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# The President's Daily Brief

*June 29, 1974*

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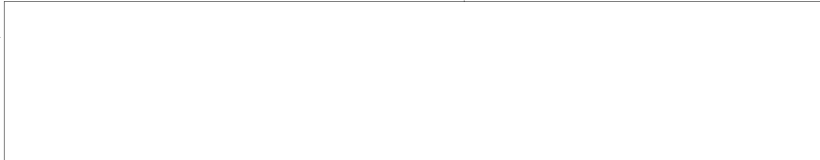
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*FOR THE PRESIDENT ONLY*

THE PRESIDENT'S DAILY BRIEF

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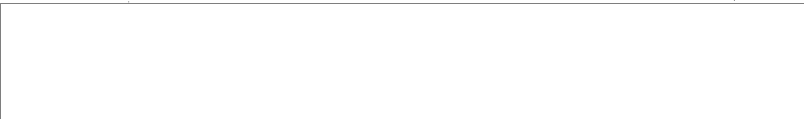
PRINCIPAL DEVELOPMENTS



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The Soviet helicopter carrier Leningrad is apparently en route to the Indian Ocean. The carrier may play a role in mine-clearing operations scheduled to begin next month at the southern end of the Gulf of Suez. Alternative--or additional--destinations could be Somalia or India. (Page 2)

The Lebanese government is continuing to explore various options for discouraging fedayeen raids from Lebanon and for defending itself against Israeli retaliatory strikes. (Page 3)



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China's foreign trade increased in 1973 by 60 percent to about \$9.4 billion. The outlook for 1974 is for an increase of another 30 to 40 percent. (Page 5)

In Canada, neither major party appears to have a significant edge as the election campaign proceeds. The vote on July 8 is likely to produce another minority administration. (Page 6)

Press reports from Addis Ababa say that the Ethiopian armed forces have seized control and are arresting cabinet ministers and other officials. (Page 6)

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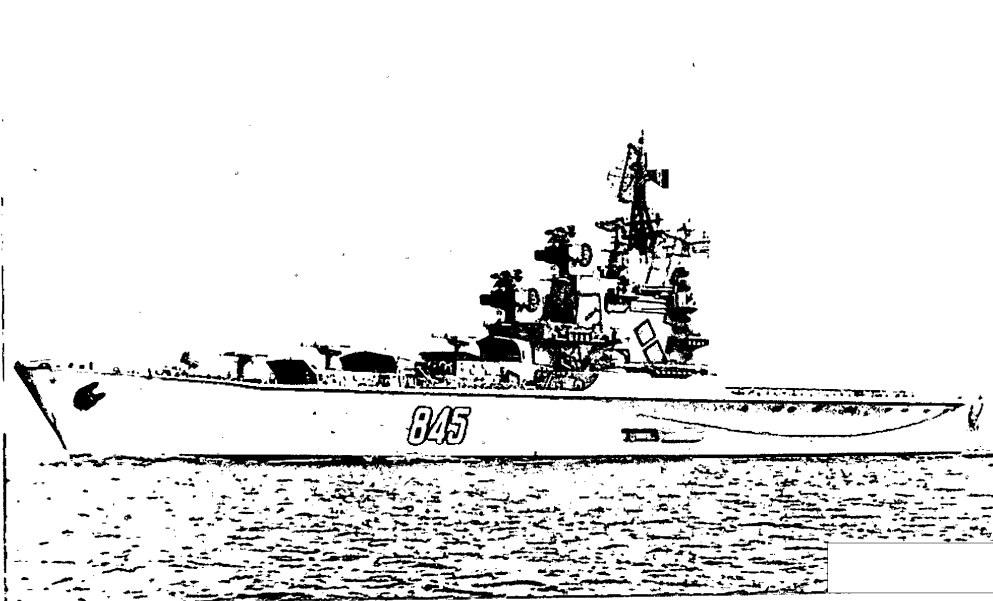
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Leningrad Guided-Missile Helicopter Carrier



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USSR

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The Soviet Union is apparently sending its helicopter carrier Leningrad to the Indian Ocean. [redacted]

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[redacted] the carrier may be intended as the command ship for Soviet mine-clearing operations scheduled to begin next month in the Strait of Gubal at the southern end of the Gulf of Suez.

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[redacted]

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Alternative--or additional--destinations for the carrier could be Somalia or India. [redacted]

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[redacted]

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A "show-the-flag" visit to India is a further possibility. [redacted]

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[redacted]

Wherever the Leningrad ultimately goes, its presence will be read as a fresh indication of the USSR's desire to develop a significant naval presence in the Indian Ocean area.

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**LEBANON-FEDAYEEN**

The Lebanese government is continuing to explore various options for discouraging fedayeen raids from Lebanon and for defending itself against Israeli retaliatory strikes. Although the government remains unwilling and unable to impose controls on fedayeen movements in southern Lebanon, high officials--including President Franjiyah--have met with guerrilla leaders in attempts to elicit pledges that they will restrict their terrorist activities.

The Lebanese, partly to demonstrate to the Arab world that they are doing something about the Israeli attacks, will appeal for wide Arab support at a meeting on July 1 of the Arab League Defense Council in Cairo. Lebanese officials have publicly called on the other Arabs to provide them with antiaircraft weapons, including ground-to-air missiles. [REDACTED]

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[REDACTED] Lebanon's leaders remain apprehensive about Syria's irredentist claims to Lebanese territory.

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NORTH KOREA - SOUTH KOREA

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CHINA

China's foreign trade increased in 1973 by 60 percent to approximately \$9.4 billion. The outlook for 1974 is for an increase of another 30 to 40 percent.

Trade with the non-Communist world will again account for 80 percent or more of China's total trade. Japan will remain the leading partner, with two-way trade reaching about \$3 billion. The US will continue to be China's number two trading partner; total Sino-US trade is likely to reach \$1.2 billion, up from \$870 million last year.

China's trade deficit with the non-Communist world will probably reach \$1 billion, up from \$425 million last year. To help cover these deficits, Peking has relaxed its conservative financial policy and greatly expanded the use of short- and medium-term credit. China has also increased its efforts to boost hard currency earnings from exports and invisible transactions. Petroleum exports, only \$35 million in 1973, will probably exceed \$300 million this year and could earn \$1 billion annually within the next few years.

The recent surge in imports is aimed at offsetting agricultural shortfalls and boosting industrial development. Imports of grain, sugar, cotton, and vegetable oils should increase from a record \$1.3 billion in 1973 to about \$2 billion in 1974. Roughly half of China's agricultural imports will come from the US.

New orders for machinery and equipment continue strong, despite a growing debate in China over the dangers of reliance on foreign equipment and technology. Last year, machinery and equipment orders to Western firms totaled almost \$2.5 billion, including \$1.2 billion worth of complete industrial plants bought from Japan, Western Europe, and the US.

*FOR THE PRESIDENT ONLY*

NOTES

Canada: Neither major party appears to have a significant edge as the election campaign proceeds, and the vote on July 8 is likely to produce another minority administration. The nationalist-minded New Democrats have a good chance of holding the parliamentary balance of power again. Inflation has been the principal campaign issue.

Ethiopia: According to press reports from Addis Ababa, the armed forces have seized control and are arresting members of the government, including Prime Minister Endalkatchew. The troops still profess to be loyal to Emperor Haile Selassie. The take-over apparently was triggered by an effort made by some members of parliament to secure the release of former cabinet ministers arrested by the army last April.

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