

The President's Daily Brief

24 July 1973

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THE PRESIDENT'S DAILY BRIEF 24 July 1973

PRINCIPAL DEVELOPMENTS

Qadhafi apparently has decided to remain as Libya's president, and has not abandoned hope of gaining some concessions from Sadat on the terms of the planned merger. (Page 1)

Sadat's speech yesterday concentrated on his grievances against the US. He said Cairo would be reviewing how it can regain its lost territory. (Page 2)

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A note on the post-coup situation in Afghanistan appears on $Page\ 5$.

LIBYA-EGYPT

Qadhafi apparently has decided to remain as Libya's president, at least until unity with Egypt is formalized. His speech yesterday suggests that he still hopes to gain some concessions from Cairo on the terms of merger, despite the lack of encouragement from Sadat.

According to early reporting of his lengthy talk, Qadhafi stated that he would resume the leadership of his country, although the direction of the merger would ultimately determine his future. He catalogued his differences with Sadat over such issues as the Libyan "cultural revolution" and plans for war against Israel. While maintaining a tone that was neither antagonistic nor condemnatory, Qadhafi indicated little inclination to compromise on his concept of complete union or on his commitment to a popular Islamic revolution.

Sadat, in his major speech earlier in the day, dwelt only briefly with the Libyan question. He made it clear that he remains unconvinced of the merits of full and immediate merger.

EGYPT

In his annual Revolution Day address yesterday, Sadat dealt harshly with the US, but did not translate his frustrations into a call for immediate military action against Israel. He rejected what he termed a US ultimatum in the UN Middle East debate, charged that the US had modified its policy on an Arab-Israeli settlement over the years, and accused Washington of trying to perpetuate the cease-fire in order to help Israel absorb the occupied territories. He rejected "proximity talks" as well as any other form of negotiations with Israel.

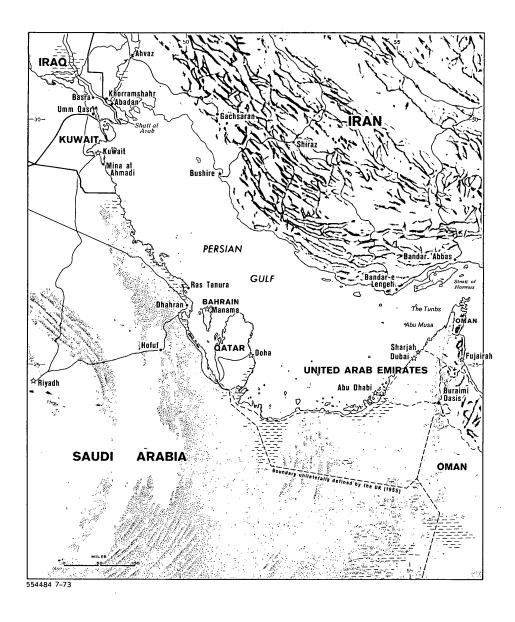
While protesting that he was not postponing the battle, Sadat emphasized that Cairo would have to re-examine how it can regain its territory. He said this review would be prepared over the next two months and determine Egypt's policy "for the next two or three decades."

Sadat accepted an aloof but still amicable relationship with Moscow. He took the position that the existing differences are those of friends--a line increasingly apparent in the Egyptian press. He criticized the level of Soviet military assistance but claimed that Brezhnev had reassured Cairo of Moscow's continuing support on a Middle East settlement

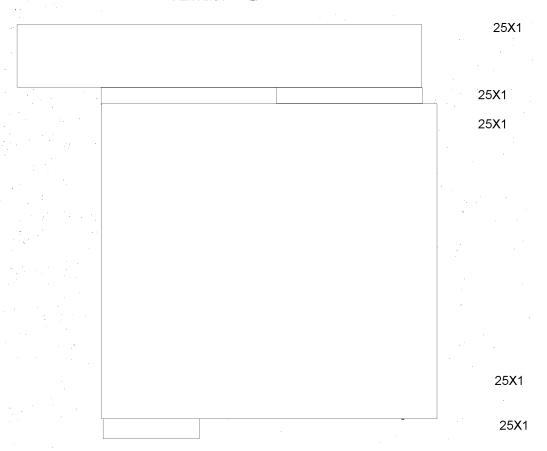
NORTH KOREA - EGYPT			

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PERSIAN GULF



NOTE

Afghanistan: A week after his well-executed coup, President Daud appears to be in full control. Until a new government is formed, he is also acting as prime minister, foreign minister, and defense minister. Daud's moderate foreign policy statements have helped him gain recognition even from Iran and Pakistan, who are worried that he may press the disruptive Pushtunistan issue as he did when prime minister ten years ago.