



The President's Daily Brief

13 November 1973

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FOR THE PRESIDENT ONLY

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PRINCIPAL DEVELOPMENTS

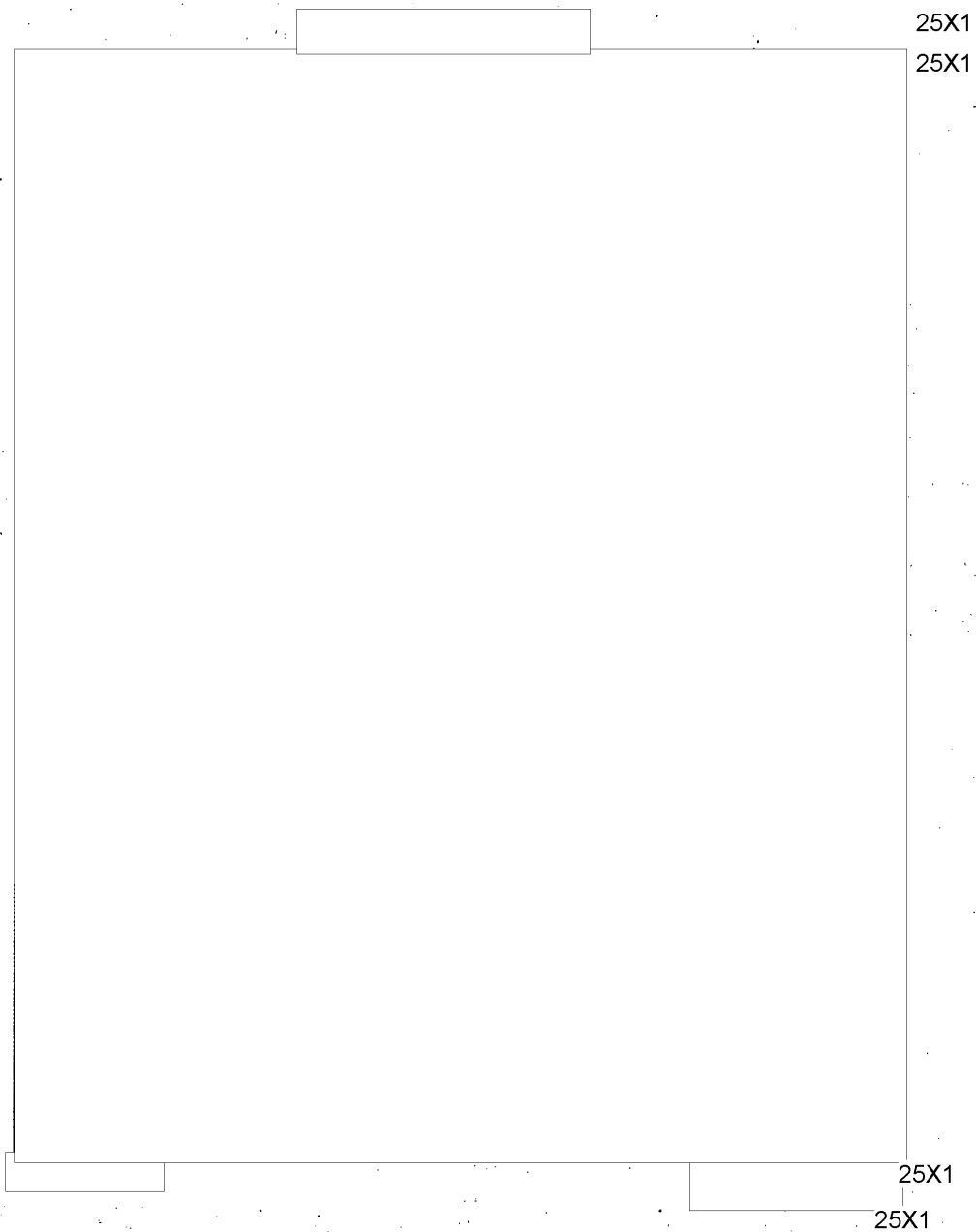
Several cease-fire violations and sharp disputes over implementing the Egyptian-Israeli agreement signed on Sunday have marred efforts to progress further toward a settlement. (Page 1)

