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The President's Daily Brief

September 14, 1974

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FOR THE PRESIDENT ONLY

September 14, 1974

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SYRIA-ISRAEL

US Ambassador Murphy in Damascus has pointed out to Syrian Chief of Staff Shihabi Syrian violations of the Disengagement

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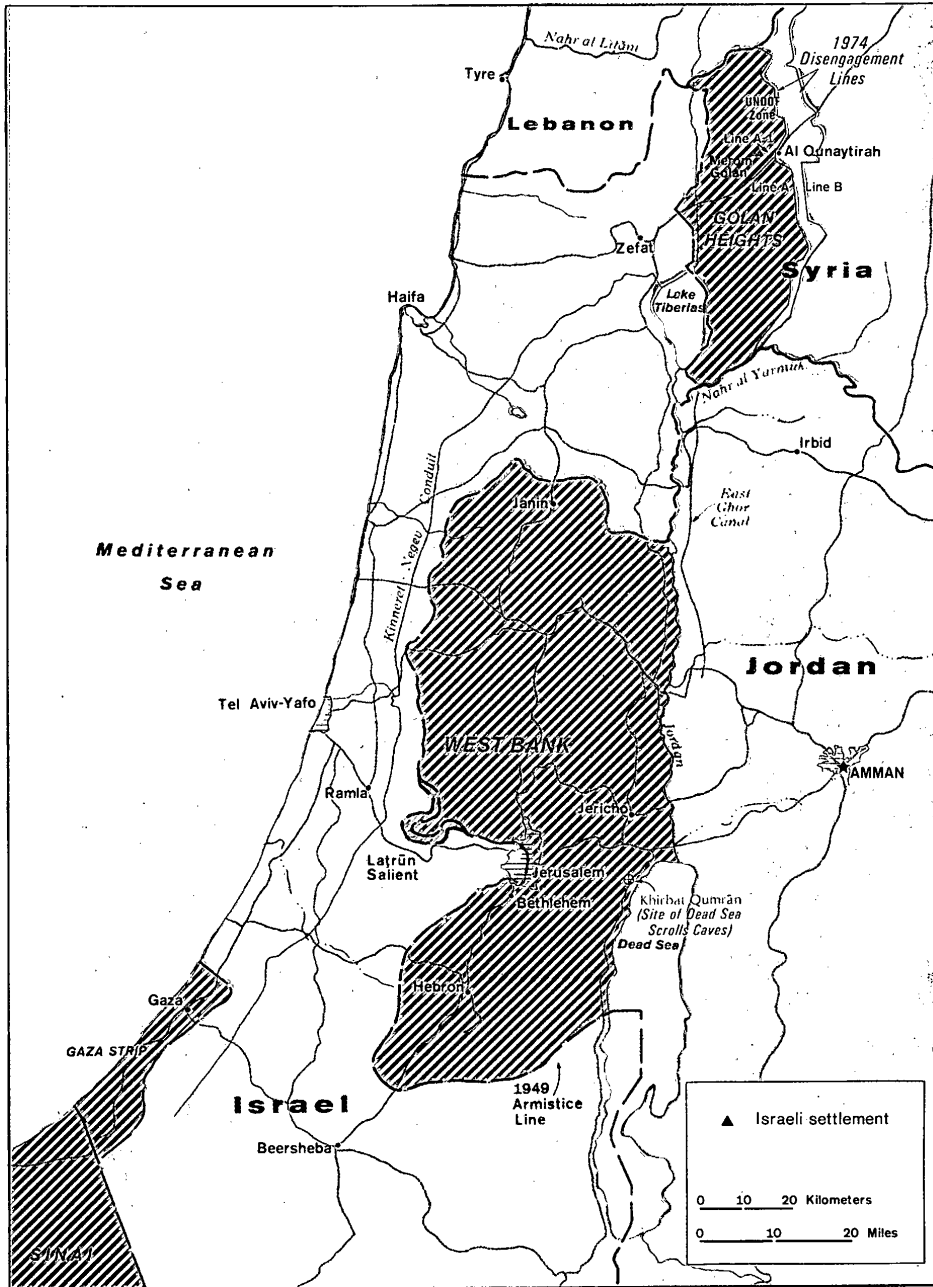
Shihabi initially questioned the accuracy of the report, but volunteered to check. Yesterday he acknowledged to the ambassador that some local field commanders had in fact violated the accord "unintentionally," and said that the artillery pieces would be removed. Shihabi may have confused the new SA-6 unit in question with another SA-6

