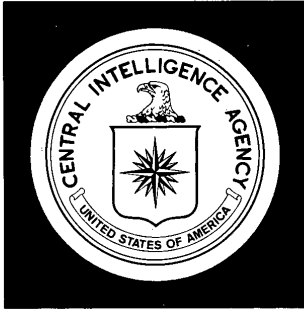


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The President's Daily Brief

January 7, 1975

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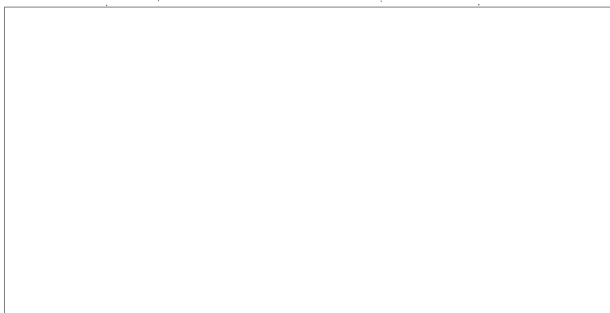
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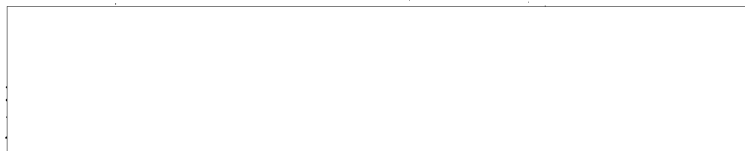
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ISRAEL-SYRIA-LEBANON



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Israeli Defense Minister Peres yesterday allowed publicly that Palestinian guerrillas in Lebanon have been reinforced by Palestinian troops from Syria armed with anti-tank and anti-aircraft missiles. Peres said Israel would view any Syrian attempt to establish a "foothold" outside Syria as "the start of a confrontation and the extension of aggression." Lebanese Prime Minister Sulh promptly issued a statement denying that non-Lebanese troops had entered Lebanon or that Palestinian guerrillas in Lebanon had advanced weapons such as missiles.

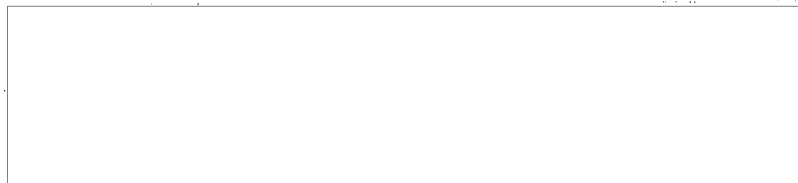


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late last week, however, that he had noticed an increase in activity by Saiqa (Syrian-controlled fedayeen) forces in Lebanon. On January 3, he received a report of missile-carrying vehicles with Saiqa markings in southern Lebanon, and he has other reports of Saiqa cargo vehicles in the vicinity of Palestinian camps in Beirut.

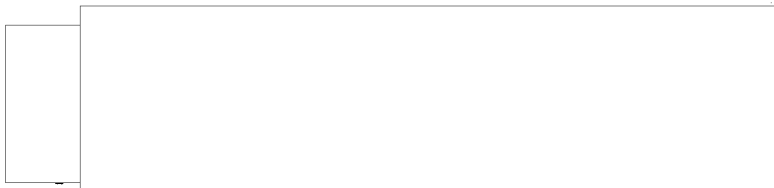


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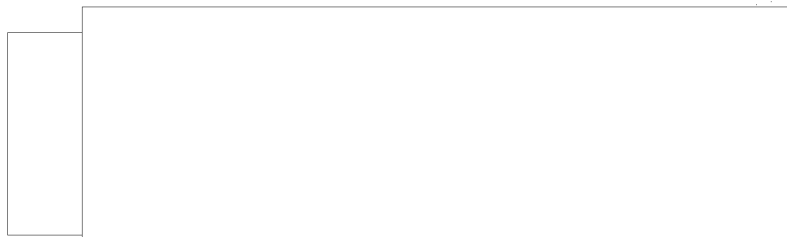
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The increased anti-aircraft fire directed at Israeli aircraft during their December attack on Palestinian refugee camps in Beirut can be taken as confirmation that there are now greater numbers of SA-7 hand-held surface-to-air missiles and anti-aircraft guns available to the Palestinians. These weapons, particularly the SA-7s, are probably manned by Saiqa forces, which operate them with Syrian guidance. Saiqa forces have never been known to have any source of supply other than Syria.

