



The President's Daily Brief

2 July 1973

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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

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PRINCIPAL DEVELOPMENTS

Another military move against the Chilean Government may be imminent. *(Page 1)*

The Uruguayan Government is trying to break the strike called in opposition to the dissolution of Congress. *(Page 2)*

The Khmer Communists are trying to cut Route 4, Phnom Penh's link to the sea. *(Page 3)*

Egyptian Foreign Minister Zayyat's statement implicitly recognizing Israel has infuriated the Palestinians, who regard it as a sell-out. *(Page 4)*

The French have prevented the EC Council from granting the US compensation for trade losses incurred when the community expanded to nine. *(Page 5)*

A struggle for power appears to be under way in Iraq's ruling Baath Party. *(Page 6)*

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CHILE

Another military coup attempt may be imminent. Officers who have been plotting against the Popular Unity government appear to believe they must act now, before President Allende can neutralize them. Such officers regard last Friday's abortive revolt by one battalion as premature, and are trying to pull their plans together for a coordinated effort.

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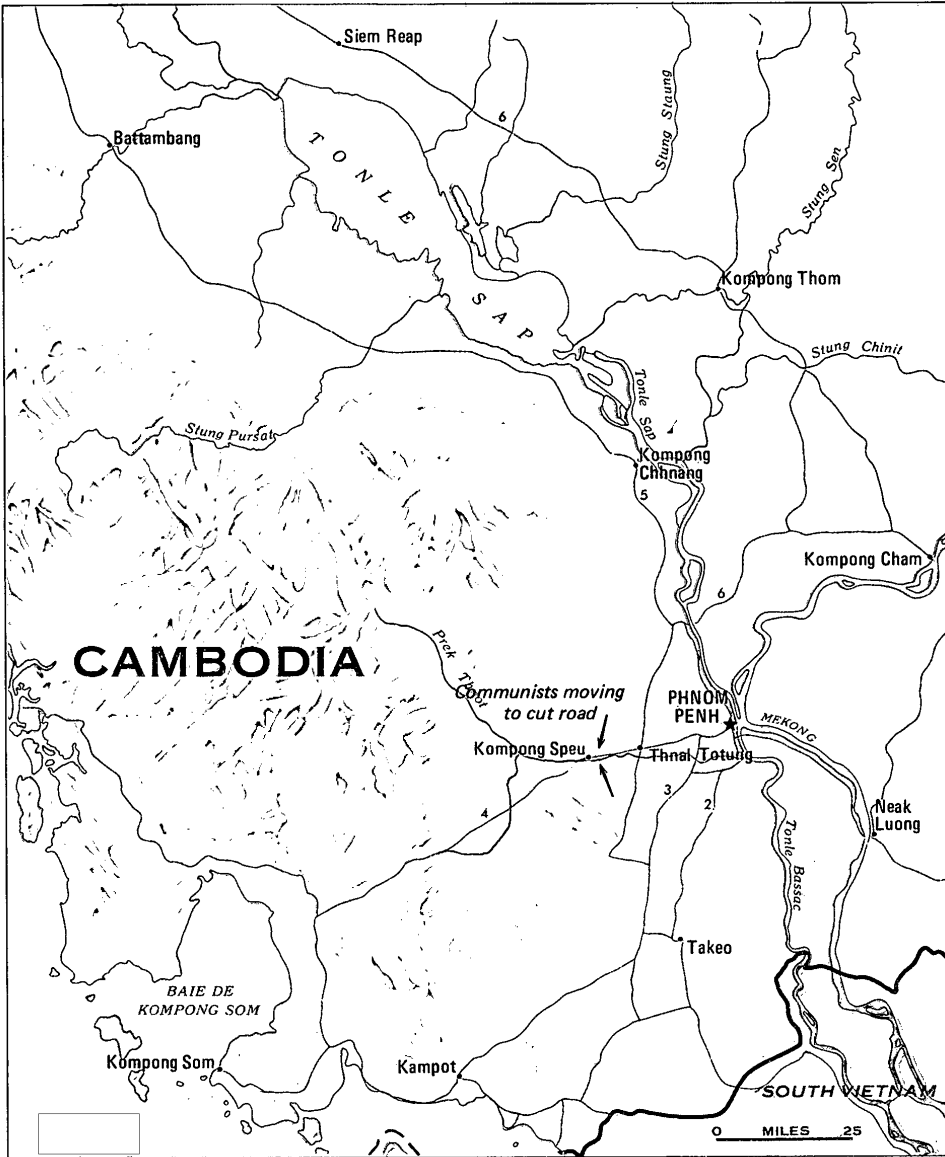
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URUGUAY

The government is trying to break the strike called in opposition to President Bordaberry's dissolution of Congress. After failing to win over workers with promises of pay raises, soldiers have evicted strikers from government buildings and factories, and some 200 union leaders have been arrested.

