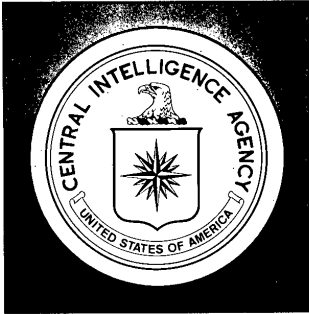


Handwritten initials



The President's Daily Brief

January 29, 1974



3

25X1

~~Top Secret~~

Exempt from general
declassification schedule of E.O. 11652
exemption category 5B(1)(2)(3)
declassified only on approval of
the Director of Central Intelligence

THE PRESIDENT'S DAILY BRIEF

January 29, 1974

PRINCIPAL DEVELOPMENTS

The Khmer Communists continue to shell Phnom Penh from positions on the southern front despite government counterfire and air strikes. (Page 1)

China has announced it will release the one American and 48 South Vietnamese captured in the Paracels last week. Military activity around the islands is light. (Page 2)

Indonesian President Suharto is shaking up his government in the wake of anti-Japanese riots during Prime Minister Tanaka's recent visit. (Page 3)

25X1

French Foreign Minister Jobert did not conclude any specific agreements during his recent visit to Saudi Arabia. (Page 4)

25X1

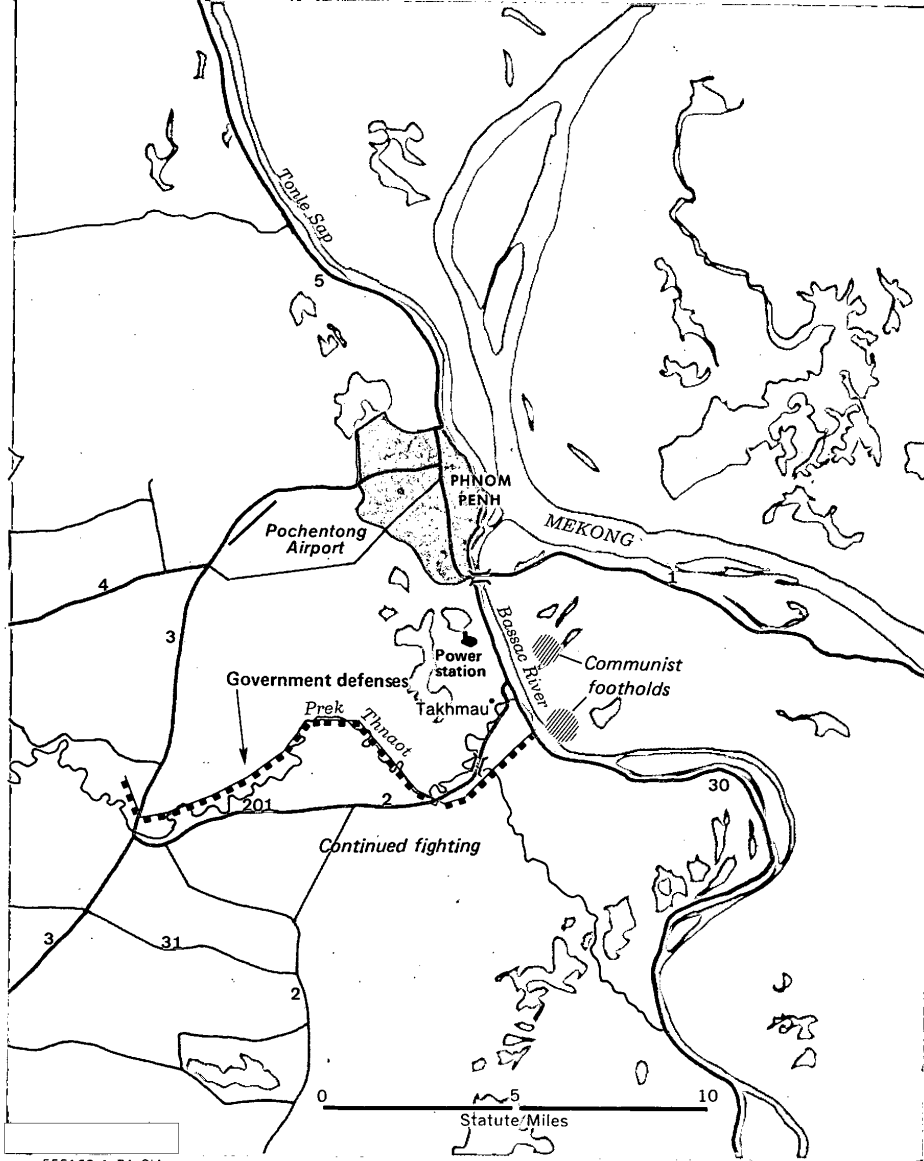
Soviets

25X1

(Page 5)

A note on the coming annual talks between the USSR and China on river navigation appears on Page 6.

Phnom Penh



555163 1-74 CIA

25X1

FOR THE PRESIDENT ONLY

CAMBODIA

The Khmer Communists are continuing to shell Phnom Penh from positions on the southern front despite government counterfire and air strikes. Along the Prek Thnaot River battle line, the Cambodian Army counterattack has faltered.

Southeast of the capital, opposite Phnom Penh's southern suburb, Takhmau, Communist elements operating along the Bassac River now control two short stretches of riverbank. The insurgents' gains put them within mortar range of the capital's primary electric power station.

Action has been relatively light on Phnom Penh's northern fronts in the past few days, although local villagers have reported a buildup of Communist troops near Route 5 some 15 miles northwest of the city. Intercepted messages last week reflected Communist plans to renew pressure in the northwest.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

CHINA - SOUTH VIETNAM

