



The President's Daily Brief

18 March 1971

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FOR THE PRESIDENT ONLY

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PRINCIPAL DEVELOPMENTS

Cambodia is taking precautionary measures to prevent trouble today on the first anniversary of Sihanouk's downfall. *(Page 1)*

Soviet commentary on new silo construction at the SALT is discussed on *Page 2*.

Developments in Pakistan are discussed on *Page 3*.

An economic agreement was signed Tuesday between the USSR and Egypt. *(Page 4)*

Mexico's attitude toward Communist countries appears to be cooling. *(Page 5)*

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FOR THE PRESIDENT ONLY**CAMBODIA**

Phnom Penh is taking precautionary measures to prevent trouble today on the first anniversary of Sihanouk's downfall. All popular demonstrations have been banned, a nighttime curfew ordered, and army (FANK) units in and around the city have been placed on full alert. These steps are prompted in part by fear that the Communists are planning terrorist acts or harassing attacks in or near the capital. Some 22 FANK battalions are conducting sweep operations in three separate areas in the Phnom Penh special military region. They have made few significant contacts with enemy elements, however.

The possibility, reported in The President's Daily Brief of 15 March, that Khmer Krom troops or other non-Communist elements might take some ill-considered action in the capital around this date has diminished, but the leadership is still nervous over possible antigovernment activities. The government believes, for example, that some students and Buddhists have been planning to demonstrate against the presence of South Vietnamese forces in Cambodia and the effects of US air strikes in the countryside.

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USSR-SALT

Initial attempts by US negotiators at the fourth round of SALT to elicit Soviet commentary on the significance of their recently detected silo construction met with studied ambiguity. Soviet Deputy Foreign Minister Semenov and other representatives have side-stepped questions as to the precise meaning of Semenov's remark to Ambassador Smith that Moscow's new silo construction "does not have a bearing" on the US-USSR strategic relationship. During the informal conversations following the 16 March plenary, some of the Soviets responded to US queries on this issue with allusions to the need for "modernization."

Generally speaking, the Soviets thus far have been slippery but affable, low-keyed, and vague. They clearly feel themselves on the defensive with respect to the disclosure of the new silos and doubtless wished to assess the US reaction before giving another aggressive push to Moscow's position on other contentious issues. The Soviet delegation has not yet homed in on forward-based systems or Moscow's proposal for an ABM-only agreement, but there is no real sign of new flexibility in its view on either count.

There is, in fact, slim prospect for much early progress. Semenov himself will leave for Moscow on 27 March to attend the Soviet Party Congress, and he will probably not be back in Vienna until well into April.

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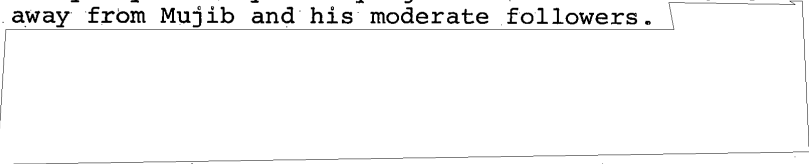
PAKISTAN

After a second meeting with President Yahya in Dacca yesterday, Mujibur Rahman appeared discouraged but said he hopes discussions will continue. Another meeting is scheduled for today.

According to a report reaching the Consulate-General in Karachi, Yahya does not believe Pakistan can be held together by force. He therefore intends to give in to most of Mujib's demands and turn "the whole bloody business" over to him--meaning the National Assembly, which is to write a constitution. According to other reports, the main barrier to an agreement is Yahya's insistence that martial law will continue until a constitution is written.

Meanwhile, the pro-Peking East Bengal Communist Party may already be trying to take the initiative away from Mujib and his moderate followers.

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USSR-EGYPT

Moscow has extended \$200 million in credit for new aid projects to Egypt under agreements signed Tuesday. (The Egyptians report that the total amount of aid involved is \$400 million, but half of this we believe includes credit provided but not yet used.) Cairo news accounts say the Soviets will provide almost \$70 million for rural electrification and \$40 million for additional land reclamation; both projects were discussed during Soviet President Podgorny's visit to Cairo in mid-January. The USSR is also said to have agreed in principle to provide more civil aircraft to the Egyptian airline. In addition, Moscow will provide more than \$30 million for construction and expansion of cement factories and \$55 million for grain silos and commercial development of Lake Nasir.

The 1971 trade protocol also was signed. It calls for total trade of about \$470 million, roughly the level of trade in recent years. Egypt has agreed to ship primarily consumer goods to the USSR while Moscow will send crude oil, petroleum products, and cast iron to Cairo.

FOR THE PRESIDENT ONLY**MEXICO**

The government is continuing its efforts to round up the remaining members of the Revolutionary Action Movement (MAR), an extremist organization of young Mexicans trained in sabotage and terrorism by North Korea. On Monday the government announced that it had arrested 19 of the extremists whose objective was the overthrow of the Mexican Government and the establishment of a Marxist-Leninist regime. The MAR apparently was in the final stages of placing cadres in strategic locations around the country and is said to have planned to begin its program of sabotage this summer. Interrogation of those arrested so far has resulted in a detailed account of travel routes and contact networks involving numerous Communist countries.

The Echeverria administration apparently intends to keep publicizing the details of the "plot," particularly Soviet and East German involvement in providing transit facilities, funds, and equipment to the revolutionaries. The US Embassy notes that the affair could have a significant effect on the government's attitude toward the activities of Communist diplomatic, cultural, and trade missions in Mexico; toward the activities of exiles from all over Latin America; and toward leftist groups within the administration. The recall yesterday of Mexico's ambassador to Moscow is a clear sign that the government's attitude toward Communist countries is beginning to cool.

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NOTES

Argentina: The Cordoba labor confederation has called for another 14-hour strike today, and the government is likely to use the federal police, or perhaps army troops, if Monday's violence recurs. The politically motivated labor leaders in Cordoba have already accomplished one of their principal objectives--the resignation of Governor Uriburu--and now they have their sights on the removal of President Levingston.

Turkey: The leaders of the four largest political parties are meeting again today with President Sunay to search for a new government that would be both acceptable to the military and politically feasible. There is some speculation that retired General Fikret Esen will be named prime minister, but such a move probably would be strongly opposed by the political leaders unless the government is given a provisional status that would limit its mandate and duration. Meanwhile, the purge of military officers suspected of holding personal political ambitions reportedly is continuing, and troops, especially in the Ankara area, remain in a high state of readiness.

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