



The President's Daily Brief

21 December 1973

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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

December 21, 1973

PRINCIPAL DEVELOPMENTS

Differences between Syria and Egypt have hardened substantially in the past few days. Syria's refusal to attend the Geneva conference has also disrupted attempts to forge a common peace policy among fedayeen organizations. (Page 1)

There is mounting evidence that Libya was involved with the terrorists who hijacked a Lufthansa aircraft from Rome earlier this week. (Page 3)

International meetings in Europe and in the Middle East have dominated the oil news this week. (Page 4)

Soviet and East European Communist party specialists met this week in Moscow to coordinate their efforts to minimize the effects of wider contacts with the West. (Page 6)

General Secretary Brezhnev's visit to Cuba appears to have been deferred until mid-January. (Page 7)

The assassination of Prime Minister Carrero Blanco has complicated General Franco's succession plans and compounded the uncertainties of the post-Franco era. (Page 8)

Notes on Soviet [redacted], security concerns in Chile, Canadian wheat crop estimates, and Zaire's nationalization of foreign-owned oil distribution facilities appear on Page 9.

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SYRIA-EGYPT-FEDAYEEN

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Differences between Cairo and Damascus have hardened substantially in the past few days. [redacted]

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[redacted] President Asad delivered a long tirade against Sadat. [redacted] Asad's comments [redacted]

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[redacted] reflect genuine doubts about Egypt's trustworthiness and about prospects for a satisfactory peace settlement. They also reflect concern about the strength of Asad's position at home.

Asad hashed over [redacted] Syrian grievances against Egypt. He accused Sadat of accepting the cease-fire without consulting Damascus, using the Syrians for his own ends [redacted]

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[redacted] Asad was especially critical of Sadat for throwing away the Arabs' trump card by agreeing to exchange prisoners-of-war--again without consulting Damascus. He said Syria has no intention of relinquishing its Israeli prisoners so easily.

The Syrian President indicated that sentiment in the army and the Baath Party against Syrian attendance at the Geneva conference was too strong for him to disregard, but added that he might consider participating later if he saw some "visible results" coming from the talks. He put a decision on resuming hostilities on the same "wait and see" basis, and claimed he had no immediate plans for such action.

[redacted]

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[redacted] Asad [redacted]

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[redacted] could not accept less than a total withdrawal without committing political suicide.

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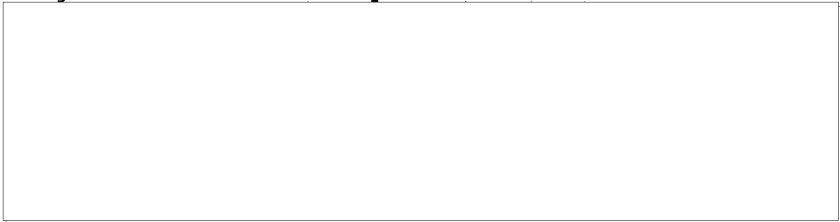
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Syria's refusal to go to Geneva and its efforts to prevent the fedayeen from attending have disrupted Arafat's attempt to forge a common Palestinian peace policy.

Arafat had made some progress earlier in gaining from various fedayeen factions support for PLO participation at some stage in the Geneva talks, and for the creation of a Palestinian state consisting of the Israeli-occupied West Bank and Gaza.



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LIBYA-FEDAYEEN-EGYPT

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Libya may have helped plan the hijacking of the Lufthansa aircraft from Rome earlier this week.

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[Redacted]

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President Sadat reportedly views the operation as an attempt by Qadhafi to sabotage the Geneva talks.

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[Redacted]

Meanwhile, the Kuwaitis apparently are having no success in eliciting information from the hijackers about their identities or organizational affiliation. Kuwaiti officials reportedly have decided to turn them over to the Palestine Liberation Organization. Kuwait's Foreign Minister told Ambassador Stoltzfus yesterday that the PLO has been told categorically that Morocco and Kuwait expect the "harsh-est punishment" to be meted out to the hijackers.

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INTERNATIONAL OIL

International meetings, past and future, in Europe and in the Middle East, dominate the oil news this week.

The EC summit meeting in Copenhagen apparently made no progress in reconciling the differences among the Europeans on how to cope with energy problems and, in any case, focused mainly on medium- and long-term measures. The absence of immediate action may reflect, in part, the largely unstated consensus that Western Europe can best maintain oil imports, and provide for those countries with the largest potential deficits, by not taking formal collective measures that the Arabs could interpret as a challenge.

[redacted] there is a "silent understanding" that EC governments will not interfere with the oil companies' efforts to supply all regular customers, including those in the Netherlands, on an equal basis. This "understanding" may not be [redacted] firm [redacted]; countries losing oil as a result of the equalization effort have tended to complain [redacted] to the oil companies that too much is being diverted from them. The UK, for example, appears to be losing about 10 percent of its oil supplies as a result of diversions and export restraints by product suppliers, while France is losing only some 2 percent.

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Meanwhile, Secretary Kissinger's call for an extensive cooperative energy program is being studied. The British favor the Kissinger plan, the French are skeptical, and most other countries have expressed general approval, but are waiting for US elaboration before committing themselves. The meeting of the OECD Oil Committee's High Level Group on December 19 resulted in a strong consensus favoring the plan. A majority wants the OECD used as a vehicle for the group, although details were not discussed.

