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The President's Daily Brief

April 11, 1974

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~~Top Secret~~

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THE PRESIDENT'S DAILY BRIEF

April 11, 1974

PRINCIPAL DEVELOPMENTS

[Redacted]

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the Soviets have halted delivery of military equip-
ment under "old" contracts, and that their economic
aid shipments also have ceased. (Page 1)

[Redacted]

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Prime Minister Meir's announced intention to resign
does not appear to be a ploy to force the Labor Align-
ment to unite behind her, but a statement of her gen-
uine belief that she no longer commands the support
necessary to govern effectively. (Page 3)

As Australia heads for new elections on May 18,
neither Labor nor the Liberal-Country coalition is
in a strong position. (Page 4)

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The month-long cease-fire on the Iran-Iraq border
appears to be holding. [Redacted]

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[Redacted] (Page 5)

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Notes on Egypt-Israel, UK-NATO, Tunisia-Egypt, and the
USSR appear on Page 6.

FOR THE PRESIDENT ONLY

EGYPT-USSR

[redacted] 25X1
[redacted] the Soviets had "just" halted delivery of military equipment under "old" contracts. [redacted] 25X1

[redacted] deliveries were stopped in late March, and the deputy Tass director in Cairo acknowledged to the US Embassy on Tuesday that arms supplies had been "cut off." The Tass man implied, however, that there is nothing immutable about the Soviet decision.

[redacted] 25X1

[redacted] Although Egyptian claims that Moscow is not fulfilling prewar contracts have been a familiar refrain in recent months, seaborne military deliveries have been maintained at usual levels. The reports could, however, refer to a Moscow decision to halt aid shipments at some future date--after, for instance, deliveries under specific contracts have been fulfilled. The halt would not show up in ship movements for several weeks.

There have been signs over the past several months that the Soviets have tried to use their military aid to gain leverage with Cairo. The Egyptians have complained-- [redacted] 25X1

[redacted] publicly--that Soviet compensation for war losses and the general level of military aid have been far from adequate. The communiqué following Soviet Foreign Minister Gromyko's trip to Cairo last month did not mention military aid. 25X1

MIDDLE EAST

[Redacted]

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[Redacted]

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[Redacted]

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[Redacted]

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ISRAEL

Prime Minister Meir's announced intention to resign does not appear to be a ploy to force the badly divided Labor Alignment to unite behind her, but a statement of her genuine belief that she no longer commands the political support necessary to govern effectively.

She reportedly will head a caretaker government if, as seems probable, she submits her resignation today to President Katzir.

If she resigns, two possibilities exist: Katzir, after consultations with the political parties, can ask Mrs. Meir or someone else, presumably from the Labor Alignment or the rightist Likud, to form a new cabinet; otherwise, the Knesset can vote to call new elections on a date it specifies. Whatever happens, instability and uncertainty are likely to continue for some time.

Labor Party leaders are already casting about for a successor to Mrs. Meir who could keep the Alignment together and form a new cabinet. There are strong pressures from the public and from within the Alignment, however, for a completely new leadership, preferably one untainted by the war last October and by internecine party strife. These sentiments work against the old, traditional front-runners such as Finance Minister Sapir, and favor men like the popular Yosef Almogi, ex-minister of labor and recently elected mayor of Haifa. Almogi has been spearheading efforts over the past several days to keep the Alignment together. Should it prove impossible to form a new cabinet under Labor's leadership, however, the Alignment factions would appear to have no choice but to go to the polls once again.

Until the political crisis is resolved--which could take months--the outlook for a breakthrough in negotiating a Middle East peace settlement is dim. Although a caretaker government could pursue the negotiations, it would not be willing to commit Israel to any binding arrangements beyond perhaps an initial disengagement on the Syrian front pending the formation of a new cabinet.

AUSTRALIA

As Australia heads for new elections on May 18, neither Labor nor the Liberal-Country coalition is in a strong position.

The Labor government, under Prime Minister Whitlam, has fallen short of its domestic goals and has made only uneven progress toward foreign policy objectives.

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[REDACTED] Public opinion polls have shown steady slippage in his government's popularity over the past months, and some party leaders fear the party may lose seats in the new elections.

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On the other side, the Liberal-Country coalition is handicapped by infighting among its leaders [REDACTED]. The opposition will probably try to play on anxiety over rising inflation and labor trouble.

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The weariness of the public with the Liberal-Country coalition's 23 years of rule brought Whitlam to power in the first place, and he is probably counting on his more dynamic style of leadership to carry the day once again.

IRAN-IRAQ

The month-long cease-fire on the Iran-Iraq border appears to be holding. [redacted]

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[redacted]

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The arrival of the UN inspection team headed by Luis Weckmann, former Mexican ambassador to Bonn, has been a major reason for the reduction of tension. The UN team began its survey of disputed border areas on April 5; it is scheduled to report its findings to the Security Council by the end of May.

During the cease-fire negotiations between the Baath party leader and the Iranian ambassador to Baghdad, the two countries apparently agreed to attempt again to resolve their problems. [redacted]

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[redacted]

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NOTES

Egypt-Israel:

[Redacted]

[Redacted]

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UK-NATO: London may reduce its contribution to NATO in order to meet the Labor Party's pledge to cut defense spending. The most likely candidates for reduction are equipment modernization programs, some of which may be delayed or even canceled. These include the European Multirole Combat Aircraft, the improved Sea Harrier aircraft, and a new small aircraft carrier now under development.

Tunisia-Egypt:

[Redacted]

[Redacted]

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USSR:

[Redacted]

[Redacted]

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