

The President's Daily Brief

28 January 1971

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PRINCIPAL DEVELOPMENTS

The US Embassy in Phnom Penh believes that Communist military strategy still calls for a holding operation in Cambodia. $(Page\ 1)$

On $Page\ 2$, we comment on the progress of the Chinese Nationalist irregulars operating against Communist insurgents in northern Thailand.

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Armed forces commanders in Argentina are becoming more dissatisfied with President Levingston's policies. (Page 4)

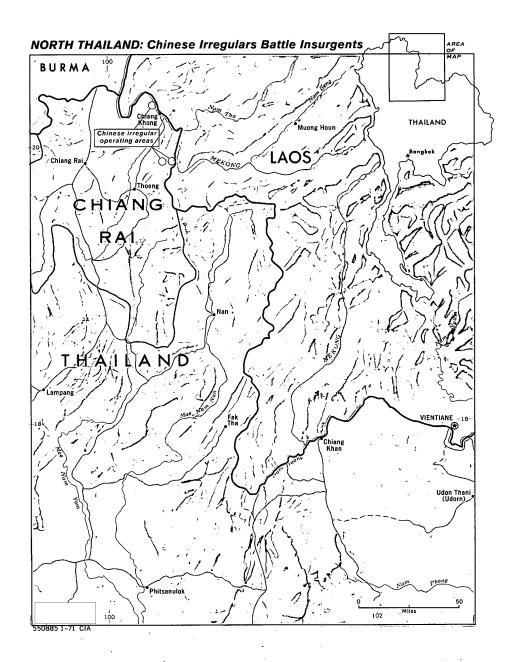
CAMBODIA

A new assessment by the American Embassy of the situation in the wake of the recent enemy harassment of the capital area concludes that Communist strategy still calls for a military holding operation in Cambodia. Enemy action appears to be aimed at pinning down Cambodian Army units and at ensuring the Communists access to bases and sanctuaries essential to their objectives in South Vietnam.

In the embassy's view, as long as the Communists economize in their commitment of main force units in Cambodia, the army will be able to cope with the situation. There is no immediate threat to Phnom Penh that cannot be dealt with by Cambodian forces now in place, together with available air power. The army's morale continues to be good despite recent setbacks, and its capabilities should soon increase with the acquisition of more modern equipment and with the return of battalions now undergoing training in South Vietnam.

The assessment warns that the Cambodian Army's resources, however, are limited. These resources will be under further strain if—as cannot now be ruled out—there is significant development of the military potential of the Khmer Communists who played a part in this week's attacks around Phnom Penh.

The embassy also notes that, while the increased enemy pressure on the capital has caused no break in the essential unity or determination of Cambodia's leaders, it has brought forth new strains and carping among them. There has also been open criticism of the army's effectiveness and this is likely to intensify in the event of further Communist terrorism or successful sapper and mortar attacks against the capital area.

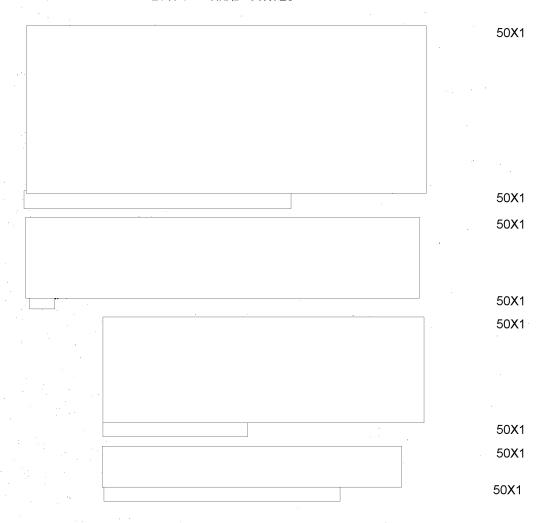


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THAILAND

The President's Daily Brief of 15 December reported Bangkok's decision to move some 750 Chinese Nationalist irregulars from the Burmese border to a Communist insurgent area in northern Chiang Rai Province. Since then, despite stiff resistance, these irregulars—remnants of forces driven from China two decades ago—have captured two insurgent bases and sizable quantities of military equipment and field supplies. The Chinese irregulars were operating under the direction of the Thai 3rd Army. Bangkok's confidence that the northern insurgency was well in hand has been shaken by these operations, which have revealed a greater degree of Communist strength in this region than the Thais anticipated, but there is no evidence that the Thai Army is willing to join ranks with the Chinese to drive the insurgents out of Chiang Rai. Three hundred additional Chinese irregulars are undergoing training and may be available to reinforce the operation by April.

EGYPT - ARAB STATES



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NOTE

Argentina: army commander in chief General Lanusse and the air force and navy commanders are grumbling about the policies of President Levingston, and hope to meet with him early next week to air their complaints. The major source of their disenchantment lies in the manner and timing of the planned return to "constitutional processes." Levingston plans to hold elections in four to five years, but Lanusse believes they should be held sooner and that they must be carefully controlled to prevent victory by a leftist coalition. Lanusse admits that Levingston's removal would cause grave damage to Argentina but maintains that the service commanders are prepared to take this risk if

the President does not accept their recommendations.

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