



The President's Daily Brief

January 2, 1975

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FOR THE PRESIDENT ONLY

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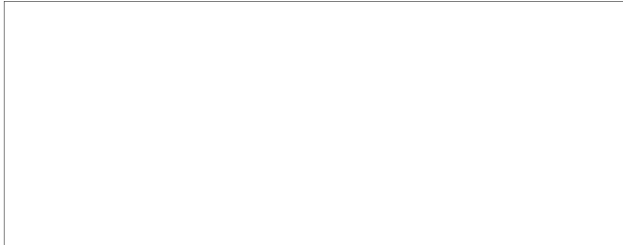
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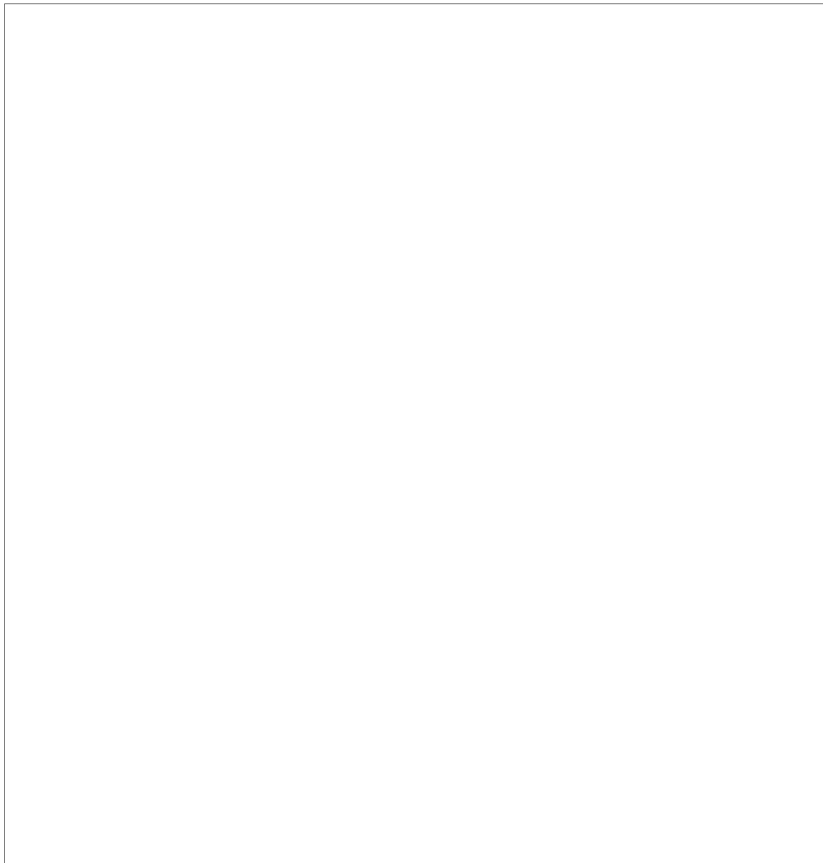
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USSR-EGYPT



