



The President's Daily Brief

16 July 1971

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PRINCIPAL DEVELOPMENTS

The Kremlin apparently decided with some difficulty to pursue seriously an arms control agreement with the US, and there are still some who are unhappy over this course of action. (Page 1)



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The Chinese Communists have let it be known they will welcome an expansion of indirect trade with the US. (Page 3)

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SALT

Recent evidence suggests that Moscow's decision to pursue seriously an arms control agreement with the US was reached only with some difficulty in the Kremlin, and that there are still those who are unhappy with Moscow's course of action as advanced in the US-Soviet announcement of 20 May.

The Soviet official line on SALT since 20 May has been moderate and optimistic. Brezhnev's speech of 11 June, which stressed the "increasing significance" of the talks, is now being cited as a basic text by Soviet officials and media. The opening of SALT V in Helsinki was greeted with an uncharacteristically moderate and balanced Pravda editorial which announced that there were signs of a positive shift toward accommodation on both sides. This was followed by an Izvestiya article stressing the optimism accompanying the current round.

On 13 July, however, the military newspaper Red Star presented an article--said to be the first of a series--which adopted a more strident tone, casting doubt on US motives and intentions. Red Star's approach suggests a lack of enthusiasm on the part of some in the Soviet defense establishment for Moscow's present course.

Moreover, an article in the current edition of the Soviet Communist Party theoretical journal Kommunist painstakingly and defensively justifies Moscow's current policy on SALT. It quotes Lenin on the wisdom of dealing with the US and criticizes leftist elements whom Lenin called "masters of the revolutionary screech" for not understanding the current Soviet approach. The article's defensive tone and the attack on those criticizing from the left add to the conjecture that Moscow's current disarmament policy was not arrived at easily. Indeed, Soviet SALT delegate Shchukin told an American counterpart that there had been a high degree of nervous strain in the work of preparing for SALT V "because of tense disagreements within the Soviet Government."

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COMMUNIST CHINA - PAKISTAN

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COMMUNIST CHINA - US

Since the US relaxation of restrictions on trade with Communist China last month, the Chinese have told [redacted] that they will welcome an expansion of indirect Sino-US trade. Although Peking has made it clear that because of US relations with Taiwan direct trade with US-owned firms is impossible, the Chinese recently have increased their imports of US goods through foreign firms and have approached foreign exporters with the US market in mind. In both instances China has maintained that such trade is desirable as long as Peking is not officially informed of the US origin or destination.

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Peking's commercial representatives in Hong Kong have been advised to establish companies to trade with the US on an unofficial basis. It is not clear, however, whether Peking has finally approved the start of this type of activity. China is also said to be considering allowing a small number of American company officials to attend the Canton trade fair this fall; however, they may not be permitted to engage directly in trade.

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NOTES

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Laos: North Vietnamese resistance to the actions of Vang Pao's irregular forces on the eastern portion of the Plaine des Jarres is beginning to increase somewhat. The North Vietnamese are regrouping their forces to try to block any further advances by Vang Pao's forces into the high ground east of the Plaine. Four, or possibly five, North Vietnamese regiments are taking up essentially defensive positions in an arc around the eastern edge of the Plaine, an area they presumably want to protect not only for its tactical significance but also because it contains numerous storage facilities. Because many of these enemy units appear to be understrength and short of supplies and ammunition, their ability to launch a sustained counterattack at this time is open to question. For the present, they probably will continue their harassing and shelling attacks.

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