



The President's Daily Brief

16 June 1972

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THE PRESIDENT'S DAILY BRIEF

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PRINCIPAL DEVELOPMENTS

The current situation in Vietnam is discussed on Page 1.

In discussions with the French last week, Soviet Foreign Ministry officials appeared resigned to a continuation of the status quo in the Middle East. (Page 2)

Egypt [redacted] (Page 3)

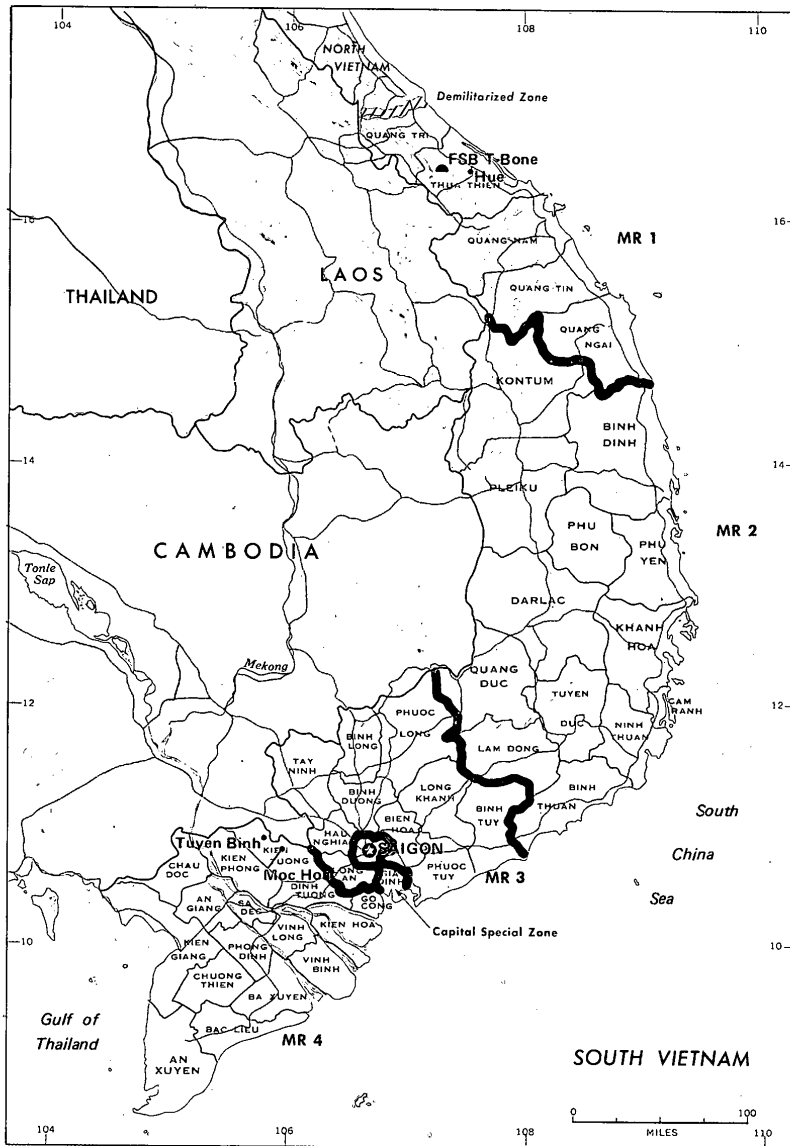
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The French, under a blend of foreign and domestic policy pressures, are trying hard to shape the European Community to their liking. (Page 4)

West Germany's Christian Democrats are now on record as favoring early elections. (Page 5)

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VIETNAM

The heavy fighting of the past five days in the northern Mekong Delta region has slacked off. Enemy activity in Tuyen Binh District of Kien Tuong Province has decreased sharply, but some action continues around the provincial capital at Moc Hoa. The attacks, carried out by units of the Communist 5th Division, have caused about 90 percent of Moc Hoa's population to flee the town. Enemy prisoners taken during the fighting claim that the 5th Division's mission is to overrun the entire province and open the way for more enemy troops to enter the delta.

Such a plan may account for the sharp resistance encountered by South Vietnamese Rangers operating in nearby Cambodia. Earlier this week, a ranger battalion suffered heavy losses in breaking out of a two-day enemy encirclement near the Kien Tuong - Kien Phong provincial border.

In the northern portion of the country, Communist main force units are continuing to edge closer to Hue. The headquarters of the North Vietnamese 324B Division, one of its regiments, and a regiment of the North Vietnamese 308th Division have been detected a few miles west of the city, near the government's strongpoint at Fire Support Base T-Bone.

* * *

The North Vietnamese apparently have conducted a review of their war policy. A Soviet "commentator" article broadcast by Moscow Radio on 14 June refers to a "new analysis of the situation" by the Viet Cong and asserts that "the situation has also recently been examined by the Democratic Republic of Vietnam." Several North Vietnamese articles have mentioned assessments of the "new situation" in Vietnam and have noted that North Vietnam's Council of Ministers recently convened to discuss various policy problems. Most of Hanoi's top politburo members have been out of public view for the last two weeks.

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USSR - MIDDLE EAST

Soviet Foreign Ministry officials told the French during consultations in Moscow last week that all approaches to a Middle East settlement would be "futile" until the Israelis agree to total withdrawal from the occupied Arab territories. The Soviets appeared unhappy with the current impasse but resigned to a continuation of the status quo in view of Israeli intransigence. They were skeptical of the utility of interim talks on a Suez Canal settlement and of Four Power talks as well. The Soviets expressed satisfaction with the Middle East portion of the summit communiqué but said that the US, as the only power capable of making the Israelis shift their position on withdrawal, is the key to any settlement.

