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The President's Daily Brief

February 28, 1974

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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

February 28, 1974

PRINCIPAL DEVELOPMENTS

Emperor Haile Selassie will probably accept the resignation of his cabinet, offered yesterday, and so gain some time to deal with growing unrest. (Page 1)

A rebellion by Argentine police and paramilitary forces in the industrial city of Cordoba--a stronghold of leftist strength--may give President Peron the excuse he has been looking for to oust the provincial government. Demonstrations also broke out in the western city of Mendoza. (Page 2)

The Soviets are converting two additional groups of SS-11 silos at ICBM complexes in the western USSR. (Page 3)

The changes in the French cabinet yesterday apparently are intended to improve the government's handling of the energy crisis and are unlikely to affect the struggle over the presidential succession. (Page 4)

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Chinese [redacted] (Page 5)

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[redacted] the Amphitrite and Crescent groups in the Paracel Islands showed 23 and 35 Chinese ships respectively. (Page 6)

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In Laos, the next move in the negotiations to form a new coalition government apparently is up to the Communists. (Page 7)

North Vietnam, concerned about feeding a fast-growing population, will conduct its first national census since 1960 in April. (Page 8)

Notes on China-Laos and India appear on Page 9.

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ETHIOPIA

Emperor Haile Selassie will probably gain some time to deal with growing unrest in Ethiopia by accepting the resignation of his cabinet, offered yesterday, but the new government will have to act quickly to restore public confidence. Ethiopia's strained financial resources will make it difficult, however, for a new government to grant the concessions that will be required to regain control of the military and to ease discontent among other segments of the populace.

The Emperor yesterday announced that he would give priority concern to the army's living standard, but warned that the government was unable to accede to further financial demands.

Even as the Emperor spoke, the revolt in the armed forces was worsening. Dissident troops in Asmara have placed under house arrest most of the senior officers--including the armed forces chief of staff--who were sent to negotiate with them. The troops sent the Emperor's aide-de-camp back to the capital with a message reiterating their demands, which still are focused mainly on economic issues.

The revolt has now spread beyond Eritrea. The town of Debre Zeit, outside Ethiopia's main airbase near Addis Ababa, has been seized by units of the air force stationed at the base. Enlisted men and noncommissioned officers have taken command of a tank company farther south of the capital. Army enlisted men and marines control naval facilities at the ports of Massawa and Assab.

The developments of the past few weeks hold political implications that far exceed the immediate economic issues. Many junior and middle-level officers are showing increased political awareness, and there is growing evidence that they are in touch with each other and with discontented civilians.

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ARGENTINA

A rebellion by police and paramilitary forces broke out last night in the industrial city of Cordoba, and a demonstration--also involving police and troops--took place in the western city of Mendoza. The situation in Cordoba may give President Peron the excuse he has been seeking to oust the left-leaning provincial government; some reports suggest that Peron may be directly behind maneuvers to undermine leftist control of the province.

Most of Cordoba's police have joined the insurrection to demand the removal of the governing "Marxist clique." According to press sources, police have arrested the governor, his deputy, and other ministers and officials.

In Mendoza, police and some noncommissioned officers and troops are demanding a pay raise from the provincial government. The governor there has also been under attack as a leftist by some members of the Peronist government.

The Cordoba administration has been locked in a bitter struggle with conservative government and labor leaders in Buenos Aires since Peron's call for a purge of left-wingers last October. Peron has described Cordoba as a focus of leftist infection and has made it clear that he would like to rout Marxists and Trotskyites from key government and labor posts there. The trade union movement in Cordoba is especially dominated by radical leftists, many of them well-armed and violently opposed to the conservative Peronist labor bureaucracy.

Because Cordoba is a stronghold of leftist strength, violence is likely if Peron should attempt to make the ouster of provincial officials stick or intervene to take over the province. Sniper gunfire has already been reported in the city and left-wing extremists can be expected to put up a determined fight.

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USSR

The Soviets are converting two additional groups of SS-11 silos at the Pervomaysk and Derazhnya ICBM complexes in the western USSR. [redacted] 40 silos in all undergoing conversion at the two complexes.

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The silos probably are being prepared for the installation of a new ICBM. Candidates include the SS-X-17 and the SS-X-19, which have been tested with MIRVs, and the SS-11 Mod 3, which carries multiple re-entry vehicles that cannot be independently targeted.

Based on progress to date, conversion of a silo could probably be completed in 6 to 12 months, but construction of launch-control silos for these groups will require at least 18 months to complete. Conversion of other SS-11 groups at Pervomaysk and Derazhnya is expected to begin shortly.

