



*The President's Daily Brief*

*9 June 1971*

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*FOR THE PRESIDENT ONLY*

THE PRESIDENT'S DAILY BRIEF

9 June 1971

PRINCIPAL DEVELOPMENTS

India's foreign minister recently told opposition leaders that unilateral military action against East Pakistan might become necessary. (Page 1)

The Communists have routed a Cambodian Army task force northeast of Phnom Penh. (Page 2)

There is some evidence that Peking may have increased its military forces in northeast China since the beginning of this year. (Page 3)

Tight security measures have been imposed in Chile following the murder of an opposition party leader. (Page 4)

Two bills expected to be passed by the Venezuelan congress could significantly affect US oil interests in the country. (Page 5)

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**INDIA-PAKISTAN**

Foreign Minister Swaran Singh, terming the refugee situation "impossible," has warned opposition leaders that New Delhi may have to take unilateral military action against East Pakistan soon, [redacted]

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[redacted] Singh was briefing the parliamentary opposition on 4 June prior to his current trip to Moscow, Washington, and other capitals. He plans to tell world leaders that India will take this action unless there is extensive aid for the refugees and pressure on Pakistan to take them back.

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[redacted]

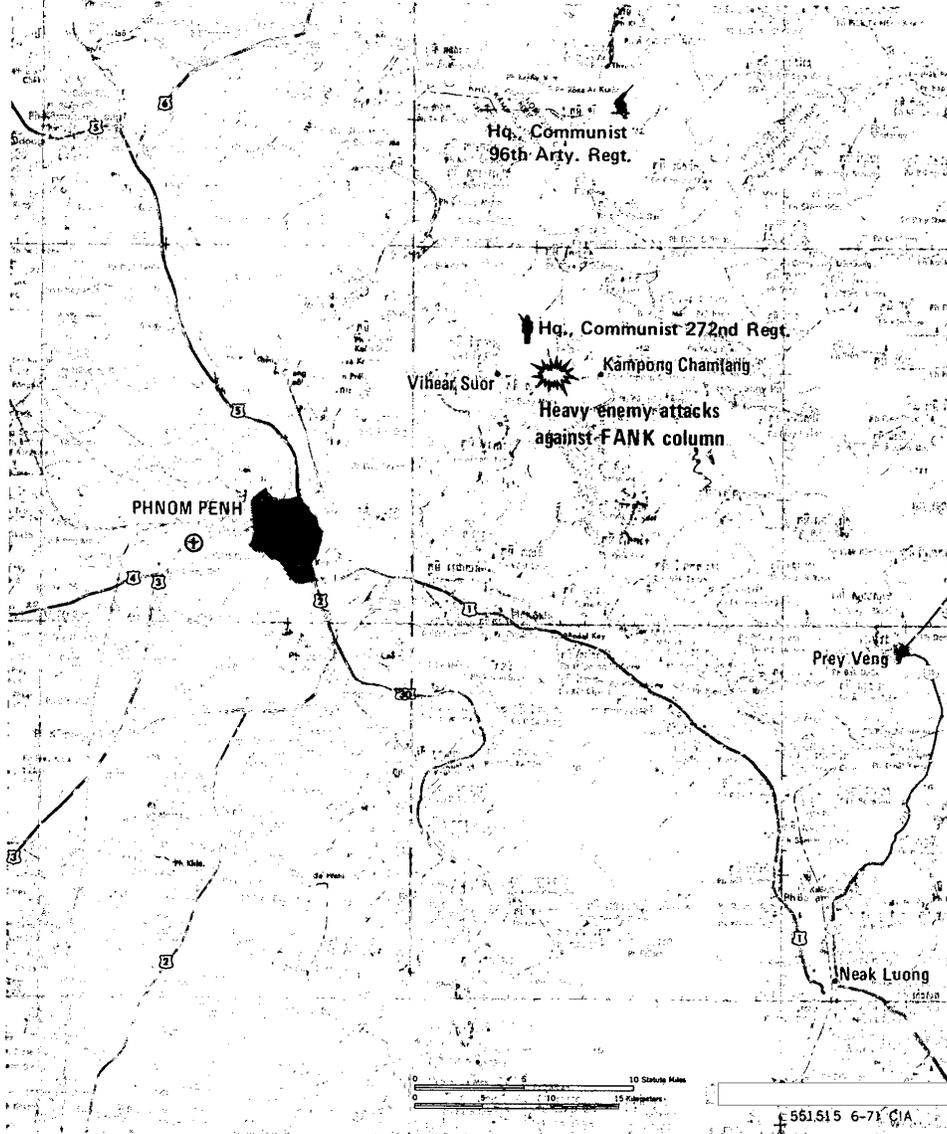
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[redacted]

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In a joint communiqué issued yesterday before Singh left Moscow, Indian and Soviet officials called for "urgent measures" in East Pakistan to stop the flow of refugees. They also urged further steps to ensure that peace is restored and that conditions of security are created for the return of the refugees to East Pakistan.

### Phnom Penh Area



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CAMBODIA

An eight-battalion Cambodian Army task force, consisting primarily of elite Khmer Krom units, has been severely battered by Communist forces north-east of Phnom Penh. Yesterday morning between the villages of Vihear Suor and Kampong Chamlang, the column was struck by intensive small-arms fire and then a rocket barrage. According to information reaching the US defense attaché in Phnom Penh, elements of the column were surrounded and ambushed as they sought to fall back to Vihear Suor or work their way toward Kampong Chamlang. Initial reports indicate that government casualties were substantial, but full details are not yet in.

