



The President's Daily Brief

3 July 1972

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FOR THE PRESIDENT ONLY

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PRINCIPAL DEVELOPMENTS

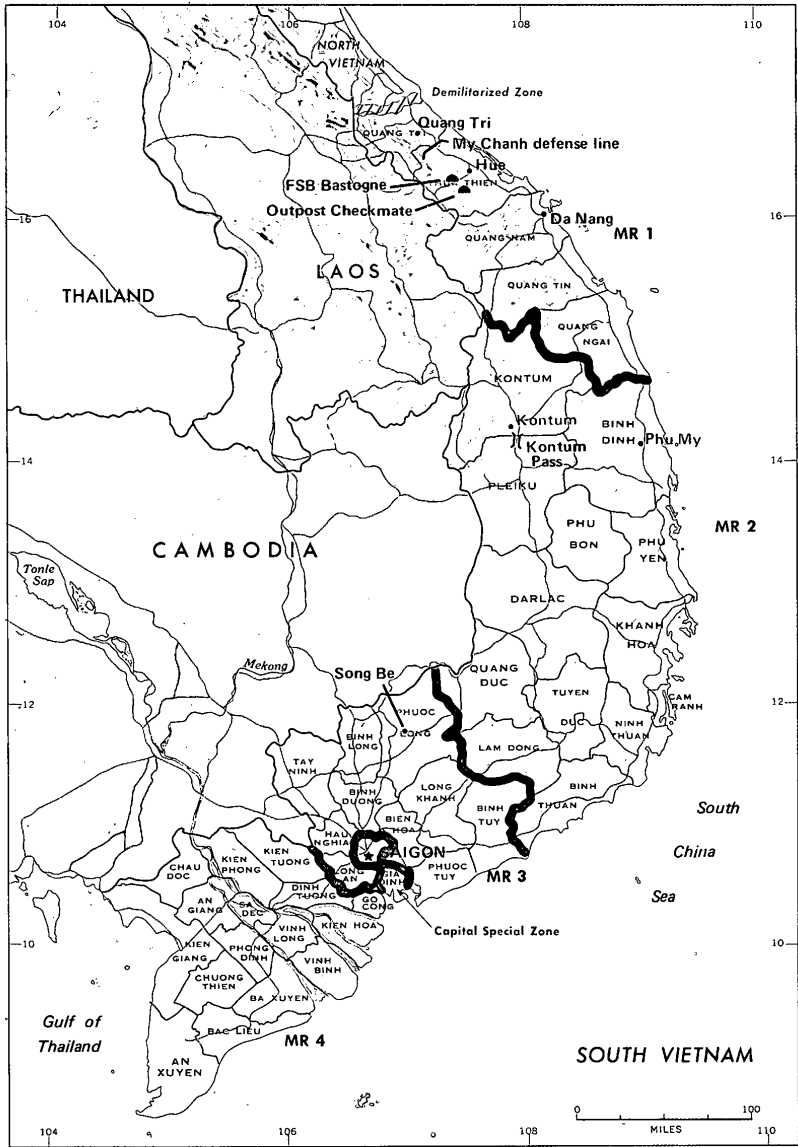
South Vietnamese troops remain stalled below Quang Tri City as the Communists have increased their pressure in the northern provinces. (Page 1)

The TASS account of President Nixon's press conference reported all the major points the President made on Vietnam but questioned some of his statements. (Page 2)

The five-day meeting between Prime Minister Gandhi and President Bhutto made some gains on the lesser issues and seems to have cleared the way for further progress. (Page 3)

German negotiators Kohl and Bahr appear to have moved ahead in their talks last week, but the major obstacle to formal negotiations on normalizing relations remains Bonn's demand that a treaty allude to the single nation concept. (Page 4)

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VIETNAM

The Communists are increasing their pressure against government positions in the northern provinces. South Vietnamese paratroopers remain stalled south of Quang Tri City as heavy rains as well as stiff enemy resistance hamper the government's campaign. Heavy artillery attacks along with some ground probes hit government paratroop units spread out west of Route 1 over the weekend, with the bulk of fighting reported just above the My Chanh defense line.

To the south, the Communists yesterday shelled Hue for the first time since the enemy offensive began this spring, and renewed the attacks this morning. Most of the 122-mm. artillery rounds hit near South Vietnamese Army positions in the Citadel and at Camp Eagle to the south. Heavy mortar barrages also hit government positions in the area of Fire Support Base Bastogne southwest of Hue. There are signs that this westernmost strongpoint may soon come under attack from enemy-held Outpost Checkmate, which overlooks the base. Intercepts also indicate that the Communists may soon resume rocket attacks against major government installations in the Da Nang area farther south.

The Communists evidently are continuing to withdraw main force units in the central provinces. The North Vietnamese 3rd Division headquarters and two of its regiments have been detected moving away from the battered district capital of Phu My in coastal Binh Dinh Province, returning to an area the division held at the start of the current offensive. In Kontum Province, the senior enemy military authority for the central highlands has returned to its pre-offensive base area along the South Vietnamese - Cambodian border. Communist forces in the Kontum Pass area south of Kontum City may also have pulled back; military convoys again moved through the pass unimpeded over the weekend.

