



*The President's Daily Brief*

*7 July 1970*

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*FOR THE PRESIDENT ONLY*

THE PRESIDENT'S DAILY BRIEF

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PRINCIPAL DEVELOPMENTS

There is little change in the Cambodian military situation. *(Page 1)*

Establishing a new government in Italy will be a long and difficult process. *(Page 3)*

The United Kingdom will take the first step in supplying arms to South Africa. *(Page 4)*

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CAMBODIA

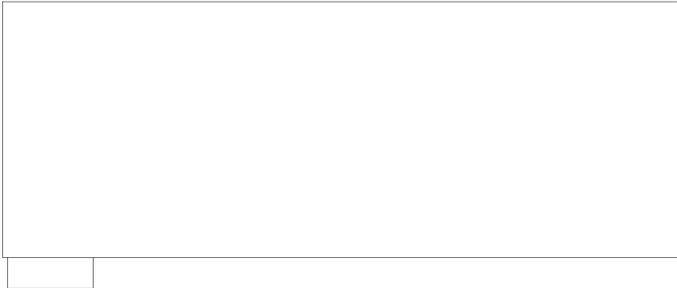
Communist forces are maintaining strong pressure against the district capital of Saang, 20 miles south of Phnom Penh, following their brief occupation of the town on Sunday. Cambodian Army reinforcements have arrived at Saang, however, and South Vietnamese air strikes have broken up some of the enemy troop concentrations ringing the town. Large numbers of Communist regulars remain in the vicinity, however.

[redacted] a major enemy buildup near the city of Kompong Thom [redacted] The Communists still control large segments of Route 6 between Kompong Thom and Phnom Penh, and are harassing westbound traffic along the same route to Siem Reap. Heavy South Vietnamese air strikes, however, may be disrupting enemy plans for a new ground assault on Kompong Thom.

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Nearby Kompong Chhnang appears to be relatively quiet, but the Communists appear to be active around that provincial capital. Enemy forces may be preparing for another attack on the government's major munitions depot at Lovek, which came under heavy pressure last week.

In western Cambodia, press reports indicate that Communist forces have now moved out of the temple complex at Angkor Wat and into the surrounding countryside. Farther north in Siem Reap Province, the village of Sre Noy fell to enemy forces on 6 July--the first evidence that Communists are present in this sector. In Oddar Meanchey Province, government forces are bracing for a possible attack on the capital city of Samrong. Evacuation operations in the province began last week, but it is still not clear whether Samrong--which is one of the few Cambodian provincial capitals unscathed by enemy attack--will also be abandoned.



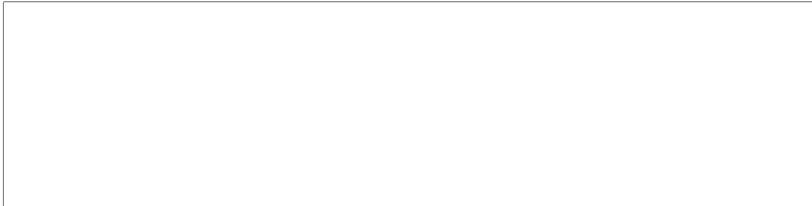
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ITALY

A major cause of the collapse of the Rumor government yesterday was the weeks-long bickering over prospective Socialist cooperation with the Communists in the central regions of Tuscany and Umbria, described in The President's Daily Brief of 23 June.

*The Socialists maintain they are free to join the Communists in the two regional governments because the center-left is in the minority there. The other coalition partners object, citing a formula agreed to by all coalition parties before Rumor's government was formed. The formula was left vague to ensure four-party participation, and each party now is able to cite it to back up its own point of view.*

The politicians also are squabbling over economic policy. A general strike, called for today to demand faster action on social and economic reforms, was canceled when the government resigned. Business leaders fear Italy's steady economic growth will be disrupted by increased government spending for reforms or by industrial strikes.

*Negotiations to establish a new center-left government, or even a minority interim government, are likely to be long and difficult.*

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UK - SOUTH AFRICA

London has agreed to consider requests from South Africa for arms and equipment for maritime purposes. The foreign minister will discuss the situation with Secretary Rogers in London at the end of this week and an announcement will be made some time thereafter.

*British officials defend the Conservative Party's long-standing position on the question and stress that a distinction will be maintained between arms for maritime defense and arms for internal security purposes, which will not be supplied. The British say they do not know precisely what South Africa will request, but they speculate that antisubmarine aircraft may be sought.*

London is currently preparing "tailored messages" on the arms question for African Commonwealth members. These messages will go out "soon," British officials say. In Parliament, opposition leader Wilson has warned the government that, if plans to sell arms to South Africa come to pass, "the Commonwealth would be wrecked."

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NOTE

Cuba: Castro's choices of an engineer to be the new minister of the sugar industry and of a major to be minister of education reflect the regime's increased use of technicians and military men to fill civilian administrative positions. There have been rumors that a high-level shake-up in the regime was imminent ever since Castro announced on 20 May that the sugar harvest would not reach its goal. Other personnel changes may be made soon as Castro attempts to reduce his share of the responsibility for the sugar shortfall.

*Top Secret*