



The President's Daily Brief

Sensitive
3 June 1972

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THE PRESIDENT'S DAILY BRIEF

3 June 1972

PRINCIPAL DEVELOPMENTS

Most of the fighting in South Vietnam is taking place in and around Kontum, but a new battle may be building on the Cambodian border. Although reduced locally by the monsoon, enemy logistic activity remains heavy. (Page 1)

Iraq appears to be seeking Soviet help in marketing the oil it nationalized yesterday. (Page 2)

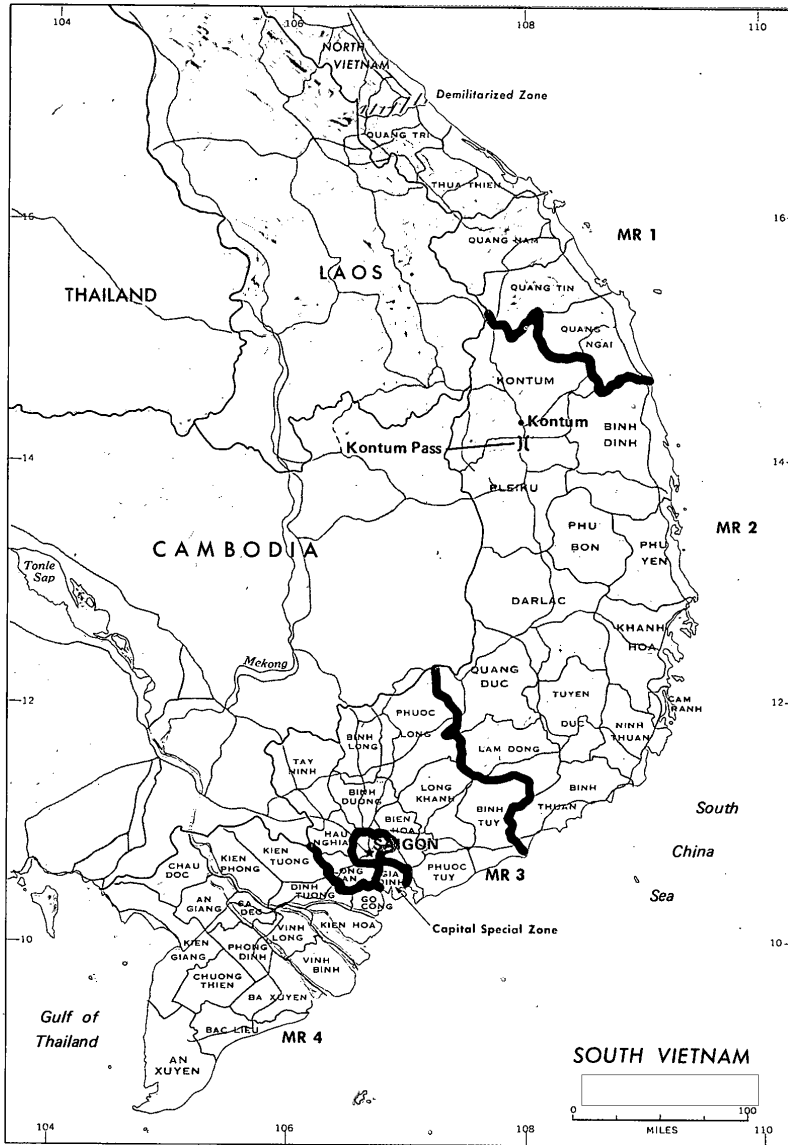
West German opposition leader Barzel is thinking of making a deal with Chancellor Brandt for early elections. (Page 3)

[redacted] Chinese [redacted] 25X11
[redacted] Laos [redacted] 25X1
[redacted] (Page 4) 25X1

[redacted] Chinese [redacted] 25X1
[redacted] Japan. (Page 5) 25X1

There have been a number of deliberate steps by the Chinese to avoid allowing the situation in Vietnam to damage relations with the US. (Page 6)

[redacted] Chinese [redacted] 25X1
[redacted] Soviet [redacted] 25X1
[redacted] Vietnam [redacted] 25X1



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VIETNAM

Government defenders in Kontum City yesterday repulsed a light enemy attack from the north. The South Vietnamese are still trying to clear small pockets of enemy troops from Kontum City and to dislodge larger Communist forces from the Kontum Pass.

[Redacted]

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Interrogations of several prisoners captured during the fighting indicate that a replacement regiment suffered heavy casualties from bombings even before moving into the fray at Kontum, and this may have upset the enemy's timetable for the campaign against the city.

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On the northern front, intercepts, movements of enemy armor, and logistical activity indicate further preparations for renewing the battle. Intercepted enemy orders are for such preparations to be completed soon.

Since 1 June, heavy fighting has been under way along the Cambodian border (west of the Parrot's Beak) in Kien Phong and Kien Tuong provinces. South Vietnamese Rangers reported large enemy casualties as of this morning. In the meantime, the Communists are building up their forces within the Parrot's Beak region. Elements of two divisions are there now and they may soon be reinforced with armored vehicles.

Monsoon rains are forcing a sharp reduction in Communist logistic activities in the Laotian panhandle.

