



The President's Daily Brief

19 June 1970

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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

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PRINCIPAL DEVELOPMENTS

Early returns from the British elections point toward a stunning upset victory for the Conservative Party. (Page 1)

Cambodian developments are discussed on Page 2.

Souvanna wants to keep the possibility of a future meeting with the Pathet Lao alive even though he cannot accept the Communists' preconditions for the talks. (Page 4)

The enemy supply flow through the Laotian panhandle continues despite heavy rains. (Page 5)

In Libya [redacted] (Page 6)

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[redacted] (Page 7)

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Panama will soon present its official position on the Canal treaty negotiations, and in the interim General Torrijos has made it clear that he is not satisfied with the draft treaties. (Page 8)

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UK

The Conservative Party may win a majority of 30-40 seats if the trend reflected in the early returns of the British elections continues. Labor has already lost over 40 seats it won in 1966 and the returns from the Conservative strongholds have not been announced. Vote-counting is scheduled to resume today at 0500 (EDT).

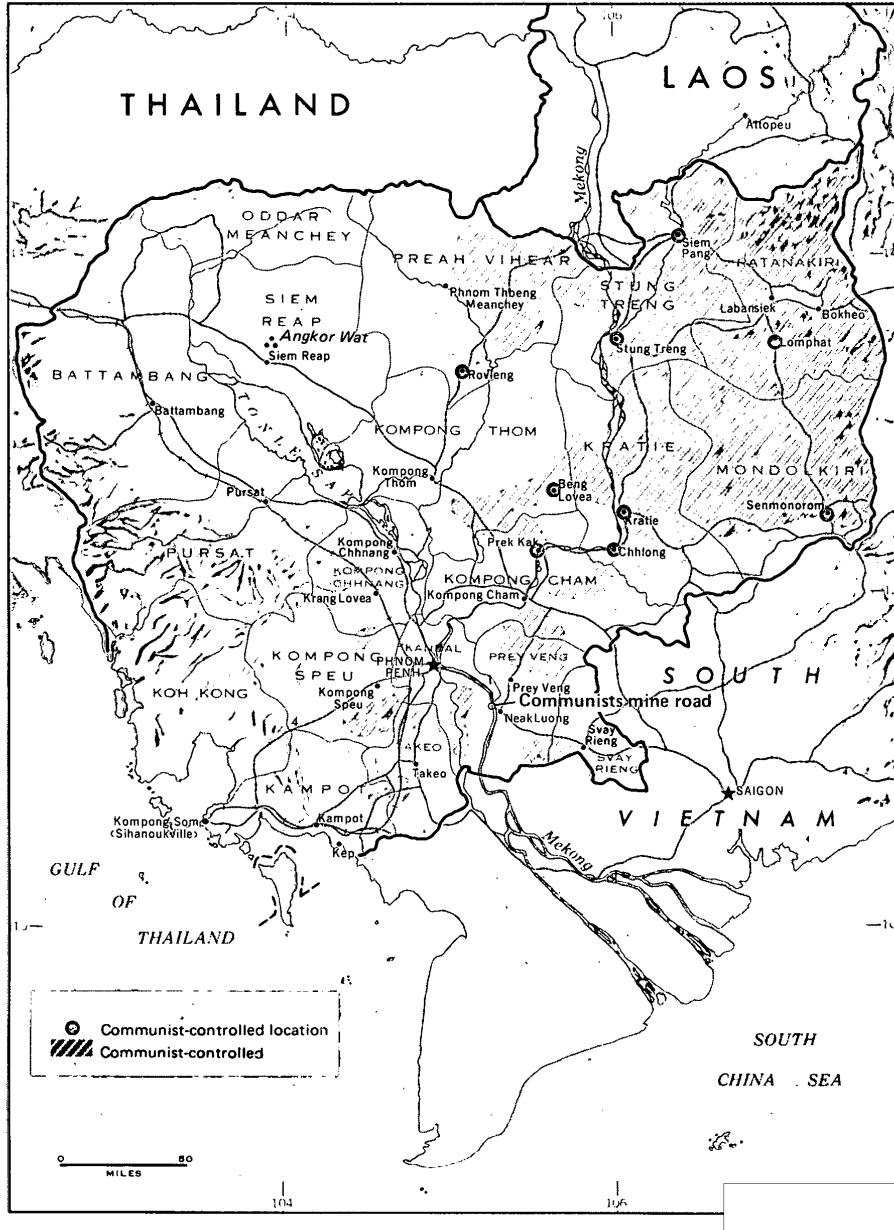
Heath stressed economic issues, principally rising living costs, throughout the campaign. His 11th-hour charge that Labor policies would only lead to a further devaluation of the pound may have been effective.

