



The President's Daily Brief

September 23, 1974



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FOR THE PRESIDENT ONLY

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ARAB STATES - PLO

Egypt made a significant concession to the Palestine Liberation Organization on Saturday when it publicly stated its support for the PLO as the "only legitimate representative of the Palestinian people." The statement came at the end of two days of talks in Cairo between Egyptian, Syrian, and Palestinian officials.

Egyptian President Sadat almost certainly modified his stand to ease strained relations with PLO leader Yasir Arafat, and to reduce the likelihood that the Palestinians will attempt to subvert further progress in Middle East negotiations. In July, Sadat had joined Jordan's King Husayn in declaring that the PLO represented only Palestinians residing outside the Kingdom of Jordan.

Arafat will interpret the Egyptian move as a major gain, but he is likely to remain dubious about the extent of Egyptian support. The Cairo communiqué did not call for a Palestinian role in negotiating an Israeli withdrawal from the occupied West Bank, an omission suggesting that Cairo continues to see that as Amman's right.

Jordan reacted to Egypt's repudiation of its earlier pro-Jordan stand by issuing a government statement yesterday that said Jordan has "frozen" its position until the Arab summit--now set for late October--and will not participate in further negotiating activities.

The Jordanians also refuse to meet with Egypt, Syria, and the PLO to work out a common Arab policy. Syrian Foreign Minister Khaddam had invited the Jordanians to a larger meeting when he stopped on his way home to brief Husayn on the results of the tripartite meeting.

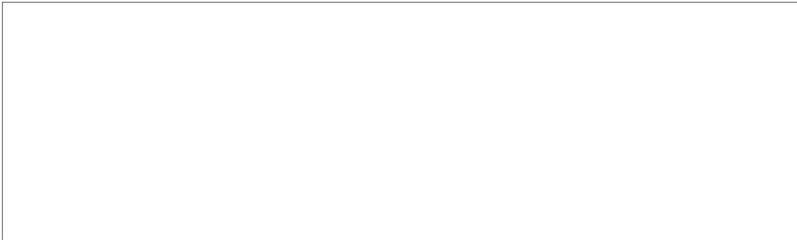
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CYPRUS

Agreement to begin a general release of prisoners this week indicates that acting Cypriot President Clerides may be willing to compromise on the larger question of population transfers.

Last Friday, Clerides agreed with Turkish Cypriot leader Denktash that Turkish Cypriot prisoners will be permitted to travel to the Turkish-controlled sector in the north. Clerides also reportedly agreed to permit the UN Peace Force to transfer Turkish Cypriots out of the Larnaca area on the southeast coast to the Turkish-controlled area.

Clerides and Denktash meet the question of population transfers head on next Friday when they discuss family reunification. The Greek Cypriot leader probably hopes that by letting some Turkish Cypriots move north, the Turks will be more flexible on the return of Greek Cypriot refugees to their homes.



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Soviet Involvement

Soviet Deputy Foreign Minister Ilichev's visit to Ankara, Athens, and Nicosia kept alive Moscow's Cyprus proposal, but achieved minimal substantive results.

Ilichev was most warmly received in Nicosia. After his initial meeting with acting President Clerides last Wednesday, the two sides noted their "identity of views" and called for the withdrawal of "all foreign forces" from the island. They also stressed the need to find new ways to guarantee Cyprus' independence.

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Turkish Cypriot leader Denktash was much less enthusiastic and said after his meeting with Ilichev that he still opposed Soviet efforts to arrange a broader peace conference.

During his earlier stop in Ankara, Ilichev went out of his way to avoid offending the Turks. He offered explicit Soviet approval of a federated state. In a further attempt to keep bilateral relations on the right track, Ilichev promised that the Turkish finance minister would have a "most fruitful" visit to Moscow in October.



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Politics in the Fatherlands

Press reports from Athens claim that several cabinet ministers, including Foreign Minister Mavros, will resign to campaign for elections. Prime Minister Karamanlis has not set a date, but the press says elections will probably be held on November 24.

In Ankara, Prime Minister Ecevit is meeting strong opposition to his effort to call new elections this year. Leaders of the Justice Party and the Republican Reliance Party oppose him. The Democratic Party, with whom Ecevit is seeking to form a coalition, has opposed early elections, but apparently is reconsidering the question.

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CAMBODIA

Government economic reforms enacted a week ago have drawn strong criticism.

The reforms were prompted by the country's rampant inflation and the prospect of a substantial cut in US economic aid. In order to bring domestic prices more in line with world levels, prices for both domestic and imported rice were greatly increased. The reforms also provided for steep price increases for petroleum products and for a major devaluation of Cambodia's currency.

The stiff commodity price increases have not, however, been matched by promised salary increases for civilian government and military personnel. President Lon Nol is worried that the situation may already be getting out of hand. He fears there may be more pillaging of food stocks such as government troops carried out in markets near Phnom Penh and in the Kompong Som area this past weekend.

The President is also concerned that serious unrest may occur when non-combat garrison troops in Phnom Penh and in provincial capitals learn that their pay increases will be substantially lower than those for combat troops and government functionaries. Teachers, students, and leftist dissidents could well try to exploit such a situation.

* * *

The President's troublemaking younger brother, Brigadier General Lon Non, has returned to Cambodia after more than a year in exile. It is doubtful that Lon Non would have come home without his brother's acquiescence. Some political backlash could result if the controversial general prolongs his stay. Political squabbling that could be generated by Lon Non's return would only harm Cambodia's cause in the UN during the critical credentials debate.

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NOTE

Cuba: Less than 24 hours after the Organization of American States unanimously voted to study lifting its sanctions, Cuban President Dorticos made a speech espousing liberation movements in what appeared to be a deliberate effort to disrupt OAS action. The Castro regime would prefer a sharp split in the OAS on the question of sanctions in hopes of damaging the organization. During ceremonies in Havana on Saturday honoring visiting Tanzanian President Nyerere, Dorticos also had kind words for Venezuela that were obviously intended to encourage the Perez administration to restore ties with Cuba unilaterally.

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