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and is a borderline case as a possible violation.

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The violations probably were committed by local commanders without the knowledge of Shihabi or President Asad. We doubt that Syrian leaders would want to risk damaging their credibility with your administration at this time. Moreover, the Syrians' cooperativeness is probably designed to undermine the impression the Israelis have tried recently to create that Syria is on the verge of renewing the fighting.



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ISRAEL - ARAB STATES

The Israelis have inaugurated a new mining complex in the Golan Heights just west of Al Qunaytirah, near the Israeli-Syrian disengagement line. Minister of Commerce and Industry Haim Bar-Lev, who officiated at the opening on Wednesday, said the \$950,000 complex would be "another anchor" for the Israelis in the Golan Heights.

As if to underscore the political importance of Israeli activities in the area, Bar-Lev pointed out that the separation line with Syria would have been drawn differently--presumably giving more territory to Syria--were it not for the Israeli settlements on Golan. [redacted] the semiofficial Jewish Agency said this mining complex--near Kibbutz Merom Golan--together with a planned Israeli rural center, would help fill the gap between settlements in the northern and southern Golan Heights.

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Meanwhile, Jordanian newspapers are claiming that two groups of Israelis are planning to establish unauthorized settlements on the West Bank. Government-sponsored dailies in Amman have carried reports that 300 orthodox Jewish settlers are "assembled and organized" to build a settlement near Jericho. The newspapers also cite reports that another group, which attempted last July to establish an unauthorized settlement in the heavily Arab northern West Bank area, will try again during the Jewish holidays over the next two weeks. The would-be settlers hope that the government will hesitate to break the sanctity of the holidays by forcibly removing them.

The Jordanian press articles reflect the intense concern Israeli settlement activities in occupied territories generate in the Arab world, where they are seen as evidence that Israel is not prepared to return these territories to the Arabs. King Faysal, especially, has made it a point to express to US officials his disquiet over such Israeli actions.

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SOUTH KOREA - JAPAN

Seoul and Tokyo remain deadlocked over the wording of a proposed letter from Prime Minister Tanaka to President Pak in which Tokyo is attempting to satisfy strong Korean demands concerning responsibility for last month's assassination attempt on Pak.

The Japanese have stated publicly that there will be no more concessions on the substance of the letter; the Koreans have warned both publicly and privately that unless a more accommodating draft is negotiated they will take diplomatic action against Tokyo. Such action--probably including the recall of Seoul's ambassador to Tokyo--seems likely soon, barring some last minute face-saving arrangement.

Anti-Japanese demonstrations continue in Seoul,



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No significant protest materialized, however, when Tanaka arrived in Mexico on September 12, and Seoul's capacity for sparking demonstrations in other Western Hemisphere capitals is limited.

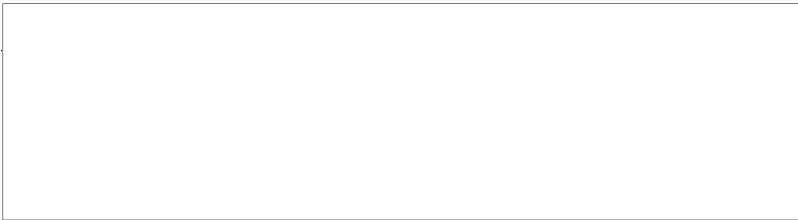
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CYPRUS

Acting President Clerides and Turkish Cypriot leader Denktash made some progress yesterday in their third weekly session on humanitarian issues. In a later session, they reportedly tackled broader political issues, including prerequisites for opening formal peace negotiations.