Foreign policy issues were not a major factor in the campaign. Heath and the Conservative Party are on record for restoring a British presence "East of Suez." The costs would be prohibitive, however, and the Tories may soften on this issue. Both parties are on record for British entry into the European Communities, but on favorable terms.

Wilson has not yet conceded but his remarks before retiring last night were not optimistic. A break in Labor's rule after six years could lead to a search for new faces and new policies. Although Wilson had no outstanding rival in the party prior to the election, challengers may arise if Labor becomes the opposition party.

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Cambodia: Current Situation



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CAMBODIA

The Communists yesterday mined and shelled Route 1, which connects Phnom Penh with the South Vietnamese border. According to an intercepted army message, the mining occurred near the Neak Luong ferry, 30 miles southeast of Phnom Penh. Another message claimed the Communists intend to destroy bridges in the same area. If the enemy maintains pressure on Route 4, between Phnom Penh and Kompong Som (Sihanoukville) then all main roads out of the capital will be blocked.

The government continues to brace itself for a possible Communist attack on Phnom Penh, although there are still no firm indications that any such action is brewing. Some propaganda leaflets were circulated yesterday in Phnom Penh, however, claiming that an attack on the capital by massive North Vietnamese forces surrounding the city was being planned.

* * *

Communist forces in Kompong Chhnang city seem to have withdrawn to its outskirts, where skirmishes continue to be reported. Southeast of the city, an estimated enemy battalion armed with heavy weapons still holds the town of Krang Lovea, and the railway westward to the Thai border remains blocked. The Communists captured about 1,000 tons of rice from a supply train in the town on 17 June. Two trainloads of government reinforcements are en route to Krang Lovea.

Elsewhere in the west, the government still describes its position at Siem Reap and Kompong Thom cities as "critical." Military action near Siem Reap yesterday was light, but reinforced Communist elements are now reported to occupy almost all of the temples in the Angkor Wat complex. The enemy made another heavy night mortar attack on Kompong Thom; the government commander there reports the morale of his men is declining fast.

(continued)

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The Communists again made brief mortar attacks yesterday on the towns of Labansiek and Bokheo in Ratanakiri Province. US Embassy officials and senior Cambodian Army officers in Phnom Penh believe these last two government garrisons in Ratanakiri should be evacuated and they are trying to persuade Lon Nol to do so. The government has been unable to resupply the estimated 8,000 military and civilians in the two posts.

* * *

The National Assembly has established an executive committee to advise the government on various aspects of national policy.

[redacted] the executive committee was slated to meet earlier this week with government representatives. It planned to recommend that political counselors be assigned to all military units and that an "international police force" be created to prevent further misconduct by South Vietnamese troops operating in Cambodia.

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The impetus for this step came from a number of ambitious deputies who have criticized the government's performance and are seeking a greater voice in its management. The government probably has no intention of relinquishing any real power to the new committee, but has accepted it in order to mollify these critics.

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LAOS

The Laos Government will counter the latest Communist demand for an end to US "aggression" (referred to in yesterday's Brief) with a call for a corresponding withdrawal of North Vietnamese troops, [redacted] Vientiane is under no illusion that the Communists will accept this procedure, but the government believes it must take a firm stand.