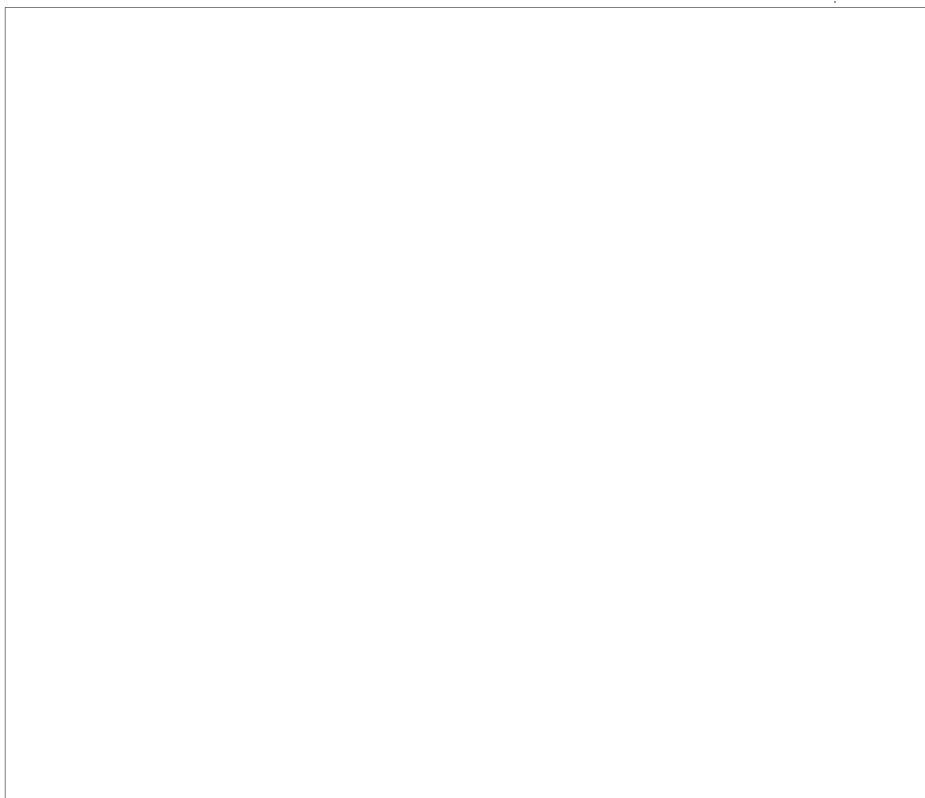
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FRANCE

The changes in the French cabinet yesterday apparently are intended to improve the government's handling of the energy crisis. They are unlikely to affect the struggle within the coalition over the presidential succession.

The composition of the new cabinet will be announced on March 1. Jean Blancard, director of the Energy Office, may be elevated to a cabinet-level post. Although the minister of interior may be dropped, initial reports suggest that other major portfolios will be distributed much as they were in the last Messmer government.

Messmer, despite Pompidou's strong support, does not appear to be a major figure in the evolving struggle for the presidency. For the time being, the chief competition continues to be between supporters of Jacques Chaban-Delmas, a Gaullist, and Valery Giscard d'Estaing, the leader of the Independent Republicans--the junior partner in the coalition.



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CHINA

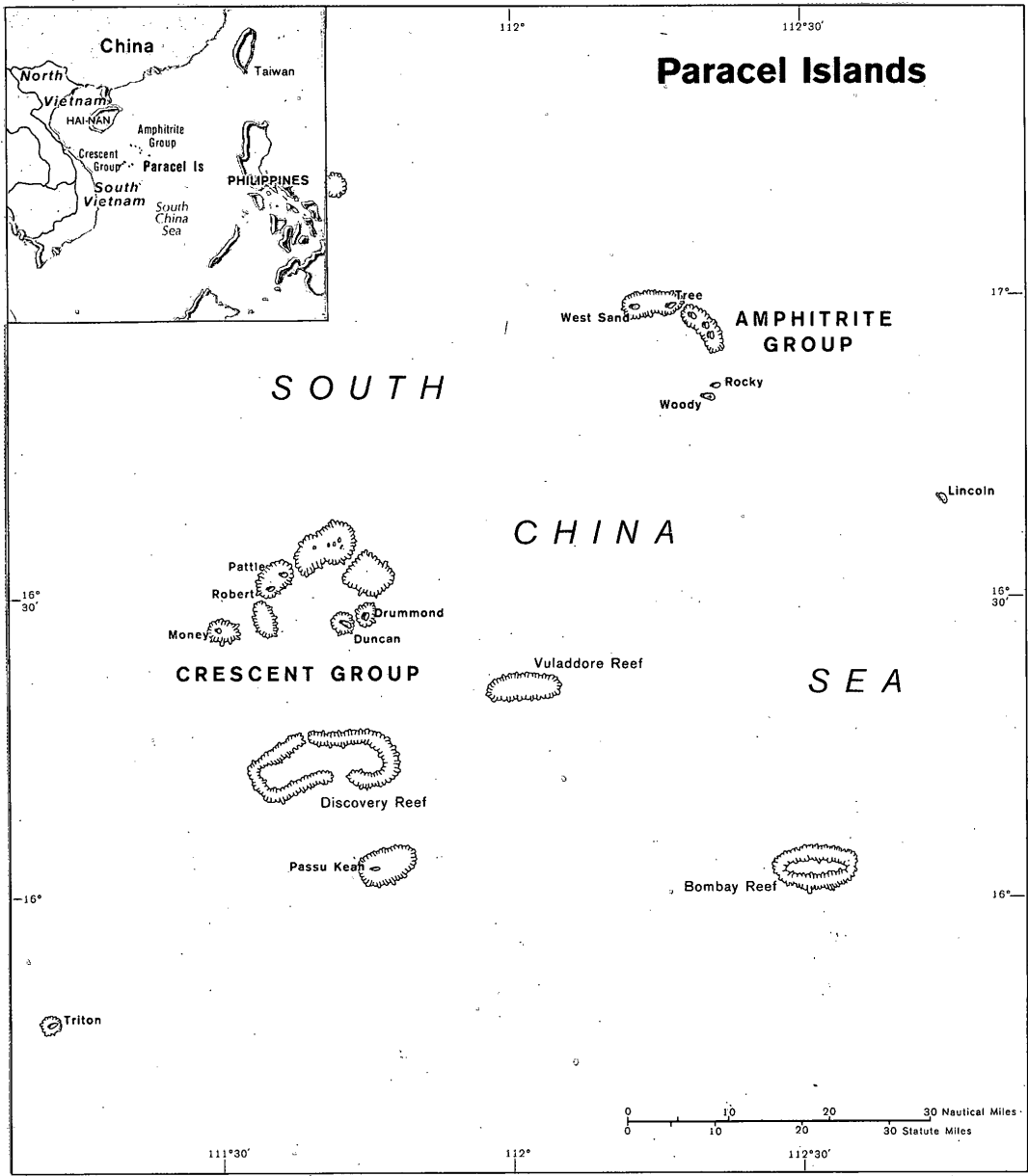
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CHINA