The presidents of the two Yemens met last weekend against a background of recent border clashes and rumors of political change in Aden. (Page 3)

Several NATO members seem ready to help relieve US balance-of-payments losses resulting from stationing troops in Europe, but most continue to express doubts concerning a multilateral program. (Page 4)

Notes on international monetary developments and France appear on Page 5.

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ARAB STATES - ISRAEL

Several cease-fire violations and sharp disputes over implementing the Egyptian-Israeli agreement signed on Sunday have marred efforts to progress further toward a settlement.

Yesterday afternoon Israeli troops dismantled a UN checkpoint that had been set up at the northwestern edge of Suez city. Tel Aviv claimed that it cut off an Israeli checkpoint in the town, and did not fit the terms of Sunday's agreement. General Siilasvuo, the UN commander, rejected Defense Minister Dayan's invitation to go to Tel Aviv to discuss UNEF problems, but said he would meet with Dayan or his representative in Suez.

[redacted] the Egyptian-Israeli meetings at Kilometer 101 on the Cairo-Suez road shows how hard each side will fight on interpreting the agreement. [redacted]

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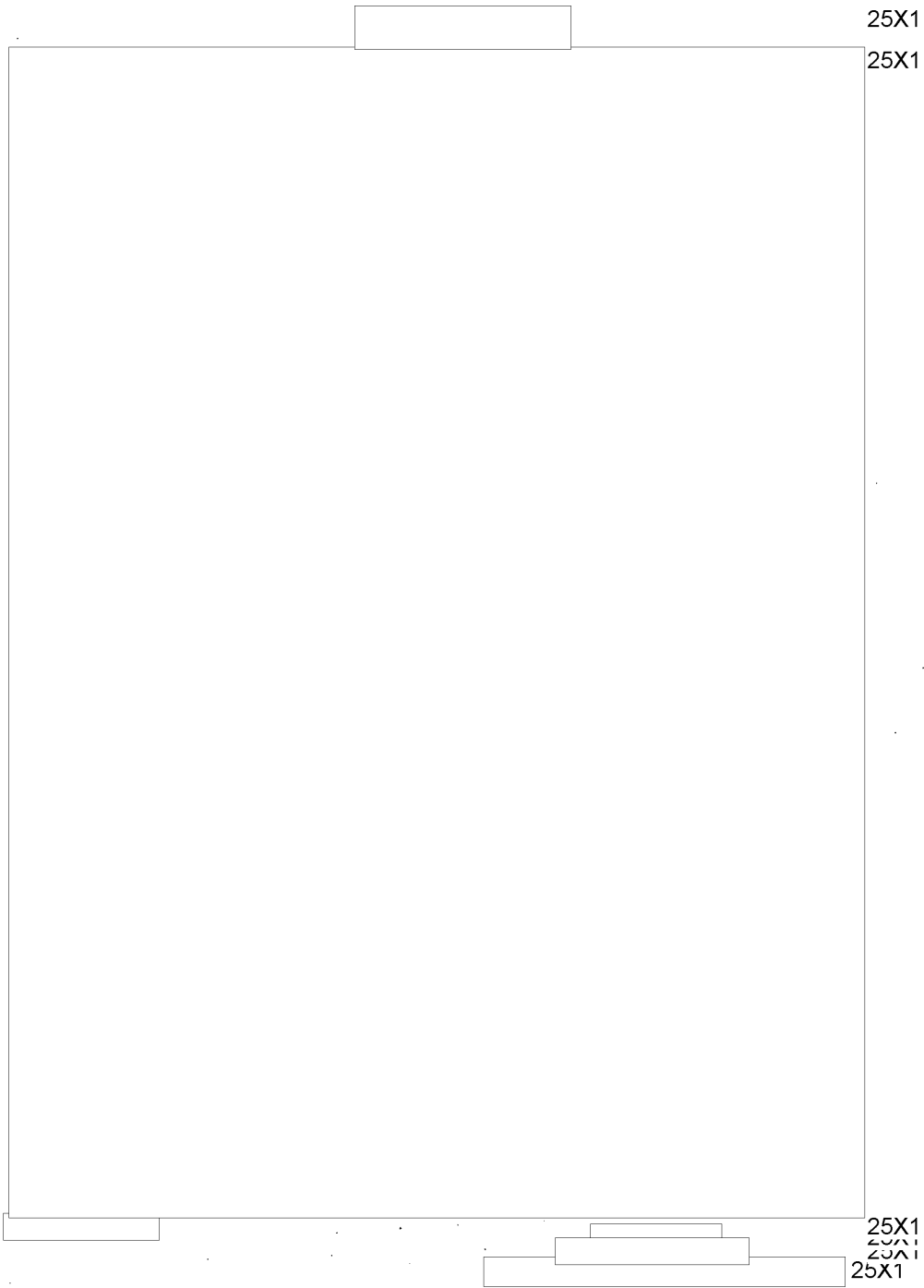
[redacted] The two sides sparred over when they should discuss the prisoner-of-war issue. The Israelis are said to be insisting that they will permit UN forces to be stationed alongside Israeli soldiers at checkpoints on the road, but not as replacements for them. The Israelis' alleged refusal to pull back from Kilometer 101 particularly infuriated the Egyptians.

