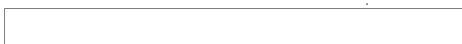




The President's Daily Brief

2 June 1972

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~~*Top Secret*~~

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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

2 June 1972

PRINCIPAL DEVELOPMENTS

On Page 1 we discuss the extensive and favorable reactions in Moscow to the President's visit.

The situation on the major South Vietnamese battlefields is essentially unchanged. On North Vietnam we note signs of concern over the possibility of allied commando raids [redacted]

[redacted] (Page 2)

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In Cambodia, Lon Nol's campaign is picking up steam as the presidential election approaches. (Page 3)

The Iraq Petroleum Company has been nationalized. (Page 4)

At Annex: [redacted] North Vietnam [redacted]

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SOVIET UNION

TASS announced yesterday that General Secretary Brezhnev has reported the results of the summit meetings to top Soviet party and government organizations and that they have "wholly approved the important work" carried out by the Soviet side.

This formal endorsement caps the extraordinarily extensive and favorable coverage the Soviet media have given to President Nixon's visit. Lead editorials in the major newspapers on 30 and 31 May hail the summit as a major success for Moscow's foreign policy. The editorials are particularly approving of US treatment of the USSR as an equal, and they affirm that further improvement in Soviet-American relations is advantageous to Moscow. The press has also carried numerous photographs and texts of summit documents.

This is further proof that the summit success was extremely important to Soviet leaders. This applies particularly, of course, to party chief Brezhnev, who is reaping the lion's share of the public credit.

Although not all the summit-related documents have been published in full, never before has so much information on Soviet and US strategic weapons and their deployment been disclosed to the Soviet public. By the same token, the significance of front-page photos of the President and the Soviet leaders talking, signing, and celebrating together cannot have been lost on the Soviet people.

Despite these displays of satisfaction, the Soviet leaders remain realists.



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VIETNAM

South Vietnamese troops are still trying to clear a few pockets of Communist troops from the northern and eastern parts of Kontum City. None of the North Vietnamese units around the city has shown signs of withdrawing despite the heavy losses they have suffered. At Hue, intercepted messages have referred with increasing frequency to an imminent attack, but at last word Communist forces were still holding their fire.

* * *

Recent North Vietnamese intercepts have shown concern about the possibility of allied commando raids against prison camps and military installations in North Vietnam. A message of 29 May, for instance, warned units near Hanoi that allied forces were preparing "helicopters to land troops" which would attempt to "free prisoners" and "capture cadre." Periodically since the Son Tay raid in November 1970, the North Vietnamese have tried to increase the alertness of their home defense forces against a new raid of this kind.

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CAMBODIA

Lon Nol's presidential campaign is gathering steam, and he now is seeking to defeat In Tam, his chief opponent, by a substantial margin.

As the campaign enters its final days before the balloting on Sunday, civilian and military elements of the government have organized numerous rallies for Lon Nol in Phnom Penh, and some of the more popular cabinet ministers have been flying to provincial centers to speak for the President. Lon Nol himself has campaigned in Kompong Cham, In Tam's home province. The government has also published favorable highlights of a recent examination of Lon Nol by a team of US medical experts in order to counter opposition claims that his health has deteriorated.

Some of Lon Nol's supporters have also been engaging in heavy-handed campaign tactics. The governors of several provinces, for example, have refused to allow any canvassing for In Tam. Soldiers campaigning for the President reportedly have threatened those who would vote for In Tam with reprisals; in a few cases, they have roughed up civilians who refused to accept Lon Nol leaflets. Military commanders, meanwhile, are putting heavy pressure on their troops to ensure that they vote for Lon Nol. Although such measures have stirred up some resentment among the voters, there is no evidence that they will cause any substantial defections from Lon Nol.

With Lon Nol's political steamroller running in high gear, In Tam now appears to be on the defensive. Some of his partisans apparently are beginning to waver and are reluctantly professing that wartime conditions demand that Lon Nol continue in power.

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IRAQ

The government has announced nationalization of the Iraq Petroleum Company, a consortium of US, British, Dutch, and French interests. The Syrian Government followed suit today with the announcement that it was nationalizing the company's pipeline that transits Syria.

Baghdad warned the company earlier this month that action would be forthcoming if it failed to meet a series of demands including increased production in the northern oilfields and agreement on a long-term production program.

The company produces almost all of Iraq's oil, which last year amounted to 1.7 million barrels per day and about 3.5 percent of the world total. Although most of the oil has been exported to Western Europe, disruption of the supply would not seriously affect that area at this time because there are alternative supplies available. All of the companies that participate in the consortium have substantial production elsewhere, and, with the exception of the French firm, would have only short-term problems from the loss of Iraqi oil.

Iraq will have difficulty producing and marketing its oil at the 1971 level without the company's cooperation. The government depends on oil revenues--about \$950 million last year--for about 60 percent of its income.

