



The President's Daily Brief

March 4, 1974



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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

March 4, 1974

PRINCIPAL DEVELOPMENTS

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In Italy, the collapse of Prime Minister Rumor's four-party coalition opens a period of difficult negotiation to form a new government. (Page 2)

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In Germany, the Social Democrats suffered heavy losses in yesterday's election in Hamburg. (Page 9)

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ISRAEL

Israeli Prime Minister Meir announced yesterday that she has given up trying to form a new government. She is to meet later this morning with President Katzir; he can ask her to continue her efforts or he can attempt to find another party leader to try to form a cabinet.

Apparently upset over the wrangling within the Alignment party concerning her proposed cabinet choices, including that of Yitzak Rabin, former ambassador to the US, to replace Moshe Dayan as Defense Minister, Mrs. Meir walked out of a party meeting yesterday; she said she was encountering too much factionalism and bitterness for her to proceed. The caucus then voted unanimously to approve Meir's proposed minority government. Later, a delegation representing all Labor party factions visited Meir at home, but found her still unyielding.

The Prime Minister's decision to give up may have been a last-ditch attempt to force the party to close ranks behind her and possibly yet to convince Dayan to remain in the cabinet. The move may also be meant to demonstrate her unwillingness to head a government of national unity with the right-wing Likud--an alternative suggested by Dayan and the National Religious Party. Meir believes that such a government would be paralyzed, incapable of governing the country, much less reaching any kind of consensus that would permit productive peace negotiations with the Arabs.

Some Israeli politicians conclude that either a national unity government or new elections is likely. If President Katzir cannot find a party leader to form a cabinet, the Knesset will probably have to dissolve and set a date for new elections, perhaps within three months.

In the meantime, Meir would continue to head the present caretaker government. In all probability, it would continue to conduct the disengagement negotiations with the Syrians, although it would probably be unable to conclude any binding agreements beyond the immediate disengagement issue.

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ITALY

The collapse of Prime Minister Rumor's four-party center-left coalition opens a period of difficult negotiation to form a new government. Rumor will stay on in a caretaker status during this period. Interparty talks are likely to aim at setting up another center-left grouping among the same parties--Christian Democrats, Socialists, Social Democrats, and Republicans.

In trying to reconstruct the coalition, however, politicians will face the task of reconciling the opposing views of the Socialists and Republicans on economic priorities. In a disagreement that has immobilized successive governments, the Socialists have demanded immediate action on costly economic and social programs, while the Republicans have insisted on budgetary austerity. If the parties cannot iron out their differences, the Christian Democrats may have to set up a temporary one-party caretaker government.

The Communist Party preferred Rumor's coalition to its predecessor--a centrist government headed by a right-wing Christian Democrat--and was caught off guard by his collapse. They had backed his efforts to deal with economic problems, and used that indirect support of the ruling parties to accelerate their campaign for an open role in the government.

Although Rumor's premature departure provides an opportunity for the Communists to press for a role in the government, it will be difficult for them to do so effectively with the divorce referendum pending. They are at odds with the dominant Christian Democrats on the divorce issue and would have preferred to avoid a government crisis until at least after the referendum.

