

The President's Daily Brief

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THE PRESIDENT'S DAILY BRIEF

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PRINCIPAL DEVELOPMENTS

South Vietnam 50X1

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The situation in Cambodia is discussed on Page 2.

There are signs that the Communists are planning an above normal level of logistic operations in the Laotian Panhandle during the rainy season. (Page 4)

Pre-conference activity suggests that the Djakarta meeting on Cambodia will be a bland affair. (Page 5)

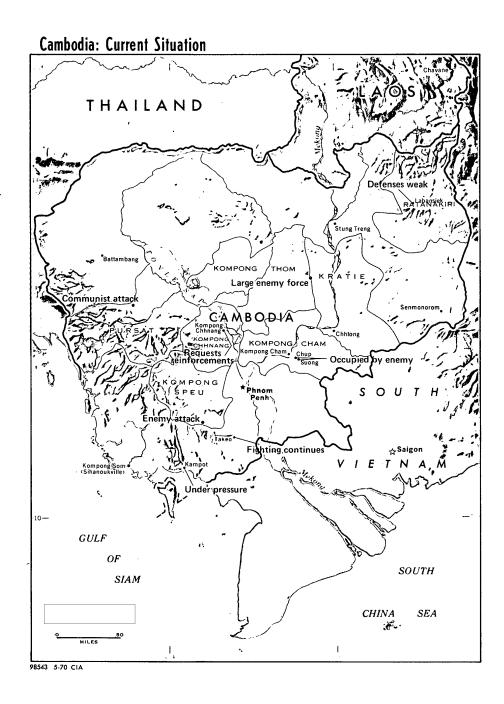
Speculation about the ouster of Prime Minister Khiem continues in Saigon circles. (Page 6)

Chancellor Brandt may meet many of East Germany's demands during his next meeting with Premier Stoph. (Page 7)

The Israelis appear satisfied with the results of their raid into southern Lebanon. In Beirut, the attack has increased the pressures on the government to build up its military might. (Page 8)

FOR THE PRESIDENT ONLY

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CAMBODIA

The government continues to give ground under steady Communist pressure. Much of the province of Kompong Cham east of the Mekong River is now under Communist control.

"thousands" of well-armed Vietnamese Communists have occupied the vast rubber plantation at Chup, not far from Kompong Cham city. Government troops who had moved onto the east bank of the Mekong during the loading of Vietnamese repatriates on South Vietnamese vessels at Kompong Cham were chased back across the river by heavy enemy assaults. Two government battalions north of the city have also been in trouble in recent days, and the Communists also appear to be closing in from the south. The government blocking position at Suong has also been overrun.

Farther north, an intercepted army message claims a large enemy force is moving into the Kratie - Kompong Thom provinces border area, in what would be the westernmost extension of Communist activity. In the northeastern province of Ratanakiri, the local commander of the town of Labansiek claims that the recent withdrawal of two battalions has critically weakened government defenses there.

In the south, street fighting is reported in Takeo town, and government troops have received South Vietnamese air support. The provincial capital of Kampot is under continuing pressure and fire from the Communists, who still hold the high ground around the town. Elsewhere, in Kompong Speu Province, an estimated 600 Communist troops attacked and burned a sector command post on 11 May.

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A govern-

ment sweep operation southwest of the town has been hard hit by presumably indigenous Communist elements.

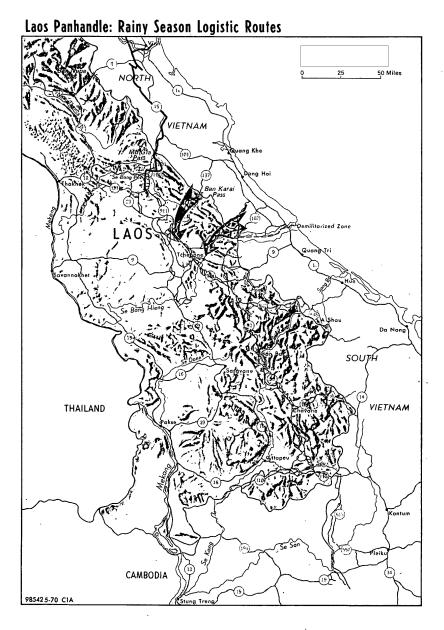
On the diplomatic side, both Hanoi and the Viet Cong have served notice on Phnom Penh that they are withdrawing their few remaining diplomats from the Cambodian capital. Unlike Peking, however, Hanoi still has not announced a formal rupture of diplomatic relations. It is not clear why the North Vietnamese are reluctant to take the last step. The Lon Nol regime's closer relationship with Saigon has already been subjected to some minor strains.

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LAOS - SOUTH VIETNAM

The Communists now seem prepared to maintain a higher level of logistic operations in the Laotian Panhandle this rainy season than was indicated earlier. A recent intercept from a panhandle logistic authority--probably operating along Route 914--states that "the 559th Transportation Group is determined to continue transporting in the rainy season." The reasons given were the Allied incursion into Cambodia, the recent bombing of North Vietnam, and the uncompleted dry season mission.

