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The President's Daily Brief

November 25, 1974

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ETHIOPIA

The ruling military council executed General Aman and 59 detained military officers and former government officials in an effort to stifle further challenges to its authority. The executions apparently had broad support within the council and did not represent a grab for power by radicals who had favored such action for some time.

Those executed included senior military officers and former civilian officials. Many were aristocrats and former cabinet ministers accused of corruption and maladministration during the reign of Haile Selassie. Those killed also included officers who supported the initial military revolt last February, but who had since been arrested for opposing the council.

The council apparently believed that the swift executions would cower Aman's supporters, but dissension and rancor within the military will probably increase. The peremptory action against Aman and two of his supporters on the council, as well as the failure to consult with all units about the execution of the other officials, will add to increasing criticism that the council is losing touch with the rest of the military.

Aman had strong support within some units, especially the Third Division in eastern Ethiopia. In addition, many officers and enlisted men who did not support Aman outright, but who wanted him to have a chance to defend himself publicly, were attempting a few hours before his execution to mediate between Aman and the council.

The council has announced that it will name a new head of government from outside the council. Under the circumstances, it will have difficulty finding another senior military official or well-known civilian willing to accept the figurehead post.

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JORDAN

King Husayn appointed a new government on Saturday as part of a continuing effort to reduce West Bank Palestinian influence in Jordan. He also dissolved parliament and accepted the resignations of several unpopular personal advisers.

The King, contrary to earlier indications, re-appointed his long-time friend and confidant Zaid Rifai as prime minister. Rifai also continues as foreign minister and defense minister.

The retention of Rifai is certain to displease East Bank conservatives, particularly in the army, but the move may reassure the jittery Palestinian community. Rifai and army Chief of Staff bin Shakir have become symbols of neglect of East Bank interests and corruption in government.

Apart from the continued prominence of the controversial Rifai, the new cabinet should be well received by the King's East Bank supporters. Roughly half of the 20-member cabinet are holdovers, but Palestinian representation was reduced from ten to four.

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ISRAEL

In the past six weeks, the Israeli air force has lost five aircraft in accidents, four apparently because of pilot error on training missions.

This performance is well below normally high Israeli standards, and suggests a shortage of qualified air crews. The Israelis most likely are having difficulty training enough pilots to replace those lost during the October war, as well as to man new aircraft delivered by the US. One squadron commander has reported that there are too few pilots to maintain a proper crew-to-aircraft ratio.

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the Israelis have doubled the number of flight cadets. This probably means that the air force has had to lower qualifications for its pilot trainees. The attaché believes that the pilot shortage most likely will be in support and lower performance jet aircraft rather than in F-4s and Mirages, to which the best pilot graduates are assigned.

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WORLD AUTO PRODUCTION

The world automobile industry, faced with rising production costs and shrinking demand, is heading for the sharpest contraction it has had since the 1930s.

So far this year, automakers have seen sales around the world drop 20 percent or more on an annual basis. Lately, the decline in orders has approached 40 percent. Strong sales of heavy trucks, which have helped keep the industry going, have begun to plunge as equipment buyers curtail investment spending. In October, truck sales were down 60 to 80 percent.

To make matters worse, the large export markets are drying up. European makers, especially in West Germany, have been trying to clear their huge inventories by shipping cars abroad. As stocks of autos have climbed in the importing countries, however, producers have had to make severe production cutbacks.

The auto industry will probably never regain its status as a growth industry in the developed nations. The major growth in auto demand is now among the less developed nations. These countries are expanding their own automobile industries and beginning to absorb other developing-country markets.

The growth in competition from the developing countries and the changes in the auto industries in developed nations will speed a restructuring of the auto industry worldwide.

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CANADA

The Canadian government's proposed phase-out of crude oil exports to the US over the next eight years will have little initial impact on US crude oil supplies.

In recent months, US refineries have been importing far less than the Canadian allowance of one million barrels per day because of the high price of Canadian crude oil. US crude oil imports from Canada in September were only about 725,000 barrels per day.

The proposed cut in permissible deliveries to the US--to 800,000 barrels per day by January 1, 1975, and to 650,000 by next July--has been planned for over a year. The reduction is tied to government plans to pipe oil from western to eastern Canada to reduce that area's dependency on oil imports, mainly from Venezuela and the Middle East. Scheduled for completion in 1976, the Canadian pipeline will have an initial capacity of 250,000 barrels per day.

Energy Minister MacDonald has said that if the oil-producing provinces of Alberta and Saskatchewan raise strong objections, which is likely, the 800,000-barrel-per-day level would be maintained through 1975.

The proposal to cut back exports to the US reflects the National Energy Board's findings that Canada's dwindling oil reserves are insufficient to supply rising domestic demand and continued high exports. MacDonald rejected a demand for an immediate halt to oil exports because of the potential harmful effects on Canadian-US relations.

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NOTES

North Vietnam - USSR - China: A North Vietnamese delegation headed by Politburo member Le Duc Tho arrived in Moscow on November 20 en route to Paris for a ten-day stay at the invitation of the French Communist Party. Tho's delegation conferred with Soviet Politburo member Mikhail Suslov and party secretary Konstantin Katushev. Tho also stopped briefly in Peking but received lower level treatment there. His stay was barely mentioned in Chinese media. In his many past stopovers in Peking, Tho usually has been received by Premier Chou En-lai and senior Politburo member Chang Chun-chiao.

Brazil: Foreign Minister Silveira leaves this week for Senegal and Portugal in his country's latest bid to play a larger role in black Africa and in the Portuguese-speaking community, which spans three continents. Brazilian diplomats have already met with some leaders in the former Portuguese territories and offered them assistance. The visit may provide an opportunity to announce establishment of diplomatic relations with Guinea-Bissau. Silveira's presence in Portugal could serve to signal a desire for improved relations as well as to point up the possibility of Brazil's serving as a go-between with Portuguese-speaking Africa.

Italy: Christian Democrat Aldo Moro's two-party coalition government was sworn in by President Leone on Saturday. The required parliamentary vote of confidence is to take place on December 2. The small Republican Party has been given five offices in the new cabinet, including that of deputy prime minister. The Christian Democrats will occupy the remaining 20 positions, with outgoing prime minister Mariano Rumor taking over Moro's post at the Foreign Ministry.

Romania: Bucharest's maverick style of communism will be endorsed as enduring national policy at Romania's 11th Communist Party Congress, which opens today. The congress will be President Ceausescu's show all the way. By the time the congress is over, one third of the members of all party bodies, including the Central Committee, will probably be newcomers to their posts. This is an effort by Ceausescu to break up regional fiefdoms, inject new blood, and stimulate renewed interest in party activity by the rank-and-file members. The recent Cominformist affair in Yugoslavia probably has increased Ceausescu's desire to ensure a loyal following.

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