



The President's Daily Brief

27 August 1973



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THE PRESIDENT'S DAILY BRIEF

27 August 1973

PRINCIPAL DEVELOPMENTS

Egypt and Libya are still at odds over a formula for merger, although Qadhafi's unexpected flight to Cairo on Saturday is presumably an effort to work out some arrangement. Any agreement that emerges will nevertheless contain more shadow than substance. (Page 1)

Khmer insurgent attacks over the weekend closed two key highways leading to Phnom Penh, but there were no attacks in the immediate area of the capital. Plans for an offensive have apparently not been dropped, however. (Page 2)

Negotiations between West Germany and Czechoslovakia on establishing diplomatic relations have stalled, jeopardizing Brandt's planned trip to Prague. Bonn feels it cannot afford further concessions, and Soviet pressure on Prague has kept the Czechs standing pat. (Page 3)

Notes on continuing tension in Chile and the stalemate between Iceland and the UK appear on Page 4.

At Annex we explore the divergent aims with which Sadat and Qadhafi are approaching the issue of unity.

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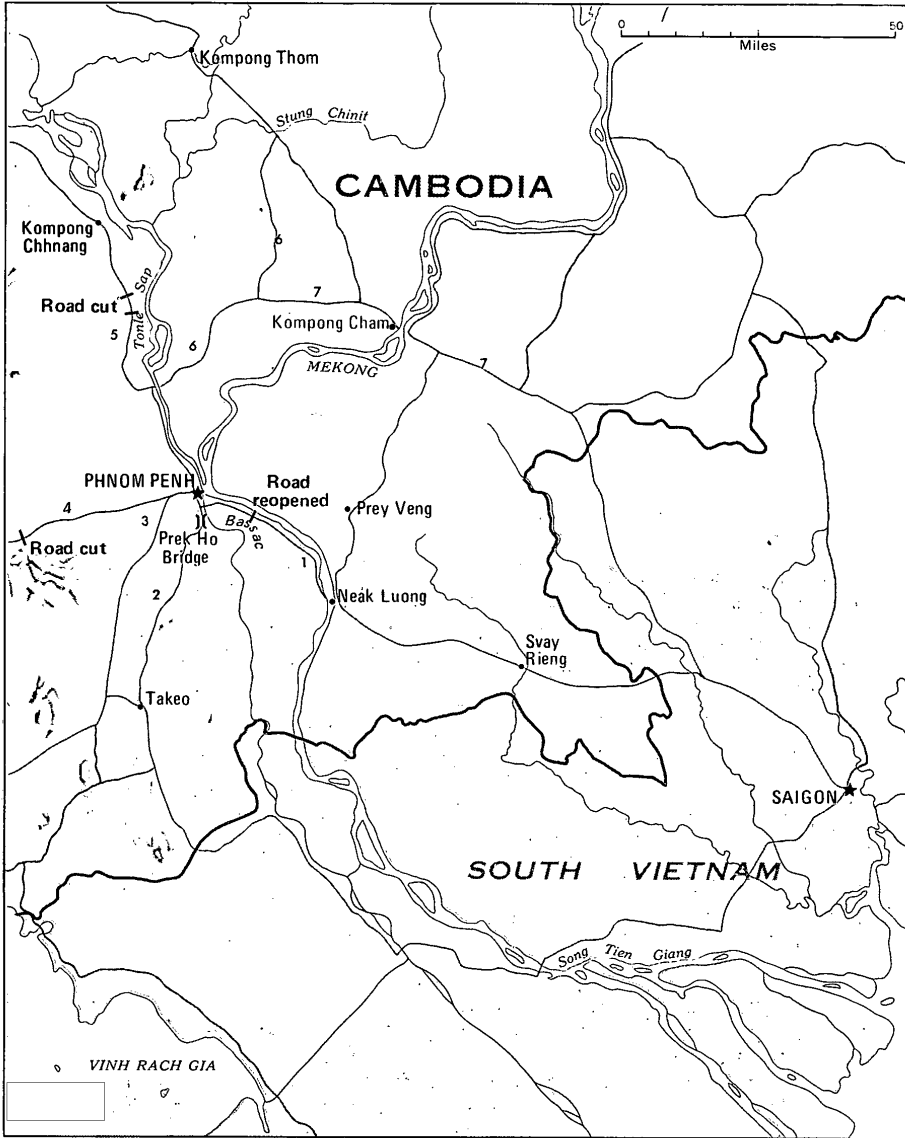
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EGYPT-LIBYA

