



The President's Daily Brief

September 6, 1974

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FOR THE PRESIDENT ONLY

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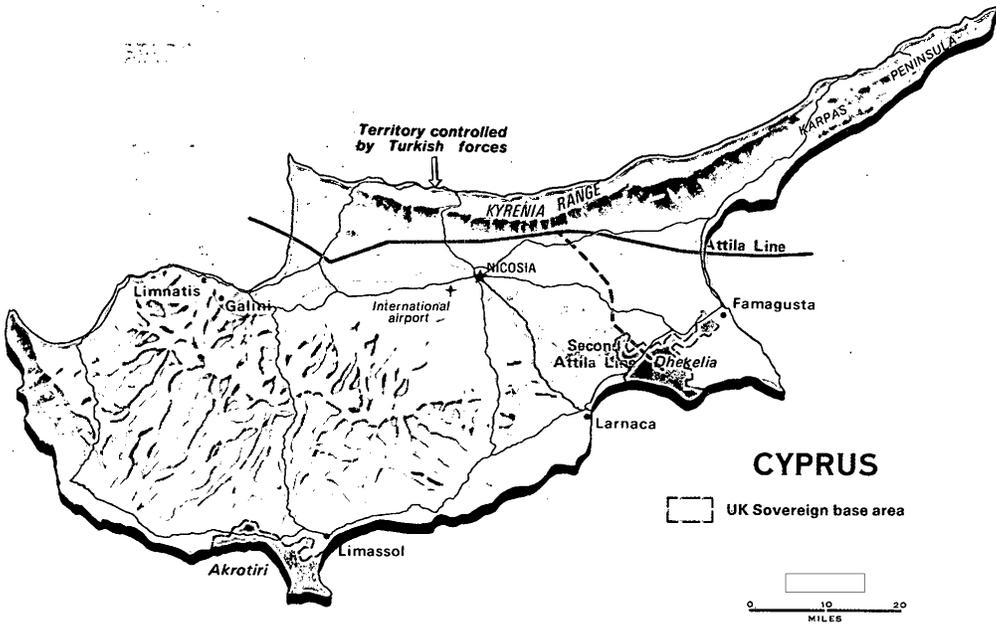
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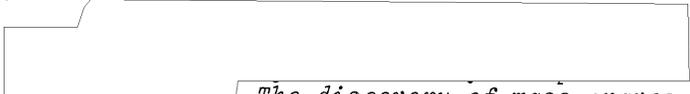
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CYPRUS



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The discovery of mass graves of Turkish Cypriots in recent days could provide the impetus for a third round of fighting.



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Turkish violations of the cease-fire have increased in recent days. The capture of Limnitis yesterday reportedly was accompanied by heavy fighting in the village of Galini, and continuing Turkish encroachments in Nicosia apparently brought on heavy firing last night across the "green line" that divides the Turkish and Greek sectors of the city.

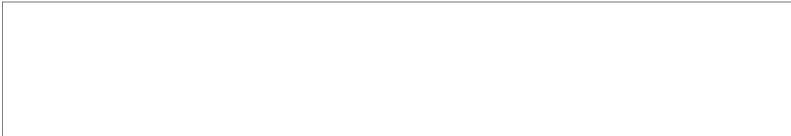
Diplomatic pressure and a growing awareness in Ankara that continued military moves are damaging Turkey's international position could cause the government to turn down the counter guerrilla operation. High-level Turkish diplomats are traveling through Europe, Asia, and the Arab states to present Turkey's position. In Bonn, a close adviser of Prime Minister Ecevit told the press that Turkey "definitely" does not intend to start a third round of fighting.

* * *

In Ankara, differences between Ecevit and Deputy Prime Minister Erbakan, the leader of the junior partner in the coalition, have flared into the open. Erbakan told reporters yesterday that the Prime Minister was harming Turkey's national interests at a time when unity was essential. Erbakan said his party wanted to stay in the coalition, but this public airing of differences has increased speculation that Ecevit will seek to form a government with some other party and call for early elections.

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In Athens, Prime Minister Karamanlis' political honeymoon appears to have come to an end with the formation of a new leftist party led by Andreas Papandreou. Criticizing Karamanlis for moving too slowly against members and supporters of the former junta, Papandreou said his party would press for the socialist transformation of the country and freedom from foreign intervention.



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ISRAEL-FEDAYEEN

Attempts by Lebanon-based fedayeen on Monday and again Wednesday to mount raids into northern Israel have raised tensions along the Israel-Lebanon border to the highest level in some weeks.

Israeli forces intercepted both operations, but the death of two Israeli soldiers on Wednesday could provoke sharper Israeli retaliation. The Israelis had already stepped up security precautions along the border and have made artillery strikes and shallow penetration raids into southern Lebanon to disrupt fedayeen activity.