The Chinese Government announced today that it will release "in batches" the 48 South Vietnamese and one American captured during the recent fighting in the Paracel Islands. The first group to be released consists of Gerald Kosh, whom the Chinese describe as "ill from hepatitis," and five wounded South Vietnamese.

They will be turned over to Red cross officials at the Hong Kong border on January 31. No date for release of the rest of the prisoners was announced.

The South Vietnamese Government has said that "at least 67" of its men are missing as a result of the fight in the Paracels.

* * *

This morning, a number of Chinese jets flew over the Paracels. Yesterday there were none over the islands, marking the first time since January 17 that Chinese aircraft did not patrol at least in the vicinity of the Paracels.

25X1

The South Vietnamese apparently continue to stay away from the islands.

FOR THE PRESIDENT ONLY

INDONESIA

President Suharto yesterday, as part of a broader government shake-up, announced the dismissal of General Sumitro as head of Indonesia's national security command. In an apparent effort to balance this action politically, Suharto also abolished the post of personal aide to the president, a position that has been held by General Ali Murtopo, Sumitro's principal rival.

Rather than abolish the national security command as planned, Suharto has now decided instead to assume Sumitro's place. Sumitro had used the security organization to influence the course of many nonsecurity aspects of national policy, and his ouster is an obvious move to circumscribe his political strength.

Sumitro retains his post as deputy commander in chief of the armed forces, and therefore remains a powerful figure. On balance, it appears that Sumitro has lost more power than Murtopo, who may well keep his role as a close adviser of Suharto without the formal title.

FOR THE PRESIDENT ONLY

FRANCE - SAUDI ARABIA

French Foreign Minister Jobert did not conclude any specific agreements during his recent visit to Saudi Arabia. Both French and Saudi officials report that the talks were confined to generalities, and a member of the French delegation described the atmosphere of the talks as "somewhat cool."

