

# The President's Daily Brief

*13 June 1973*



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CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D.C. 20505

**TOP SECRET**

June 13, 1973

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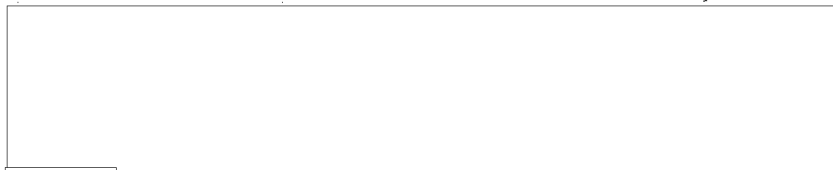
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THE PRESIDENT'S DAILY BRIEF

13 June 1973

PRINCIPAL DEVELOPMENTS

Cambodian Prime Minister In Tam's enthusiasm for his office has steadily declined, but he reportedly intends to stay on the job and do what he can to cope with the country's problems. (Page 1)

Although Venezuela's current initiative to relax OAS restrictions against Cuba appears to be foundering, the Latin American trend toward closer relations with the Castro government is expected to continue; this trend is examined in detail at Annex. (Page 2)

Information from various sources indicates that Mexico has requested observer status in the Council for Mutual Economic Assistance or will do so soon. (Page 3)

France

(Page 4)

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Anxious for a resumption in the canal negotiations, Panamanian authorities are trying to show good will by keeping down the level of anti-US propaganda. (Page 5)

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CAMBODIA

Since taking office a month ago Prime Minister In Tam's enthusiasm for his office has steadily declined, largely because of President Lon Nol's unwillingness to share his power.

In Tam claims he is being isolated from the daily running of governmental business by a combination of arbitrary decisions on the President's part and the hostility of senior Cambodian Army officers. Some of the latter appear to be supporting Lon Nol's efforts to keep In Tam in check in order to block military reforms--including the replacement of incompetent and corrupt commanders. In Tam is also concerned that several unpopular economic decisions that must be made soon may damage his political career.

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Nevertheless, [redacted]

[redacted] In Tam intends to stay on as Prime Minister and do the best he can to cope with the country's problems. If he could obtain the political support of fellow council member Sirik Matak, he might be able to make some inroads on Lon Nol's authority. It does not appear that Matak can be counted upon, however. [redacted]

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[redacted] the prospects for effective government in Phnom Penh remain poor.

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VENEZUELA-CUBA-OAS

The Venezuelans are having trouble lining up a majority of OAS members for a resolution permitting each member to decide for itself whether to honor the sanctions against Cuba. Venezuela may have to abandon its campaign for now.

*This does not mean a reversal in the Latin American trend toward closer economic and diplomatic relations with the Castro government. This trend is examined in detail at Annex.*

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MEXICO

[REDACTED] Mexico has requested observer status in the Council for Mutual Economic Assistance or will do so soon.

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*The USSR and its Eastern European allies recently have been trying to establish stronger economic links with non-Communist nations through CEMA. Finland recently became the first non-Communist country to conclude an agreement with CEMA; Iraq, Iran, and India have been approached.*

*Mexican participation in the Soviet-led CEMA would be in line with President Echeverria's aggressive foreign policy and his desire to be more independent of US influence in the world economic arena. He is reaching out to any nation or economic grouping--regardless of its ideological orientation--that allows him to exhibit this independence. Echeverria may hope that association with CEMA will bring economic benefits and increase exports, although nothing significant would develop soon.*



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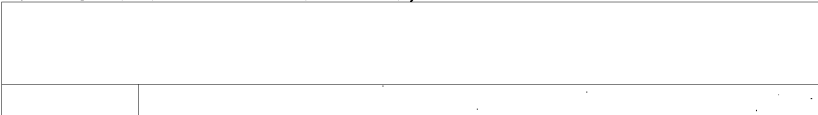
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NOTES

Panama: Anxious for a resumption in the canal negotiations, Panamanian authorities are trying to show good will by keeping down the level of anti-US propaganda. They have also hinted at some additional flexibility in their negotiating position on the duration of US jurisdiction in the Canal Zone and the transition of authority from the US to Panama.



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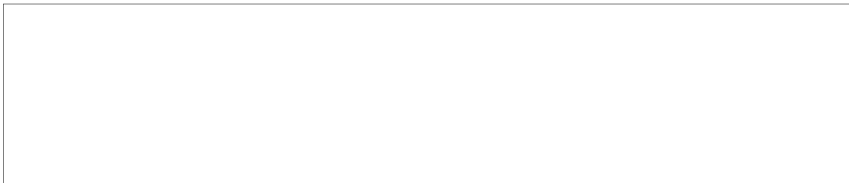
Spain: The new cabinet to be sworn in today is likely to be even more rightist than its predecessor. Conservative representation has been increased at the expense of adherents of the Catholic lay organization Opus Dei. Foreign policy is expected to reflect the commitment of the new Foreign Minister, Lopez Rodo, to Spain's integration in Western Europe. Although generally well disposed toward the US, he is also a tough negotiator and a firm defender of Spanish economic interests. Thus, the Spanish position on bilateral issues with the US may become more rigid.