The nominally autonomous Popular Struggle Front, which claimed responsibility for the first operation, has been inactive for some time, and the operation may actually have been carried out by members of Fatah. The Popular Democratic Front for the Liberation of Palestine, which has developed close political ties and coordinated some terrorist operations with Fatah, claimed responsibility for the operation that occurred on Wednesday.

The apparent participation of two relatively moderate groups in cross-border activities probably represents an effort by moderates to refurbish their activist credentials. Moderate leaders of the fedayeen movement are being attacked by the more radical organizations for their alleged willingness to accept a political solution to the Palestinian problem.

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VIETNAM

Propaganda connected with North Vietnam's National Day continues to suggest that Hanoi has reassessed the strategic situation in the South and is more sanguine about the prospects for achieving its goals through greater military and political pressure.

Various National Day commentaries persist in calling for the forcible overthrow of the Thieu regime, a line which resurfaced in mid-August for the first time since the cease-fire. The propaganda also continues to stress "new opportunities" the Communists see, in light of recent military successes and the American political situation.

Premier Pham Van Dong struck a relatively mild tone on the war in his National Day address. In contrast with other Hanoi propaganda, which gave relatively little attention to the Paris Accords, Dong emphasized that Hanoi stood by the accords and that Communist military action was aimed only at forcing US and South Vietnamese compliance with the agreement.

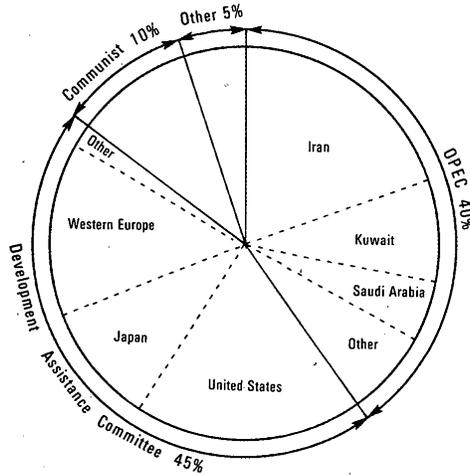
An unusual editorial in the official party newspaper, however, attempted to put a more militant cast on the Premier's remarks. It attributed to Dong a theme not touched on in his speech: that a new strategic situation and "turning point" have developed in the South. Dong's remarks hinted that Hanoi's review of the situation in the South may have been marked by differences within the leadership.

Soviet and Chinese public commentary on Hanoi's anniversary was muted. The Soviets concentrated almost entirely on congratulating Hanoi on its economic achievements in the North, while Peking offered only its standard, perfunctory pledges of support for Hanoi.

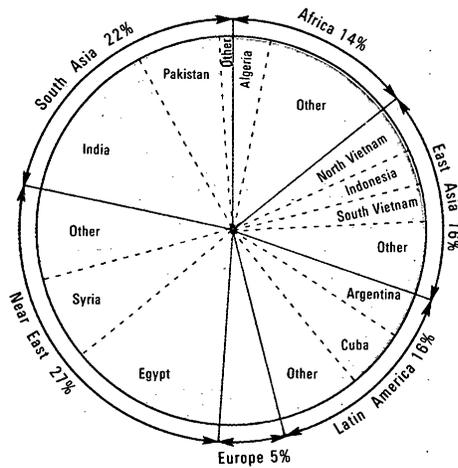
Estimated Official Bilateral Economic Aid Pledged to Less Developed Countries

1 January-30 June 1974
 Total: US \$13.4 Billion

By Donor



By Recipient



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OIL EXPORTERS INCREASE FOREIGN AID

Major oil exporters now are playing a major role in supplying economic aid to developing states. During the first half of 1974, members of the Organization of Petroleum Exporting Countries pledged \$5.4 billion of a worldwide total of \$13.4 billion in aid committed to the less developed countries.