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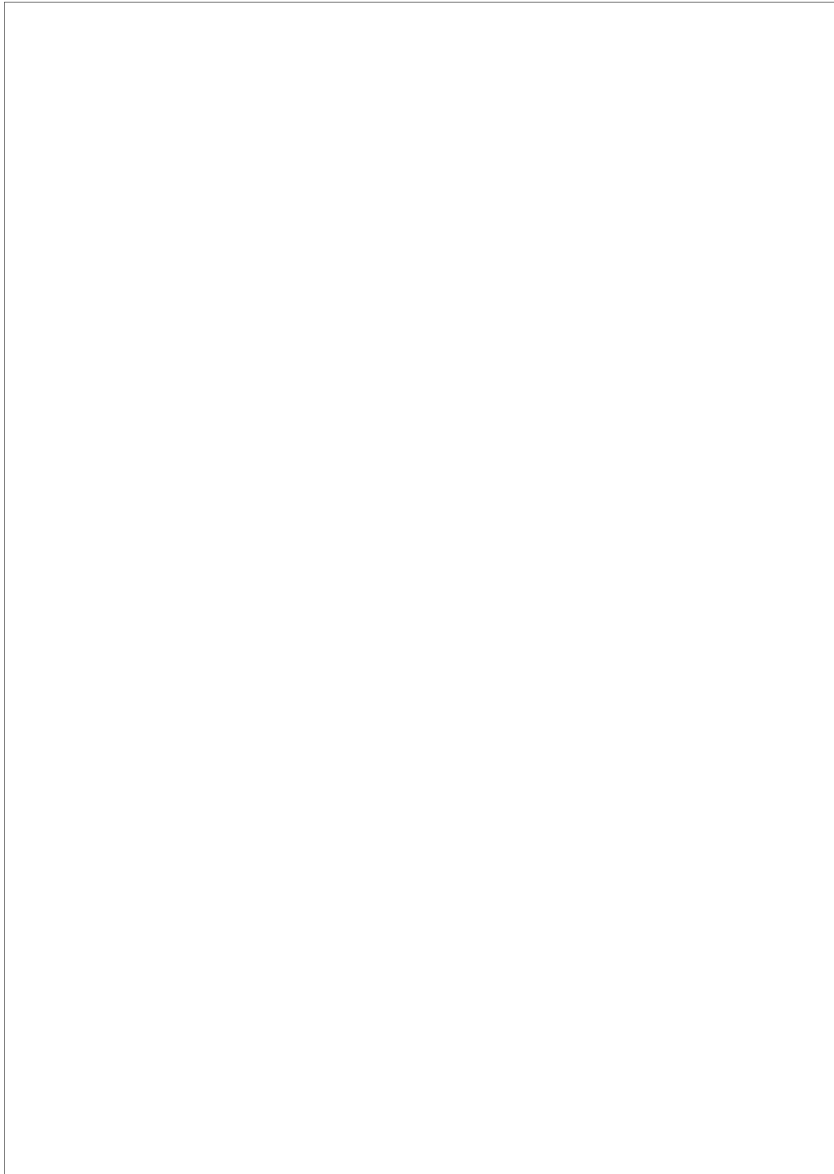
NOTES

USSR: A Soviet Foreign Ministry official told a US Embassy officer Wednesday night that the USSR will not attend the UN conference on the environment opening in Stockholm on Monday. His statement was foreshadowed by decisions of the Poles, Czechs, and Hungarians not to attend because East Germany has been denied full participatory status equivalent to that of West Germany.

China:

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NORTH VIETNAM

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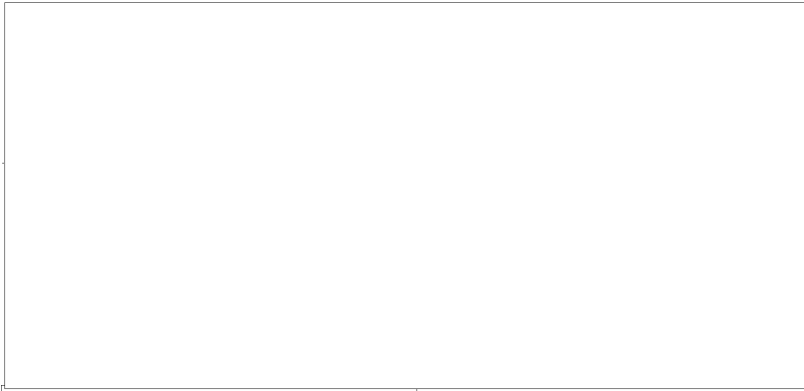
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Although there have been reports of congestion on the Chinese rail lines, intercepts indicate continued movement of traffic toward the border crossing point at P'ing-hsiang. Furthermore, photography of the yards at P'ing-hsiang on 22 May showed the yards operating at typical levels.

By far the heaviest concentration of air strikes has been south of Hanoi, where the primary targets have included rail yards, sidings, and bridges. Over 250 pieces of rolling stock have been [redacted] [redacted] destroyed or damaged. The damage to bridges and rail yards has effectively stopped the through movement of trains from Hanoi into the southern North Vietnamese panhandle.

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In recent weeks, road travel has been maintained at a high level in the North Vietnamese panhandle, with large convoys reported along Route 1A and its feeder roads. Trucks traditionally have been employed to move goods from the north and coastal regions inland toward Laos. The enemy may have experienced some difficulty, however, in making the transition from rail to road. Intercepts from the Vinh area have indicated a shortage of experienced drivers to handle the increased burden on the road system. According to a message of 29 May, however, truck convoys carrying about 600 men would move south each day until 4 June.

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