*The Khmer Krom forces have been the mainstay of the Cambodian Army since the war began, and a major enemy success against them would shake the army high command in Phnom Penh.*

*The attack on the task force probably was undertaken by elements of the Vietnamese Communist 272nd Regiment and the 96th Artillery Regiment, which have been responsible for the recent increased enemy pressure in this sector. Intercepts of 7 June indicated that the Communists were keeping a close watch on the government task force and were preparing for attacks against it.*

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COMMUNIST CHINA

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[redacted] additional army-level unit is in the Shen-yang Military Region in northeast China. [redacted]

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*Such a development would increase Chinese military strength in the Shen-yang region by 40,000 or 50,000 troops to an estimated total of 475,000-485,000. This would be the first force increase in the past few years in this strategic region despite the Soviet military buildup in the Far East. During this time, however, the Chinese have built up their strength in the neighboring Peking Military Region, where the shift of two armies from east China in early 1970 raised the estimated strength to about 465,000 troops. In addition to the forces in the Shen-yang and Peking regions, troop strength in Lan-chou and Sinkiang has been gradually increased to a total of 230,000.*

*Despite these large numbers, Chinese troop deployment along the northern frontier appears cautious and defensive in nature. The immediate frontier areas are defended primarily by border defense and security units, while the regular units generally are kept well back from the border, where they are less vulnerable to sudden Soviet attack.*

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CHILE

President Allende has reacted to the murder yesterday of Edmundo Perez, a former cabinet minister and leader of the Christian Democratic Party's conservative wing, by imposing wide-ranging security measures. He has declared a state of emergency in Santiago, convoked the National Security Council, and put all radio stations on the government network. Members of a radical group, the People's Revolutionary Vanguard, have claimed responsibility for the assassination of Perez, calling it a "partial redemption" of a recent Vanguard communiqué insulting Allende and threatening to bring "enemies of the people" to justice.

*In addition to the steps being taken by Allende, the murder is being denounced by government coalition leaders as a provocation and a threat to all Chileans. The incident may be used by government officials as an excuse to crack down on extremists of both the left and the right who are frequently accused of activities injurious to public order.*

*The People's Revolutionary Vanguard, which describes itself as a "socialist and revolutionary organization of the armed proletariat," broke off from the better known Movement of the Revolutionary Left (MIR) about two years ago. It is reported to have been subsequently penetrated both by rightist extremists and by the Communist Party, but its current status and backing are unclear.*

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VENEZUELA

Minority parties have introduced two draft laws significantly affecting foreign (primarily US) interests. The first bill would prohibit foreign companies from selling petroleum products in the domestic market, thus eventually assuring that all of the market will come to belong to the government-owned oil company, which now controls only about one third of the market. The second bill would require the foreign companies to set aside ten percent of their annual depreciation as a guarantee that company assets will be in "good operating condition" when concessions begin to expire in 1983. A retroactive clause would substantially add to the financial burden arising from this levy.

*Although US oil firms are resigned to the loss of the domestic Venezuelan market, they are greatly concerned by the prospect of significant increases in their current operating costs. President Caldera's earlier proposed legislation to nationalize the oil companies' gas resources is still being debated, and these new bills largely represent efforts by the minority parties to climb aboard the nationalist bandwagon. All these bills are expected to pass this year, possibly as early as July.*

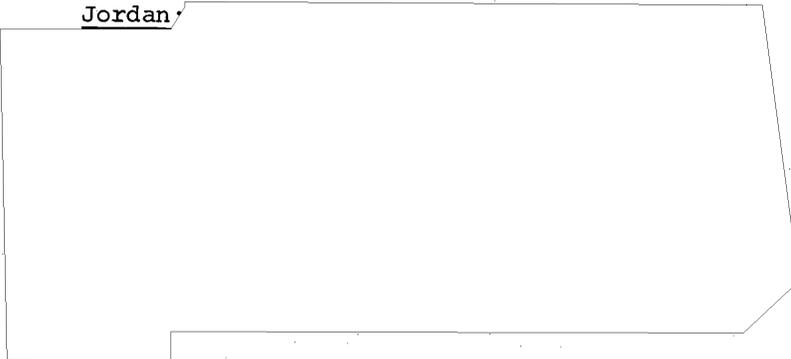
*It was a Venezuelan oil pricing package of a year ago that served as a model for price changes negotiated by Middle East oil producers earlier this year.*

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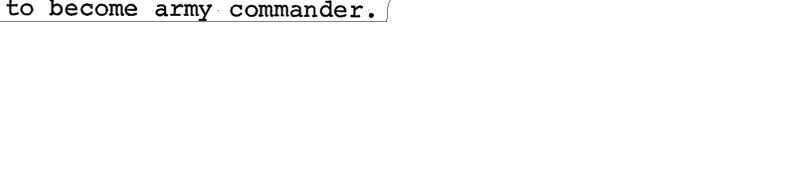
USSR-Berlin: Soviet Ambassador Abrasimov has warned of possible autobahn harassment if the scheduled meeting of a Bundestag committee takes place in West Berlin tomorrow and Friday. Abrasimov made the threat at a luncheon following Monday's four-power meeting on Berlin. It is likely that Moscow will support some East German harassment of West German traffic if it takes place. Chancellor Brandt, however, is now seeking to have Bundestag officials postpone the meeting, which has unusual sensitivity since it would nearly coincide with the East German party congress next week and Brezhnev's expected attendance.

Jordan



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Ecuador: A showdown may be in the offing between President Velasco and General Luis Jacome, a central figure in one of the plots against the government. A military investigating commission is said to have exonerated Jacome of plotting against Velasco last March and to have recommended his return to active duty where his seniority entitles him to become army commander.



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