[redacted] Paracel Islands' Amphitrite Group [redacted] Chinese ships in the area, including two R-class attack submarines. This is the farthest from the mainland that any Chinese submarine has ever ventured. No missile boats were observed in the Amphitrites, although at least two participated in the January 19 naval engagement in the Crescent Group.

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Both the Amphitrite and Crescent groups were [redacted] A total of 35 ships, including two destroyer escorts, were there. Numerous tents were seen on Pattle Island in the Crescents.

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The Chinese are regularly maintaining naval ships on station in the Paracels, [redacted]

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The substantial numbers of combatants in the harbor at Woody Island [redacted] strongly suggest that Woody Island is functioning as a forward operating base for the South Sea Fleet.

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LAOS

The next moves in the negotiations to form a new coalition government apparently are up to the Lao Communists. Chief Pathet Lao negotiator Phoun Sipraseuth is due to leave Vientiane soon to report to the Communist leaders on his talks with Prime Minister Souvanna. Phoun said that he would return to Vientiane soon, but gave no definite date.

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For his part, Souvanna is still hopeful that the coalition will be formed in the near future. At a press conference last week Souvanna said he expects senior Pathet Lao official Phoumi Vongvichit to return to Vientiane "very soon" with a definitive list of Communist designees for the new cabinet and its advisory council.

After that, Souvanna expects to meet Lao Communist leader Souphanouvong to review and approve all the nominees for the new government. According to Souvanna, he and Souphanouvong--possibly accompanied by the entire membership of the coalition--would then be invested by the King.

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NORTH VIETNAM

North Vietnam, worried about feeding a fast-growing population, will conduct its first national census since 1960 in April. The census will provide a demographic framework for the 1976-1980 economic development plan.

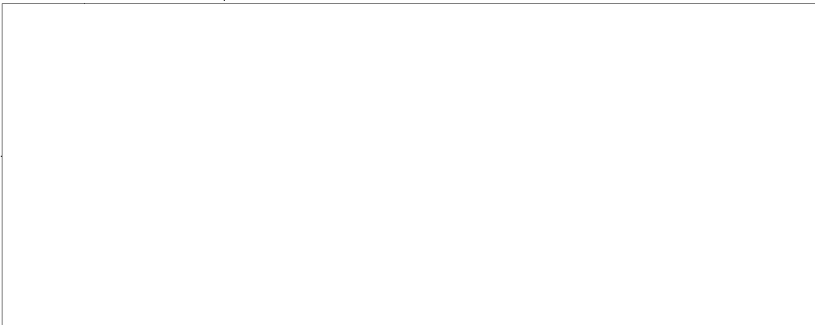
Communist Party chief Le Duan recently said that since 1960 the population had grown by more than 10 million, which would mean a total of about 26 million. This is a much higher figure than Western estimates, which generally put North Vietnam's population at about 20 million.

Hanoi's leading economist meanwhile has proposed a new birth-control program, the first such call by a national leader since the war intensified in 1965. North Vietnam suffers from chronic food shortages and is dependent on large imports of food from China and the USSR. If Le Duan's population figures are correct, food may become more scarce as time goes on.

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NOTES

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India: India so far has contracted for only 600,000 tons of fertilizer for 1974 plantings, about half the amount imported last year. If additional contracts are not concluded soon, Indian buyers may find themselves shut out of the tight fertilizer market. Despite a near-record fall harvest, government grain stocks remain low, and prices continue to rise. A cut in fertilizer supplies would reduce agricultural output and would compound New Delhi's political and economic problems.

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