

The President's Daily Brief

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28 August 1970

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THE PRESIDENT'S DAILY BRIEF

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PRINCIPAL DEVELOPMENTS

The Communists seem to be strengthening their control of the regions they occupy in Cambodia. (Page 1)

Some new SA-3 equipment has been seen moving into Cairo. (Page 2)

The fedayeen are trying to appear unified, but the facade cannot last. (Page 3)

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Panamanian leaders seem determined to antagonize the US. (Page 5)

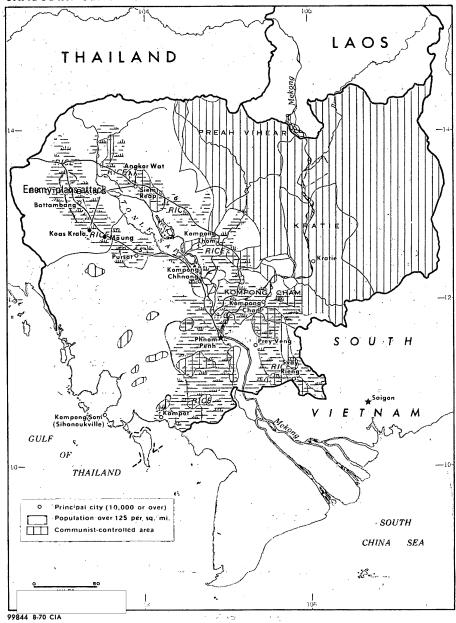
Libya again orders reductions in the production of petroleum. (Page 6)

Greece. (Page 7)

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FOR THE PRESIDENT ONLY





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CAMBODIA

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a large enemy force has set up camp in the jungle just north of the Angkor Wat temple area and intends to attack Siem Reap city in the next few days. The Communist force moved into position from neighboring Preah Vihear Province.

The presence of any new major element in the area is not confirmed, but elements of the NVA 5th Division and the 275B Regiment are still near Siem Reap. The city was last attacked in early June, when it was partially overrun by enemy forces. Since then the city has been subjected to almost daily harassing fire as the Communists have systematically isolated it by interdicting Route 6. For its part, the government plans to launch a clearing operation along Route 6 from Kompong Thom city to Siem Reap, possibly next week.

Communist forces may also be planning to attack the district town of Koas Krala in southern Battambang Province, according to an intercepted Cambodian Army message. Capture of this town would place the Communists within striking distance of the district capital of Moung, which sits astride both the Battambang - Phnom Penh rail line and Route 5. Thus far, Battambang has been free of Communist harassment, but there have been some signs that Communist troops are moving into the province.

The population in Communist-occupied areas of Kompong Cham and Kratie provinces appears to be reconciled to Communist control.

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nanouk supporters as well as members of the Khmer Rouge fill many important local government positions in these provinces and, despite past animosity between the pro- and anti-Sihanouk groups, appear to be cooperating in administering these areas.

USSR-EGYPT

A trainload of new SA-3 equipment has been observed moving into Cairo, but it is too early to judge whether this materiel is for replacement or for new sites.

train carried 38 SA-3 missile

transporters and other exclusively SA-3 related equipment.

This is the first shipment of SA-3 equipment identified since March, when
ships were noted arriving
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mot yet observed a sudden increase in shipping, which would be required if equipment were being delivered for a substantial number of new sites. Recent seaborne deliveries of other types of military materiel to Egypt have slowed, although they are still above the 1969 rate.

A spurt of Soviet military aircraft arrivals to Egypt in the past week may have involved rotation or augmentation of Soviet personnel there. Six IL-18 passenger transports, which arrived from the USSR in two groups, could have carried as many as 500 persons.

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FEDAYEEN

Late yesterday, the 115-man Palestine National Council, the parliamentary body of the PLO, began an emergency meeting in Amman to discuss steps Palestinian fedayeen organizations could take to counter a negotiated Arab-Israeli peace settlement.

Sporadic shooting between individual fedayeen and Jordanian police had threatened to disrupt the meeting, but moderate commando leaders and government officers prevented any larger outbreaks.

The Council meeting will attempt to achieve greater fedayeen unity so as to present a common front in the campaign against the peace negotiations. However, it is unlikely that this display of unity will survive the inevitable efforts of individual fedayeen organizations to follow their own course of action.

NATO			
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PANAMA

We expect the Panamanians to put heavy pressure on the US to begin canal treaty negotiations.

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The Panamanian press recently has been playing up alleged grievances with the zone. Torrijos has found a new opportunity to attack the US in the arrest of a Canal Zone policeman who is apparently implicated in the plot by deposed President Arias and former National Guard chief of staff Colonel Sanjur. The policeman is charged with acting as a link between Sanjur, now in Miami, and antigovernment elements in Panama.

Torrijos, who seems convinced that the US is trying to topple him, probably will try to extract maximum propaganda advantage from this incident. He may reckon that by publicizing the plot against him, he can forestall it. He may also believe that such a move will discourage any Guard officer from joining the plotters and cause the US to clamp down on Panamanian exile activity directed against him.

LIBYA

The government has ordered Esso to cut back its oil production next week by 104,000 barrels per day (bpd). Overall production then will be roughly 20 percent of the peak of about 3.7 million bpd produced in April.

Faced with similar harassment, the Gulf Oil Company intends to relinquish its oil concessions in November. Gulf discovered oil in 1959 in one of its concessions but has not yet begun production. The government claims that the presence of oil in commercial quantities, whether or not produced, justifies an increase in the land rent tax. In Gulf's opinion, this action—as well as the uncertain economic and political climate in Libya—made further investments of almost \$30 million unsound. Gulf now is prepared to write off investments of \$30 million already made.

The consequences of these arbitrary actions by the government go beyond restrictions on the operations of US oil companies. They also aggravate the already tight tanker market and, in turn, the sensitive oil supply problem for Western Europe.

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NOTES

<u>USSR-Cuba</u>: Two Soviet guided missile ships, an amphibious landing ship, a submarine tender, and a tanker--currently west of the UK--probably are headed for operations in the Caribbean. Two other naval auxiliaries, now several hundred miles ahead of the group, probably will lend support. No submarines have as yet been identified en route. The last Soviet naval deployment to Cuba and the Caribbean was made in April and May by three submarines and two guided missile ships that had participated in the worldwide naval exercise OKEAN. During that deployment, three pairs of TU-95 Bear reconnaissance aircraft also flew to Havana for a short time.

Burma:

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Communist insurgents along the Chinese border are still able to maul Burmese military forces. An army column was ambushed on 14 August by a superior force of about 500 insurgents and forced to withdraw after sustaining heavy casualties. Follow-up government air strikes caused considerable damage to civilian property and triggered such strong resentment that it could further complicate government military efforts in the area.

South Vietnam: There are signs that Communist forces are planning a new phase of terrorist and military actions designed to disrupt the elections on 30 August and to mark next week's anniversaries of Ho's death and of the founding of the DRV. Significant activity is more likely in the northern provinces than in the southern, where many Communist units are still preoccupied with Cambodia or are short of supplies.

Italy		

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