[Redacted] Heavy enemy traffic continues to move south through the Demilitarized Zone, where the current monsoon has relatively little effect.

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The roads in northeastern Cambodia as yet are largely unaffected by the rains, but intercepted messages indicate the senior Communist logistic authority for this region has ordered that the roads must be maintained and river routes developed even after the weather turns bad.

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The South Vietnamese Senate's rejection of a bill granting emergency powers to President Thieu was a political setback, but will not seriously impair Thieu's ability to deal with the crisis. Even without the emergency powers, Thieu has options that he has not yet exercised under constitutional provisions for invoking martial law. He may try to get the Lower House to override the Senate, but this would take a two-thirds majority, and at the moment Thieu does not have the votes.

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IRAQ-USSR

Just one day after nationalizing the properties of the Western oil consortium called the Iraq Petroleum Company, the Iraqi Government apparently has turned to the USSR for assistance. The Iraqi foreign minister and a delegation including the director of oil affairs arrived yesterday in Moscow, at the invitation of the Soviet government.

Iraq has halted all IPC operations and presumably is seeking Soviet help to market the oil. We doubt the Soviets would be willing to divert enough tankers to carry Iraq's oil production, and they would have great difficulty in finding a market for the large quantities involved.

The USSR already is helping to operate the Rumaila oilfield, an IPC concession taken over by Iraq a decade ago. In payment, the Soviets are taking a portion of the Rumaila oil, leaving the Iraqis to market the balance themselves. Thus far the Iraqis have had only limited success.

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WEST GERMANY

Opposition leader Barzel says he plans to offer Chancellor Brandt a deal for a political truce pending early parliamentary elections. Earlier this week Barzel told a US Embassy officer that he would forego further no-confidence votes in the Bundestag if Brandt would agree to develop a joint position on the budget and other matters likely to arise before elections. Under this plan, Barzel envisages holding elections either this November or next March, rather than in the fall of 1973 as scheduled.

Barzel is seeking to cut losses which both he and his Christian Democrats suffered from this spring's intensive parliamentary maneuvering over the Eastern treaties. His abortive effort to oust Brandt on 27 April brought a particularly negative reaction from the public and from his party's rank and file.

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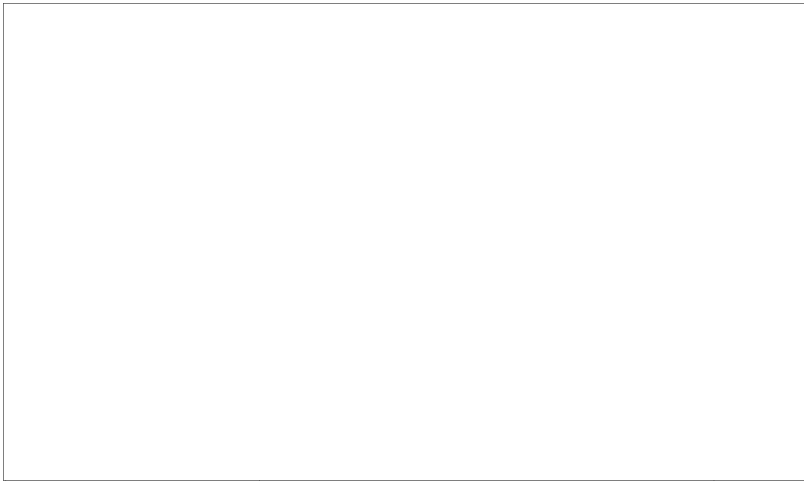
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CHINA-LAOS

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CHINA-JAPAN



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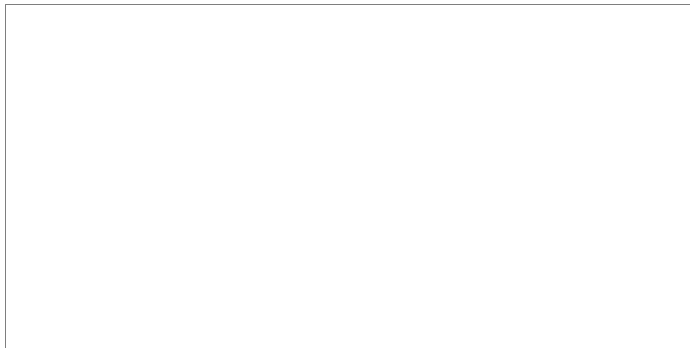
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CHINA-US

Chinese officials abroad have commented [redacted] that the mining of North Vietnamese harbors is a problem between the United States and the USSR, with China playing merely an onlooker's role. While noting that Peking continues to support Hanoi, these officials have been virtually unanimous in stating that the US action would not seriously damage Sino-US relations. US businessmen who attended the recent Canton trade fair report that they were treated courteously--almost effusively on occasion--and that there were no recriminations over Vietnam.

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Comment in Chinese media on the war continues to be moderate and is largely confined to replays of material originating in North Vietnam and elsewhere. In such cases, personal attacks on the President, references to the Nixon doctrine, and other sensitive material have been removed.