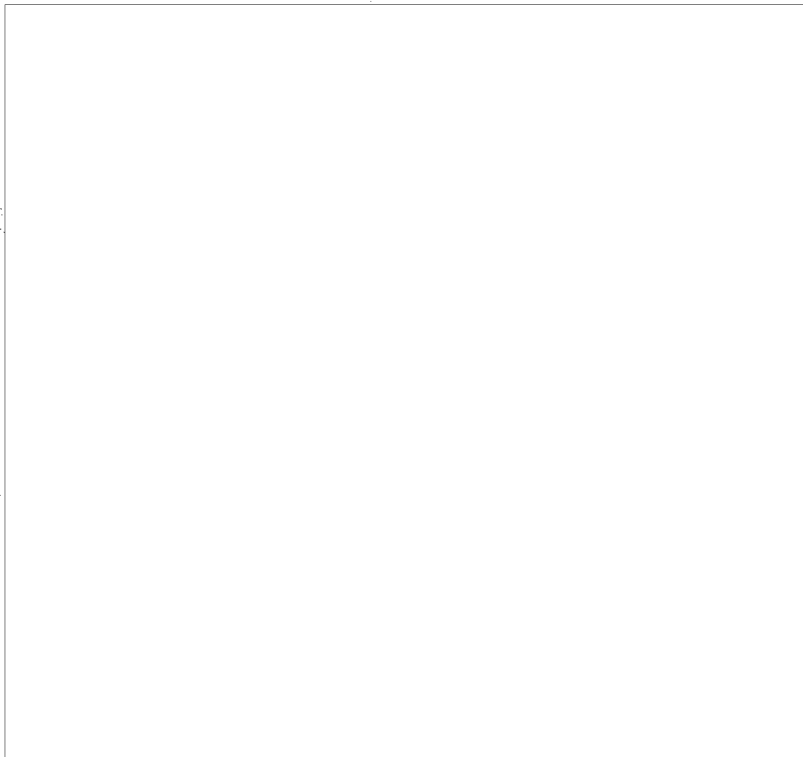
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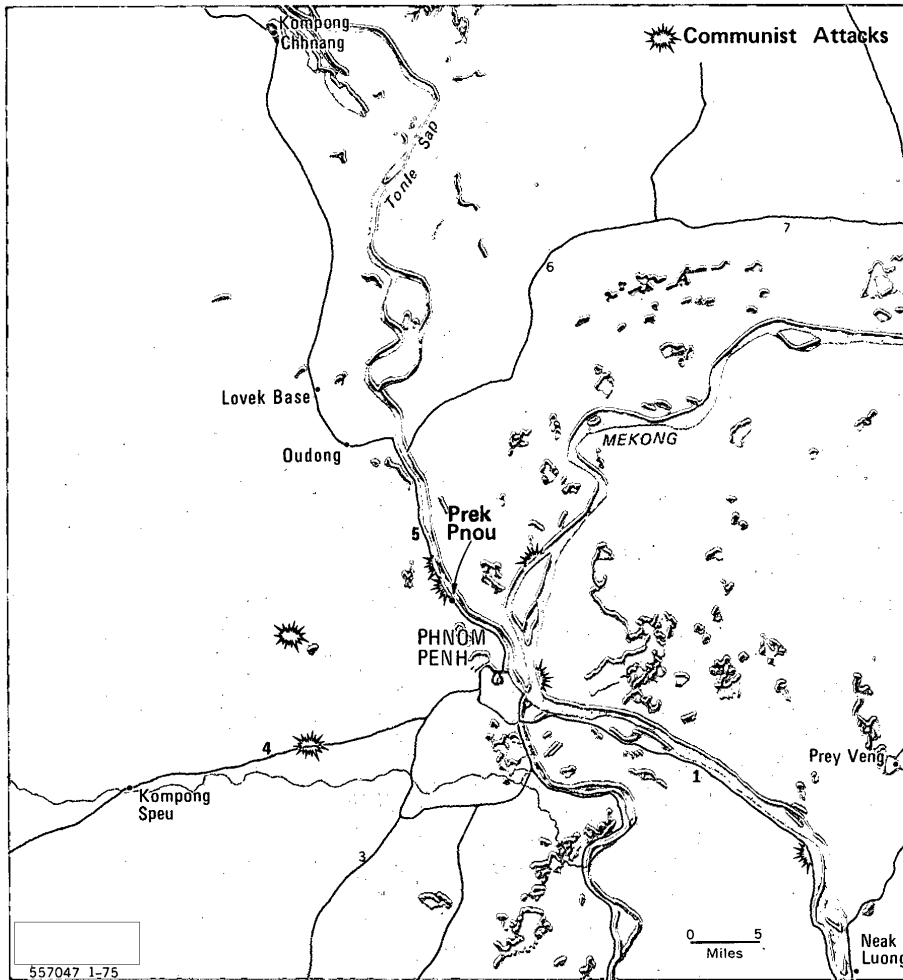
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CAMBODIA: Phnom Penh Area



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CAMBODIA

The Khmer communists began their dry-season campaign yesterday with coordinated attacks near Phnom Penh.

