



# The President's Daily Brief

*13 December 1973*

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~~Top Secret~~

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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

13 December 1973

PRINCIPAL DEVELOPMENTS

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The Egyptian Army high command has been shaken up, apparently for failures in the recent war. [redacted]

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[redacted] Meanwhile, Lebanon has reduced tensions with Israel. (Page 1)

25X1

Britain is threatened with an economic crisis. (Page 3)

The Chinese appear to be phasing out production of their only strategic jet bomber. (Page 4)

The USSR is providing Afghanistan with new military equipment; this will upset the Iranians and Pakistanis. (Page 5)

25X1

Greek [redacted] (Page 6)

25X1

[redacted] Soviets [redacted] (Page 6)

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Venezuela's president-elect promises to maintain a nationalistic stand on economic matters, particularly oil. (Page 6)

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*FOR THE PRESIDENT ONLY*

ARAB STATES - ISRAEL

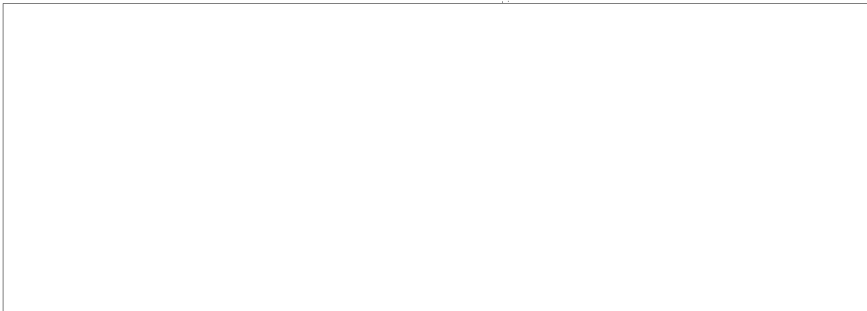
The Egyptian Army has undergone a shakeup that includes the removal of General Shazli, the apparent mastermind behind plans for the attack on October 6, from his post as chief of staff. The new chief of staff is General Gamasy, Egypt's chief negotiator at Kilometer 101.

Shazli appears to have been at odds with Egypt's political leaders and with War Minister Ismail over his failure to retain the military initiative after successfully crossing the Suez Canal. He apparently was given a dressing down by President Sadat last week. Gamasy, on the other hand, has won high marks for his performance at the disengagement talks.

Among other new appointees are a new chief of operations and new commanders for the Second and Third Armies. These changes appear to be an effort to remove those primarily responsible for the failure of Egyptian forces to halt the Israeli penetration of the west bank of the canal. Both of the new army heads were regimental commanders who led successful Egyptian crossings of the Suez on October 6.

The Middle East News Agency notes that the changes are designed to reinforce the army command and "to prepare for the coming stage with commands which are scientifically and practically qualified for the kind of war which these commands have witnessed recently and which the Egyptian armed forces might witness at any time."

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Numerous cease-fire violations were reported on both the Syrian and the Egyptian fronts yesterday. Radio Damascus claimed that at least 20 Israelis were hit in "fierce fighting." Tel Aviv has denied that it suffered any casualties.

(continued)

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Lebanon today will release two Israeli pilots captured during the October war. Beirut [redacted] [redacted] assured by Tel Aviv that the release will be given no publicity from the Israeli side; this should minimize any criticism of the Lebanese action by radical Arab states or the fedayeen. The release will lessen the considerable pressure the Israelis have been putting on Lebanon, and is likely to reduce the intensity of Israel's reactions to fedayeen cross-border shelling.

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UK

Prime Minister Heath has received an extension of the month-old state of emergency in order to deal with the worsening energy situation and the spreading labor strife that are threatening Britain with an economic crisis.

The executive committee of the coal miners' union will meet today to decide whether it will submit its dispute with the government over wage increases to a vote among union members. If the miner leaders decide against a ballot, the union's ban on overtime, which has cut coal production by 30-40 percent, will continue. If the issue is put to a vote, the miners will decide whether to accept the government's offer or call for a strike.

A decision yesterday by locomotive engineers to ban overtime and Sunday work until they receive a better wage offer further weakens Britain's energy situation. The limited amounts of coal that are being produced will be more difficult to transport because of the railroad slowdown.

Industry's energy reserves, already reduced by an oil shortage, have been further depleted by the government's orders to divert oil to power stations, where electrical engineers are also engaged in a work slowdown. The government has exhausted the simple steps it can take to conserve energy, and tougher measures will be needed if labor slowdowns continue.

General economic forecasts for Britain are gloomy. One leading industrialist believes that unemployment could be tripled in the next two months. Inflationary pressures next year are expected to be the most severe since 1945. The government will release November trade figures today; it is anticipated that they will continue to reflect the record deficit set last quarter.