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NOTE

Honduras: [Redacted]

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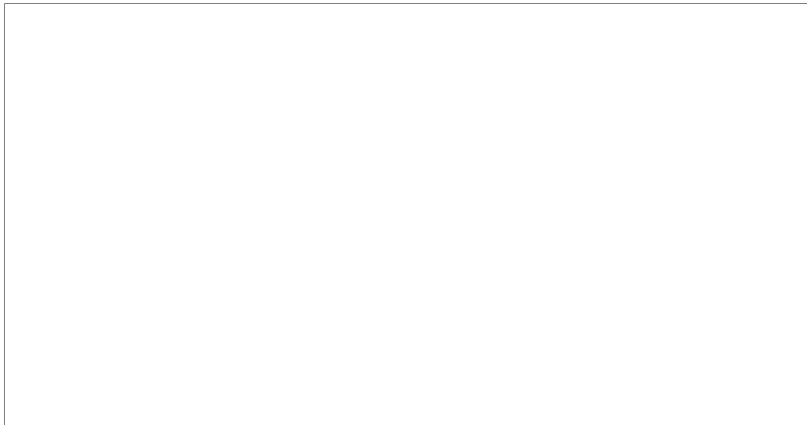
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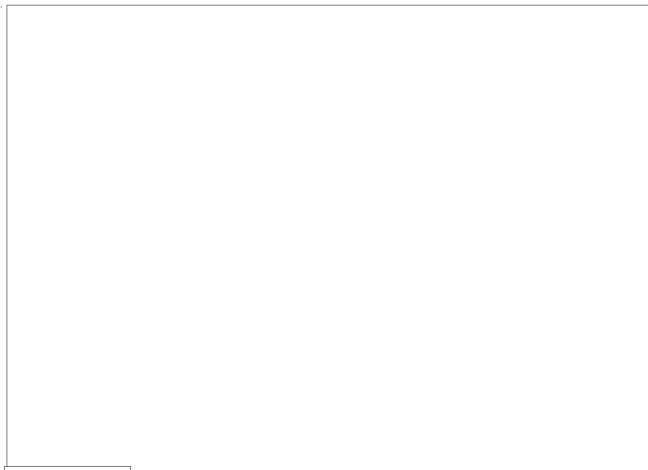
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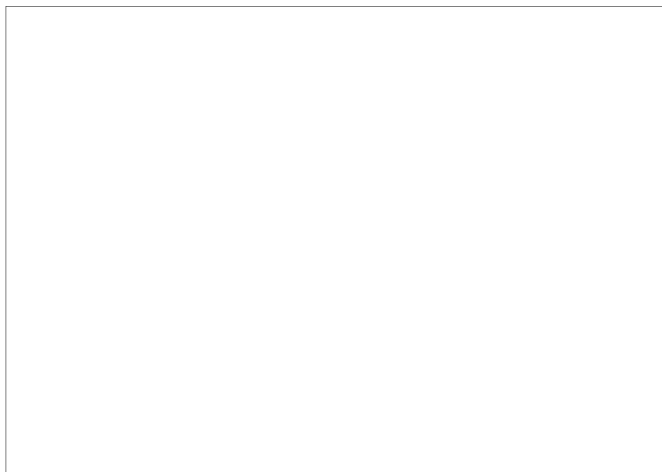
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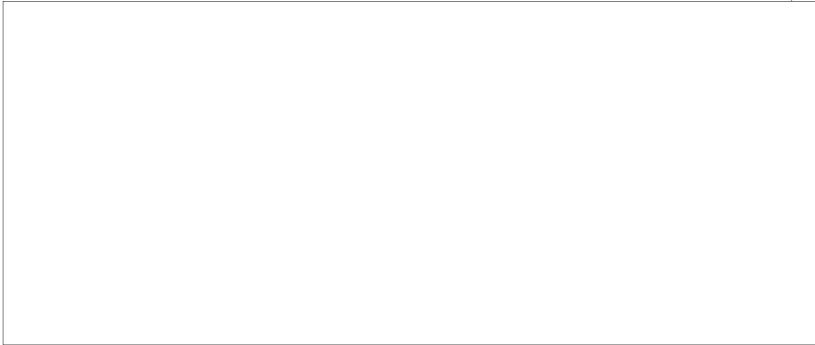
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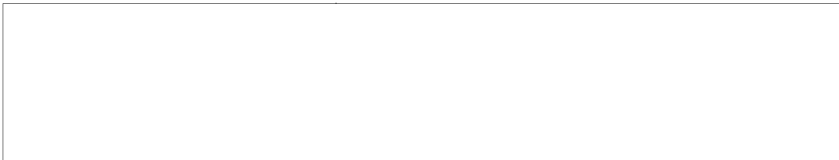
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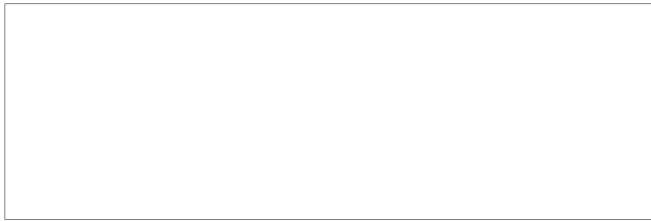
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