Other messages from units operating along Routes 911 and 912 have discussed "the mission of remaining during the rainy season." The messages urge completion by 19 May of a petroleum pipeline to the Tchepone area. They mention an "urgent" need for gasoline.

In recent weeks intercepts had suggested the Communists would follow the practice of last year, confining their limited summer logistic activity to the western DMZ-central panhandle area. It now looks as though operations may be broadened to include two routes of entry from North Vietnam.

CAMBODIA-ASIA

Next weekend's Djakarta conference on Cambodia promises to be a fairly tame affair. It will, however, give the Lon Nol government a needed psychological boost, which is really about all its sponsors intended.

The twelve states attending, except for Indonesia and Singapore, are avowedly pro-West, and even these two countries have important links with the West. Of the ten nations that declined to participate, four are Communist China, North Vietnam, North Korea, and Mongolia. The other six--Afghanistan, Nepal, India, Pakistan, Ceylon and Burma--are relatively far from the scene of the conflict and are strongly nonaligned.

In view of the one-sided complexion of the conference, most participants seem to favor working either for a mild set of resolutions to which the Communists cannot take reasonable exception or simply for a referral of the Cambodian problem to the United Nations. Indonesian Foreign Minister Malik has been thinking in terms of a package, urging restoration of peace in Cambodia, maintenance of Cambodian neutrality and independence, and reactivation of the International Control Commission. Several powers have suggested considering some kind of follow-up action, such as sending an observer team to Cambodia, or additional meetings to deal with later developments.

Reinforcing the tendency toward a bland, low-keyed meeting are internal pressures in Indonesia and Japan, two of the prime movers of the conference. Malik has come under criticism for compromising Indonesia's nonaligned policy not only by becoming involved but by actually sponsoring an essentially pro-Western meeting. In Japan, Prime Minister Sato and Foreign Minister Aichi have been criticized for tacit approval of US actions.

SOUTH VIETNAM

Rumors that Prime Minister Khiem may be replaced continue to circulate in Saigon. The press has added to the speculation by publishing a report that Professor Nguyen Van Bong of the Progressive Nationalist Movement (PNM), a moderate opposition party, is being considered as a replacement for

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These and other rumors take on added weight in view of the recent indications of discouragement and indecisiveness at the top levels of the Saigon government. A similar drawn out, rumor-ridden period preceded former Prime Minister Huong's removal from office last summer.

WEST GERMANY - EAST GERMANY

Bonn may present a draft treaty that goes a long way toward formal recognition of East Germany at the meeting between Chancellor Brandt and Premier Stoph in Kassel on 21 May. A text of the draft "position paper" was given the Western Allies on 11 May with an explanation that it is one of several approaches to the Kassel talks now under consideration.

In the paper, Bonn proposes that West and East Germany conclude a treaty that "regulates the relationship between the two states in Germany," improves communications between their populations, and aids in the removal of existing discriminations. Under the treaty, each side would pledge to respect the "independence and sovereignty," territorial integrity, and frontiers of the other. Furthermore, the paper proposes formally to set aside Bonn's longstanding claim to be the sole representative of the German people.

Other key points include a provision for the exchange of plenipotentiaries with the rank of minister, and the admission of both Germanies to the United Nations. Finally, both states would pledge to respect the existing agreements by the wartime Allies regarding Berlin and Germany as a whole.

The major points contained in the German paper have been surfaced before, but this is the first time they have all been incorporated into a draft treaty to have full standing under international law. Such a treaty would go a long way toward meeting East German conditions, although the provision regarding reaffirmation of Allied rights in Berlin would be hard for Pankow to accept.

It is not yet clear whether Brandt will adopt this approach at Kassel. Bonn did not explicitly ask for Allied comments but obviously is interested in obtaining reactions before deciding upon what course to take.

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Israeli Forces Withdraw from Lebanon



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ISRAEL-LEBANON

In a conversation with the American DCM yesterday, an Israeli Foreign Ministry official characterized Israel's raid into southern Lebanon as "limited" and "more or less successful." He said Israel's purpose in mounting the attack was to dislocate the fedayeen units and interfere with their logistical support. The official expressed some surprise over the degree of fedayeen resistance, but he reiterated that Lebanese Army intervention was minimal.

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Except for

Syria's abortive air strike into southern Lebanon, and for some Syrian and Iraqi shelling of an Israeli position, there was no indication that the Eastern Arab Command was able to mount an intervention operation.

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As a result of Tel Aviv's action, Lebanon may still come under pressure from other Arab states to allow the stationing of their troops on its territory as a defense measure against Israel. Lebanon also may build up its military establishment and concentrate even more of its men along the border with Israel.