



The President's Daily Brief

5 August 1972



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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

5 August 1972

PRINCIPAL DEVELOPMENTS

South Vietnamese Marines are nearing the Quang Tri City citadel on two sides, but continue to be hampered by heavy Communist artillery fire and solidly fortified enemy positions. Recent photography shows that most of the bomb damage to North Vietnamese dikes has been repaired. *(Page 1)*

The Israelis believe that Egypt's expulsion of Soviet military personnel vindicates their hard negotiating stance and that the Egyptians will eventually be forced into direct talks. *(Page 2)*

The South Koreans are seeking improved relations with Communist states including China. *(Page 3)*

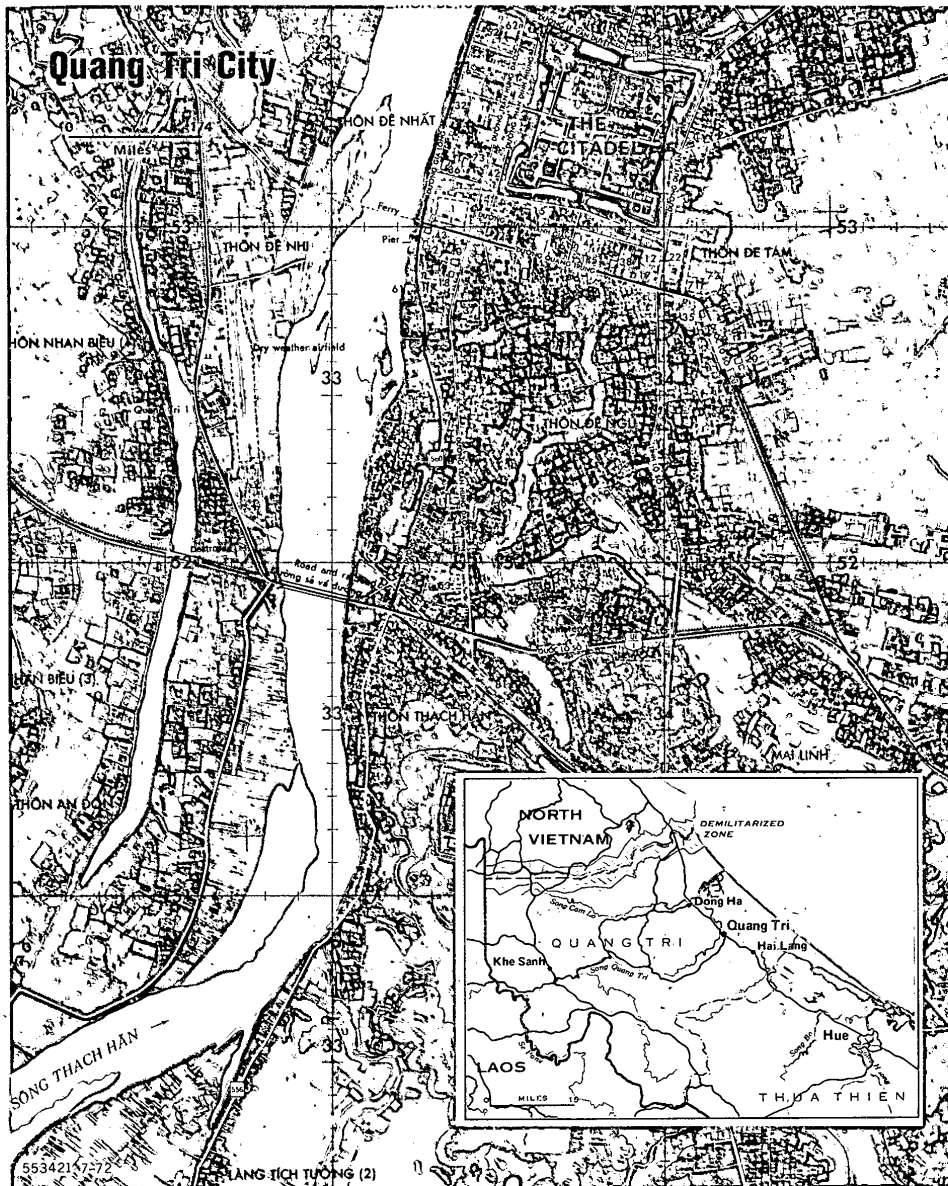
Cambodian President Lon Nol may call off the national assembly elections set for early next month. *(Page 4)*

