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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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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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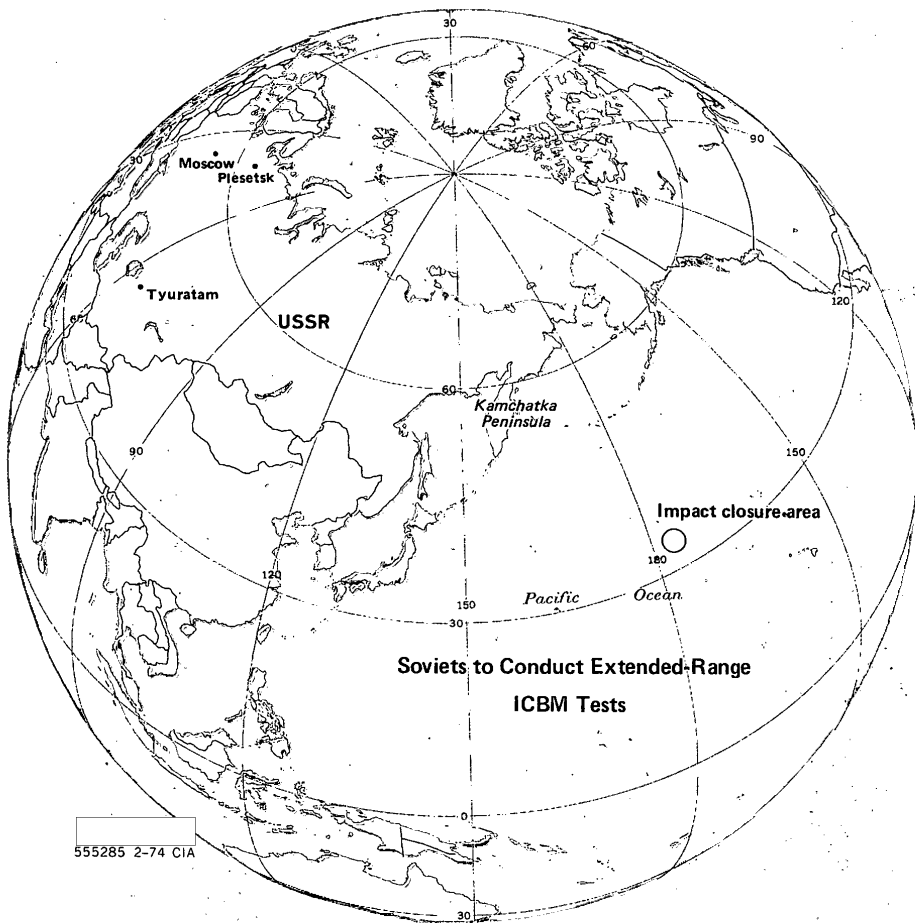
SOUTH VIETNAM

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.



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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.

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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.

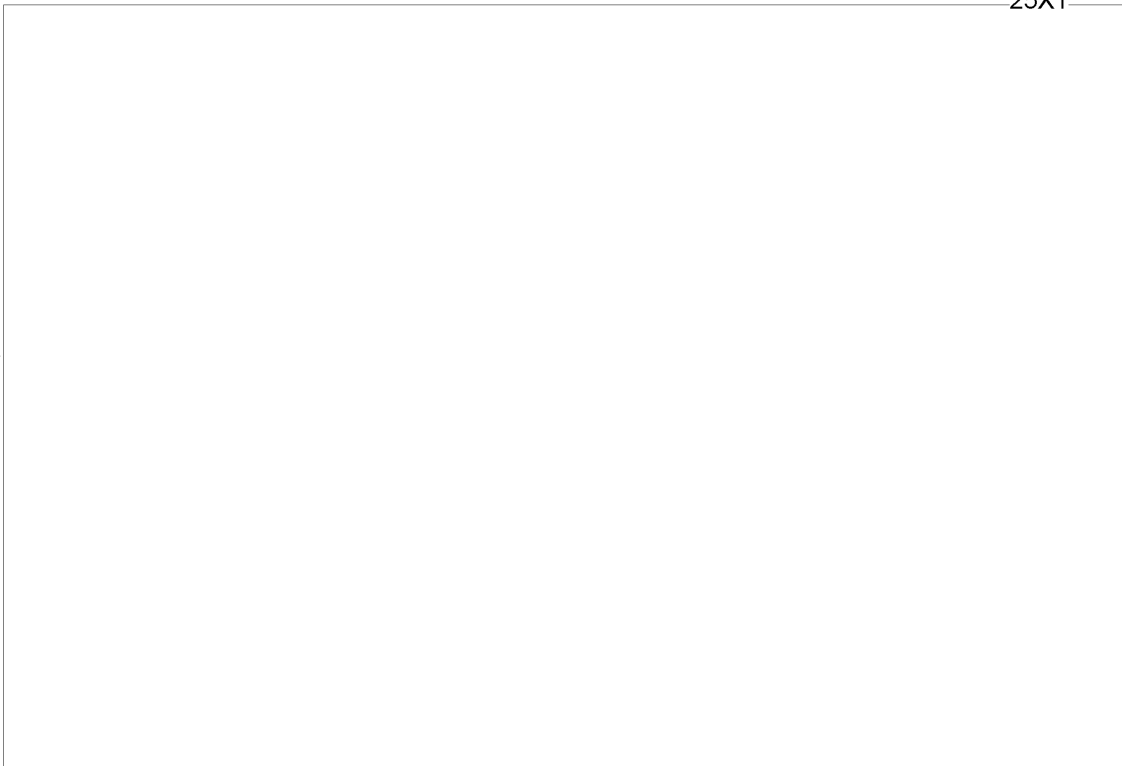
French deals with other Middle East governments are also somewhat up in the air. There apparently have been no new developments in discussions with Kuwait concerning a swap of arms and industrial goods for crude oil.



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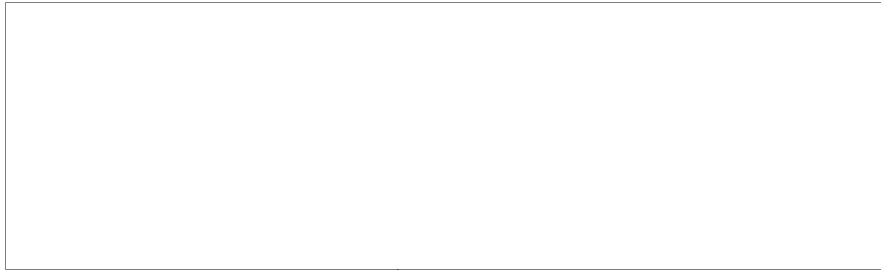
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