



The President's Daily Brief

26 December 1973

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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

December 26, 1973

PRINCIPAL DEVELOPMENTS

The Egyptian-Israeli negotiations on military disengagement are expected to begin promptly in Geneva with the arrival today of the Israeli delegation chief. Defense Minister Dayan said yesterday that there is a better than even chance that the two sides will be able to work out an agreement.

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(Page 1)

The British are about to sign an agreement with Saudi Arabia for the long-term supply of 200,000 barrels per day of crude oil. Late last week, a Saudi official told Ambassador Akins of a similar deal with the French. If many other countries follow suit, bilateral transactions could preempt a significant portion of any future increase in Saudi oil production. (Page 3)

Communist action along the east bank of the Mekong River may lead to heavier pressure against Phnom Penh, but rocket attacks against the capital over the past few days did little serious damage. (Page 4)

In the Philippines, President Marcos is moving to head off antigovernment activity around December 30, the day his elected term expires. The government has already arrested several dissident leaders, and has placed the armed forces on alert through mid-January. (Page 5)

Afghan President Daoud has also made several arrests and imposed a military alert. His actions may have been designed to intimidate potential coup plotters. (Page 6)

The Banzer government in Bolivia is fast losing its bases of support; it is already in danger of being overthrown by disaffected officers acting in concert with Banzer's former political allies. (Page 7)

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ARAB STATES - ISRAEL

The Egyptian-Israeli talks on military disengagement are expected to begin promptly in Geneva with the arrival today of the Israeli delegation chief, Major General Gur. Defense Minister Dayan told the Israeli press yesterday that there is a better than even chance that the two sides will succeed in negotiating a separation of forces.

Egyptian Foreign Minister Fahmi has stayed in Geneva for further consultations with US, Soviet, and UN officials, indicating the importance Cairo attaches to the talks on disengagement. Fahmi also held several working sessions with the Egyptian delegation. He is [redacted] planning to return to Cairo today, and will leave behind Brigadier General Magdoub to head Egypt's negotiating team.

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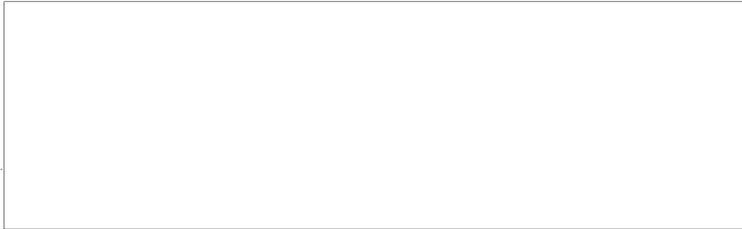
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Numerous incidents were reported along the Suez Canal over the past two days. Israel reportedly lodged 45 complaints with the UN Emergency Force about Egyptian cease-fire violations. An Israeli military spokesman reported that the Syrian front, however, was quiet yesterday for the eighth consecutive day. Israeli aircraft have been flying numerous reconnaissance and patrol missions over the Golan Heights area. In addition, Israeli aerial reconnaissance along the Suez Canal and Gulf of Suez increased yesterday.

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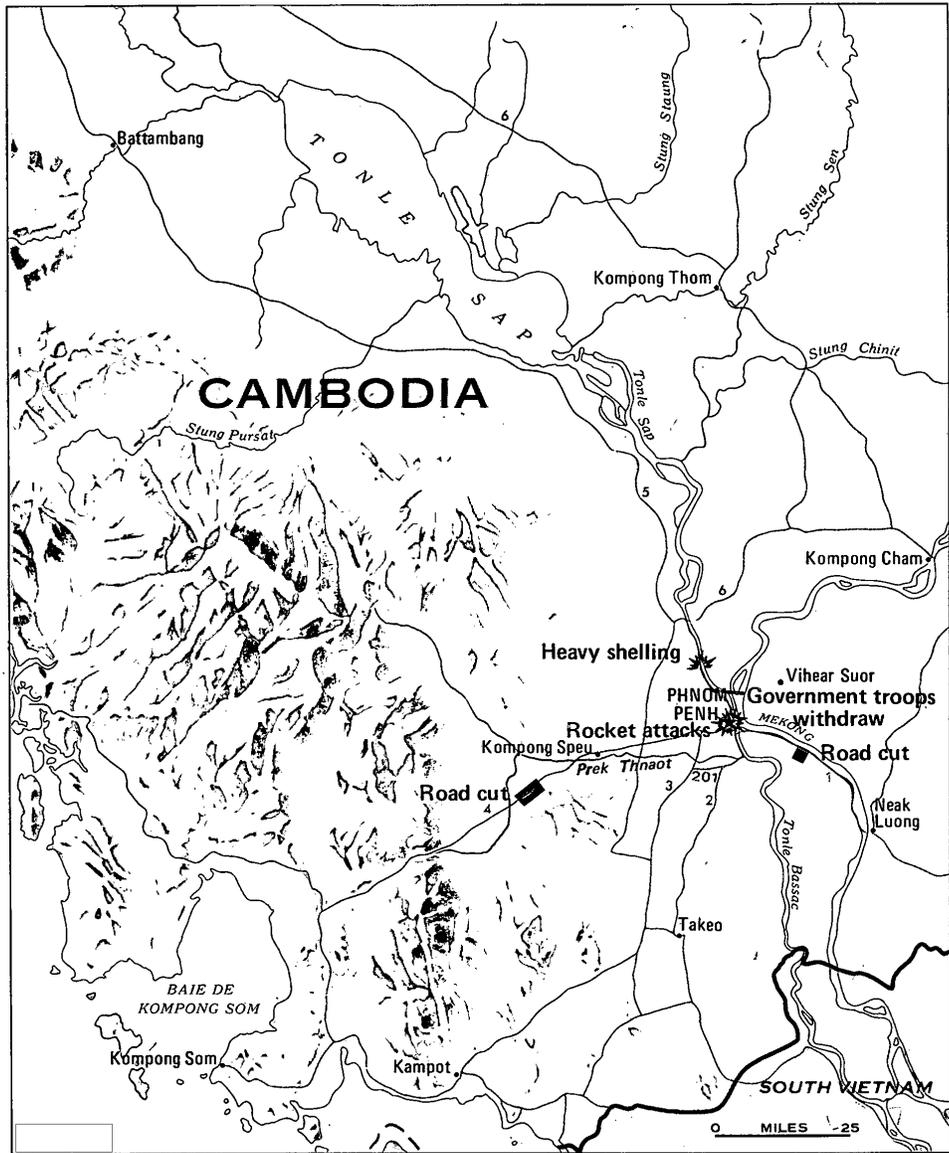
SAUDI ARABIA - UK - FRANCE

