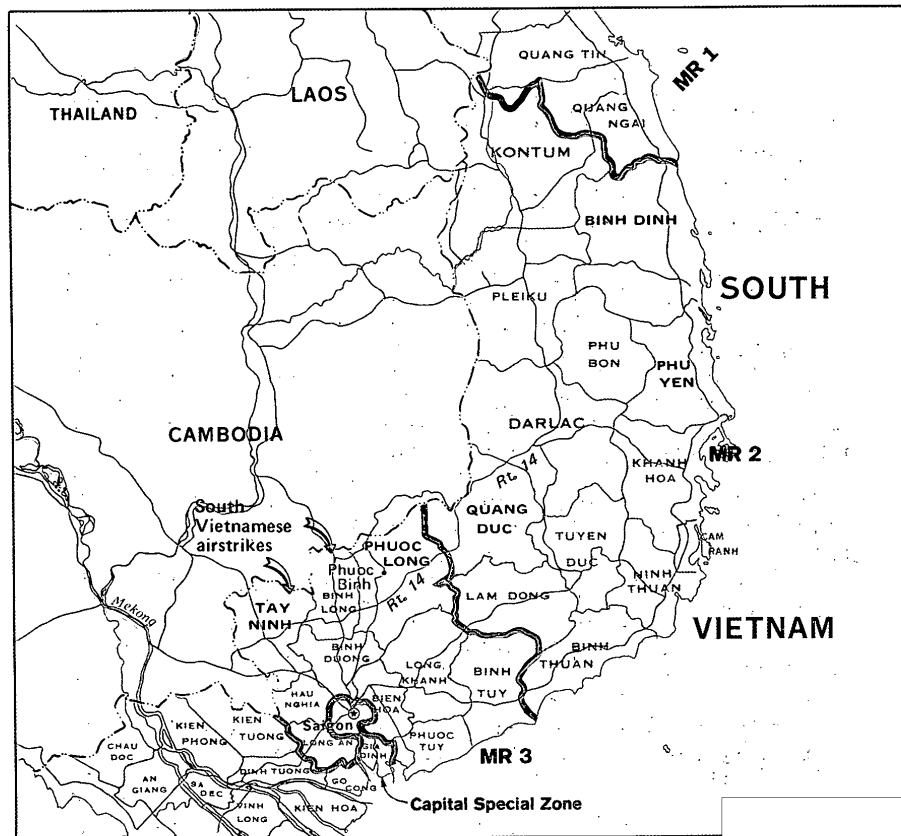
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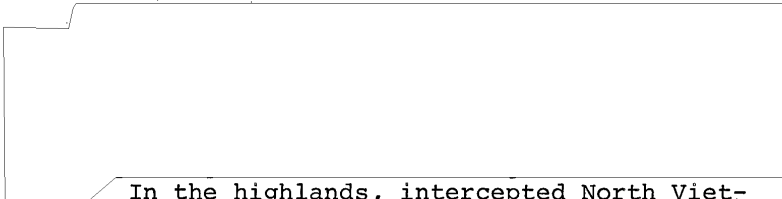
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SOUTH VIETNAM

Both Saigon and the Communists continue to raise the level of military activity in the highlands and the region north of Saigon. Twice during the past week South Vietnamese aircraft struck at major Communist command complexes in the border provinces north of the capital. Commanders in Military Regions 2 and 3 plan to step up ground action against Communist bases and troop concentrations.

North Vietnamese troops in Quang Duc Province have dug in along Route 14 and give every indication that they are as determined to hold this newly-captured terrain as the government is to retake it. North of Saigon, two North Vietnamese infantry regiments are within striking distance of the Phuoc Long provincial capital, which is wholly dependent on air resupply because of the Communists' interdiction of Route 14.

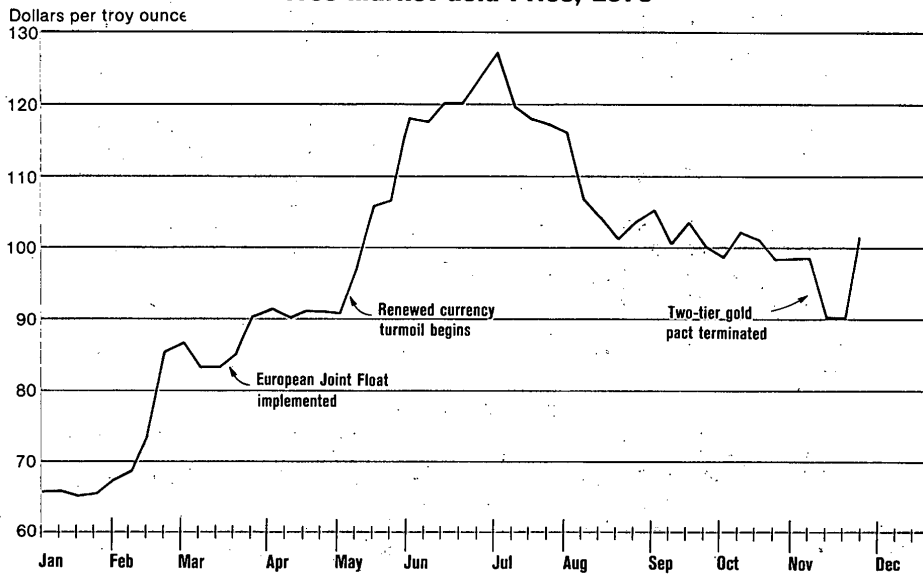


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In the highlands, intercepted North Vietnamese messages have reported in detail on South Vietnamese unit locations and have cited probable targets of government operations.

As the government transfers most of its main-force units to the highlands from Binh Dinh and Phu Yen provinces, the Communists will be aware of weakened defenses in these coastal areas. As yet, however, there is no sign that they are moving against these weak points.

Free Market Gold Price, 1973*



*Based on the afternoon fix in London on the last trading day in each week.

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NOTES

International Monetary Developments: The price of gold rose sharply to \$101.50 an ounce yesterday from \$92 on Tuesday. The main factors stimulating buying were:

--a lack of gold sales by European central banks, despite agreement early this month to remove restrictions on such sales;

--reports that the Soviet Union has not sold gold in recent months after an extended period of regular sales;

--continued uncertainties regarding Arab oil policy.

Vietnam: Hanoi has resumed troop infiltration to southern South Vietnam. Yesterday a message showed that a 500-man group earmarked for the COSVN area had arrived in the Vinh area of North Vietnam. This is the first group detected going to this area since March; it is part of the increased infiltration forecast by an earlier message.

South Korea: Student unrest seems likely to continue to grow even though many schools are officially closed or in the midst of final exams. Some Christian groups are encouraging student protests; one Christian leader has stated that church buildings in Seoul will be open as meeting places for students should the government lock them out of their schools.

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So far, the government has handled the protests without excessive use of force.

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