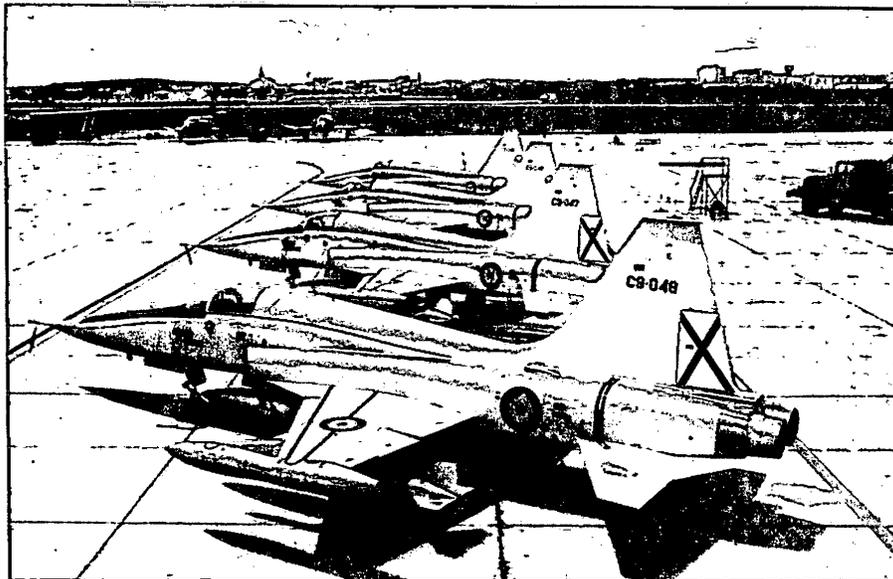
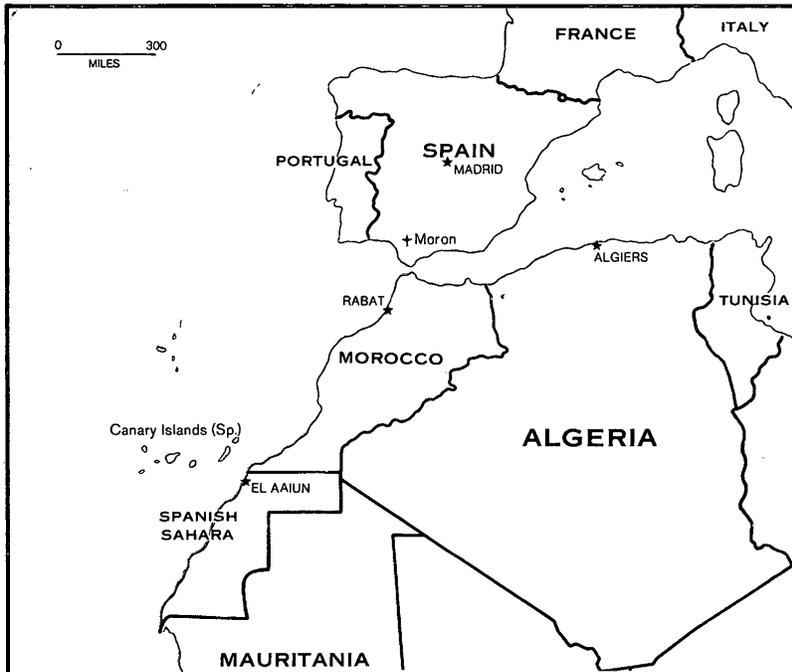
Western nations and Japan remain the Third World's principal source of bilateral aid, but their new commitments of \$6.1 billion accounted for less than half the total. Multilateral institutions, primarily the World Bank and the International Development Association, may have added \$2 billion to the \$13.4-billion figure.

Iran provided half of the oil exporters' total. Its commitment of \$2.6 billion makes Iran a donor of equal rank with the US. Kuwait and Saudi Arabia extended about \$1 billion and \$700 million, respectively.

Forty percent of the oil producers' aid was allocated to Egypt and Syria. Another 35 percent went to India and Pakistan.

The aid to Egypt and Syria was primarily in the form of grants for war reconstruction and development. Aid to other states was largely for agriculture and industry. Only a small part, possibly as little as 5 percent, went toward helping the less developed countries cope with the high price of petroleum.

The enormous commitments of the oil producers provide opportunities for Western industrial sales of technical expertise, equipment, and institutional support. In addition, the size, geographic concentration, and emphasis on project aid of the oil exporters will prompt Western donors to re-examine the scope and magnitude of their aid programs.



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Spanish F-5 tactical fighters

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SPAIN-MOROCCO

Even though the Spanish would like to settle the dispute with Morocco over Spanish Sahara through negotiation, Madrid has begun to take steps to offset the buildup of forces in southern Morocco. A recent message from

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[redacted] reporting that Spain is bolstering its air forces in the Canary Islands.

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[redacted] a number of US-built F-5 tactical fighters have already moved from their mainland base at Moron to the Canaries. The source indicated that some transports also have flown to the islands, located about 150 miles off the African coast.

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Normally 40 to 45 F-5 fighters are stationed at Moron. It is unlikely that all have been transferred to the islands, in view of the lack of adequate support facilities there.

The fighters reportedly are to be used to support ground units in Spanish Sahara in the event of fighting along the border. The move of the transports will shorten the time needed to airlift the airborne battalion based on the islands to the African mainland, if that should prove necessary.

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NOTES

UK

Prime Minister Wilson passed up the opportunity provided by his speech yesterday to the Trades Union Congress to disclose the precise date on which he will call a general election. He made it clear in both speech and demeanor, however, that he will try to get a new mandate next month.

SOUTH VIETNAM

A Shell - Cities Service subsidiary has plugged and abandoned the first offshore well drilled in South Vietnam's sector of the South China Sea. Not enough oil was found at that well to justify development. Nevertheless, the high quality of the oil extracted and other data obtained during the drilling have strengthened the conviction of US oilmen that the area has high potential. The subsidiary plans to drill three to five more exploratory wells.

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