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KOREA - UNITED NATIONS

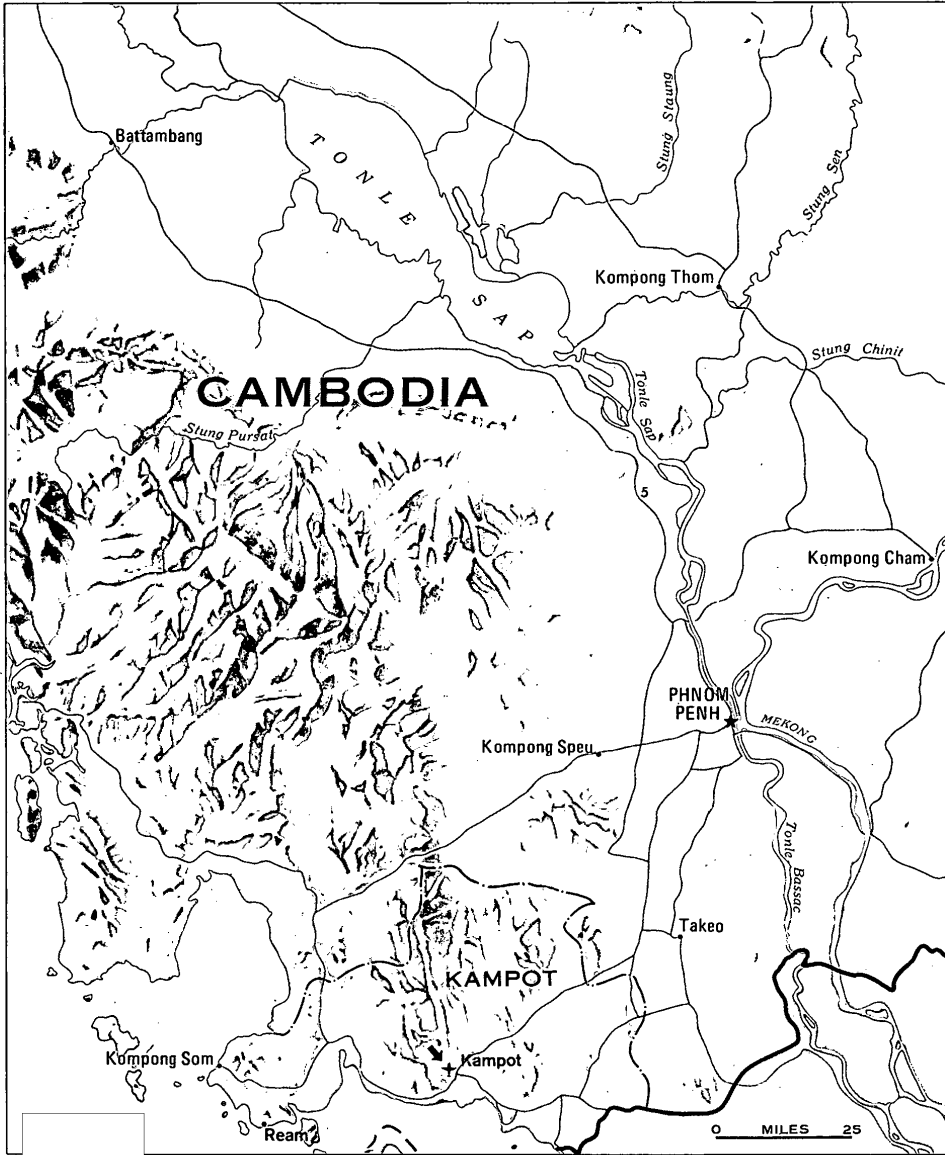
A North Korean spokesman served notice in New York last week that his government reserved the right to take up in the UN General Assembly the termination of the UN Command and withdrawal of US forces from Korea. His action suggests that the North Korean Government may well feel the time is ripe to press this fall for an Assembly vote on these issues rather than to settle, as it did last year, for a compromise arranged through private negotiations.

North Korea's position at the UN has benefited during the past year from a global trend toward acceptance of both regimes in divided states. The North has recently received recognition from a number of non-Communist governments.

The North Koreans are probably discussing their approach to the General Assembly with Algerian President Boumediene, who arrived in Pyongyang last Saturday. Algeria has been the most active proponent of North Korean positions at the UN in recent years.

The South Korean Government is acutely aware of the trend toward acceptance of the North's position and is casting about for another compromise formula. Seoul seems to be counting on Soviet and Chinese support against North Korea and Algeria.

Communist Attacks



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CAMBODIA

The military situation appears to be stabilizing at the southwestern provincial capital of Kampot, which came under heavy Khmer Communist pressure over the weekend.

Insurgent attacks against the isolated coastal city subsided yesterday following government air strikes and naval gunfire. Reinforcements from Phnom Penh and from the navy base at Ream are being airlifted to Kampot to strengthen its defenses. Cambodian Army chief Fernandez visited the city yesterday to assess the situation. He is likely to replace the local commander, whose inept leadership was largely responsible for his troops' initial poor showing against the Communists.

The attacks were the Communists' most serious thrust to date against Kampot. The insurgents struck government positions around Kampot's entire defensive perimeter. On March 2, the Communists captured the city's water plant, five miles northeast of Kampot, which they apparently still hold. Before their advance was halted, the Communists managed to push within two miles of the city proper and its airport.

Military activity in the Phnom Penh region remains relatively light. Government clearing operations south of the city have made no significant progress in the past few days. Other government sweep operations northwest of the capital continue to encounter little resistance.

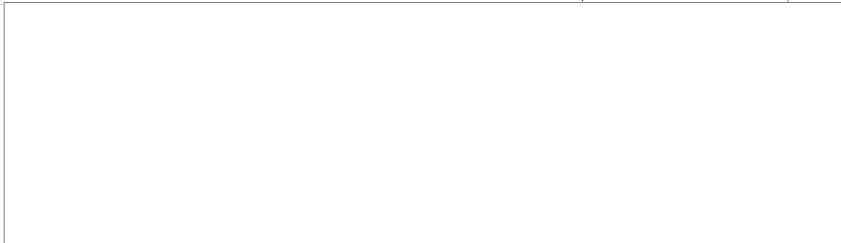
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IRAQ

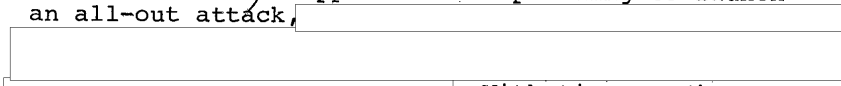
The situation in the Kurdish area of northern Iraq is deteriorating as the government moves additional forces into strategic areas before the expiration on March 11 of the truce that halted fighting four years ago.