The view that the US stands to make substantial long-term economic gains at Europe's expense because of the energy crisis has gained some credence and has increased European frustration. West German and French bankers and Japanese Foreign Ministry officials have charged that the US may be promoting the shortage, and US officials report that conspiracy theories are becoming popular.

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On the producers' side, substantial crude oil price increases are expected to be announced at the Organization of Petroleum Exporting Countries meeting that begins tomorrow in Tehran. At the last OPEC meetings in October-November prices for Persian Gulf oil were raised by about 37 percent.

The Arab oil ministers may hold a meeting late this month to hear a report from their Saudi and Algerian colleagues, who have been traveling in Europe and the US. Any new policy announcements that King Faysal might want to make following his consultations with his oil minister and his meeting with Secretary Kissinger might surface at this meeting.

Unity among the Arab producing countries appears to be increasing.

[REDACTED]

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Kuwait says that it now regards a 50-percent reduction in production as both politically and economically desirable.

Some Arabs may be beginning to question the effects of their own weapon, however. While most producers profess to be unworried about Western countermeasures and are not overly concerned about Western public opinion, they do fear that the oil weapon could bring about a world depression that would affect them. They also realize that the end result of the cutbacks may be a strengthening of the US economy relative to those of Europe and Japan. Arab willingness to let oil transit Rotterdam is one sign of this new concern.

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USSR - EASTERN EUROPE

Soviet and East European leaders are coordinating efforts to minimize the corrosive effects of wider contacts with the West. This was undoubtedly a key topic discussed by party specialists from all Warsaw Pact countries who met in Moscow on December 18-19. They probably also developed common propaganda guidelines with regard to the talks on European security, with particular stress on the thorny issue of freer movement of people and ideas.

Moscow's leading ideologue, Mikhail Suslov, chaired the sessions. The other participants were central committee secretaries responsible in their respective parties for ideology and interparty relations.

The conferees presumably discussed various plans for multilateral Communist meetings next year and the world conference that the USSR would like to hold eventually. A gathering of West European Communist parties is scheduled for early 1974 in Brussels, and Moscow seems to have enough support for an all-European Communist meeting by late 1974. Polish party chief Gierek, who also met with Soviet party officials in Moscow last week, may have been given a special role in paving the way for the all-European meeting. The Poles have been asked to perform similar tasks in the past.

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USSR-CUBA

An officer of the Soviet Foreign Ministry has told the US Embassy that Brezhnev will be going to Cuba around January 15. This confirms reports of last weekend that the Soviet leader's arrival in Havana has been deferred from late December to mid-January.

Brezhnev may have decided that his presence at Castro's 15th anniversary celebrations on January 2 would be the kind of irritant to the US which he wishes to avoid at this point in the US-USSR relationship. The uncertainties of the Middle East situation, of course, could also have contributed to the decision.

Whatever the reason, Havana is not pleased, since the delay implies that Moscow is downgrading Cuba's importance. Deputy Premier Carlos Rafael Rodriguez, in Moscow last week preparing for the visit, implied as much in his departure statement; he noted that Cubans are "awaiting impatiently" the Soviet leader's visit.

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SPAIN

The death of Prime Minister Carrero Blanco complicates General Franco's succession plans and compounds the uncertainties of the post-Franco era. The assassination may have been related to the trial of the "Carabanchel Ten" dissident labor leaders, which was slated to begin just an hour after the attack. The trial was temporarily suspended, but late reports indicate that it was resumed later in the day.

Vice Prime Minister Fernandez-Miranda automatically became acting prime minister. The constitution provides that Franco appoint someone to a full five-year term within ten days, but Franco may decide to keep Fernandez-Miranda on an acting basis for a longer period. Fernandez-Miranda himself becomes a leading contender for permanent appointment, although he is likely to be challenged by others who want the post.

Franco may conclude that the assassination necessitates the appointment of someone further to the right than Fernandez-Miranda. Potential candidates include General Diez Alegria, chief of the High General Staff, and President of the Cortes Rodriguez de Valcarcel, a possible compromise candidate. Franco may even decide to reassume the post himself. The government's policies are not likely to change significantly in any event.

Meanwhile, security has been tightened in Madrid. All police have been recalled from holiday leave and the security service will probably round up known extremists of all political persuasions.

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NOTES

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Chile: There is concern in the junta over the possibility that its opponents will attempt to re-focus international attention on Chile with headline-making activity over the holiday period. Strict security measures remain in effect throughout the country, including spot searches of travelers. Although the left is still far from ready to launch a concerted terrorist campaign, extremists are capable of mounting a few spectacular operations.

Canada: Revised Canadian estimates show that there will probably be an additional 1 million tons of wheat available for export or carry-over for the crop year ending next July 31. Canada will probably export between 13 and 15 million tons of wheat during the crop year, leaving some 7 to 10 million tons to be added to domestic stocks.

Zaire: President Mobutu, apparently fearful that Zairian oil supplies would be diverted to countries with major oil shortages, has ordered the nationalization of all foreign-owned petroleum facilities in Zaire. The decision was announced shortly after Mobutu returned from a trip to the Middle East during which he obtained guarantees that Zaire will be able to purchase oil products directly from Algeria and Libya. The announcement of the takeover, which includes distribution facilities owned by Texaco, Shell, and Mobil, implied that the companies affected will be compensated. In the meantime, they have been ordered to continue their operations.

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