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[REDACTED]

the UK is about to sign an agreement with the Saudi Arabian Government for the long-term supply of 200,000 barrels per day of crude oil. This is the second such deal reported recently. Late last week, a Saudi official told Ambassador Akins of an agreement with the French involving the purchase of 200,000 barrels per day for three years, with options for more and for a longer term.

These amounts are relatively small. If many other countries follow suit, however, bilateral transactions could preempt a significant portion of any future increase in Saudi oil production. In addition, government-to-government agreements with the Saudis could make consumer countries less interested in multilateral steps to coordinate oil policy.



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CAMBODIA

Communist action along the east bank of the Mekong River may lead to heavier pressure against Phnom Penh, but rocket attacks against the capital over the past few days did little serious damage. Government-held villages ten miles upstream have been under continuous heavy shelling, and the Cambodian Army has been forced to withdraw from one post five miles north of the capital. Communist forces are also attacking government troops guarding the Mekong supply route near the Vietnamese border, isolating some units.

Government clearing operations along Routes 4 and 5 are stalled, and both roads remain cut in several places. Over the weekend, Communist forces cut Route 1 some eight miles southeast of Phnom Penh. That stretch of highway was reopened this morning, however, according to a late press report quoting the Cambodian high command.

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PHILIPPINES

President Marcos is moving to head off anti-government activity around December 30, the day his elected term expires. The government has already arrested several dissident leaders, and has placed the armed forces on alert through mid-January.

Marcos contends that there is no question about the legality of his tenure after December 30, because the 1935 constitution under which he was elected has been superseded. He bases his continuation in office on the new constitution he rammed through this year with "ratification" by local citizens' assemblies. Marcos' political opponents insist that this ratification process was illegal, and that therefore the 1935 constitution remains in effect.

Although some anti-Marcos protests are likely over the next several days, the government seems fully capable of preventing large demonstrations.

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AFGHANISTAN

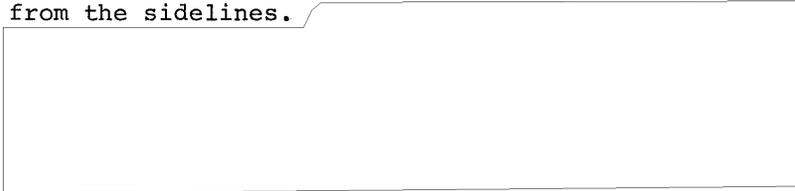
President Daoud, reacting to an alleged coup attempt on December 19, has arrested about 100 persons and imposed a military alert. Those detained include a former secret service chief, a former deputy prime minister, religious leaders, and military officers. On December 22, the government announced the execution of a number of persons involved in last September's coup attempt and severe sentences for others.

Although a coup may indeed have been either attempted or preempted, it is possible that Daoud's actions may have been designed simply to intimidate any would-be plotters. Since September, Daoud has been largely preoccupied with consolidating his power. The US Embassy in Kabul now believes that Daoud is firmly in control and there is no viable alternative to him in the short run.

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NOTE

Bolivia: President Banzer's government is fast losing its bases of support and is in danger of being overthrown by one or more groups of disaffected officers acting in concert with Banzer's former political allies. The government's inability to deal with serious economic problems is at the root of the widespread dissatisfaction. The nation's most prestigious political figure, former president Victor Paz Estenssoro, appears to be watching developments from the sidelines.



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