



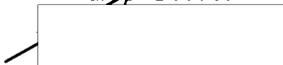
The President's Daily Brief

22 August 1972

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~~Top Secret~~



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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

22 August 1972

PRINCIPAL DEVELOPMENTS

In South Vietnam, government troops have launched a counterattack in Quang Nam Province to retake positions captured by the Communists over the weekend. In North Vietnam, the rainy season is now well along, and so far the country has escaped extensive flooding. (Page 1)

In Cambodia, the government is making some progress in its efforts to reopen key roads. (Page 3)

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[redacted] the Egyptians
[redacted] Soviet military equipment [redacted]
(Page 4)

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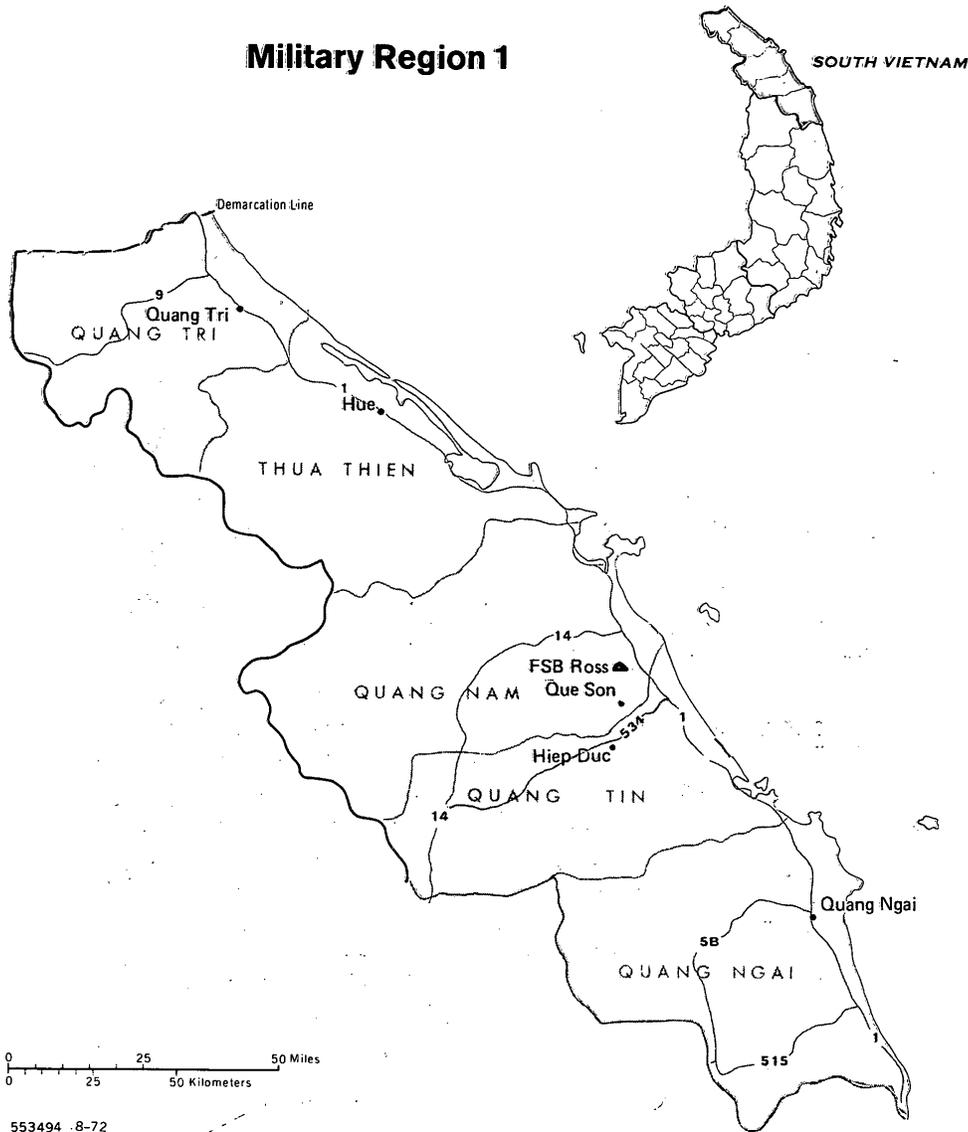
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A recent ruling of the Philippine Supreme Court has cast doubt over the future status of US economic holdings in the Philippines. (Page 5)

In Chile, a nationwide strike of retail merchants has led to violence and mass arrests in Santiago. (Page 6)