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CHINA

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The Chinese apparently see no requirement at present to add many more jet bombers to their current inventory

[Redacted text block]

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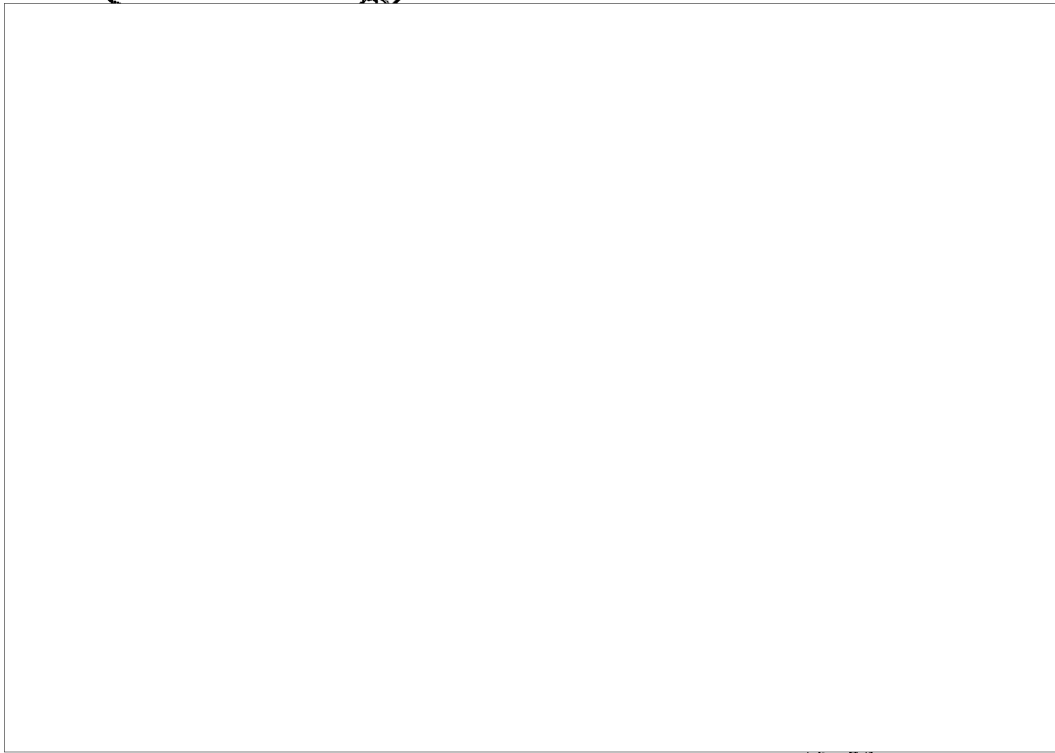
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The TU-16 is Peking's only strategic jet bomber; there is no sign of a follow-on program. The fall in production strengthens [redacted] that China has made a basic decision to rely primarily on its missiles to improve its strategic posture.

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AFGHANISTAN-USSR

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The Soviet Union is providing Afghanistan with new military equipment, including tanks. [redacted]

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[redacted] that substantial numbers of Soviet armored vehicles have already been delivered or are en route.

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At present, the Afghan tank inventory is just over 400; half of these are obsolete T-34 medium tanks. Kabul probably plans to replace the T-34s, and may be planning to enlarge its three armored and ten infantry divisions.

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The deliveries indicate that the Soviets intend to ingratiate themselves with the military backers of the new Afghan Government. At the same time, the Soviets probably calculate they can minimize any problems in relations with Pakistan and Iran because the items provided do not appreciably enhance Afghanistan's capability to intervene in Pakistan. The Soviets have not supported Afghanistan on the issue of Pushtunistan and do not appear interested in the further fragmentation of Pakistan.

The Shah of Iran knows of the Soviet deliveries, and the Pakistanis are almost certain to find out, if they are not already aware of them. Afghanistan's relations with its neighbors may therefore suffer, and Pakistan may look abroad for additional arms.

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NOTES

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Greece: [redacted]

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[redacted]

USSR: [redacted]

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[redacted]

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[redacted]

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Venezuela: Carlos Andres Perez, winner by a surprisingly wide margin in the presidential election, is expected to maintain his predecessor's firmly nationalistic stand on economic matters, particularly petroleum. He will press for an earlier takeover of US and other foreign oil concessions--it is now scheduled to begin in 1983--but will try to attract new private investment to join state enterprises in developing the country's vast unexploited energy resources. He will be a hard bargainer as he seeks to use petroleum as a lever to get better treatment for his country. Perez has not called for a cutback in production from fields being exploited currently, but he is believed to favor such conservation measures.

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