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The UN force continues to be hampered by shortages of men, supplies, and money. Secretary General Waldheim reports that 1,600 troops are in place, and that Kenya and Senegal have been invited to send contingents. If they each provide a battalion, the force will total little more than half of its 7,000-man goal. Delays in the Soviet airlift of reinforcements and equipment from Helsinki have caused difficulties for the Finnish contingent around Suez. Waldheim also appealed to UN members for advance contributions to fund the operation, noting the UN's lack of cash resources.

Sporadic exchanges of artillery and small arms fire occurred on both sides of the Suez Canal yesterday. Israeli aircraft flew several reconnaissance missions along the canal, and an Egyptian surface-to-air missile was fired. Small arms and artillery fire was also reported on the Syrian front west of Sasa, where the US Consulate in Jerusalem reports the Syrians have established a salient into Israeli lines.

(continued)

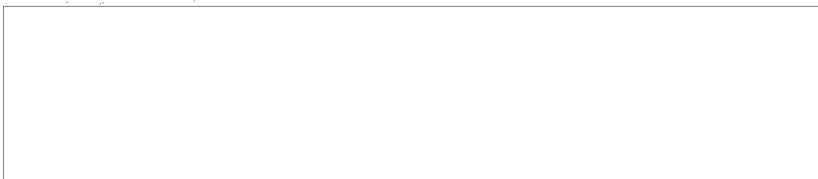


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Israeli Transport Minister Peres announced yesterday that Israel would soon test the Egyptian blockade of the Bab al-Mandab by sending a ship through the straits.