Military Region 1



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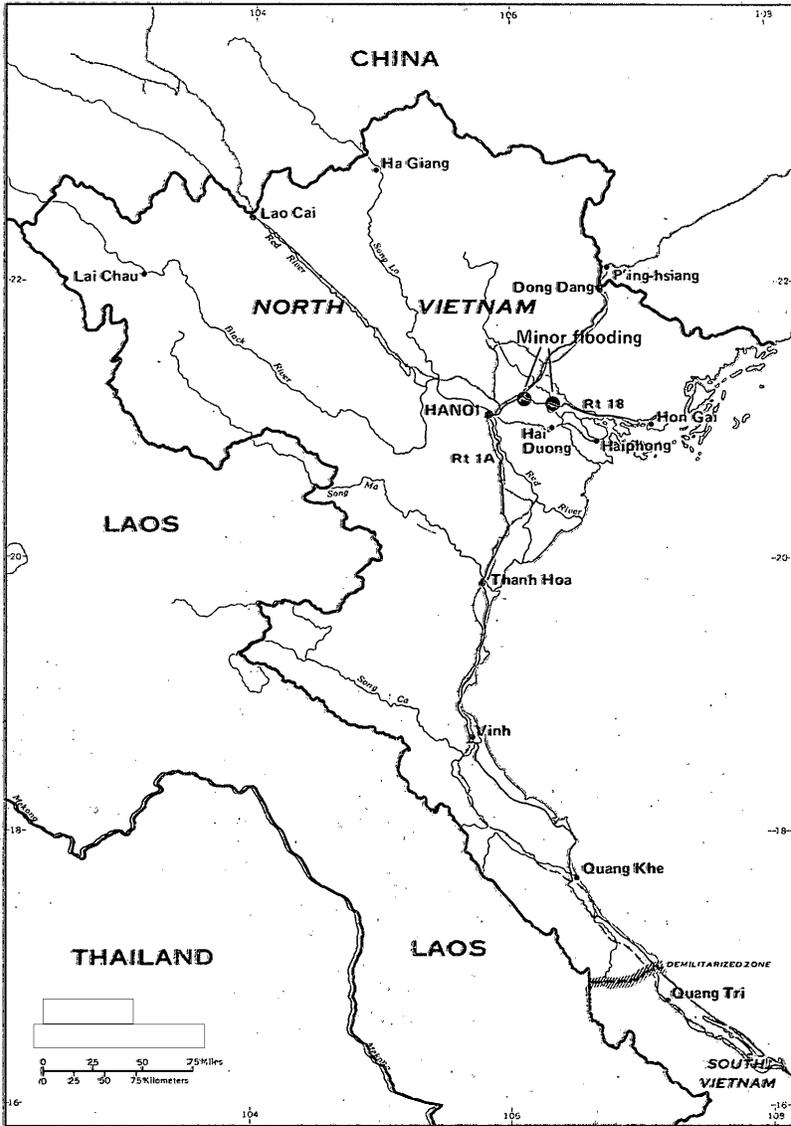
VIETNAM

Government troops have launched a counterattack in Quang Nam Province to retake positions captured by the Communists over the weekend. South Vietnamese Army troops, backed by heavy air support, so far have encountered moderate enemy ground resistance and artillery fire and have moved to within five miles of Communist-held Que Son district capital and Fire Support Base Ross. Five 130-mm. field gun positions have been pinpointed in Quang Tin Province, about 12 miles southwest of Que Son. In addition, US pilots have spotted a newly constructed road in the mountains close to the junction of Routes 14 and 534; the road may be serving both the guns and North Vietnamese forces in adjacent Quang Nam Province.

To the north in Quang Tri Province, Communist artillery fire continues at near-record highs; about 8,500 rounds fell on South Vietnamese Marine and Airborne positions over a two-day period. Street fighting was reported in both the northern and southern sectors of Quang Tri City on Sunday, but little ground was gained.

