

The President's Daily Brief

November 14, 1974

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FOR THE PRESIDENT ONLY

November 14, 1974

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PALESTINE

Yasir Arafat, in his address to the UN General Assembly yesterday, omitted the standard Palestine Liberation Organization threats against Israel, almost certainly in the hope of gaining a meaningful role in peace negotiations and eventual control of a Palestinian state.

Yasir Arafat yesterday asked the General Assembly to back the Palestinians' right to return to their homeland, determine their own future, and establish a National Authority on any Palestinian territory "from which Israeli occupation is removed." These points were drawn from a comprehensive policy statement approved by the Palestine Liberation Organization in Cairo last June, but Arafat declined to repeat the more radical planks of that platform.

Arafat also omitted the Palestinians' usual rejection of UN Security Council Resolution 242, which provides the legal basis for the Geneva peace talks, and he left out any denunciation of Jordan's King Husayn. These omissions almost certainly reflect the PLO leaders' current inclination to hint at compromise with Israel and Jordan and were designed to gain support for the Palestinians and to avoid giving offense to Israel's backers, particularly the US.

Because the Palestinians have no official status at the UN, Arafat did not offer a specific proposal for a resolution on the Palestine question. Such a proposal will be introduced later in the debate, probably by Egypt. Arab delegates are unanimous in their assessment that the Palestinians would be satisfied with a modest resolution that demands a Palestinian entity but recognizes--at least implicitly--Israel's right to exist. Such a resolution, they believe, would achieve two important objectives: win international recognition for the political rights of the Palestinians, and create a better image for the PLO.

The Arabs expect such a resolution to be passed by an overwhelming majority. They are hopeful the US will abstain. Debate on the Palestine question is expected to last until November 21.

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In an initial reaction to Arafat's UN speech, Israeli Prime Minister Rabin said it challenged Israel's very existence and was made on the assumption that Jews have no right to a state. Rabin emphasized, however, that Israel would continue the search for peace with the Arabs in every way--directly or indirectly.

Arab residents in the Israeli-occupied West Bank staged several demonstrations in support of the PLO yesterday. A general strike called for on the West Bank by PLO broadcasts to mark Yasir Arafat's UN debut met with only limited success, however, in the face of intensive Israeli pressure. The major exception came in Nablus--long a hotbed of anti-Israeli activity--where the strike was almost totally effective.

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UN

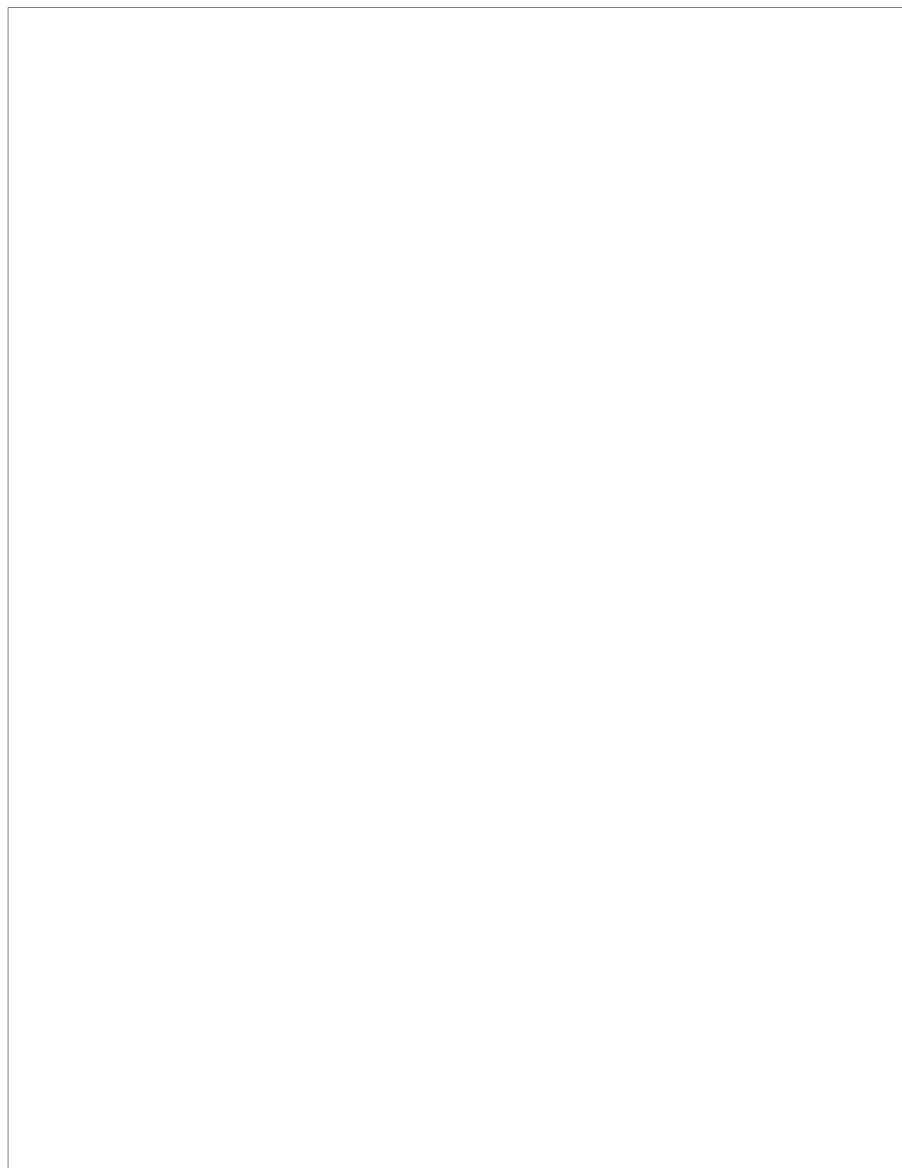
The French--on behalf of the nine EC members--have made a representation to the Arab representatives in New York urging the Arabs to take a moderate line and to avoid calling Israel's right to existence into question in any resolution that is eventually tabled.