Routes 4 and 5 have been cut and positions on both banks of the Mekong River near the capital have fallen. The communists have also launched heavy attacks against the Cambodian army's 7th Division northwest of Phnom Penh.

The most costly government territorial losses have occurred along Route 5 where heavy communist pressure has forced the abandonment of a military fuel depot at Prek Pnou. Government troops managed to take a ten-day supply of fuel with them and unconfirmed reports indicate that the depot was burning late yesterday.

Government forces were caught off guard by the attacks but are beginning to counterattack. Reinforcements have been sent to the east bank of the Mekong River in an attempt to push the communists out of rocket range of the capital in that sector. Other government troops are expected to begin clearing operations along Route 4 and northwest of the capital soon.

Despite the widespread attacks around Phnom Penh, there is no evidence that an all-out assault against the city is in the offing. The attacks may have been a diversionary effort to tie down forces around Phnom Penh and to mask the beginning of a major communist effort to interdict the lower Mekong. Communist units yesterday closed Route 1 near a river choke point some 25 miles southeast of Phnom Penh; other government outposts along the river are also under pressure.

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SAUDI ARABIA

The Saudis are prodding the US again to produce concessions from Israel, while they appear genuinely concerned by talk of a US invasion of some Arab oil-producing countries.

On instructions of King Faysal, acting Saudi minister of state for foreign affairs Masud called on Ambassador Akins on Tuesday. Masud produced excerpts of recent press attacks on Saudi policies by Iraq, Kuwait, Lebanon, Libya, and Algeria, as well as Saudi embassy reports indicating that those Arab governments are unhappy over Saudi support for US peace-making activities.

Masud also cited several articles in the US press concerning invasions of Saudi Arabia's oil-producing areas and what he termed "ambiguous denials" by US officials. The King, Masud said, wanted to know if the US was trying to frighten Saudi Arabia. The King wondered if the US wanted the total collapse of Western economies that would follow such an invasion.

Masud said the King remained convinced the US could reach a solution in the Middle East at any time, simply by informing Israel that aid would be cut off until it gave up Arab territories. Masud added that neither Saudi Arabia or any other Arab country would object to US security guarantees of Israel. Finally, he warned that it would be a mistake for the US to base its policy on the belief that Saudi Arabia would never turn to the Soviet Union to replace US assistance.

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CHINA

A joint editorial in Peking's major publications greeted the new year with a sober assessment of the past year and no confident predictions.

The editorial made no reference to convening the National People's Congress, China's rubber stamp legislature, although preparations have been under way for some months and seem to be continuing. Throughout December, leaders from Peking apparently conferred with Mao in Hunan Province, where he has been residing since last fall. Several personnel appointments in the national military hierarchy and in the provinces are indicative of the progress being made toward convening the congress, which is charged with ratifying government appointments.

There has apparently been less success in resolving the major problem of army-civilian relations. The editorial's routine praise for the army was followed immediately by a call to strengthen party leadership, suggesting continuing difficulties in bringing the army under firm party control. References to "national betrayal" and to national defense industries seem to be alluding to specific problems with the military. For the past year, certain important military men have been accused by innuendo of seeking accommodation with Moscow and pushing for greater reliance on nuclear weapons. Both concepts conflict with Peking's policies of maintaining hostility toward the Soviet Union and relying primarily on conventional weapons.

The editorial said that the anti-Confucius campaign will continue, with emphasis on study and criticism. This formulation has been used since early last summer to prevent the campaign from disrupting public order. References to "shooting the arrow at the target" and "dealing blows" to unnamed "counterrevolutionaries" suggest that the campaign is more than a study movement and is, in fact, directed at specific individuals.