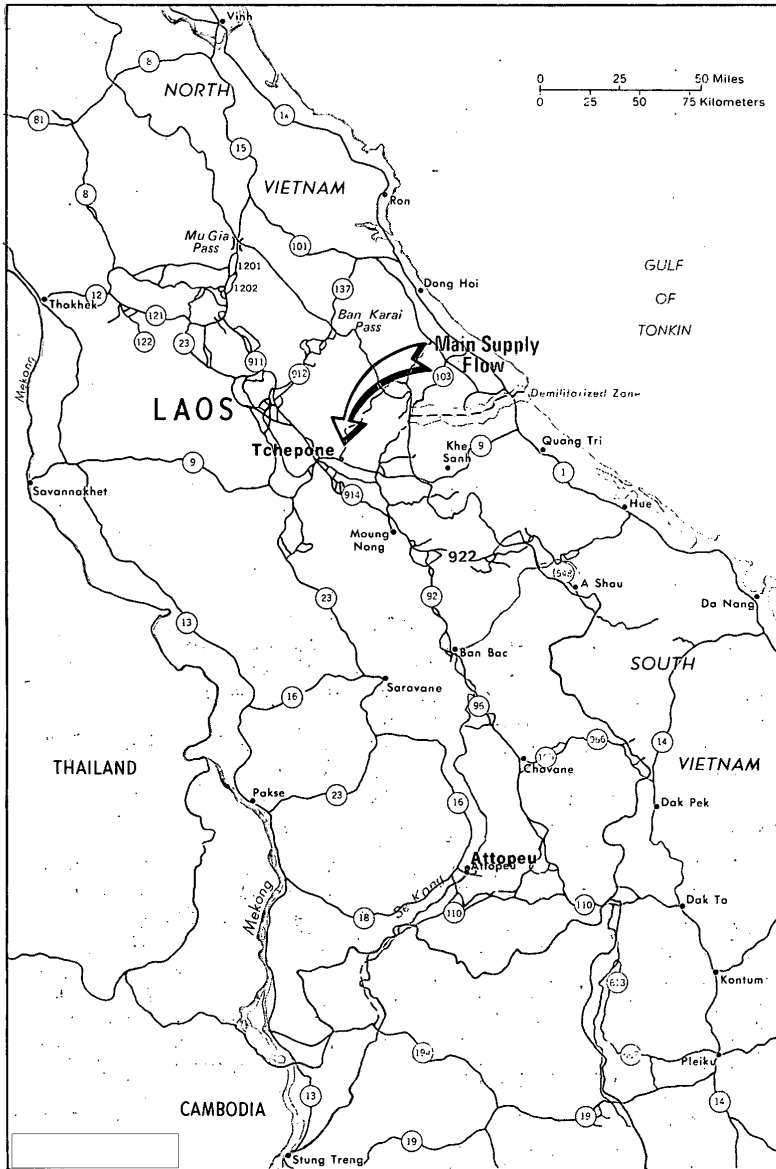
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Nonetheless, Souvanna Phouma wants to maintain contact with the Pathet Lao. To that end he told a cabinet meeting on 17 June that the government's response should hold open the door to exploratory meetings with the Communists. Souvanna will insist that any such meetings be held in Laos and he has indicated that the Plaine des Jarres, under Communist control, or the royal capital of Luang Prabang would be acceptable sites.

Souvanna is trying to maintain a precarious balance between growing military pressures from the Communists and internal political pressures from rightists. Thus, he wants to keep open his options for talks with the Communists, but he cannot go very far in this direction without increasing his difficulties with the rightists.

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Communists Continue Supply Movements During Rainy Season



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LAOS - SOUTH VIETNAM

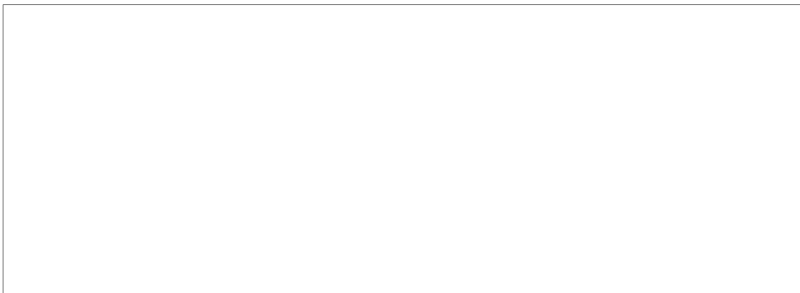
Despite heavy rains, Communist supplies are still flowing into and through the Laotian panhandle in substantial quantities. An average of 51 tons a day moved into the southern panhandle in the first week of June. This is about one-half the peak daily average during the past dry season. A roadwatch team also reported an average of 39 trucks a day during a five-day period in June on one route in Laos near the Demilitarized Zone.

