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The President's Daily Brief

February 23, 1974

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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)

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Chinese and Soviet [redacted]
[redacted] in the Annex.

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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.

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[redacted]

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

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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.

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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.

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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.

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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.

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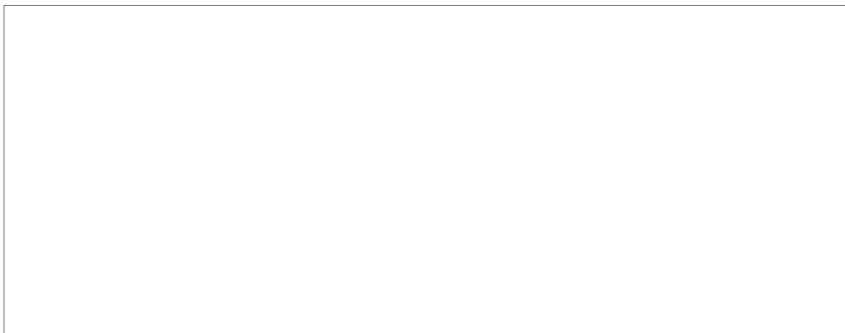
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At the Pay Board hearings this week on the miners' demands for wage increases beyond government guidelines, the National Coal Board disclosed that basic wage data comparing the miners with other occupations were not correct. Instead of being above 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.



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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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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.

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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.