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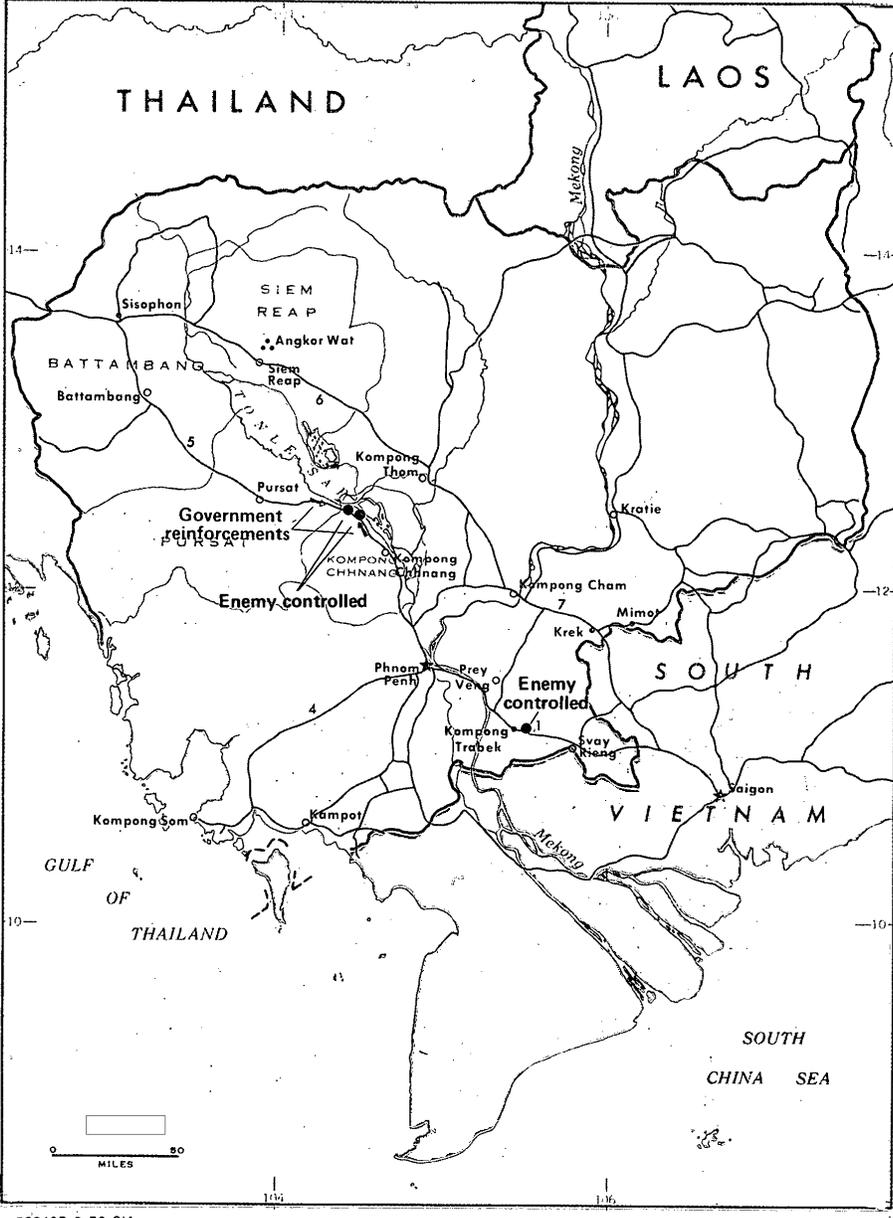
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The rainy season is now well along in North Vietnam, and so far the country has escaped extensive flooding. Aerial photography up to 13 August indicates that the flooding in lowland areas north of Hai Duong noted in late July has now spread to new areas along a 15-mile stretch of the Cao River. There has also been some minor flooding west of Hanoi in lowland areas between the primary dikes. On the whole, the dikes appear to be under little pressure, and none of the flooding can be attributed to bomb damage.

Infrequent intercepts from North Vietnamese weather stations suggest that precipitation this year has been well below that of 1971, and the rivers in the northwest mountain region are much lower than they were last year at this time. There have been no intercepts from the Red River delta area to indicate river levels there, but reporting from diplomatic observers suggests that the rivers are no higher than normal for this time of year. Hanoi's news media have cut back their propaganda on the flood danger.

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CAMBODIA



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CAMBODIA

The government is making some progress in its efforts to reopen key roads. Three South Vietnamese battalions moving on Route 1 toward Kompong Trabek from the southwest have linked up with the five Cambodian battalions that have been pinned down by the Communists on the outskirts of the town for the past two weeks. The Cambodian and South Vietnamese column on Route 1 that has been stalled farther west of Kompong Trabek may be able to join these forces soon to make a combined attack on the town.

In the northwest, government troops have launched operations to reopen Route 5 by retaking two outposts overrun by the enemy on 18 August near the border of Pursat and Kompong Chhnang provinces.

Phnom Penh can ill-afford any prolonged closure of Route 5 because the capital receives most of its rice over this highway. The latest enemy attacks in this area suggest that the Communists may exert greater pressure against the highway than they have done in the past.

Meanwhile, the other major highway in the northwest, Route 6, is once again open to Siem Reap, enabling the government to bring in fresh supplies and troops. Cambodian units at Siem Reap are still trying to organize operations to regain the positions in the Angkor Wat area that they recently lost to the Communists.

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EGYPT-USSR

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[Redacted]

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--Satellite photography of the Aswan area on [Redacted] suggests that at least four of the five SA-6 sites there were active on that date, which would imply that the SA-6s have been turned over to the Egyptians. [Redacted]

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PHILIPPINES

A recent ruling of the Philippine Supreme Court has cast doubt over the future status of US economic holdings in the Philippines. The court held that the rights to own land and business interests--which were assured to American citizens and corporations in 1946 under an amendment to the Philippine constitution--will expire on 3 July 1974 when the amendment itself expires.

Total US investment in the Philippines is estimated at \$1 billion, and a large portion of this would be affected. The court's decision did not address the timing and procedures for the dissolution of American rights. The Philippines is in the process of drafting a new constitution, however, and the whole issue of the future of American rights will have to be resolved by the current constitutional convention. President Marcos, who controls the convention, will be tempted to use the now-precarious position of American business interests as a bargaining lever in renegotiating military and economic agreements with the US.

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NOTES

Chile: A nationwide strike of retail merchants has led to violence and mass arrests in Santiago. Yesterday's anti-government demonstrations were prompted by police efforts to reopen retail establishments that had closed to protest police involvement in the death last week of a merchant in remote Punta Arenas. The strikers have urged an investigation of the merchant's death, and have expressed resentment over the government's pricing policies. Although disturbances subsided in the capital late last evening, there are reports that the government plans to declare a state of emergency for Santiago-- as it already has done for Punta Arenas--should demonstrations resume today.

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