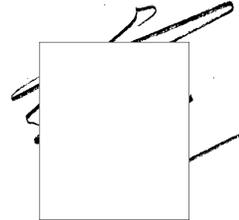


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The President's Daily Brief

May 11, 1974

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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

May 11, 1974

PRINCIPAL DEVELOPMENTS

Fighting on the Syrian front was moderate yesterday; Israeli aircraft reportedly attacked guerrilla concentrations in southern Lebanon. (Page 1)

Leaders of the major fedayeen groups reportedly have agreed to support the establishment of a Palestinian state composed of Jordan's West Bank and the Gaza strip. (Page 2)

In Israel, Labor Party leaders have authorized prime minister-designate Rabin to try to form a coalition with two minor liberal parties, a move that may permit formation of a new government within the coming week. (Page 3)

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[Redacted] Soviet [Redacted]
[Redacted]
[Redacted] (Page 4)

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All of Europe has been shocked by Chancellor Brandt's resignation. (Page 5)

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[Redacted]

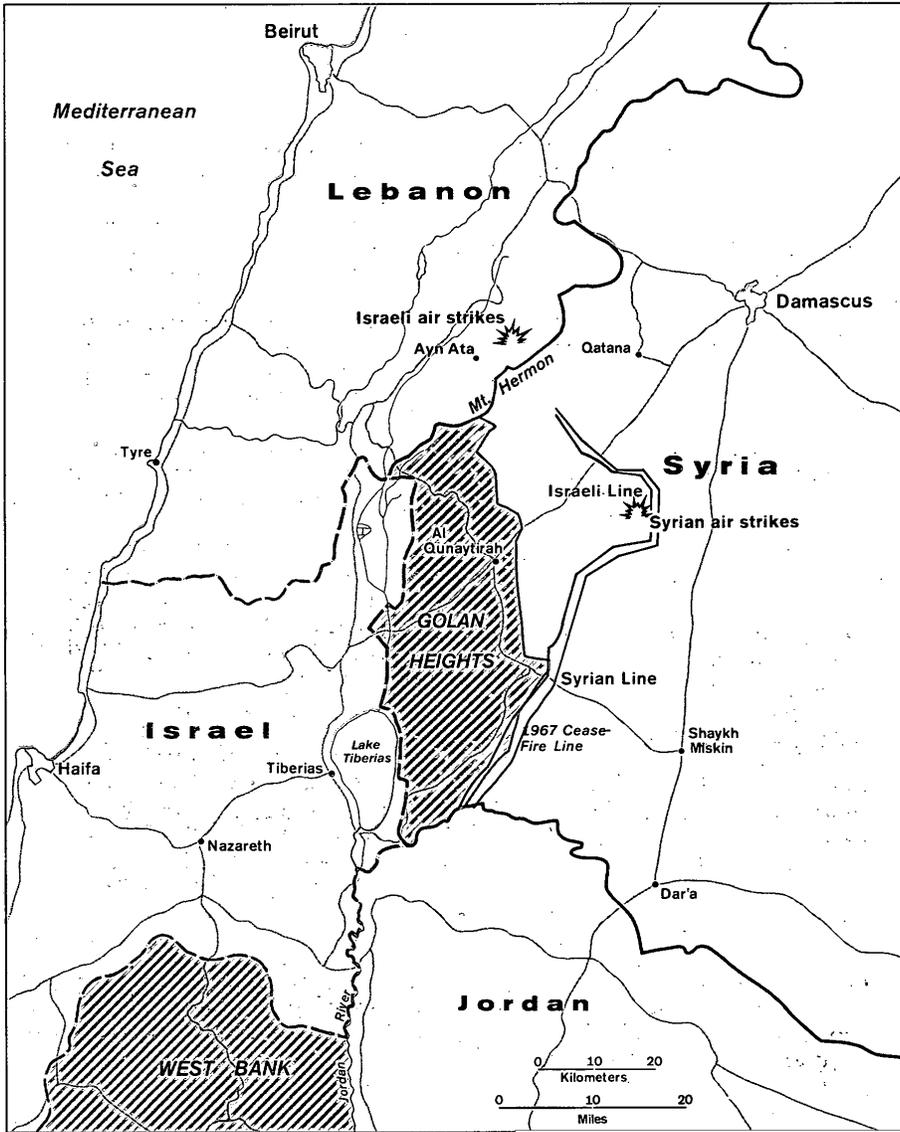
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The Viet Cong yesterday pulled out of the two-party military talks in Saigon, apparently in retaliation for South Vietnam's boycott of political discussions in Paris two weeks ago. (Page 7)

Khmer Communist "defense minister" Khieu Samphan has reiterated that his side will not talk with the Phnom Penh government. (Page 8)

Arms competition between Peru and Chile continues as each worries that the other has aggressive intentions. (Page 9)