Most of the supplies are moved from North Vietnam to Laos over routes west of the Demilitarized Zone and across the South Vietnamese border on routes south of Route 922. Although the Communists have recently extended their control of Laotian territory by taking Attopeu, the enemy is not making extensive use of the Se Kong River system to move supplies.

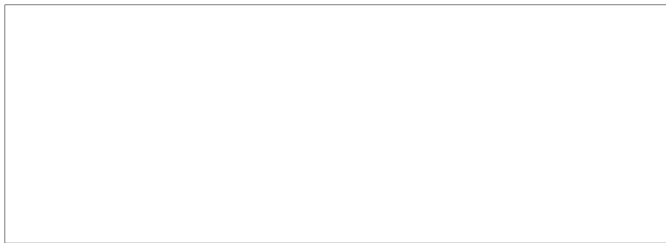
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LIBYA



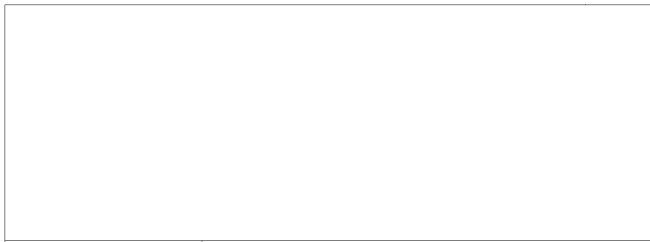
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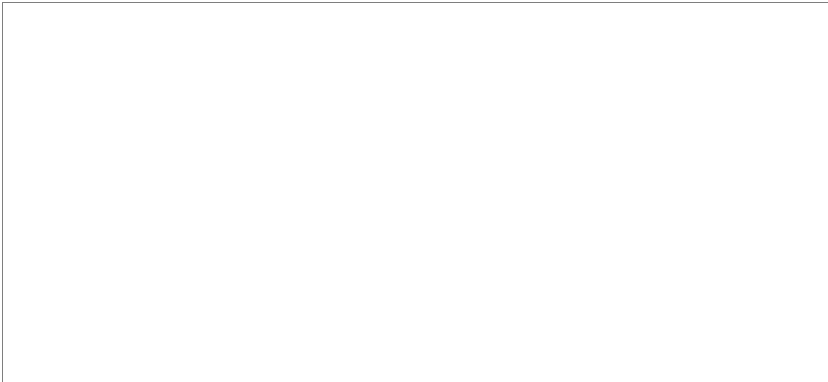


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USSR

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Brezhnev's speech was more conciliatory than usual. At the same time, it depicted US actions as an obstacle to improved relations, and Gromyko appeared gratified that the US press had stressed that point.

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This is consistent with recent Soviet efforts to create an impression of orderliness in Moscow's relations with the West, a posture that has been particularly evident since last year's increased tensions on the Sino-Soviet border.

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PANAMA

General Torrijos has sharply criticized the 1967 draft treaties in a conversation with Ambassador Sayre. He asserted that the drafts did not solve the sovereignty and jurisdiction problems and that they would not eliminate friction between the two countries. He wants a single, uncomplicated agreement rather than three treaties.

Torrijos specifically attacked a provision of the 1967 draft that provides for the transfer of the Canal and the Zone to a joint administration composed of five Americans and four Panamanians. He stated that under such an arrangement Panama would not be a bona fide participant in canal administration. He also complained that the defense arrangements were completely open-ended, that US forces could be deployed without Panamanian approval and that nuclear weapons could be stored in the country.

The General's remarks suggest that he will want very strict controls over defense forces. Moreover, the Panamanians may also insist on annual payments for base rights. They can also be expected to press for full and equal partnership in the administration of the Canal. They have already indicated that all commercial activities within the Zone should be under Panamanian control.

General Torrijos informed the ambassador that Panama will have an official position on Canal treaty negotiations ready within a few days.

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