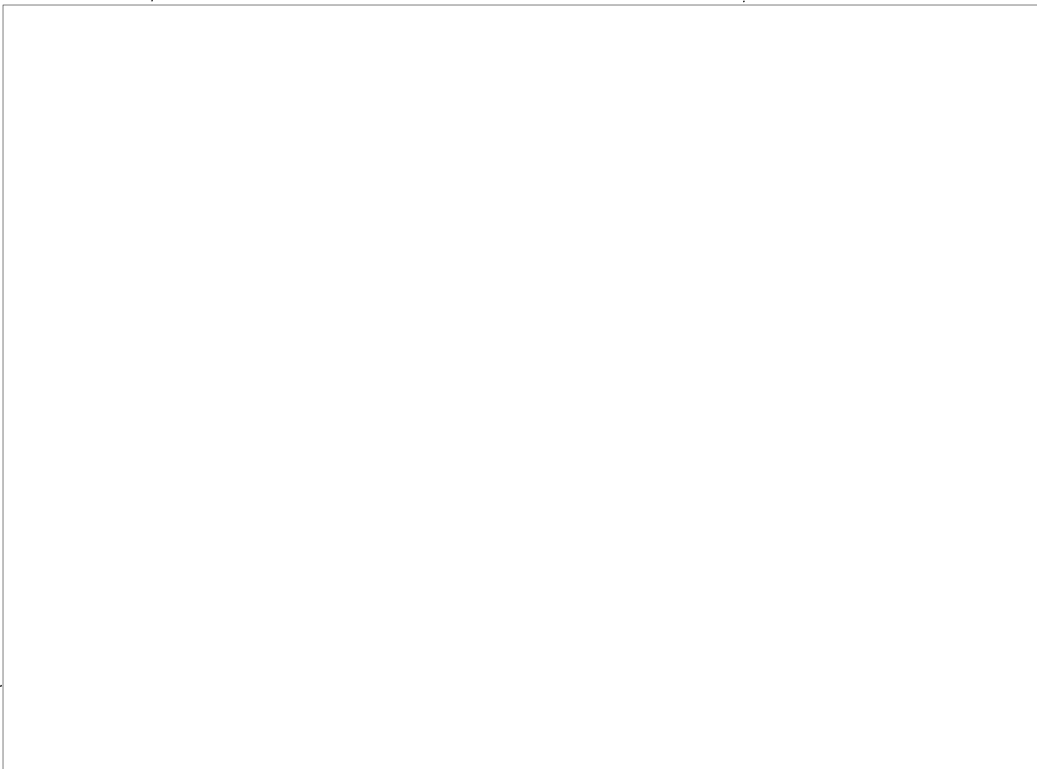
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Ethiopia: Addis Ababa was quiet yesterday following three days of demonstrations by students and others protesting the government's educational and economic policies. Teachers and bus and taxi drivers are continuing their strike, however, and schools 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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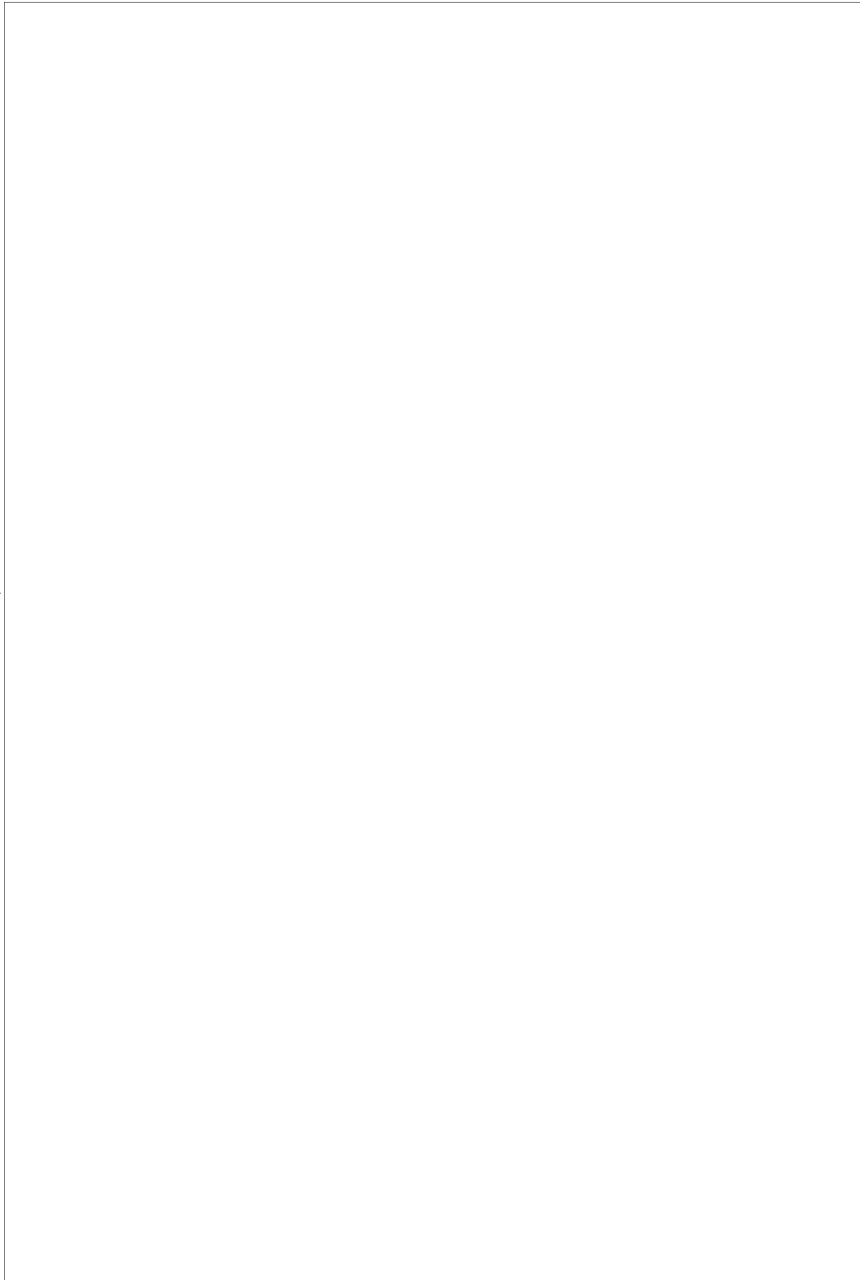


