



# The President's Daily Brief

*September 12, 1974*

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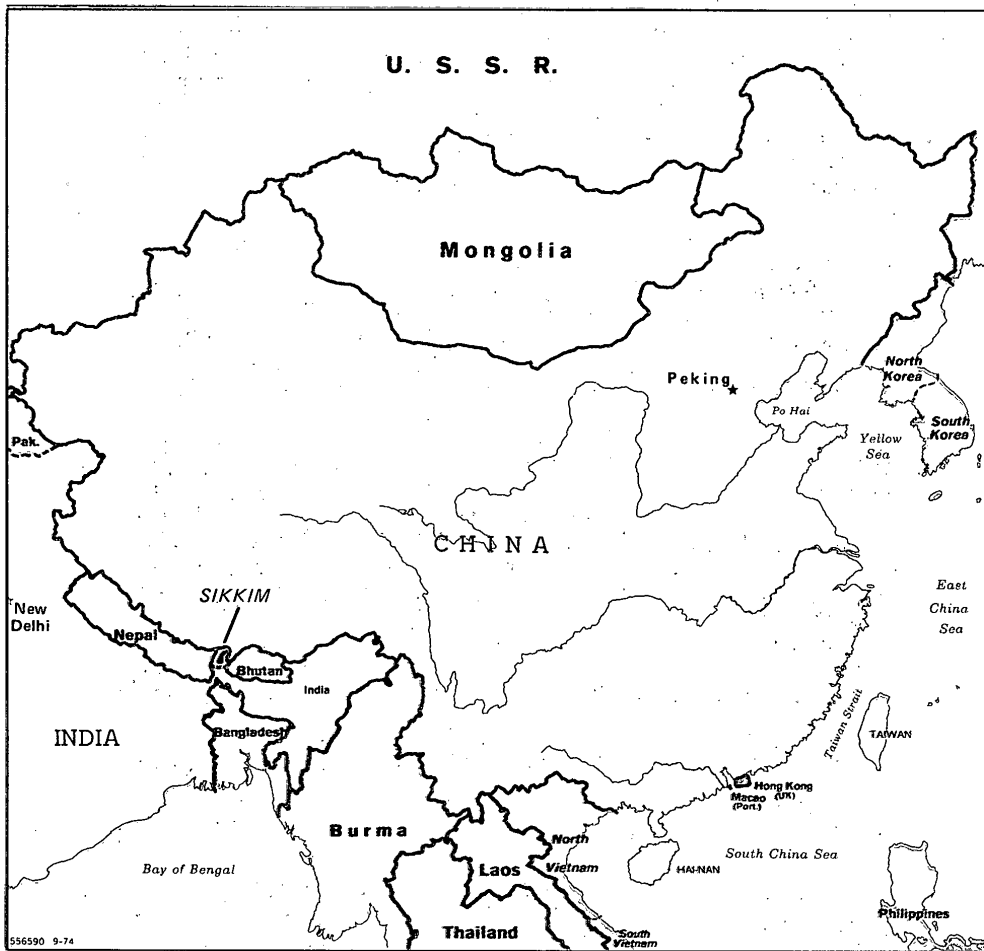
*FOR THE PRESIDENT ONLY*

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*FOR THE PRESIDENT ONLY*



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CHINA-INDIA

*India's absorption of Sikkim as an "associate state" last week has brought an unusually strong Chinese attack on Indian policy. A Chinese Foreign Ministry statement expressed indignation over India's "annexation" of Sikkim and pledged support for those in Sikkim and India who resist New Delhi's action.*

The Chinese are now using harsh language normally reserved for the USSR. Peking has accused India of reckless expansionism, comparable to the Soviet invasion of Czechoslovakia, and has personally attacked Mrs. Gandhi.

Peking's harsh reaction appears to reflect concern over the security implications of a stronger Indian position along China's southwest frontier, particularly in light of New Delhi's treaty ties to Moscow and India's nascent nuclear strength.

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concerns were evident in the Foreign Ministry statement, which charged that Moscow was "the boss behind the scenes as well as the abettor of India expansionism," and said India was emboldened to act as it did in Sikkim by its nuclear test in May.

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The Sikkim issue has seriously damaged prospects for improvement in China's relations with India, and more direct Chinese involvement could cause further deterioration.