Sporadic shelling attacks and some ground action continued elsewhere in the country but little hard fighting developed. In Phuoc Long Province in northern MR-3, however, the Communists mounted their first significant actions to date, destroying a government ammunition depot and also a communications facility near the provincial capital of Song Be.

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USSR

The TASS account of President Nixon's press conference carried by the Soviet press on Saturday reported the following aspects of his statements on Vietnam: that the US has informed Hanoi that it will return to the Paris talks on 13 July; that the US is prepared to conduct talks without any conditions; that it would not have returned to Paris unless it considered there was a chance to begin serious and constructive discussions; that the US will take constructive positions and be prepared to meet the other side halfway; that reports of US attacks on North Vietnamese dams and dikes are not accurate; that the US has ordered that dams not be bombed in view of the very serious consequences for the civilian population; and that this order will remain in force in the future.

TASS called into question certain of the President's statements. It described the President's conditions for ending the bombing as contrary to his assurances that the US is not setting any preconditions. It also observed that the President again left the Viet Cong proposals unanswered, and characterized US bombing and mining operations as "aggressive acts" condemned by the world. In addition, it reported the lengthy question noting the high level of US military activities in Indochina and asking whether the President could end the war by next January, in accordance with his campaign promises. Along with the TASS account, Pravda carried reports of the North Vietnamese and Viet Cong reactions in Paris

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TASS' criticism of the President's statements is in keeping with a recent increase in the volume of Soviet propaganda support for Hanoi which has also entailed a slightly more critical attitude toward the US. Soviet commentaries on 30 June, for example, resumed the use of pejorative language reminiscent of various pre-summit periods of heightened invective. Despite this, however, these commentaries do not indicate any shift in the fundamental Soviet position in support of a negotiated settlement on Hanoi's terms. They suggest, rather, that Moscow feels some need to strengthen at least its public record of support for North Vietnam.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY**INDIA-PAKISTAN**

Prime Minister Gandhi and President Bhutto concluded their five-day meeting at Simla, India, yesterday by agreeing to withdraw troops from the border south of Kashmir and to take steps to restore trade, communications, and travel between the two countries. The troop withdrawal will not take place until after ratification of the pact. The Kashmir dispute and such other issues as the restoration of diplomatic relations and the repatriation of POWs were deferred, although the two leaders agreed in the interim to respect the Kashmir cease-fire line of last December.

Despite the lack of progress on the most contentious issues, the meeting appears to have eased tensions between the two countries and set the stage for restoring normal relations in the course of further negotiations. India, by agreeing to the troop withdrawal and the specific measures to restore bilateral ties, backed off from its view that a settlement should come through a comprehensive package agreement, including Pakistan's acceptance of a final Kashmir partition. In gaining endorsement of his step-by-step approach Bhutto seems to have made only a slight concession: he agreed to bilateral negotiations, rather than third party mediation, as the principal means of securing further progress. He still is unlikely to achieve the most urgent of his goals, the repatriation of 93,000 Pakistani POWs in India, however, until he recognizes Bangladesh.

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EAST GERMANY - WEST GERMANY

In their talks last week, negotiators Kohl and Bahr again discussed how to proceed toward formal negotiations on normalizing relations. Claiming that the two sides had "converged" on several important points, Kohl proposed that the talks should now be upgraded to formal treaty negotiations. He dropped an earlier demand that Bonn first agree to an exchange of ambassadors and agreed that two of Bonn's basic concerns--self-determination for the German peoples and "human rights"--would be proper topics for negotiations. As a further incentive, Kohl added that Pankow would implement "extensive" inter-German travel improvements following Bonn's ratification of the recently concluded general traffic treaty.

Despite these gestures Bahr responded negatively. He insisted that Bonn would not begin formal negotiations until there were indications that agreement could be reached on the "special relationship" issue.

The major obstacle to formal negotiations remains this demand of Bonn's that a treaty on political relations must allude to Chancellor Brandt's single German nation concept. It was apparently to underscore Pankow's rejection of this idea that East German Foreign Minister Winzer took the unprecedented step of following up the Kohl-Bahr talks with a meeting with Bahr in which he expounded Pankow's position in dogmatic terms. Winzer stated that the two sides obviously would not be able to agree on this question and that it was not necessary to do so. Kohl later told Bahr, however, that the foreign minister's willingness to discuss the issue in the future kept alive the possibility of compromise.

Pankow seems to have adopted the tactic of offering to negotiate on topics where agreement appears likely, while sidestepping more contentious ones. Bahr also favors dealing with the less difficult issues first, and both sides appear eager to maintain the current momentum in their next series of talks scheduled to begin on 2 August.

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NOTE

USSR: The Soviets yesterday deorbited Cosmos 496, an unmanned Soyuz spacecraft. We believe that the satellite, launched on 26 June, was intended to test design changes made after last year's Soyuz 11 tragedy in which three Cosmonauts were killed. Soviet scientists would wish to examine closely the results of the mission before proceeding with a pending manned space event. We expect that the coming event will involve the rendezvous, docking and extended stay in orbit of a manned Soyuz spacecraft and Salyut space station.

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