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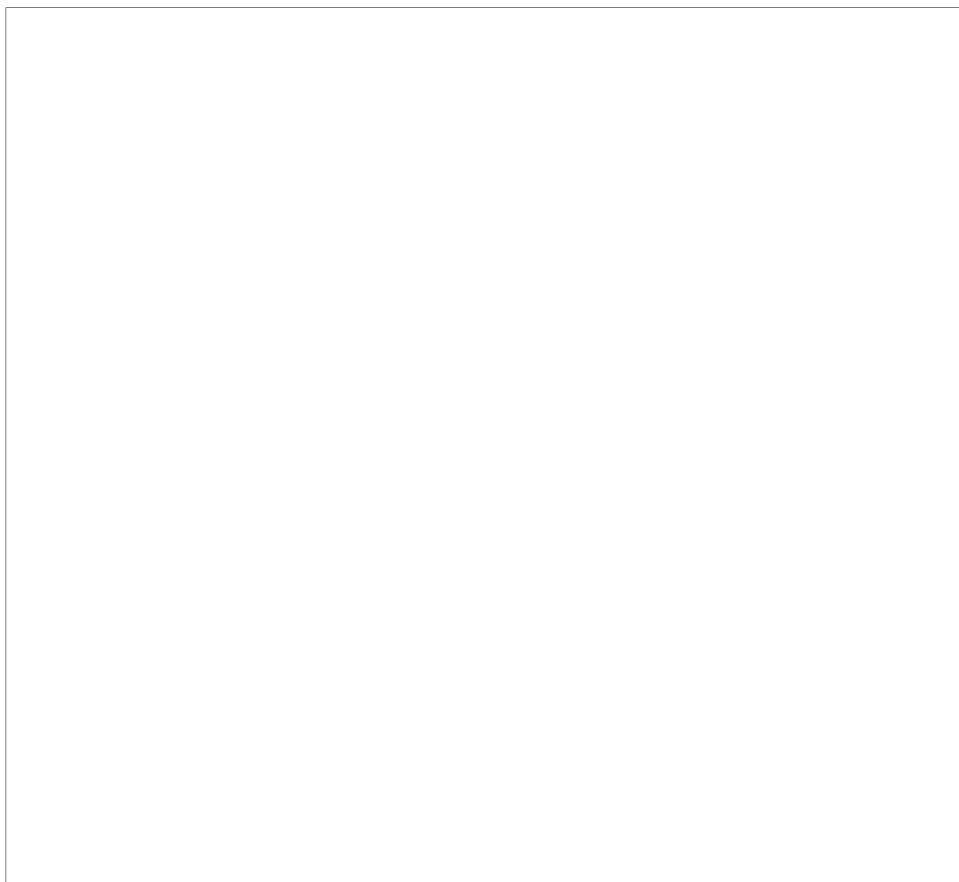
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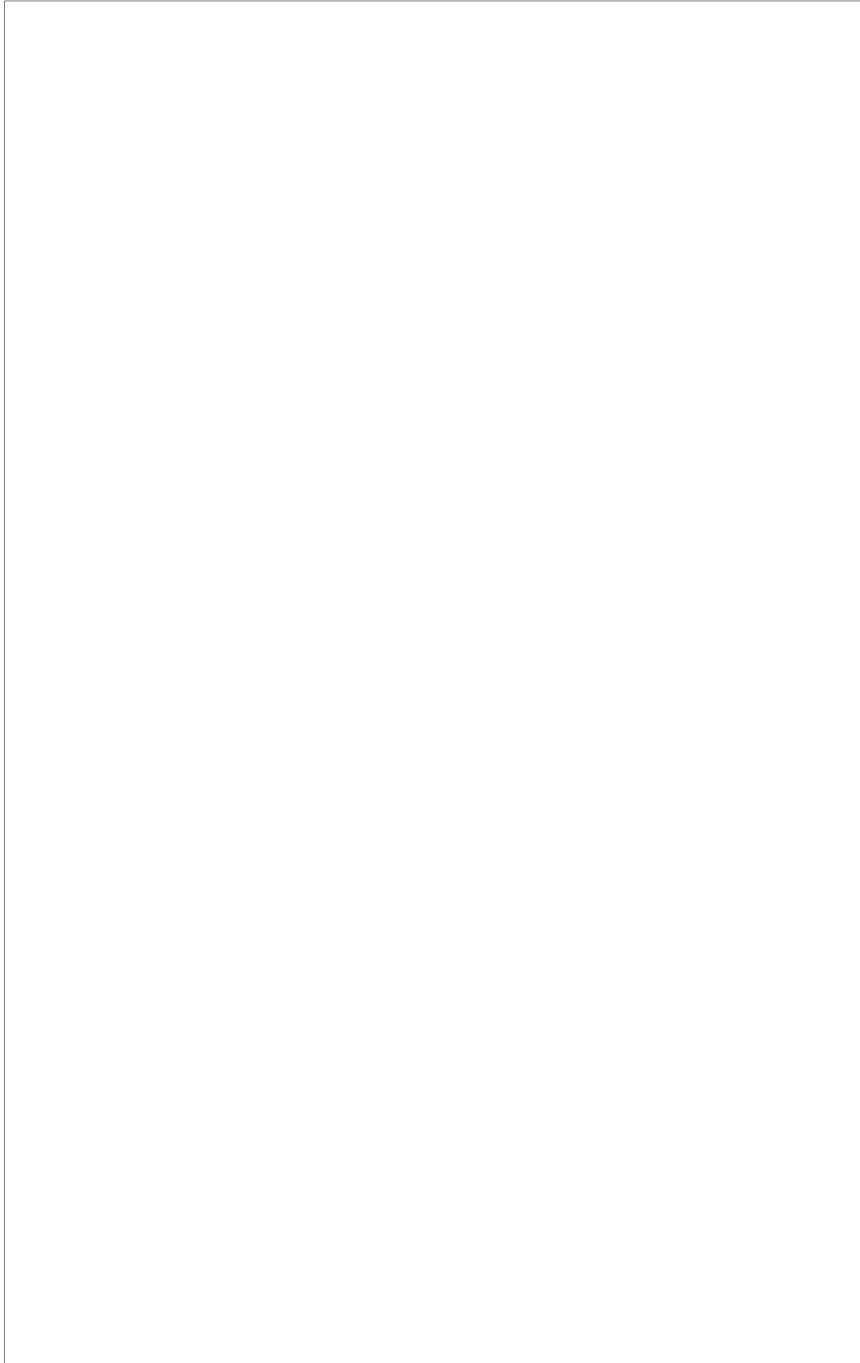