In the past, the Soviets have shown misgivings over the dominant role of the US in arranging an interim settlement or proximity talks. They appear obligated, however, to give the Arabs the impression that Moscow is taking an active role in the pursuit of a political settlement, if only to avoid appearing to advocate a military solution. Moscow has never been sanguine that Israel was prepared to make the concessions necessary to arrange a political settlement acceptable to the Arabs and, in view of its assessment, is not likely to get out in front of the Arab negotiating position.

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EGYPT

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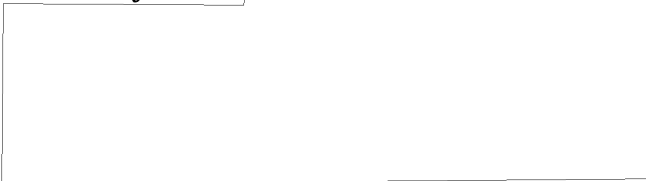
FRANCE - EUROPEAN COMMUNITIES

A new note of testiness has recently emerged in France's relations with its partners in the European Community. Earlier this month, President Pompidou warned [redacted] that France might be unwilling to host the summit of the Ten next October unless Paris were assured it would result in solid achievements. He also urged the Community to get on with the practical tasks at hand and to avoid premature attempts to reform Community institutions. Moreover, Pompidou wants any new secretariat for political consultation to be located in Paris, where he believes it will be easier to keep reins on Community political development.

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Pompidou's pointed and brusque demarche, reminiscent of Gaullist diplomatic ploys, stems from a blend of domestic and foreign policy pressures. On the domestic side, he apparently is still smarting over his failure to obtain more than a small majority in favor of his recent referendum on EC enlargement.

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His primary worry, however, appears to be over the role of France--and Europe--in world affairs. He believes that the Moscow summit increased the threat that Europe will be dominated by the super-powers and that the only way to avoid this is to build what he calls a "European Europe." Pompidou's vision of Europe would require rapid progress toward economic and monetary union, but it would also allow France to retain a considerable measure of political independence.

France's partners, of course, are not merely concerned with further economic integration, but also want to strengthen Community institutions and to develop some kind of regular dialogue with the US. Pompidou may well be annoyed to have found the British taking a more "Community-minded" stance than he had counted on. Thus, he may have concluded that he must act now to shape the Community to his liking.

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WEST GERMANY

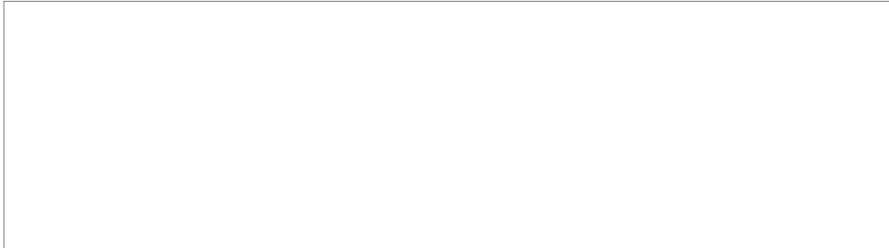
Early this week the Christian Democrats' presidium went on record as favoring early elections, but rejected the idea of seeking a formal agreement with the government parties concerning the timing of the voting. Chancellor Brandt and Foreign Minister Scheel had wanted a Christian Democratic guarantee not to try to form a government before the Bundestag is dissolved for the elections.

Both government and opposition now publicly favor elections in the fall. The opposition's refusal to enter a formal pact on the timing seems designed to embarrass the government by requiring it either formally to resign or to arrange to lose a vote of confidence in order to hold the elections before the scheduled time of late 1973.

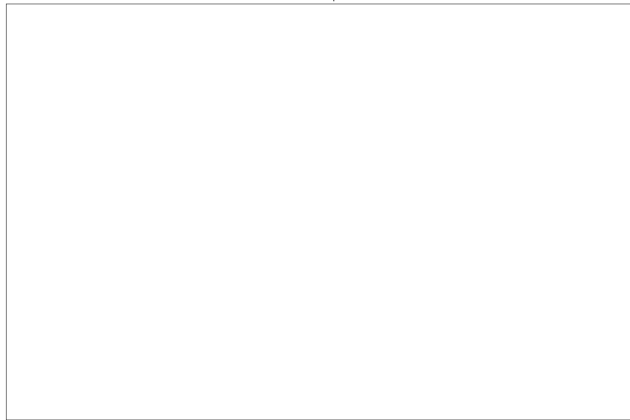
There is only an outside chance that the Christian Democrats still will try to avoid elections by seeking to form a parliamentary majority before the Bundestag is dissolved. Opposition leaders presumably are aware that such tactics would further erode their chances of victory in the elections; the public now clearly wants to hold the elections soon.

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CHILE-USSR



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USSR-Bolivia: Moscow has provided another example of its willingness to deal even with strongly anti-Communist governments in its effort to build influence in Latin America. Early this month the Soviets agreed to supply about \$6 million worth of machinery and equipment for an \$8.4-million tin processing complex in Bolivia, which expelled most of the Soviet diplomatic mission last March. The arrangement will draw upon a \$27.5-million credit line made available to Bolivia under an earlier leftist government.

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