



The President's Daily Brief

1 November 1973
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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

1 November 1973

PRINCIPAL DEVELOPMENTS

The situation in the Middle East is reported on *Page 1*.

A Kara-class guided-missile cruiser under construction at the Soviet port of Nikolayev may be designed to accommodate an anti-ship ballistic missile system. (*Page 3*)

Elements of the extreme left in Chile are beginning to organize themselves, but the government could eventually be threatened more by widespread strikes than by leftist terrorists. (*Page 4*)

Notes on Japanese efforts to deal with its oil problems, the Syrian petroleum refinery at Homs, Brazilian aid to Chile, and Peron's problems in Argentina appear on *Page 5*.

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ARAB STATES - ISRAEL

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Both fronts remained quiet yesterday, although there were several minor incidents on the Egyptian front.

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In the Golan area, Israeli and Syrian forces continued to honor the cease-fire yesterday. Israeli air activity was light and consisted of fighter patrols including some penetrations of Syrian, Jordanian, and Lebanese airspace.

Syria's deputy foreign minister announced yesterday that Damascus is prepared--on conditions--to submit a list of Israeli prisoners in Syria to the International Red Cross and allow Red Cross officials to visit them. The conditions are that Israel state officially that it will comply fully with the Geneva Conventions, return the bodies of Syrians killed during the war, and allow displaced Syrian villagers to return to their homes.

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According to an Israeli announcement, the transfer of supplies to the Egyptian Third Army was resumed on the afternoon of October 31 following an unexplained delay. The Israelis said that in the past three days some 50 truckloads of supplies have been sent to the Egyptian Army units on the east bank.

President Sadat asserted in a press conference yesterday that he has been under pressure from his military chiefs to renew hostilities if Israel refuses to withdraw to the October 22 cease-fire lines. He said he would restrain the army until he sees the results of current contacts in Washington by his newly appointed foreign minister, Ismail Fahmi, and the impending visit to Cairo of Secretary Kissinger. Yesterday, a Saudi Foreign Ministry official told Ambassador Akins that Sadat will visit Saudi Arabia within 72 hours to coordinate plans for Secretary Kissinger's visit.

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[Redacted]

If the diplomatic talks are successful, and the Israelis pull back, Sadat said he is prepared immediately to begin arrangements for a peace conference.

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Sadat may run into some difficulty from Syria in this regard. Damascus radio broadcast a statement yesterday by the Syrian information minister rejecting direct negotiations with Israel and affirming Damascus' refusal to bargain over Syrian territory.

Sadat also acknowledged that he has been criticized for his decision to accept the original ceasefire. He defended the decision by claiming that the US airlift had virtually forced him to stop fighting. Sadat said that Egyptian forces had initially held their own and that Israel was down to a three-day supply of arms before new US weapons began arriving. Sadat was not entirely negative with respect to the US, however, and credited Washington with a "constructive attitude" thus far in its efforts to bring about a peaceful solution.

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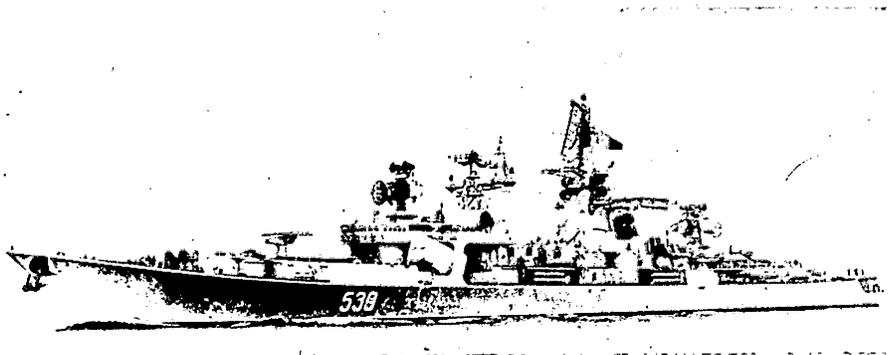
The Soviet Mediterranean squadron now has an estimated total of 94 units. This figure includes 41 surface warships, 23 submarines, and 30 support ships. The Soviet warships that had earlier gathered north of Port Said have dispersed. Most of the combatants are apparently heading for the Gulf of Sollum, west of Alexandria.

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**Modified Kara Class
Under Construction**



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USSR

[redacted] Kara-class guided-missile cruiser under construction at Nikolayev shows six openings near the stern, which may be for ballistic missile launch tubes. The three Karas built there earlier did not have such openings.

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The Kara already has a surface-to-air missile capability and what appears to be an anti-ship cruise missile system. No specific missile can be associated with the new openings at this stage of construction; the Soviets may plan to install the SS-NX-13, an anti-ship ballistic missile they have been testing for four years.

The SS-NX-13 is apparently designed to use against a moving surface target, such as an aircraft carrier or other large surface combatant. If this missile is being installed, it will probably not be operational for at least another 18 months.

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CHILE

Elements of the extreme left are apparently making some progress toward organizing themselves, but they are still far from ready to begin a coordinated guerrilla-terrorist campaign. Some members of the former Popular Unity Coalition, in fact, doubt that violence would be an effective tactic against the government at this point. Some of them apparently think it would be more productive to foment strikes among workers disgruntled by the growing gap between wages and prices.

Government leaders appear more concerned about the threat of organized violence than about the security implications of the economic hardships facing the workers. The government's wage bonus system does not go far toward relieving the squeeze on labor. Widespread strikes stimulated by worker resentment could ultimately pose a greater threat to the government than bands of rural guerrillas or urban terrorists.

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NOTES

Japan-Oil: The government may face a major policy decision by late November, when Arab nations threaten to impose new oil supply cuts. Japan has renewed previously rejected offers of aid to Arab countries, but working-level officials do not believe this will be enough to ward off the oil cuts. The government is now considering the dispatch of International Trade Minister Nakasone or Prime Minister Tanaka to Arab capitals if the Middle East situation has not improved by December. Foreign Ministry officials envisage such a trip being taken in conjunction with policy changes that might even include a break in diplomatic relations with Israel.

Syria: Work has begun on repairing the power plant at the \$120-million Homs refinery that was damaged by Israeli air strikes. Contrary to several earlier reports, the refinery was not destroyed, although production halted because of damage to nearby power and export facilities. The 3-million-ton capacity refinery accounts for all of Syria's output of petroleum products.

Brazil-Chile: Brazilian leaders are showing considerable caution about providing economic aid to the new Chilean Government. A senior Brazilian Foreign Ministry official told Ambassador Crimmins earlier this week that his country has provided Chile with at least \$70 million in credits on favorable terms, but that this already constitutes "perhaps too deep" a Brazilian involvement in Chile. A source of the US Embassy in Brasilia says Brazil has recently refused a Chilean request for Brazilian assistance in guaranteeing new foreign lines of credit.

Argentina: The vigor with which President Peron's supporters are carrying out orders to "purge Marxists" and reorganize his party has intensified the feud between left and right factions. Dissatisfaction with Peron is running high among leftist student and union groups. The campaign to ensure loyalty to the President may run into formidable opposition in Cordoba, where dissident elements have frequently defied Buenos Aires and where the governor is now being attacked for alleged insults to Peron.

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