



*The President's Daily Brief*

*3 August 1972*

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*Top Secret*<sup>25X1</sup>



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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

3 August 1972

PRINCIPAL DEVELOPMENTS

Fighting is again heavy around Quang Tri City. In the northern delta, meanwhile, a large concentration of Communist units has been detected in Base Area 470. (Page 1)

Libya and Egypt have announced plans to unite their two countries, but the blueprint falls well short of Qadhafi's hope for complete and immediate fusion. (Page 2)

The status of Soviet economic technicians in Egypt

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do not appear affected by the withdrawal of Soviet

(Page 3)

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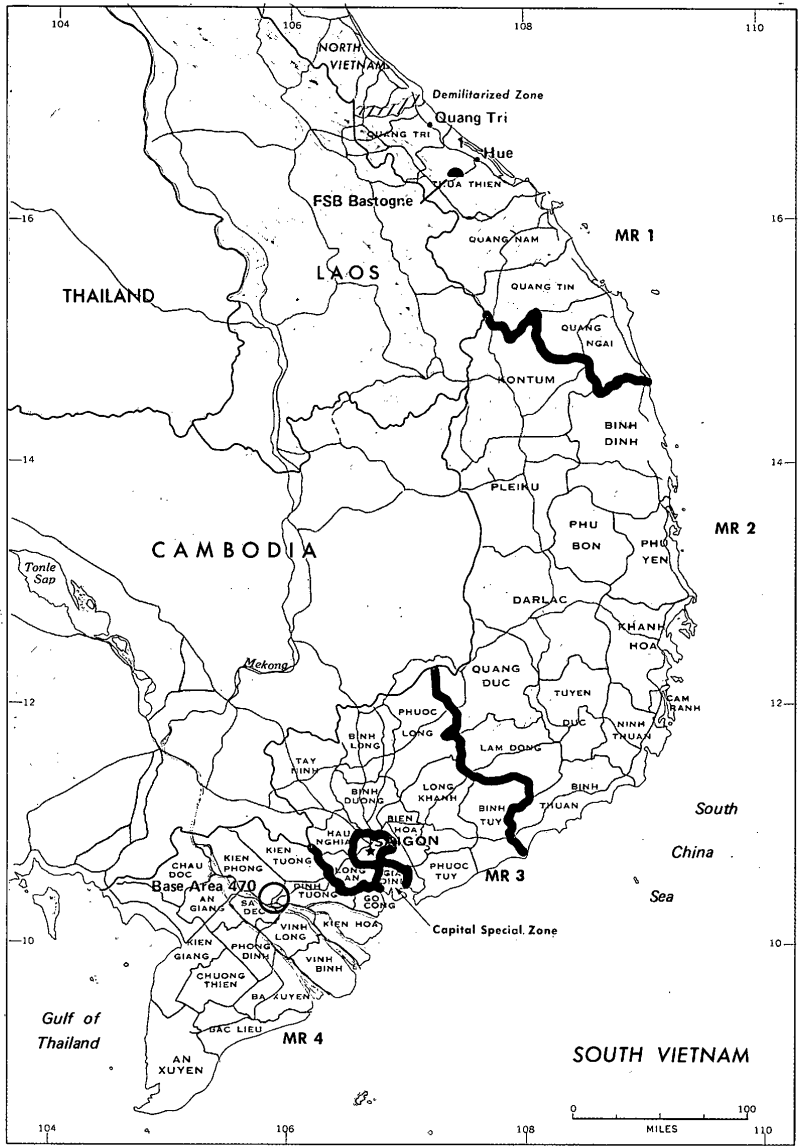
Pakistan

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Bangladesh.

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SOUTH VIETNAM

Fighting has picked up around Quang Tri City. In one of the heaviest battles to date, South Vietnamese Marines, supported by artillery, engaged enemy troops on the northwestern outskirts of the city and held off a number of small Communist ground assaults. Marine positions in and around the city came under intense artillery and mortar fire. Just to the south, airborne units fought several skirmishes and captured six tons of ammunition and supplies.