Syrian Front



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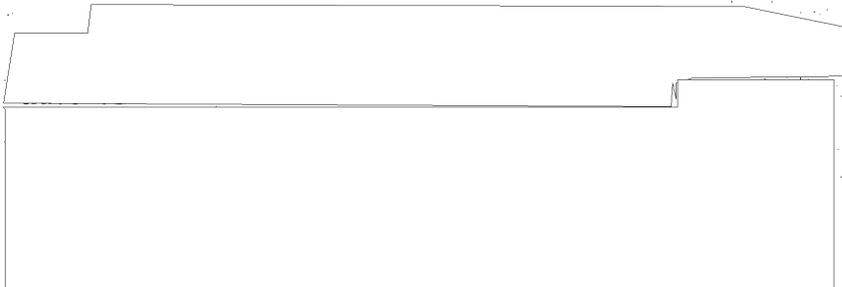
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FOR THE PRESIDENT ONLY

ISRAEL-SYRIA-USSR

Fighting on the Syrian front was moderate yesterday. Israeli aircraft attacked again near Mount Hermon; according to Tel Aviv, the targets were guerrilla concentrations in southern Lebanon. Syrian planes struck inside the Israeli-held salient. Tank, artillery, and mortar fire also was exchanged.

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FEDAYEEN

Leaders of the major fedayeen groups--Fatah, the Syrian-backed Saiqa, the Popular Democratic Front for the Liberation of Palestine, and the extremist Popular Front for the Liberation of Palestine--agreed [redacted] to support the establishment of a Palestinian state made up of Jordan's West Bank and the Gaza strip.

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The leaders believe that they must push their plan aggressively before a Syrian-Israeli disengagement agreement is concluded in order to make sure they are not left out of the Geneva peace talks.

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[redacted]

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FOR THE PRESIDENT ONLY

ISRAEL

Labor Party leaders have authorized prime minister - designate Rabin to try to form a coalition with two minor liberal parties--the Citizens Rights Movement and the Independent Liberal Party. Such a coalition would command a one-vote majority in the Knesset and would have the prospect of additional votes on vital security issues.

Labor left other options open, including the formation of a minority government. The leadership, also looking at the possibility of a broader coalition, agreed to continue contacts with the National Religious Party, although it agreed not to offer any further concessions on the religious conversion issue.

The Labor Party's decision overrode Prime Minister Meir's objections to a coalition with the small Citizens Rights Movement. Mrs. Meir has agreed, however, to support a Labor-Liberal coalition should Rabin be successful in forming one.

If, as seems likely, the party's central committee ratifies the leadership's decision on Sunday, Rabin will have a party mandate flexible enough to permit formation of a government within the coming week.

FOR THE PRESIDENT ONLY

USSR - LATIN AMERICA

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FOR THE PRESIDENT ONLY

EUROPE - WEST GERMANY

All of Europe has been shocked by Chancellor Brandt's resignation, particularly since it comes on the heels of Heath's defeat, the hardening UK attitude toward the Common Market, Pompidou's death, and uncertainty in Italy.

The French worry that Schmidt regards relations with the US as more important than relations with France. Some of Giscard's supporters, too, are citing the Guillaume case as an example of the danger of Communist participation in a Mitterrand government.

Swedish Prime Minister Palme has lashed out at the East Germans, accusing them of undermining Brandt's goals. The other East Europeans have made no effort to conceal their worry about the future of detente. As the Yugoslavs put it, "the harm done to peace in Europe is much greater than the usefulness of the information supplied."

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WEST GERMANY

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FOR THE PRESIDENT ONLY

VIETNAM

The Viet Cong yesterday pulled out of the two-party military talks in Saigon. The move was apparently intended as retaliation for South Vietnam's boycott of political discussions in Paris two weeks ago.

The South Vietnamese had also suspended the diplomatic privileges of the Viet Cong's military delegation in Saigon. The South Vietnamese had taken these actions in turn to protest the Communist capture of a border outpost and a general rise in the tempo of Communist military action.

Both sides have been exchanging rhetoric over who is responsible for the erosion of the cease-fire agreement, and each has left itself room to reconvene both the Saigon and Paris talks whenever the two wish.

The Viet Cong are apparently maintaining their delegation in Saigon, and they have stated that they are prepared to resume the two-party military talks once the GVN restores the privileges and freedom of movement of the Communist delegation.

FOR THE PRESIDENT ONLY

CAMBODIA

Khmer Communist "defense minister" Khieu Samphan, now concluding a tour of a number of European and African countries, continues to take a hard line on negotiations. Samphan has reiterated in the course of his travels that the Communists would not talk with the Phnom Penh government, "no matter how the current dry season offensive turns out." The Communist leader boasted that the insurgents control "90 percent" of Cambodia's territory and thus have no reason to negotiate.

Looking ahead, Samphan reportedly has claimed that after a Communist victory in Cambodia he would eventually replace Sihanouk as "chief of state." Samphan has said that the Prince would be allowed to return to Cambodia in a purely figurehead capacity--an arrangement which the Prince allegedly accepts.

FOR THE PRESIDENT ONLY

NOTE

Peru-Chile: Arms competition between Peru and Chile continues as each worries that the other has aggressive intentions. A Soviet arms carrier, delivering tank-related equipment and probably T-55 medium tanks, unloaded at Lima's port of Callao on May 9. Peru received 35 tanks last November, and more reportedly are on order. Meanwhile, Chile has apparently had some success in acquiring additional combat aircraft to counter what it views as an alarming military buildup in Peru.

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