Sudan: The Numayri government states that the prosecution of the eight Black September terrorists accused of the murder of US and Belgian diplomats last March will begin next week. The terrorists apparently will be tried before a civil rather than a military court. The charge of murder carries a death sentence or, if the court concludes there are extenuating circumstances, life imprisonment. The government may have decided to move at this time in the hope of distracting the Sudanese public from recent price increases and in the hope that other Arab capitals will be too concerned with the UN debate on the Middle East to focus full attention on the trial.

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Japan-Cuba: Tokyo is considering lifting its 12-year ban on Japanese Export-Import Bank credits to Cuba as a means of obtaining a sharp increase in the current low level of Japanese exports to that country. In recent years, Cuba has pressed Japan for credits to finance purchases of heavy industry products, including machinery, ships, and motor vehicles. Tokyo has held off thus far out of deference to US wishes, but may now feel it can no longer afford to do so.



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CUBA - LATIN AMERICA

During the past year six countries in the hemisphere have established or restored ties with Havana. Others seem likely to act soon.

Many Latin American leaders--faced with a rising tide of nationalism--have become convinced that US Government and private interests in the hemisphere are somehow incompatible with their own overriding goals--economic development and "independence." There has been a broad transformation since the mid-1960s in Latin American attitudes toward the US and the rest of the world, involving a shift toward far less concern over any external threat to hemispheric security.

The Castro regime has not merely been a passive beneficiary of this thinking, but since the late 1960s has sought eagerly to strengthen it. The shift in tactics was prompted by the repeated failures of Cuba's subversion policy, mounting economic difficulties, and Soviet pressure. In mid-1968, Havana began to reduce its tangible support to Latin American revolutionary groups and initiated a concentrated effort to normalize relations with selected governments in the hemisphere. Castro and other Cuban leaders toned down their revolutionary rhetoric. Havana pursued low-level contacts--athletic, cultural, and technical exchanges. Cuba's efforts to improve its image included earthquake relief to Peru, Chile, and Nicaragua.

Cuba gives lip service to Latin American demands for revision of the Law of the Sea, but in carefully worded generalizations that minimize conflict with the position of its chief ally, the USSR. Castro has also voiced substantial support for the right of the English-speaking Caribbean states to participate fully in inter-American affairs. In these and other problems, he is encouraging the concept of hemispheric unity in dealing with the US.

The Cuban effort began to bear fruit in 1970 when Chile's Allende re-established diplomatic relations. Chile thus joined Mexico, which had never broken ties with Cuba. In the last 12 months, Argentina, Barbados, Peru, Jamaica, Trinidad-Tobago, and Guyana established or restored relations.

Cuba's success in reducing its isolation stems in large part from the fact that many Latin American governments see normalizing relations with Havana

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as a relatively "safe" way to demonstrate "independence" of the US. Faced with the domestic pressures of fervent nationalistic emotions, many governments see such an image as a virtual necessity.

Some governments, such as Peru, Argentina, and Venezuela, apparently feel that by obtaining Castro's revolutionary endorsement, they undercut leftist opposition groups and cause the termination or at least curtailment of Cuban support to local guerrilla organizations.

Others have sought improved ties with Havana to gain Cuban support for cherished foreign policy positions, particularly those involving actual or anticipated US opposition. Latin Americans have obtained Cuban backing on a number of issues, including demands for sovereignty over natural resources and removal of restrictive US trade barriers and "coercive" economic measures. Panama's Torrijos has from time to time toyed with the thought of trying to use Cuban backing for his canal aspirations in an effort to get concessions from the US.

Some governments also view Cuba as a potential customer. Cuba imported goods worth approximately \$10 million from Mexico in 1972 and recently signed a \$29-million contract with Peru for 110 fishing boats. Trade with Chile is continuing, Argentina proposes to sell corn to Cuba, and Venezuela has announced that talks on the sale of petroleum to Cuba are under way.

Finally, many Latin Americans are convinced that efforts to isolate the Castro government have succeeded only in tightening the Soviet grip on Cuba. Many governments believe that the OAS sanctions policy cannot last much longer and wish to avoid being the last to join the anti-sanctions bandwagon. There is also a lingering suspicion that the US may act unilaterally to reverse its own Cuba policy, thus embarrassing those governments that adhered faithfully to the sanctions.

Cuba's reintegration into the hemisphere will probably continue at its present gradual pace. Venezuela and perhaps Panama are likely in the near future to restore formal relations. Others are expected eventually to fall in line. In any case, support for the OAS sanctions will continue to decline. The two-thirds majority required to lift the sanctions probably cannot be mustered this year, but the anti-sanction forces need only one or two more votes to achieve the "moral victory" of an absolute majority.

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