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Skirmishes and forced evacuation of Kurds have taken place, but, at last report, Barzani had ordered his forces only to defend themselves and not to counterattack.

Neither side appears to be planning to launch an all-out attack,



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With time running out on the truce, the two sides might miscalculate or over-react, and heavy fighting could result.

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An important part of the truce arrangements in 1970 was a firm government promise to grant autonomy to the Kurds. Four years later the two sides are still far apart on even the basic provisions of a mutually acceptable agreement on autonomy. The government offered a limited plan last December, but the Kurdish leaders view it as merely a device to keep ultimate authority in Baghdad.

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there are rumors that both the government and Barzani will soon unilaterally proclaim differing versions of an autonomous government for northern Iraq. Any such move would automatically put the two sides on a collision course and would greatly increase the probability of a major military confrontation.

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INDONESIA

President Suharto's recent government shake-up has neither appeased student critics of his regime nor stifled competition within the military's leadership. An atmosphere of uncertainty and apprehension remains.

Student leaders from universities on Java have agreed to sustain their campaign against official corruption, pervasive military influence in government, and the power of Suharto's palace clique. They have also decided to try to form a united action front of all student organizations.

Some student leaders believe that continuing competition within the military will aid their cause. President Suharto's security officials are also worried about this, particularly because the students are increasingly attracted to General Sumitro, who lost out in the recent government reshuffle.

A parallel development of equal concern to security officials is the increasing rapport between members of the West Java Army Division, which has lost political influence under Suharto, and the East Java Division, General Sumitro's old command. Members of these two divisions believe that Suharto's latest moves have further undercut their political position in favor of his cronies from the Central Java Division.

The dynamics of army politics in Indonesia have traditionally stemmed from the rivalries and alliances among the three Java divisions. Since assuming power, President Suharto has tried to dissolve the bonds of divisional loyalty through successive armed forces reorganization and centralization measures, but evidently he has had only limited success.

The armed forces troop commanders are scheduled to gather in Jakarta early this month. Both Suharto and the students will be watching closely to see whether military factionalism breaks into the open and, if so, whether it is serious enough to affect the future of the government.

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ETHIOPIA

The cabinet appointments announced yesterday by Prime Minister Endalkatchew seem likely to win the support of dissident troops. Two of the younger and more progressive members of the Ethiopian aristocracy, whose appointments were demanded by the military, received important posts. Mikael Imru, currently serving as Ethiopia's representative to the UN European office, was named Minister of Commerce and Industry and Zawde Gebre Selassie, who was serving as UN ambassador, was appointed Interior Minister. The other ministers are mostly new faces and are not closely identified with the discredited former government.

The appointment of the new ministers should help speed the re-establishment of civilian authority. Dissident troops had already begun returning to their duty stations and most governmental functions were restored to civilian officials over the weekend.

Students, teachers, and workers remain less inclined than the military to accept Endalkatchew. Many of the demands of these groups, however, reportedly were included in the list of reforms accepted over the weekend by Haile Selassie. The new cabinet is also expected to give its approval, and this should help reduce the remaining opposition to Endalkatchew.

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ARGENTINA

The situation in Cordoba remains confused and tense in the wake of the ouster by police of the left-wing Peronist provincial government there last week. Sporadic violence, including shootouts between leftist extremists and police, has caused several deaths and scores of injuries. Work stoppages have virtually paralyzed the province and food supplies are becoming scarce.

President Peron has asked for congressional approval to reorganize the provincial government, but congress has lacked a quorum and thus far Peron has refrained from intervening directly without legal authorization. Although he has placed the military on alert, he told army chiefs that only police forces are to be used in Cordoba province even if widespread violence occurs. The army agrees with this strategy and would prefer to remain on the sidelines, but senior officers [redacted] have criticized Peron's handling of the "Cordoba debacle." Should the violence worsen, the army may feel compelled to enter the dispute and has been formulating contingency plans for this purpose. The US Embassy believes that chances of greater violence are growing as the situation continues to rock along without a definitive solution.

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WEST GERMANY

Chancellor Willy Brandt's Social Democratic Party suffered heavy losses in yesterday's election in Hamburg, traditionally a stronghold of Social Democratic support. The Social Democrats remained the largest single party in the city, but with only 44.9 percent of the vote. They lost 14 seats in the local parliament, as well as the absolute majority they had enjoyed in Hamburg since 1957. The Christian Democrats made their best showing ever, picking up 40.6 percent of the vote and increasing their representation in parliament by ten seats.

The impact of these Social Democratic losses will be felt in Bonn, where national party leaders have been concerned for some time about the results of public opinion polls that show the party's popularity dropping sharply throughout the country. The Hamburg election was viewed by leaders of all parties as the first major test of voter attitudes since the national elections of November 1972.

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