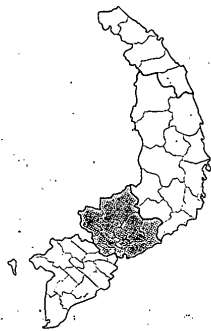


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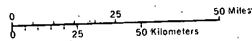
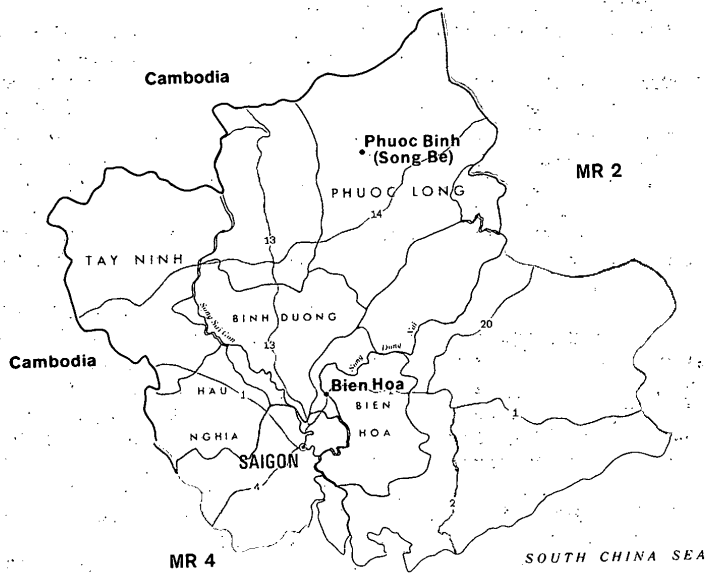


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Military Region 3



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SOUTH VIETNAM

North Vietnamese forces, supported by heavy artillery and armor, yesterday morning forced the remaining government defenders to retreat from the capital of Phuoc Long Province. The battle for this remote government town may provide some indication of future capabilities and weaknesses of both sides as preparations are made for additional combat during the dry season.

The taking of Phuoc Binh can hardly be considered a major strategic victory for the communists. The North Vietnamese committed well in excess of a division to the fighting, and, despite heavy armor and artillery support, they did not easily win out over the government's outnumbered local-force defenders. The fighting at Phuoc Binh suggests that South Vietnamese regular army troops will be more than able to hold their own in future battles. The outcome of such battles may well rest on the government's willingness or ability to match North Vietnamese artillery and armor. This appears to be the most important question in the minds of many South Vietnamese commanders.

When the communist campaign began in early December, South Vietnamese commanders in Military Region 3 decided that they would not commit main-force government units to the countryside in defense of isolated towns and remote outposts. In the Phuoc Binh fighting, South Vietnamese commanders were generally pessimistic about the government's ability to hold the town without substantial reinforcements. Territorial units in the city, which were composed mostly of ethnic Montagnards, were viewed by the South Vietnamese as poor fighters. This ethnic bias also probably contributed to the government's initial decision not to reinforce the garrison, preferring to hold Vietnamese strength for defending exclusively Vietnamese targets.

After the initial assaults, however, the government's attitude appears to have changed. The Montagnards held off the initial attacks and inflicted heavy casualties on communist troops and armor. By the third day of the assault, government commanders at Bien Hoa decided to send reinforcements. In addition, the government ordered increased air strikes in the area. Air resupply to

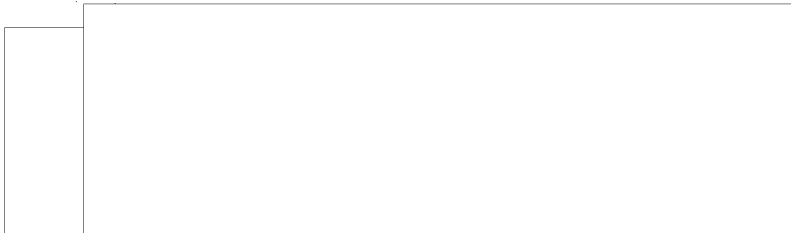
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the town initially was successful, but North Vietnamese anti-aircraft defenses stiffened and forced the South Vietnamese to drop supplies at such high altitudes that most of them fell outside the town's defenses.