With the deadline for union less than a week away, Egypt and Libya have yet to agree on a final formula for their merger. Controversy continues over the structure of the union, its implementation, and its leadership, and there is a less pressing but far more serious disagreement over the ultimate direction of the unified state.

Presidents Qadhafi and Sadat have attached considerable personal prestige to this much-heralded step toward Arab unity, and the chances are still reasonably good that they will reach a settlement in time for a formal proclamation on September 1. Both Qadhafi and his Prime Minister left unexpectedly for Cairo on Saturday to consult with Sadat.

Any agreement that emerges will, nonetheless, probably embody little more than the trappings of unity and the first few interim steps toward substantive integration. The present state of play between the two leaders is examined at Annex.



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CAMBODIA

Khmer insurgent attacks over the weekend closed two key highways leading to Phnom Penh--Routes 4 and 5--about 30 miles from the capital, and government units began moving yesterday to reopen the roads. Route 1 had been closed briefly but was quickly cleared. No attacks occurred along the major defense lines north and south of the city, however.

Coordination problems and flooding are probably hampering insurgent efforts to launch attacks in the immediate capital area. Nevertheless, plans for an offensive have apparently not been dropped; an intercepted message of August 26 claimed that "the battlefield around Phnom Penh will be fully engaged within two or three days." Another message alluded to plans for sapper attacks within Phnom Penh.

Meanwhile, insurgent forces maintained heavy pressure on the provincial capital of Kompong Cham, 45 miles northeast of Phnom Penh; its airstrip was briefly closed on Friday, and the city's defenses were shelled over the weekend. An intercepted message discussed insurgent plans for a major push against the city on August 30.

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WEST GERMANY - CZECHOSLOVAKIA

The stalemate in negotiations on establishing diplomatic relations has jeopardized Willi Brandt's trip to Prague, planned for early next month. During three days of talks last week Bonn continued to insist that its prospective embassy in Prague be authorized to represent West Berlin institutions, but the Czechs still say no.

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Bonn's firm reaction is more than a negotiating tactic. The Brandt government is worried that opposition parties will be able to argue effectively that it has bent too far if it fails to get the East Europeans to acquiesce in Bonn's right to represent West Berlin institutions abroad. This is a loose end that West German officials now regret having left untied in the treaty with Poland three years ago. Negotiations with Bulgaria and Hungary are stalled over the same issue.

Prague wants to normalize relations with Bonn, and can be expected to make a strong effort to prevent Brandt's trip from falling through. Much depends on the Soviets, who are largely responsible for the unyielding position the East Europeans have taken. A combination of pressures from West Germany and Eastern Europe may eventually move the USSR far enough to permit a satisfactory compromise, but for the present the East is standing fast.

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NOTES

Chile: The situation in the capital is quiet but very tense, with the government, the civilian opposition, and the military all maneuvering behind the scenes. The Communist and Socialist parties seem to be cooperating more, in view of Allende's precarious position, while the President seeks a way to regain the initiative to head off the military. He has placed General Herman Brady, one of the few pro-government army generals left, in command of troops in the Santiago area. Announcement of a new cabinet may be delayed several days, however. There is as yet no sign whether Allende will offer the armed forces a role, or whether he will be prepared to satisfy the military's probable demands if he does invite their participation.