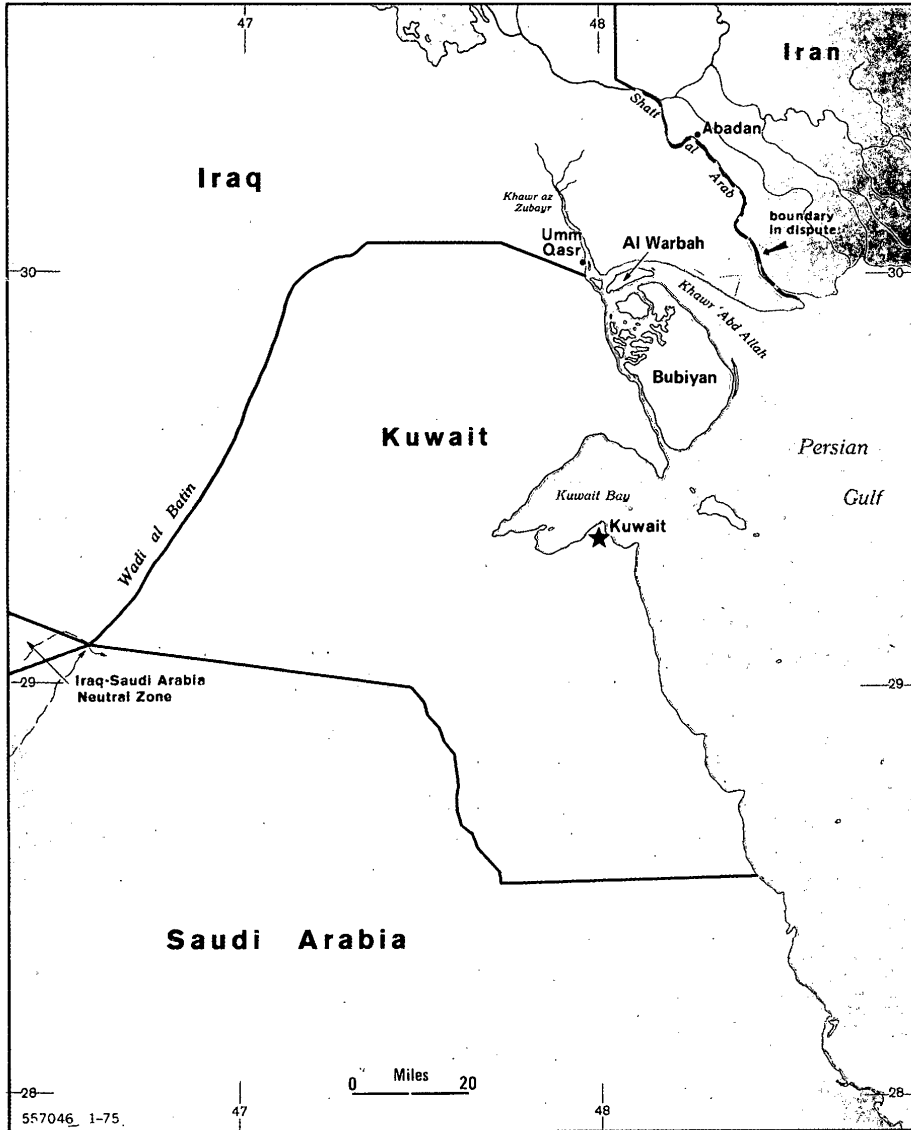
On the economic front, the editorial did not repeat earlier claims of a "record" harvest but said only that 1974 saw an "all-around good harvest." By lumping agriculture and industry together, the editorial was able to claim an increase in total production over the previous year. Much of this increase probably results from the growth of China's oil industry.

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Peking's treatment of foreign affairs reaffirmed current policy lines. The editorial urged a continuation of "Chairman Mao's revolutionary line in foreign affairs"--a stock phrase for efforts to improve Sino-American ties. Not surprisingly, the Chinese continued to court the Third World by making much of the developing countries' struggle against "superpower" hegemony.