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ETHIOPIA

*The military deposed Emperor Haile Selassie early this morning.*

Preliminary reports indicate that the monarch's son, Asfa Wossen, will succeed him on the throne. The Armed Forces Coordinating Committee has dissolved parliament and suspended the constitution. Military courts are also being formed.

Troops and tanks were in evidence in Addis Ababa early today, but the city otherwise was calm. The international airport reportedly is closed and all flights suspended. A daily curfew has been instituted for the hours of darkness, and demonstrations and strikes are banned. There have been no reports of disturbances in the provinces.

The ouster of Haile Selassie appears to have been thoroughly prepared and accomplished in the generally bloodless manner which has thus far characterized the Ethiopian revolution. The Emperor had gradually been stripped of all power, isolated, and subjected to increasingly abusive propaganda attacks. Most of the aristocracy, including some members of the royal family, is under military detention.

The apparent decision to retain the monarchy in an extremely attenuated form suggests that those on the Armed Forces Coordinating Committee who favor a genuinely constitutional regime and a reconciliation of most elements in Ethiopian society still have the upper hand.

Future prospects depend in large part on what the military committee does with Haile Selassie. Radicals on the committee have been pressing for his trial and possible execution, while the moderates appear to have favored allowing him to live out his life under their control in one of his palaces in the countryside.

Crown Prince Asfa Wossen [redacted] is in his late fifties, [redacted] He is [redacted] in Europe and may be unwilling to return to Ethiopia.

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JAPAN - SOUTH KOREA

*Last minute efforts to ease tensions between Japan and South Korea foundered when Seoul rejected a draft of Japanese Prime Minister Tanaka's personal letter to President Pak.*

Foreign Minister Kim told the US chargé that the major difficulties Seoul had with the letter were that Japanese admissions of responsibility for not preventing the assassination attempt on Pak were "too obscure" and that Japanese promises to curb terrorist actions aimed at South Korea were "too weak."

Although Seoul has apparently indicated a willingness to negotiate further, Tokyo maintains that the rejected draft is a "final position." Kim claimed that, barring any new signal from Tokyo, his government is prepared to proceed with its "previously prepared position"--presumably the recall of its ambassador in Tokyo.

*FOR THE PRESIDENT ONLY*

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OPEC

*Oil ministers of the Organization of Petroleum Exporting Countries meet today in Vienna; they are expected to set oil prices for at least the next three months. While almost anything can happen, the odds favor a slight price increase.*

The OPEC economic commission will reportedly recommend a 14 percent price increase to offset inflation in the industrialized countries. Kuwait and Venezuela have endorsed the proposal as a bargaining chip to make sure that oil prices are not lowered. They are expected to compromise on a price freeze.

If a small price increase is approved, it will probably take the form of increased company taxes. Both Venezuela and Kuwait favor this because it will put the onus on the oil companies. Venezuela is likely to increase taxes on the companies no matter what OPEC as a group decides.

Oil Supply

Venezuela has announced a plan to cut its oil output to 2.6 million barrels per day in 1975. In fact, Caracas reportedly will offer to cut its production immediately to 2.5 million if necessary to support high oil prices. This would drop Venezuelan production by 600,000 barrels a day below average production for the first six months of 1974 and 900,000 barrels a day below its production level before the Arab-Israeli war.

No plans to cut output in other countries have been reported, but with storage tanks nearing full capacity and the surplus running at an estimated 1.5 million barrels a day, some other OPEC countries may be forced to cut production soon.

FOR THE PRESIDENT ONLY



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LIBYA-US

*There have been a few recent straws in the wind that Libyan leaders are considering modifying their generally hostile attitude toward the US. Middle-level Libyan officials have intimated as much, and President Qadhafi himself has passed up recent opportunities to rake the US over the coals. The latest hint came a few days ago, when Libya's ambassador to Syria, Ahmad Khayal, told US embassy officials that Tripoli wants to improve relations with Washington. Khayal was apparently expressing his own interpretation of signs from Libya.*

Your congratulatory message to President Qadhafi early this month on the anniversary of the Libyan coup was apparently well received. Khayal described it as a "good move." He went on to suggest a simultaneous reappointment of ambassadors as a specific step toward rapprochement.

The Libyans have left the ambassadorial post in Washington vacant since their ambassador was recalled in November 1972 to stand trial for alleged misdeeds committed under the monarchy. The US' most recent ambassador to Libya retired from the post in December 1972.