Iceland-UK: Spokesmen for both sides agree that there is little chance of an early settlement of the Cod War, and a British Foreign Ministry official said last week that under no circumstances would London consider making concessions just to help the US negotiate retention of the Keflavik base. The impasse bodes ill for the negotiations, scheduled to begin late next month. Most Icelanders dislike military bases on principle, and are susceptible to the argument--being pushed by the Icelandic Communists--that the base should go since it has failed to protect the country from British "aggression."

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EGYPT-LIBYA

The controversy between Qadhafi and Sadat over possible forms of merger is continuing right down to the wire. Paradoxically, President Qadhafi has been the most formidable obstacle to the unity scheme that he himself originated. His refusal thus far to approve anything less than a "complete and immediate" union has virtually nullified over 13 months of planning. In public, he has protested that Sadat must assume leadership of the union, but in the actual negotiations he has been unwilling to accept a position that would give him any less political clout or military authority than his Egyptian partner. His fervent espousal of his own brand of Islamic radicalism, particularly his cultural revolution, has deepened misgivings about the merger at home and in Egypt. Finally, his brinkmanship--most notably the "march on Cairo" and his brief but dramatic retirement--has convinced the wary Egyptian leadership that it cannot afford a full partnership. Despite this, the Libyan leader continues to bargain for concessions from Cairo and apparently means to do so right down to the deadline of September 1; the Egyptians reportedly remain steadfast in their decision not to cave in.

Cairo originally entered the union project unenthusiastically. Sadat saw certain political and financial benefits to be gained, but Cairo has involved itself in ill-fated unity schemes in the past, and has therefore been wary. Sadat is particularly concerned about the post Qadhafi would assume in a merged state. He wants Qadhafi in a position of responsibility because he feels he can control him better in office than out. He also believes that Qadhafi's presence in the government would please elements in Egypt who admire the Libyan's dynamism. At the same time, Sadat does not want to relinquish control of any facet of Egyptian policy, either foreign or domestic.

A second problem for Egypt is the role Libya's cultural revolution might play in the state's internal policy. The Egyptians are somewhat disdainful of the cultural revolution, which they regard as an embodiment of the governmental immaturity that they believe they overcame 20 years ago. Their disdain is tinged with apprehension, however, at the disruption that such a revolution could cause in Egypt.

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A number of scenarios for union have emerged from the ongoing negotiations. Virtually all involve some kind of announcement of merger on September 1 and the initial integration of a few ministries, to be followed by fuller union at some unspecified time. All have been modeled on the Egyptian concept of preserving substantial autonomy for both regions. The most recent plan may become the basis for a compromise settlement; it calls for one capital, one cabinet, one military establishment, and one political party. President Sadat would be nominated for the presidency with Qadhafi as the vice-presidential candidate. A referendum would be held in both countries to approve the proposal, after which a unified cabinet would be formed. At the bureaucratic level, however, only the foreign ministries, defense establishments, and perhaps the interior ministries would be integrated--at least initially. This unity scheme would sound realistic, but the actual functioning of the departments involved could continue virtually unchanged.

The Egyptians are apparently willing to dress up this scenario with a proclamation that it represents "complete" merger. Qadhafi is dissatisfied with what he considers to be mere cosmetics, however, and has continued to withhold his approval. Sadat is unlikely to compromise further. He believes he has commitments from other Arab states--notably Saudi Arabia--of political and financial support that could compensate for the loss of a partnership with Libya.

In the face of Egypt's refusal to accept the Libyan blueprint, Qadhafi seems likely to compromise. A frustrated Qadhafi could fall back on another dramatic ploy to get his own way, but he will not act without calculating potential gains and losses, and this time he stands to jeopardize his drive toward Arab unity, a cause he most fervently believes in. For him, merger is the first critical step in the "battle" to restore Palestine and the campaign to rejuvenate Arab dignity. Sadat no doubt strikes Qadhafi as an unsuitable leader for this crusade; nevertheless Egypt--even for Qadhafi--is considered the vanguard of the Arab people. Qadhafi may also believe that he--or the force of his principles--could eventually come to dominate and strengthen the union.

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