The Nine appear united in their continued support of Resolution 242 as the basis for any eventual Middle East settlement. The EC will also reportedly support the right of the Palestinians to self-determination, but only if the proposed resolution refers to the independence, sovereignty, and territorial integrity of all countries in the area as outlined by Resolution 242.

Despite the Nine's determination to avoid the differences that arose during the earlier vote to invite the Palestine Liberation Organization to address the Assembly, the self-determination issue may still split the EC countries.

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IRAQ-IRAN

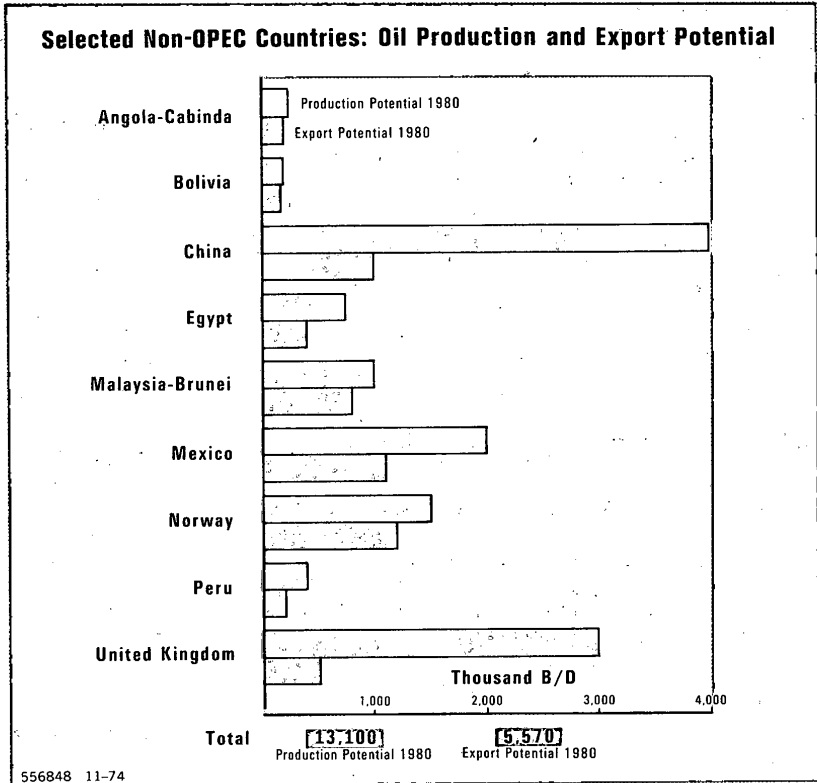
The possibility of larger scale fighting between Iraqi and Iranian troops is increasing. In recent days Iraqi and Iranian artillery have fired on each other, and Iran has moved surface-to-air missiles into Iraq to defend its units there from Iraqi air attacks.

