

The President's Daily Brief

5 June 1971

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THE PRESIDENT'S DAILY BRIEF

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PRINCIPAL DEVELOPMENTS

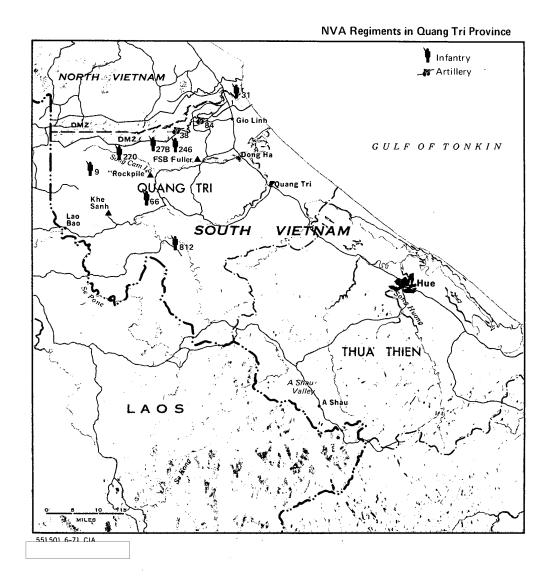
India/ istan	Pak- (Page 1)	50X1
The Communists have increased their militin South Vietnam's northernmost province in additional North Vietnamese units. (Per province in additional North Vietnamese units.)	by moving	
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On Page 4, we discuss the USSR's purchase dian wheat.	of Cana-	
Soviet Romania	Page 5.	50X1

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SOUTH VIETNAM

Elements of two North Vietnamese divisions have recently moved into the northernmost province of Quang Tri. There are now at least seven infantry and two artillery regiments—close to 15,000 men—in the province.

Recent Communist military operations in the province have involved primarily the artillery units. Earlier this week, simultaneous shellings were carried out against a string of allied positions in northeastern Quang Tri, and intensive mortar bombardments were mounted against two positions farther west.

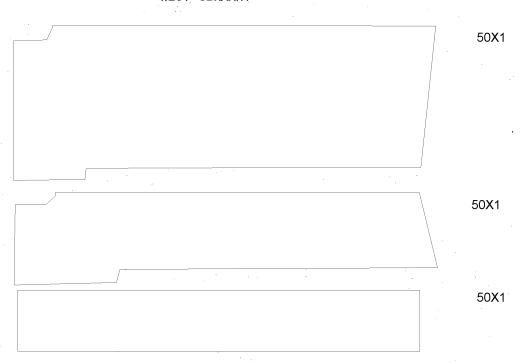
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infantry regiments have completed preparations for ground attacks in the near future, possibly with artillery support.

If attacks materialize, the principal targets are likely to continue to be allied fire support bases and field positions, but major headquarters or towns could come under mortar or rocket fire. The Communists may also offer stiffer resistance to allied operations in western Quang Tri.

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WEST GERMANY



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USSR-CANADA

Moscow has purchased about 3.5 million tons of Canadian wheat worth \$235 million, according to an announcement by a Canadian wheat board official. The contract includes a balance of about one million tons which the USSR was obligated to buy under a 1966 agreement.

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two million tons will be shipped from Canada during 1971 and the remainder in the first half of 1972. Some shipments will be from Canadian Pacific ports and will be used in the Soviet Far East, which otherwise depends on high-cost crosscountry shipments from Soviet wheat fields in European USSR.

The purchase comes in the wake of Prime Minister Trudeau's recent visit to Moscow where the USSR promised to give Ottawa preferential consideration as a source of any wheat imports. The magnitude of the sale will help to blunt domestic criticism of the implications of Trudeau's trip by pointing up the advantages of pursuing an "independent" foreign policy.

Although the USSR has had excellent wheat harvests in recent years, purchases of Canadian wheat are a convenient way to meet its increasing commitments to Eastern Europe, Cuba, and North Vietnam without drawing down its own stockpiles.

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NOTE

India: The government has signaled no novel approaches to the country's economic and social problems in its new budget, which the US Embassy describes as "hurriedly drawn." Under the essentially conservative budget, spending is to increase by only 4.6 percent and the tax base will remain largely unchanged. Development programs focus on industry, transportation, and communications; the share devoted to irrigation and power has been reduced. On the whole, the budget does not point to appreciably faster economic growth or to major new attacks on the massive unemployment problem. In fact, unless India gets substantial international help with its Bengali refugee problem, the costs of the problem are likely to force cuts in the limited economic development and employment programs that are planned.