Communist intercepts continue to indicate that the enemy is preparing for heavy action around the provincial capital. The headquarters of the senior enemy command authority for the Quang Tri battlefront has moved across the DMZ to a position five miles northeast of the city, suggesting that it will coordinate the activities of the recently infiltrated North Vietnamese 312th and 325th divisions.

West of Hue, government forces today recaptured Fire Support Base Bastogne. Enemy artillery continued to shell other government positions nearby. Intercepts indicate that the Communist units intend to sustain the pressure on government forces in this area because they believe that South Vietnamese determination is "wavering." Farther south, the air base at Da Nang was hit by 38 rockets this morning, which damaged six US helicopters and killed one US airman.

The largest concentration of Communist units [redacted] in the northern Mekong Delta is gathering in Base Area 470 at the junction of Dinh Tuong, Kien Phong, and Kien Tuong provinces. [redacted]

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[redacted] enemy military activity has been aimed at reducing the government's presence and securing lines of communications, particularly the extensive waterways that criss-cross this section of the delta.

**FOR THE PRESIDENT ONLY****LIBYA-EGYPT**

Presidents Qadhafi and Sadat have announced plans for union of their countries by 1 September 1973. The union is intended to be implemented in stages under the direction of a unified political leadership that will recommend plans for merging the institutions of the two countries. Joint committees will be set up to prepare for integration of all political, economic, and national security systems. After approval by the leadership of both countries, the final formula for union will be submitted for popular vote.

*This blueprint falls well short of Qadhafi's hope for complete and immediate fusion. Moreover, Qadhafi's eagerness to press ahead in his scheme for Arab unity could cause him serious problems at home. Relations with Egypt were a major cause of the discord that broke out within Libya's collective leadership last month. Some members of the Revolutionary Command Council have favored a more cautious approach toward Egypt and have opposed Qadhafi's generous financial assistance to the Egyptians. Libya's political and financial commitment to the new union is thus likely to cause renewed dissension within the Libyan ruling group in the coming months and could be a critical factor in the delicate balance among its 12 members.*

*The long lead time for the establishment of the union was likely a concession to Sadat. The Egyptian leader seems to have agreed to Qadhafi's scheme largely to avoid antagonizing an important aid donor.*

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EGYPT-USSR

[Redacted]

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In fact, the number of Soviet technicians assigned to economic aid projects--now standing at about 550 men

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[Redacted]

*Moscow and Cairo have a mutual interest in the continuation of substantial Soviet economic and technical assistance to Egypt. President Sadat has stated that the removal of Soviet military advisers was not intended to alter the basic friendship and cooperation between the two countries. He has indicated that Egypt continues to rely on the USSR for economic and technical aid.*

*With the severe reduction of its military presence in Egypt, Moscow must rely more than ever on economic and technical assistance to maintain its influence in Egypt and the Arab world.*

[Redacted]

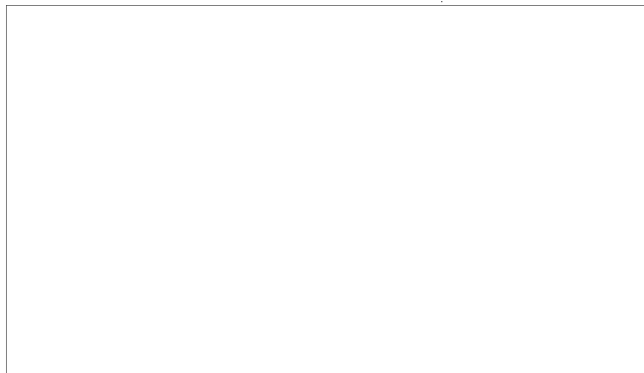
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PAKISTAN-BANGLADESH



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NOTES

USSR:

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Japan: The Japanese Defense Agency has requested a \$15-billion appropriation for 1972-76, more than double the level of defense spending under the previous five-year program. The share of the gross national product devoted to defense, however, would remain at approximately one percent if the economy grows at or near the expected rate. One effect of the spending boost would be a significant increase in purchases of military hardware from the US.

Paraguay:

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