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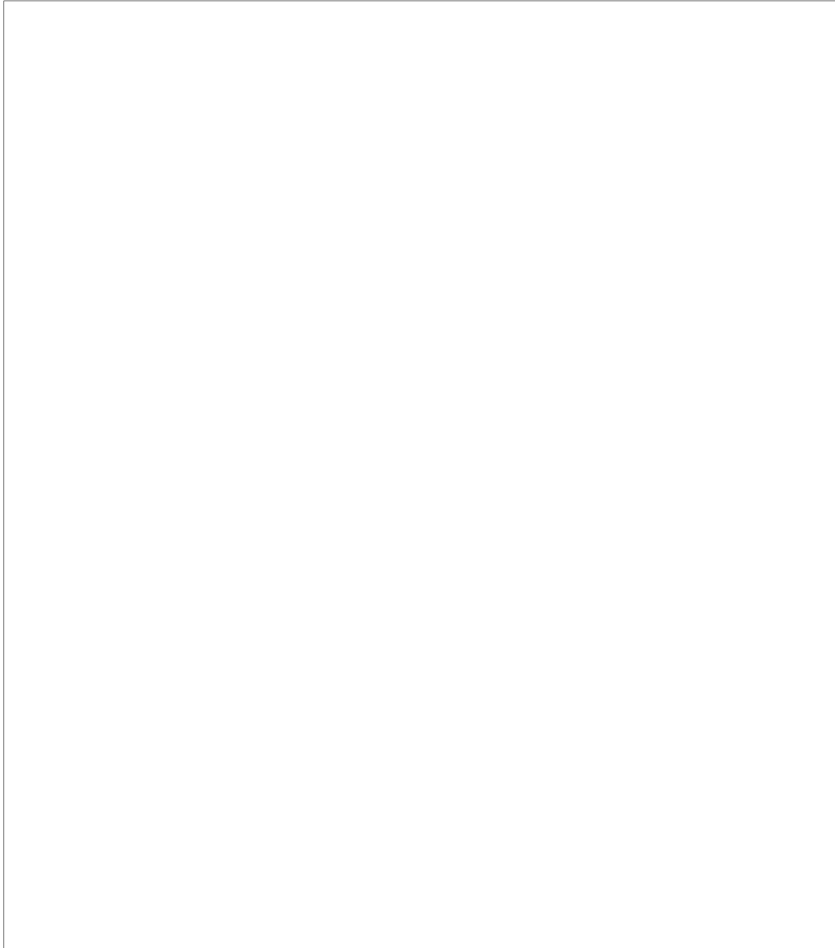


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