Iranian military activity inside Iraq has increased considerably since the first conventional air defense units crossed the border in midsummer. The trend has been toward more direct Iranian participation in the fighting as the Kurdish position has eroded. The Shah may soon have to consider whether greater military involvement would become so open as to cause him political problems.

About 80 percent of Iraq's ground forces are tied down fighting the Kurds, and Iraq could do little against Iran.

The Iraqis are trying to persuade other Arabs to intervene with the Shah. Last week they summoned Arab chiefs of mission in Baghdad to view an exhibit of captured Iranian military equipment in hopes of getting some action. An Arab League committee tasked with the study of Iran-Iraq relations was formed at the Rabat summit, but the other Arabs are anxious to preserve their own improved relations with Iran. Thus it is unlikely that the committee will be directed to expedite its mission in spite of the urgent appeals coming out of Baghdad.

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INTERNATIONAL OIL

The estimate of total world oil reserves--excluding communist countries and OPEC members--has increased since late 1973 by at least 30 billion barrels, or 25 percent. Part of this increase is the result of accelerated exploration activity since the Arab oil embargo in October 1973. The remainder has resulted from normal exploration.

Altogether, new finds could potentially make an additional 5.5 million barrels per day--20 percent of present OPEC exports--available to international trade by 1980. Whether exports from these newly discovered deposits will actually reach such a figure, however, is contingent on the success of further exploration and the willingness of certain nations to export.

Major discoveries have been made in the North Sea, the South China Sea, and Mexico. Smaller discoveries have been made in Peru, Bolivia, Egypt (Gulf of Suez), and along Africa's west coast.

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ISRAEL

Prime Minister Rabin will probably have to make concessions to Israeli labor to obtain acceptance of his stringent new economic measures. Labor's support is essential if the program, aimed at reducing Israel's huge trade deficit, is to have a reasonable chance of success.

Israel's national labor union, Histadrut, is holding out for a government commitment to raise the cost-of-living allowance to compensate for the abrupt and drastic increase in prices resulting from the lowering of subsidies on basic commodities and from devaluation. The government has already promised to work with the union to lessen the effects on low-income groups, large families, the elderly, and welfare recipients. The government insists, however, that acceptance of all the union's demands would seriously undermine the program.

Rabin's hand in the negotiations with Histadrut was strengthened when his ruling coalition held together in the Knesset, where his austerity program was approved on Tuesday by a vote of 59 to 41. There had been uncertainty as to the degree of support the economic program enjoyed within the government itself.

Protest demonstrations nonetheless continue, with brief strikes by communications, transport, and postal workers yesterday. Arab workers in the Israeli-occupied West Bank--which is closely linked to the Israeli economy--have also protested. Their per capital income is substantially below that of the Israelis.

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JAPAN

Approximately six members of the Marxist Youth League threw between 8 and 13 molotov cocktails at our Tokyo embassy shortly before noon today Tokyo time, possibly in protest against your visit and later trip to Vladivostok. No damage was done to the embassy, and no American personnel were reported injured.

Members of the same group also threw firebombs at the Soviet embassy, apparently with similar results.

The Japanese government has officially apologized to the US and the USSR. Japanese police have arrested nine individuals, according to initial reports. The bombers have no known connection with the Japanese Red Army, a radical terrorist organization.

The embassy has tightened security, and Japanese riot police are supplying additional protection. Embassy officials report the situation is under control.

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NOTE

Libya: President Qadhafi directed conciliatory statements toward his Arab neighbors this week in a speech before Libya's national party congress. Although occasionally critical of Arab strategy toward Israel, the Libyan leader generally stressed Libya's own needs and its desire to return to the Arab field. Qadhafi's performance suggests that he believes he can no longer bear the heavy political cost of openly pursuing a maverick course. Other Arab leaders will probably not be persuaded by his address, but they may believe prospects are improved for controlling their troublesome colleague.

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