By the sixth day, General Dong, the government commander for the region, apparently decided that the defense of Phuoc Binh was important and proposed that President Thieu send additional reinforcements. His proposal, however, came too late, and the loss of Phuoc Binh thus may have been more of an example of South Vietnamese indecision than North Vietnamese tenacity.

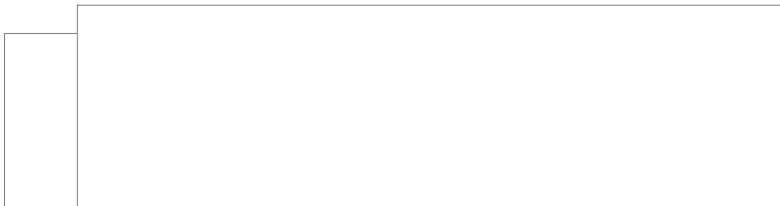


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The Phuoc Binh attacks may set the pattern for future North Vietnamese operations. The initial assaults were conducted by local forces supported by heavy artillery. When these proved unsuccessful, main-force North Vietnamese units supported by heavy artillery and armor were used.

The North Vietnamese also made considerable use of their air defenses, forcing the South Vietnamese to be cautious in using tactical air strikes and helicopters to support and reinforce the beleaguered garrison. More ominously, there are as yet unconfirmed indicators that the communists may have brought the SA-2 missile system into southern South Vietnam.

The Phuoc Binh campaign also has pointed out how far along the communists are in reorganizing their main-force units in the southern half of the country into new divisional commands. In the provinces around Saigon, two new divisions have come into operation recently--the 3rd and 303rd, both formed from forces already in the South.



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VENEZUELA-ECUADOR

Venezuela and Ecuador have called for a special session of the OAS to discuss what Venezuelan President Perez charges is the economic aggression and political pressure represented by the US trade reform act. Yesterday Peruvian President Velasco charged that the act has "coercive and discriminatory" terms that threaten Latin American development. He sent notes of support to his colleagues.

The call by Venezuela and Ecuador caps several weeks of angry reaction--particularly in Venezuela--to those provisions of the act that would deny US tariff preferences to members of cartels that raise prices on vital commodities. Perez believes such provisions are aimed specifically at Venezuela and other OPEC countries.

In his New Year's Day address to the nation, Perez criticized the US for actions that "create a climate of confrontation." In a public telegram sent to Ecuadorean President Rodriguez on Saturday, Perez stated that the "new dialogue" promised by Secretary Kissinger with Latin America is inconsistent with your decision to sign the trade bill.

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Perez supports Rodriguez' decision not to attend the meeting of foreign ministers of OAS countries in Buenos Aires in March, and there are indications that Venezuela may also boycott the meeting.

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Perez is in an emotional frame of mind, which is being reflected in Venezuela's reaction to the trade act. It is apparent that Venezuela is seeking to unify Latin American countries in the OAS to oppose the act as contrary to the interests of all Latin American countries. At the same time, Perez is trying to strengthen further his position as a leader in the hemisphere.

The petroleum, finance, and foreign ministers of the OPEC countries will hold a special session in Algiers on January 24 to discuss "worldwide economic strategy" on matters that will include the US trade act.

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NOTE

Argentina's ambitious Minister of Social Welfare Lopez Rega has gained a new position of dominance over other government officials.

Lopez Rega now heads a newly structured presidential secretariat that will "coordinate" all of President Peron's audiences with ministers and state secretaries. In addition, the head of the presidential military household and several of his aides have been replaced. Even before this new appointment, the papal nuncio said that Mrs. Peron was completely under the dominance of Lopez Rega.

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