The two Cypriot leaders agreed--in a meeting with UN representatives--to begin releasing sick and wounded prisoners Monday and to follow with the release of special categories of prisoners. They deferred action on a general release of prisoners and on reunification of families.



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Most differences between the Greek and Turkish Cypriots now involve timing rather than substance. The Greeks concede that some form of federated state organized along geographic lines is now the only realistic solution, but they refuse to negotiate until the Turks make some concessions. The Turks, for their part, appear willing to withdraw from some of the territory they occupy and to permit some Greek Cypriots to return to their homes--particularly in Famagusta. They see these, however, as concessions to be made in the course of negotiations, not as preconditions for talks.

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ETHIOPIA

The new military government appears to be settling down to business as Addis Ababa returns to normal. Tanks have been withdrawn from the capital; military and police patrolling has decreased; and the airport has reopened.

The government has announced a few more cabinet changes, but the Armed Forces Coordinating Committee has directed most civilian ministers, diplomats, and officials to stay on until further notice.

There is no sign that Crown Prince Asfa Wossen, the military's choice as a figurehead successor to Haile Selassie, has decided to return from Geneva. The Crown Prince and his 21-year-old son, Prince Zara Yacob, the second in line to the throne, are reported to be pondering their next move.

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The military may have designated Asfa Wossen with the realization that he might be reluctant to return home. The committee may have hoped this apparent move to preserve the monarchy would mollify those opposed to the removal of Haile Selassie.

The most immediate problems to be faced by the military government may come from radical youth and students who are scheduled to return to classes later this month. The students are already unhappy with the committee's announcement that they should hold themselves ready to participate in development and drought-relief projects in the countryside. The military ignored violations of its ban on demonstrations by students who favored the removal of Haile Selassie, but it might react differently if faced with student protests on other matters.

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WESTERN EUROPE

Political and business leaders in Western Europe, searching for solutions to inflation and large payments deficits, are becoming increasingly pessimistic about Europe's ability to cope economically. Many are afraid that a lack of concern in Washington for Europe's problems, coupled with the inability of the European Community to provide leadership, will discourage countries from seeking joint approaches to these problems.

British Chancellor of the Exchequer Denis Healey warned recently that, because of their interdependence, European countries cannot all hope to reduce their trade deficits soon; cutthroat competition would only doom the weaker countries to economic and political chaos. Referring to the anti-inflationary policies of the US and West Germany, he added that strong efforts to reduce domestic demand could precipitate a global economic slump.

West German Chancellor Schmidt, who has become increasingly preoccupied with Europe's economic problems, confided to Ambassador Hillenbrand earlier this week that he too is deeply pessimistic about the prospect for economic stability in Western Europe. Despite efforts by Bonn to help Italy cover its oil bills, the Chancellor feels that Italy--and perhaps Great Britain--are approaching bankruptcy. This, in his view, could lead to a serious recession in Western Europe or even a depression that West Germany could not escape. The Chancellor's gloom is reinforced by his belief, as an economist, that the new approaches suggested so far hold little promise.

Schmidt made an explicit plea that the US take Europe's problems into account when framing economic policy. He complained that high US interest rates not only draw money from German banks but attract Arab dollars which are sorely needed in Europe to cover the huge trade and payments deficits resulting from the high cost of petroleum.

Chancellor Schmidt characterized French President Giscard's effort to restore movement to the European Community as largely psychological. He said his meeting with Giscard in Paris last week was disappointing because the French leader showed little willingness to join in formulating a Community-wide energy policy. Schmidt sees little chance for reducing oil prices without joint action.

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MOZAMBIQUE

Order has been largely restored in Lourenco Marques after several days of disturbances, but racial tension is likely to remain high for some time.

