

*The President's Daily Brief*

*4 May 1973*

18



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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

4 May 1973

PRINCIPAL DEVELOPMENTS

Early this morning Lebanese Government and fedayeen leaders concluded a second cease-fire in the two-day-old battle, but the durability of the truce is in doubt. (Page 1)

On Page 3  
Middle East  
Egypt

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Western Europe will have trouble agreeing on a common response to the US call for a new Atlantic Charter. (Page 5)

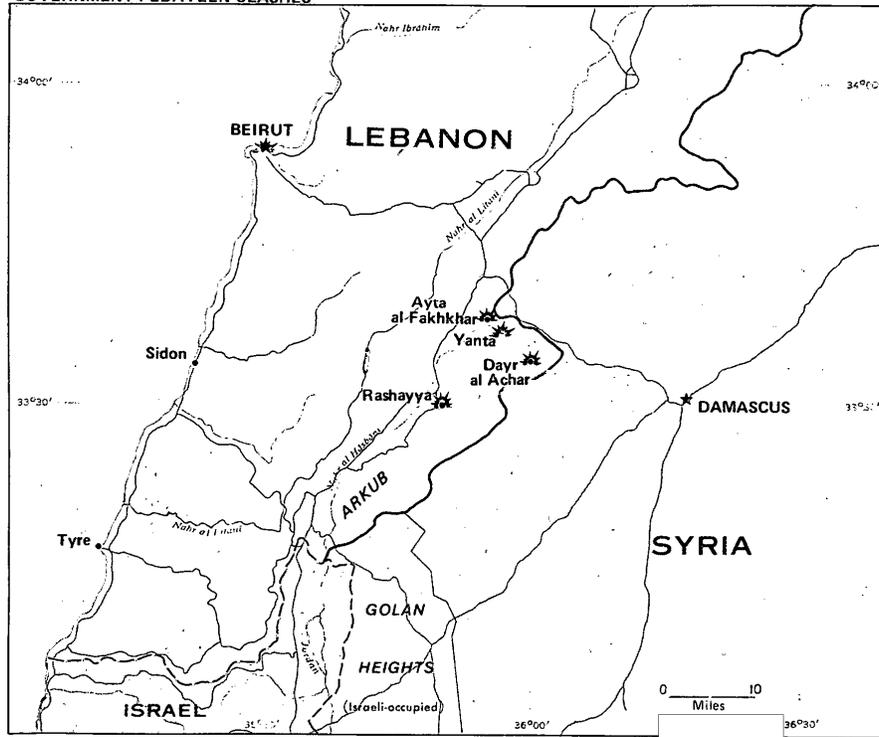
In their initial negotiating sessions Pathet Lao and government representatives have made no headway toward implementing the Lao peace agreement. (Page 6)

Non-Communist interest in providing reconstruction aid to North Vietnam has all but disappeared. (Page 7)

In Chile, the Allende government's problems are mounting on several fronts. (Page 8)

The EC decision on farm price supports for the coming year will improve the prospects for US grain exports. (Page 9)

**GOVERNMENT FEDAYEEN CLASHES**



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LEBANON

Early this morning government and fedayeen leaders concluded a second cease-fire in the two-day-old battle between their military forces.

Fighting in Beirut had intensified yesterday following the break-down of the first cease-fire, and late in the day Lebanese aircraft were called into action over refugee camps near the city. Lebanese Army units also for the first time engaged Palestinian elements in several areas of the Arkub region in southeastern Lebanon. The government claims a 1,000-man fedayeen force moved into the area from Syria.

[Redacted]

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The possibility of direct Syrian involvement, along with the reported introduction of additional fedayeen forces from Syria, prompted a Lebanese call for US assistance.

[Redacted]

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Syrian officials denied that fedayeen units had crossed the border.

*The cease-fire is a shaky one. Although Fatah leader Yasir Arafat has called repeatedly for an end to the fighting, some aggressive fedayeen units may be reluctant to abide by the agreement. The killing of two fedayeen military leaders may strengthen their resolve to continue fighting. The Lebanese Army has shown a considerable zeal for the fight and it, too, may be reluctant to cease firing. Indeed, the fedayeen are claiming that Lebanese forces early today launched air and land assaults against fedayeen positions in southern Lebanon.*

*Should the truce again break down, other Arab states will be quick to offer their mediation.*

[Redacted]

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*Other Arab mediators-- the secretary-general of the Arab League and a representative of the Iraqi President--were due in Beirut today to help resolve the crisis.*

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(continued)

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The Israelis have shown little reaction beyond keeping a close watch on their own border with Lebanon. They are undoubtedly pleased with the further evidence of inter-Arab dissension, and apparently expect it to continue.