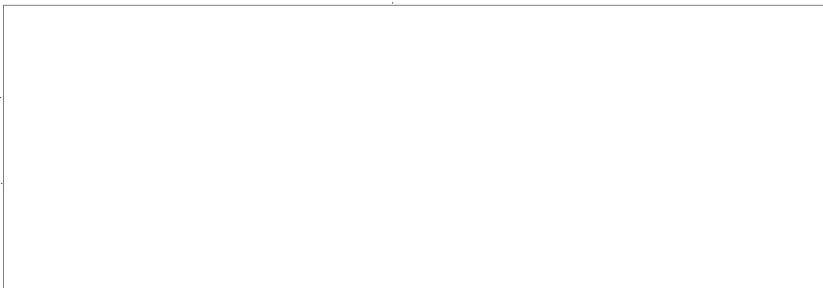
Yasir Arafat, Fatah leader and Palestine Liberation Organization chairman, arrived in Moscow on Sunday night, and reportedly the top leaders of all the fedayeen organizations represented in the PLO will join him for talks with Soviet officials. The Beirut press suggests that the discussions are a follow-up to the Soviet-fedayeen dialogue in late October on the PLO's participation in post-war negotiations and on the concept of an independent Palestinian state. Arafat met with Syrian, Iraqi, Saudi, and Egyptian leaders before leaving for Moscow.

The US Embassy in Beirut believes that Fatah and other fedayeen organizations support the PLO's participation in peace talks--or that they would go along under pressure from some Arab governments and the Soviet Union--should an invitation be forthcoming. The Embassy also believes a consensus is developing among the fedayeen in favor of a Palestinian state on the West Bank and Gaza.



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THE YEMENS

Presidents Iryani of Yemen (Sana) and Ali of Yemen (Aden) met on November 10, apparently to try to advance efforts toward a working relationship. They had laid a basis for improved relations when they conferred at the nonaligned conference in September. They are also under pressure from other Arab nations to move toward unity. Neither Yemen seems interested, however, in actually implementing the unity agreement that they signed a year ago.

Their latest talks may have been prompted by minor border clashes during the past few weeks. Both leaders seem anxious to avoid another round of serious fighting such as occurred before their agreement last year.

The talks took place against a background of rumors about political changes in Aden. [REDACTED]

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NATO

Several alliance members are ready to help relieve the balance-of-payments losses the US incurs from stationing troops in Europe, but most continue to be reserved or negative toward a multilateral proposal.

In the North Atlantic Council late last week, Dutch, Norwegian, and Belgian representatives indicated that their countries would make contributions to lessen the US balance-of-payments deficit. The Netherlands and Norway intend to increase their purchases of military equipment from the US. Brussels reportedly will propose that each NATO country negotiate a bilateral arrangement with the US, and that US payments to various NATO projects be reduced.

Most other Council members were less specific, stating that their governments were studying how they could best contribute to a NATO-wide program to ease the US payments problem. The British, Canadian, and Turkish representatives, however, again indicated that their governments still have reservations about participating in a multilateral program. The West German delegate reemphasized that Bonn already contributes substantially to the US through its bilateral offset agreement. Bonn could agree to lower the US payments to NATO's infrastructure budget, he said, if the other countries also agreed.

In Bonn last week, West German officials raised the German offer on a new two-year offset arrangement by agreeing to purchase an additional \$300 million worth of US military equipment each year. In addition, according to the US Embassy, it is virtually certain that the West German cabinet will decide to help finance the annual purchase of \$72 million worth of uranium enrichment services from the US. The total German offer, about \$1.4 billion a year, is still less than half of what the US is asking.

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NOTES

International Monetary Developments: The dollar continued its advance on major foreign exchange markets yesterday, reaching its highest position against the mark and French franc since last spring. The mark remains at the bottom of the European joint float band. The dollar also remains strong relative to the Japanese yen. The Bank of Japan intervened substantially yesterday and again today to prevent further depreciation of the yen.

France: In a speech to Parliament yesterday, Foreign Minister Jobert provided the Pompidou government's most striking display yet of its deep anger and frustration over recent international events. Jobert accused the US and the USSR of establishing a "veritable condominium" that has reduced the European Communities to a state of impotence, and claimed they had "brutally brushed aside" France and Europe in an effort to reach a Middle East settlement. He urged the EC to respond to this "humiliation" by urgent action toward political union. While Jobert acknowledged Europe's dependence on the US, Paris clearly hopes to exploit other nations' unhappiness with their secondary role in the Middle East crisis.

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