Security forces have been mopping up after the rioting that came when blacks reacted to the short-lived rebellion by dissident whites last weekend. Local authorities are delivering food supplies to the black suburbs where most of the violence occurred. Stores and markets there, virtually all white-owned, were looted and burned during the rioting. Many whites have fled to South Africa and Swaziland.

White resentment could flare up again with the arrival, expected soon, of officials of the Front for the Liberation of Mozambique to take up positions in the transitional government that will prepare Mozambique for full independence next June. Security forces, however, are likely to move quickly to check any fresh outbreak of violence. The Portuguese high commissioner, who will govern jointly with a front-appointed prime minister until June, arrived Thursday in Lourenco Marques.

Although the front has pledged to build a multi-racial society in Mozambique, many whites are likely to remain skeptical. Neither the front nor the Portuguese show any desire to allow anti-front political organizations--white or black--a role in running the country.



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NOTES

USSR:

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USSR: We now estimate that the Soviet grain crop this year will come to 198 million tons. Although lower than the original goal of 205.6 million tons, this would still be the second highest crop in Soviet history. The amount of wheat produced this year, however, is likely to be much less than last year--85 million tons compared with 110 million tons. There are no indications so far that the USSR intends to purchase large quantities of grain on the world market. Grain prices this year, unlike 1972, are high, and the Soviet Union should have large stocks on which to draw after last year's bumper harvest.

North Vietnam: North Vietnamese fighter aircraft, which were recently sent to the southern part of the country, have been in the air almost daily since early this month. Some have flown very close to the Demilitarized Zone. Many of the recent flights probably have been for training and area familiarization in connection with the reopening of bases in southern North Vietnam. The shift of fighters to the south may also reflect North Vietnamese concern that Saigon might send aircraft across the Demilitarized Zone in retaliation for widespread communist attacks along the north-central coast during July and August.

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THE PALESTINIANS

The chairman of the Palestine Liberation Organization, Yasir Arafat, faces a dilemma; he must make concessions to Jordan's King Husayn on negotiating Israel's withdrawal from the West Bank or risk exclusion from the next round of Middle East peace talks in Geneva. Although he has been advised to be less adamant by the Egyptians, the Syrians, and the Soviets, Arafat is holding to the position that the Palestinians alone can negotiate the return of the West Bank and that they should be allowed a separate delegation at Geneva. He would like to delay making concessions to Jordan as long as possible so that he can make a strong case that they were forced on him by other Arabs. This would enable him to withstand more easily the inevitable attacks by Palestinians who object to any dealings with Husayn.

[redacted] This annex will treat the divisions within the ranks of the fedayeen and the relative influence of moderates and radicals.

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The Moderates

Yasir Arafat, as chairman of the Palestine Liberation Organization, holds a post of uncertain tenure, but for the moment he is in a fairly strong position to commit the PLO to negotiations should the Palestinians be invited on what Arafat regards as acceptable terms. He is supported by his own fedayeen organization Fatah, the Syrian-controlled Saiqa, and the Popular Democratic Front for the Liberation of Palestine.

The long-range policies backed by these groups have for some months included three basic elements:

- Willingness to create a Palestinian government-in-exile.
- Willingness to attend the Geneva talks.
- Willingness to accept a truncated Palestinian state.

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As long as Arafat is backed by Saiqa, the fedayeen group second in size to his own Fatah, he will be free to work toward Palestinian participation in the peace talks. Despite his personal disputes with Saiqa chief Zuhayr Muhsin, Arafat will receive at least reluctant support from that organization as long as Syria remains willing to work toward a peaceful settlement of Middle East issues.

The Marxist-oriented Popular Democratic Front for the Liberation of Palestine is small, but is admired by many Palestinians for its ability to mount terrorist attacks on Israel. It backs Arafat in his inclination to seek, through negotiations, a Palestinian state limited to the West Bank and Gaza, but is not inclined to support any overtures by the Palestinians to the Jordanians. Nayif Hawatmah, head of the PDFLP, advocates the overthrow of King Husayn rather than rapprochement with him. Hawatmah has close ties to the Jordanian Communist Party and to radical groups on the West Bank.