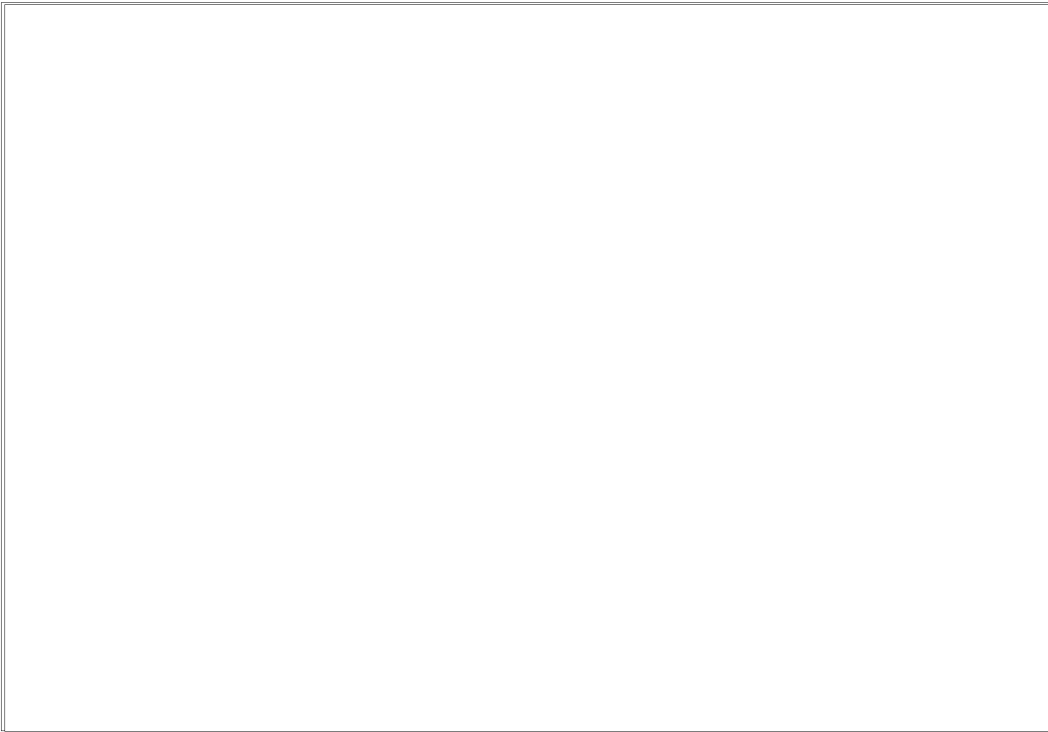
In toasting Jobert at a formal dinner on January 24, the Saudi Minister of State for Foreign Affairs, Omar Saqqaf, noted that any improvement in the already good relations between France and Saudi Arabia would not be made at the expense of Saudi Arabia's traditional friendships. Saqqaf's remarks have not been reported in either the Saudi or French media.

Jobert denied at a press conference that his visit had been intended to conclude an oil deal. He said, however, that the talks were directed toward establishing a foundation for long-term cooperation in economic development, and added that oil and other agreements would come later. He referred to the possibility of returning to Saudi Arabia within six months.

FOR THE PRESIDENT ONLY

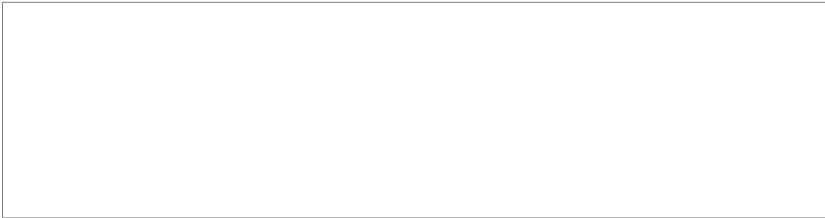
25X1

25X1



USSR

25X1



25X1

25X1



FOR THE PRESIDENT ONLY

NOTE

USSR-China: Despite heightened polemics over alleged Soviet espionage activity in China, Peking has agreed to attend the annual Sino-Soviet talks on river navigation scheduled for February 5 in the Soviet Far Eastern city of Blagoveshchensk. The sessions do not usually achieve any substantive results, but they are a forum where each side can try to gauge the negotiating climate.

FOR THE PRESIDENT ONLY

Top Secret