Khayal said his government is recalling many of its diplomats abroad for consultations and reappointments. He seemed to imply that Tripoli would find it easier to name an ambassador to Washington as part of a wider shuffle of its diplomatic corps.

**FOR THE PRESIDENT ONLY****EGYPT**

*The Foreign Ministry has instructed its ambassadors to seek support for inscription of the Palestinian issue as a separate item on the agenda of the UN General Assembly session that convenes next week. Foreign Minister Fahmi has made similar overtures in Cairo to the ambassadors of key UN members.*

The Egyptians appear to have focused on this stratagem, mapped out initially by the Palestine Liberation Organization and supported by the Arab League last week, as a means of cajoling the PLO into cooperating on broader peace negotiating issues. Cairo probably thus hopes to induce the PLO to agree that Jordan should negotiate for the return of the Israeli-occupied West Bank.

The Arabs have thus far avoided serious controversy among themselves on these sensitive issues, even though Jordan and the PLO are both members of the committee drawing up a strategy at the UN.

The general outlines adopted by the Arab League--scaled down from original PLO demands--do not call for either observer status at the UN or recognition of the PLO as the "sole" representative of the Palestinians. The proposed UN resolution apparently would affirm that the Palestinians constitute "a nation" and are entitled to the right of self-determination. As far as the General Assembly itself is concerned, the Arabs have limited themselves to urging that the PLO be invited to name a representative to speak to the assembly.

The Egyptians will press the question of Palestinian self-determination, while trying to steer the UN debate clear of other inflammatory issues that they believe would cause problems for the US. In their view, a resolution affirming this concept would give the Palestinians hope in the future of establishing a separate state on the West Bank, after Jordanian-Israeli negotiations.

Cairo has also told its ambassadors that a UN resolution focusing on the Palestinian situation as a political issue rather than as a refugee problem will ease PLO inhibitions about participating in a Geneva conference. The PLO has rejected UN Security Council Resolution 242 as a basis for peace negotiations because it recognizes the Palestinians' status only as refugees.

FOR THE PRESIDENT ONLY

CYPRUS

*The leaders of the Greek and Turkish Cypriot communities reached agreement yesterday to release all detainees who are either very old or under the age of 18, as well as the sick and wounded and university students and teachers. The date of their release will be announced tomorrow at the next scheduled meeting between the two leaders.*

Disagreement continues, however, as to where the remaining prisoners are to be released. The Greek Cypriots insist that the prisoners should be let go where they were captured or at their place of origin, to avoid any implication of a concession on population exchange. The Turkish Cypriots, on the other hand, oppose any scheme that would require Turkish Cypriots to return to villages within Greek Cypriot areas.

\* \* \*

A Soviet delegation headed by Deputy Foreign Minister Ilichev left Moscow yesterday for Ankara, Nicosia, and Athens.

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[Redacted] The timing of the mission may be related to the opening of the UN General Assembly later this month.

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*FOR THE PRESIDENT ONLY*

TURKEY

*The Turkish cabinet meeting today will consider a proposal put forward by special UN Emissary Sir Harry Greenfield for a system of processing poppies that would help keep opium out of illegal channels.*

Greenfield told the US ambassador in Ankara that he found a considerable number of Turkish officials, including Prime Minister Ecevit, in favor of his proposal. His scheme forbids lancing the poppy pod in the field to obtain the raw opium and, instead, requires the collection of poppies in straw form by state monopolies.

During the first year the straw would have to be exported for processing to recover the derivatives used for legitimate medical purposes, but the plan calls for the early construction of a processing plant in Turkey. In the interim, Greenfield claims it might also be necessary to subsidize the farmers temporarily if they obtain a lower price for the straw than they would for raw opium.

Ecevit reportedly told Greenfield that there is no serious obstacle to making the changes in Turkish law that would be necessary to adopt the straw processing system. Greenfield was impressed with the cooperative attitude displayed by the Turks on this issue. The US embassy in Ankara has been less reassured by Turkish attitudes toward other proposed control measures, such as reducing the number of acres cultivated and requiring poppy cultivation to be in areas close to main roads.

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NOTES

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Egypt-Israel:

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Mozambique: Disorders are continuing despite the collapse Tuesday of an incipient rebellion by dissident whites. A total of 100 persons had been killed and 250 wounded up to last night in street violence in the black areas of Lourenco Marques. Local authorities in the city have declared martial law and instituted a curfew and they are being joined in making public appeals for calm by leaders of the Front for the Liberation of Mozambique.

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