The editorial was interesting for what it chose not to say and, in this sense, seemed to take a modest view of foreign policy accomplishments in 1974. Whereas in the 1973 editorial Peking characterized the international situation as "excellent," this year it simply said that "new successes" had been achieved during the year. Moreover, the Chinese avoided mention of specific issues and adhered closely to general and familiar formulations.



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IRAQ-KUWAIT

The Kuwaitis are concerned over a number of incidents which the Iraqis have staged over the last several months in a long-troubled sector of their border.

The Iraqis may be trying to pressure the Kuwaitis to lease two Kuwaiti islands strategic to Iraq, but the moves may also be part of an Iraqi effort to influence Kuwaiti national assembly elections to be held in late January.

Kuwaiti political leaders appear intimidated by the Iraqis but, [redacted] some members of the Kuwaiti military are growing impatient with the government. The Kuwaiti army has moved additional forces, including tanks, to the border.

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[redacted] the Iraqis have sporadically harassed Kuwaiti border units in recent months; the border had been relatively quiet since March 1973, when Iraq seized a portion of the disputed territory. The most flagrant incident occurred in early November when Baghdad requested permission to hold maneuvers in another part of the disputed area. After Kuwait refused, the Iraqis planted their flag there.

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[redacted] Iraqi strong man Saddam Husayn Tikriti offered at the Arab summit meeting in Rabat in October to withdraw troops from the disputed area in return for a long-term lease on the islands of Warba and Bubayan, which flank the approaches to Iraq's important port of Umm Qasr on the Persian Gulf. Kuwait's Sheikh Sabah refused further discussion as long as Iraqi troops remained on Kuwaiti territory.

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Iraq is also spending liberally to bring about the defeat of Kuwaiti parliamentary candidates whom it considers hostile. The Iraqis are spreading the word that the election of an assembly friendly to Iraq would encourage Baghdad to settle its border issue with its "Arab brothers."

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NOTES

Vietnamese communist ground units supported by tanks overran the district town of Phuoc Binh in Phuoc Long Province on Wednesday.

This was the fourth district town in the province to fall since early December and leaves only the provincial capital in government hands. Elsewhere, the communists yesterday fired a barrage of rockets at Bien Hoa airbase, but only minor damage resulted. Relatively light and inconclusive fighting continued on other battlefronts.

* * *

Egyptian, Syrian, and Jordanian foreign ministers are scheduled to begin talks today in Cairo with representatives of the Palestine Liberation Organization.

The meeting has been called to try to formulate a joint Arab strategy for future Middle East peace negotiations. The Syrians and Palestinians hope to block any independent Egyptian move toward a second disengagement agreement with the Israelis in the Sinai. The PLO will again seek to regain access to Jordanian territory for fedayeen strikes against Israel. Egypt and Jordan are unlikely to commit themselves to tactics that tie their fate to that of the Syrians or Palestinians.

* * *

Egyptian workers and students demonstrating violently in Cairo yesterday over economic grievances called for a return to Nasirist socialism.

Prime Minister Hijazi was the chief object of the protesters' wrath, but President Sadat was also criticized for failing to bring about promised economic recovery after the October 1973 war. Discontent over shortages and inflation has been on the rise since last summer and this dissatisfaction has been compounded by restlessness over the pace of progress in peace negotiations. Additional disturbances over a wide range of issues are possible and, although President Sadat now intends to move against leftist agitators, yesterday's demonstration could give these elements and student malcontents further impetus.

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Israel has appointed a leading atomic scientist to its Defense Ministry.

According to the Jerusalem Post, Professor Saadia Amiel, a nuclear chemist at Hebrew University and a senior staff member at the Nahal Sorek experimental nuclear research facility will serve in the office responsible for strategic policy. Amiel is said to have been an adviser to the General Staff's planning branch for years. Dr. Yuval Neeman, President of Tel Aviv University and reputedly one of Israel's top atomic physicists, also is to be named a senior adviser to the Defense Ministry. The new assignments appear to be in keeping with Tel Aviv's policy of improving its strategic planning capabilities and of military intimidation toward the Arabs.

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