The cease-fire may at least have forestalled a further Lebanese Government crisis. The newly appointed Prime Minister, Amin Hafiz, announced his intention to resign late yesterday, but apparently reconsidered as the situation eased. Hafiz' resignation would confront President Franjyah with the additional difficult task of finding a successor, who reportedly would come from the ranks of the military.

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EGYPT

[Redacted]

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[Redacted] frustration and bitterness [Redacted]  
now pervades official thinking in Cairo.

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[Redacted]

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[Redacted] They see a more difficult and dangerous period ahead and are preparing for any future talks with the US by attempting to establish a unified Arab stance against US interests in the Middle East. In addition, Cairo is intensifying anti-US propaganda and raising military tensions in order to focus world attention on the Middle East.

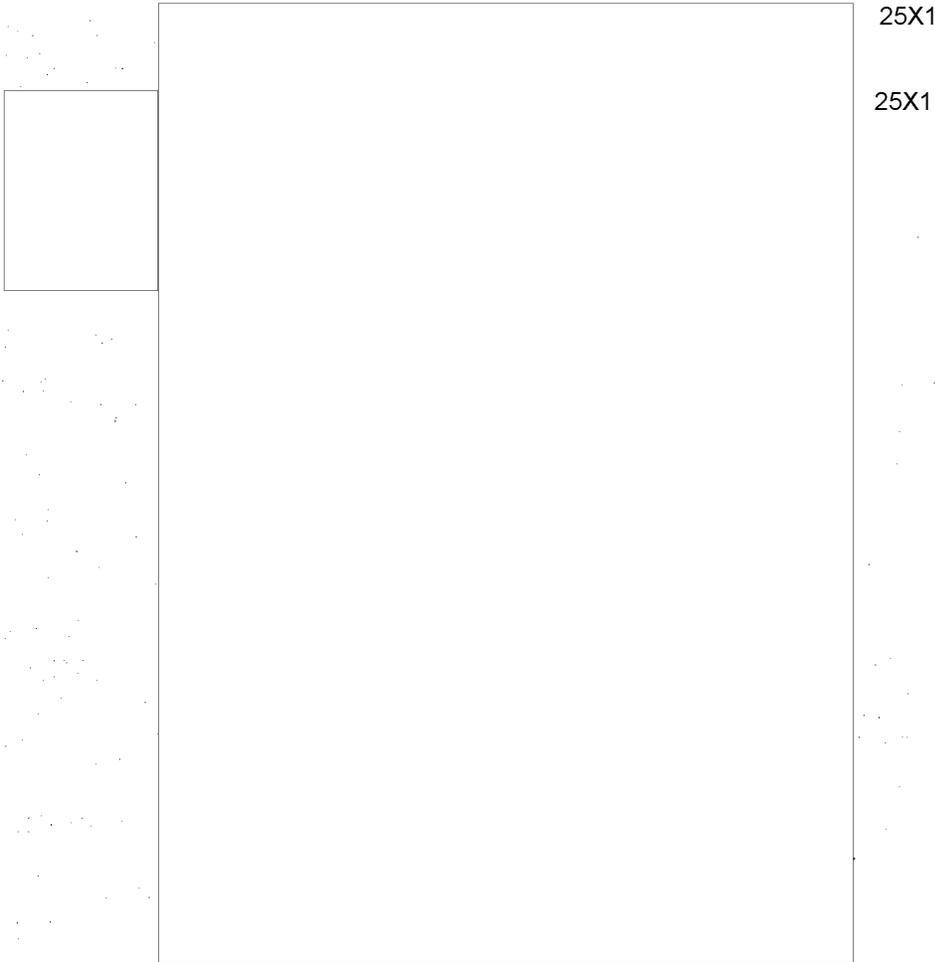
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Events subsequent to [Redacted] the Israeli attack on Beirut, have increased the bitterness. [Redacted] the measure of this deepening frustration is the recent talk in Cairo of initiating limited military operations against Israel to force big-power intervention.