The moderates won only a vague and heavily qualified endorsement of their policies from the Palestine National Council, the legislative arm of the PLO, at its session in Cairo last June. It was an endorsement, however, that Arafat can and will interpret to his own ends if he is invited to take an active part in negotiations.

The Palestine National Council also approved Arafat's proposal to expand the PLO's powerful Executive Committee from nine to fourteen members. Four of the five new members are sympathetic to Arafat's policies, with the result that he is now firmly in control of the committee.

The Rejection Front

The three most radical fedayeen organizations within the PLO are the Popular Front for the Liberation of Palestine, the Popular Front for the Liberation of Palestine--General Command, and the Arab Liberation Front. They continue to oppose all proposals for Palestinian participation in peace talks. Cooperating loosely under the guise of the Rejection Front, these groups have mounted a propaganda campaign to undercut Palestinian support for Arafat's policies

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In mid-August, the three radical groups issued an ultimatum to PLO leaders that they end their cooperation with Egypt in seeking a formula under which the Palestinians would be able to participate in negotiations. The radicals threatened to withdraw from the PLO within three weeks if their demand was not met. The deadline passed without the threat being carried out, but it remains likely that they will withdraw should Arafat commit the PLO to attendance at the talks.

The radicals' reluctance to follow through on their threats or to challenge Arafat directly probably stems from their lack of confidence in the Arab states that support them. Neither the Popular Front for the Liberation of Palestine nor the Popular Front for the Liberation of Palestine--General Command have direct ties to any Arab government and are almost always in some financial difficulty. They must rely on unpredictable levels of financial and operational support from Libya, Iraq, and private Persian Gulf sources. The radical leaders almost certainly fear that their Arab backers would be of little help to them in any military encounter with the larger fedayeen groups or the security forces of the conservative Arab states.

The small Arab Liberation Front, unlike the other radical groups, is almost totally controlled by the Iraqi government. This assures it constant support, but also leaves it vulnerable to the vagaries of Iraqi policies. Baghdad opposes an Arab settlement with Israel, but its interest in keeping on reasonably good terms with the established leaders of the PLO, the major Arab states, and the Soviet Union tempers its willingness to allow the ALF to work vigorously against Arafat's diplomatic initiatives.

Resort to Terrorism

The two independent radical groups will almost certainly increase their international terrorist activities if the moderate leaders of the PLO declare that they will accept a compromise with Jordan or enter into peace negotiations. These groups have the capability to mount terrorist operations both inside Israel and abroad.

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Were Arafat convinced that their activities constituted a threat to the PLO and should be restricted, he--or the Lebanese, with his complicity--could force the closure of several of their bases in Lebanon. This could virtually end their ability to mount cross-border raids into Israel, but it would be much less effective in preventing international terrorist incidents. Such incidents could still be planned and supported from Libya, Iraq, the smaller Gulf states, and probably from Beirut itself.

The less radical fedayeen groups--Fatah, Saiqa, and the PDFLP--have for the present abandoned spectacular forms of international terrorism presumably to demonstrate their responsibility while working toward some role in negotiations. At the same time, they are continuing to mount occasional attacks inside Israel, both to confirm their activist credentials to other Palestinians and to keep the pressure on Arab and Western governments to deal with the Palestinian question.

Should the PLO finally be excluded from the peace talks and Egypt, Syria, and Jordan pursue a settlement without the Palestinians, it is virtually certain that Arafat and his supporters would revert to terrorist tactics. The current restraint of such leaders as Salah Khalaf, head of Fatah's Black September Organization, for example, is clearly based on the opportunistic premise that the Palestinians stand to gain more from joining in negotiations than from opposing them. Should this assessment be proved wrong, they will feel that the only way they can keep their positions is to demonstrate through the use of terrorism that no solution to the Middle East problem is possible without a solution to the Palestinian problem.

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