Although union members have not been unanimous in support of the strike, enough have followed their more radical leaders to virtually paralyze the capital city. There has been no significant violence thus far and, if the authorities continue to act with restraint and to render the unions leaderless, none is likely.



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CAMBODIA

The Communists are still trying to cut Route 4 near Kompong Speu. Within the past several days, enemy forces have closed to within two miles of this provincial capital, against only light government resistance.

Although there appears to be no immediate threat to Kompong Speu itself, the Communists are likely to increase pressure on the town to draw government reserves into the area. This would weaken government defenses along Route 4 between Kompong Speu and Thnal Totung farther to the east, leaving this stretch of road vulnerable to enemy interdiction. Route 4 was reopened to government convoys only ten days ago, following a two-week occupation by enemy forces.

Another objective of the enemy's campaign is to eliminate the vestiges of government control in the countryside immediately surrounding Kompong Speu, where government pacification programs have had some success.

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EGYPT

During the UN Middle East debate in early June, Foreign Minister Zayyat argued that the 1947 partition of Palestine gave the "Palestinian nation" the same right to exist as it gave Israel. Zayyat's object was to pave the way for a settlement with Israel that would regain Egypt's pre-1967 border, without necessarily dealing with the overall Palestinian problem. His initiative caused a furor throughout the Middle East.

--The fedayeen have denounced Zayyat's position as undermining their goal to liberate the entire territory of Palestine, including Israel. They are upset at the recognition of Israel implicit in the statement.

--Jordan sees the move as a confirmation of Cairo's intention to conclude a separate peace with Israel, leaving Amman to fend for itself. Jordan also objects to the implication that the West Bank should be the future site of a Palestinian state independent of Amman.

--Some Egyptian officials disagree with the position, and even President Sadat is said to be annoyed over the way Zayyat couched it.

Cairo is now scrambling to explain that it merely favors self-determination for the Palestinians, giving them the right to exist within "Palestine" on any sort of basis they can work out for themselves. The reassurances are unlikely to succeed. The Israelis, meanwhile, have undercut Egypt's hopes of solving its border problems by registering a firm "no" to Zayyat's statement.

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EC-US

At last week's Council meeting, the French alone adamantly refused to reconsider the Commission's present mandate that precludes granting the US any compensation for trade losses incurred when the community expanded from six to nine. The EC Commission now plans to meet today with trade officials from member states in an effort to get around French inflexibility.

The Commission is stretching its instructions from the Council in eliciting the views of other members on changing its mandate, and Paris may not permit the Commission to explore terms of an improved offer with the US. The EC Council will take up the compensation issue again on July 23.

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NOTES

Iraq: The killing yesterday of one member of Iraq's Revolutionary Command Council and the wounding of another could indicate that a struggle for power within the ruling Baath Party is under way. The victims, Ministers of Defense and Interior, were supporters of President Bakr. Baghdad Radio has announced that the two were lured into a trap and shot on order of Nazim Kazzar, director of public security. Ostensibly Kazzar is a subordinate of the Minister of Interior, but he is thought to report to Saddam Husayn Tikriti, the man in charge of the Baath Party's intelligence and security apparatus, as well as its private strong-arm group.

Iceland: West German negotiators were in Iceland late last week working toward a fishing agreement against a deadline of August, when Chancellor Brandt expects to visit Reykjavik. Norway and Belgium recently have signed accords, accepting some Icelandic limitations but not recognizing the 50-mile limit. Should the West Germans sign a fishing agreement, pressure will build on the British to pull out their warships and do likewise. Conclusion of such treaties would also lessen pressure in Iceland for closure of the US-manned NATO base at Keflavik.

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