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EC-US

*Western Europe will have trouble coming up with a common response to the US call for a new Atlantic Charter before the President's visit. The European countries have managed to establish joint policies and effective institutions on few matters other than trade; they still lack an identity of view regarding Europe's future relationship with the US.*

*France in particular fears that a trans-Atlantic dialogue risks US meddling in European decision-making processes and the dilution of European unity. Paris opposes an early EC debate on the Atlantic Charter suggestion, in part because it would inhibit Pompidou in speaking freely about the question when he meets with President Nixon.*

*Few Europeans deny that political, military, and economic issues are interrelated. They worry, however, that the commitment to Europe's defense renewed in Dr. Kissinger's address may mask demands for concessions in economic areas. Even the Germans share British reservations about burdening negotiations in one area with problems belonging to another.*

*Europeans are also puzzled by:*

*--how the new approach will affect existing institutions that are already exploring one or another of the problems cited by Dr. Kissinger;*

*--how specific a new Atlantic Charter ought to be; and*

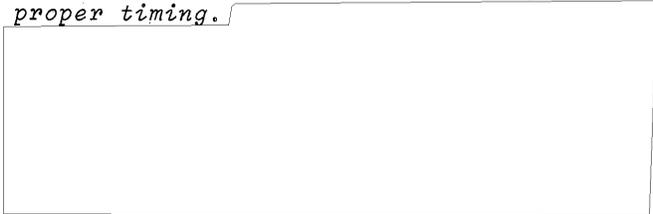
*--how the US proposes to bring in Japan.*

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LAOS

In their initial negotiating sessions Pathet Lao and government representatives have made no headway toward implementing the Lao peace agreement. Senior Lao Communist envoy Phoumi Vongvichit, who last week returned from lengthy consultations in Sam Neua, reportedly again presented several demands that had stalled earlier talks.

*The delay in reaching agreement may be a result of North Vietnam's ideas as to the proper timing.*



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*In an effort to speed up the talks, Souvanna and Pheng Phongsavan have now taken personal charge of the negotiations. Talks that produced the agreement in February appeared similarly stalled until Souvanna [redacted] worked out an agreement that he presented to his cabinet as a fait accompli. The Prime Minister seems prepared once again to reach a compromise settlement with little regard to the views of the rightists in his government.*

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NORTH VIETNAM

Non-Communist interest in providing reconstruction aid to North Vietnam has all but disappeared. Hanoi, in fact, has received only small amounts of aid, mostly for humanitarian purposes. The Japanese, who were among the most eager to improve economic and political ties with Hanoi, now have a much more cautious outlook. The only result from a recent Foreign Ministry mission to North Vietnam was agreement to begin working level talks on establishing diplomatic relations.

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*Tokyo presumably does not want to jeopardize its stake in South Vietnam by making unnecessary political concessions to the North.*

*Japan, along with most of the European Community countries, is waiting until Hanoi and Washington make some decisions on aid, and the prospect for peace seems more solid. To date, Sweden, which has promised \$100 million, is the only non-Communist country committed to substantial economic aid to the North.*

*Hanoi apparently has much to learn about seeking aid from non-Communist countries. The North Vietnamese have tended to present potential donors with sweeping proposals, often without back-up information, and they insist on control of all aid projects.*

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CHILE

The Allende government's problems are mounting on several fronts:

--A new wave of strikes has hit the country, including one at the huge El Teniente copper complex.

--Transportation, petroleum, and government workers are also threatening walkouts.

--The Christian Democrats are taking an increasingly stiff stance toward the government. They boycotted the officially backed trade union confederation's May Day celebrations, and probably will encourage the strikes now planned.

--Street disorders persist.

*Allende and his pragmatic Communist allies believe that the escalating wage demands and falling production threaten the government.*

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NOTES

EC: The EC Council reached agreement on farm prices for the coming year, but only after the most difficult, confused, and bitter meeting in EC experience. As a result, sentiment has increased for a thorough review of the common agricultural policy's (CAP) operation. The very modest increase in most grain support prices will not encourage greater production and, therefore, should improve prospects for US exports of grain. No action was taken on adoption of a CAP for soybeans, despite recent French demands.

Iran-Iraq: [redacted]

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[redacted] Iraq severed diplomatic ties in late 1971 in protest against Iran's occupation of three disputed islands at the mouth of the Persian Gulf, and there have been frequent border incidents since. Recent Iraqi indications of a desire to ease the tensions may have resulted from Soviet prompting.

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Argentina: Peronist president-elect Campora met for the first time with the governing military junta yesterday in discussions prompted by the terrorist assassination of a retired admiral last Monday. Campora's willingness to meet with the junta, and to do so again, reflects his sensitivity to the military's increased concern over terrorism.

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