Japan considering importing Chinese crude oil as "partial" payment for the sale of a synthetic fiber plant to China. *(Page 5)*

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It appears likely that the European Communities summit will take place as scheduled in October. *(Page 6)*

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VIETNAM

South Vietnamese Marines are nearing the Quang Tri City citadel on two sides, but continue to be hampered by heavy Communist artillery fire and solidly fortified enemy positions. Late reports indicate that the South Vietnamese are attempting to flank the citadel on the west to block the flow of supplies to North Vietnamese forces in the city.

There are signs that the Communists are experiencing some supply and morale problems in their efforts to hold the city. An intercept of 3 August from a unit within Quang Tri indicated that supplies were running short; other messages from a unit north of the city reflected inability to complete its combat mission.

Farther south, the Communists are continuing to shell major government strongpoints west of Hue. In western Quang Ngai Province, Son Ha district capital was finally occupied by the enemy on Thursday after changing hands at least twice.

This action may signal the return to combat of the North Vietnamese 2nd Division, whose major elements had moved to this area from Kontum Province during the past few weeks. The division has not seen action in almost two months.

* * *

Photographic coverage of 29 and 30 July shows that most of the bomb damage to North Vietnamese dikes that had been identified two weeks earlier

[redacted] has been repaired. No flooding has occurred at any of the locations hit, and the minor damage remaining unrepaired is unlikely to cause flooding from the seasonal high water due during the next few weeks. Although undetected damage to the dikes from the 1971 floods may cause future trouble, manpower, equipment, and materials for repair work are available.

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ISRAEL

The Israeli Government believes Egypt's expulsion of Soviet military personnel vindicates its hard negotiating stance. Moreover, it believes that a wait-and-see attitude will eventually force Egypt into direct negotiations.

Foreign Minister Eban told US Chargé Zurhellen on 2 August that no one had ever expected to see the "extraordinary vision" of the Soviets leaving Egypt. It would now be no more dramatic, he said, if Egypt were to accept "the Rhodes formula" (during the 1948 negotiations at Rhodes the Egyptians and Israelis talked in the presence of a mediator).

Eban also said that the US and Israel now should try to bring Egypt to recognize that it has only two options: accept a deadlock or negotiate with Israel. He continued to oppose the resumption of UN mediator Jarring's mission on the grounds that Egypt uses Jarring only as a shield to avoid giving serious thought to developing a "negotiating technique."

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KOREA

Speaking to the National Assembly on 8 July, South Korean Foreign Minister Kim Yong-shik underscored Seoul's intent to "widen diplomatic horizons" through improved relations with Communist states including, for the first time, China. He admitted to US officials in Seoul that one of the purposes of his coming trip to India and the Philippines is to request their help in getting into communication with Moscow and Peking.

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Seoul's efforts have met with little success thus far, but the South Koreans are determined to keep trying. They sense that, just as Pyongyang has been able to use the improved atmosphere in North-South relations to broaden its diplomatic base, the possibilities for South Korean contacts with Communist states are also improved.

Pyongyang, meanwhile, is now seeking to delay the Red Cross discussions. In recent meetings with their South Korean counterparts, North Korean Red Cross officials reneged on their original agreement to begin plenary talks on 5 August and instead raised new proposals that will delay the opening of the plenary sessions for several weeks.

One important motive for the North's foot dragging may be to delay the opening of the talks until consideration of the Korean question in the UN next month. Pyongyang believes that rapid progress would bolster Seoul's argument that the UN should not debate the issue at this time.

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CAMBODIA

President Lon Nol is considering calling off the national assembly elections scheduled for 3 September.

[redacted] indicated that he would do so if he could find a plausible excuse. He had received reports that his efforts to ensure a sweeping victory for his Socio-Republican Party might fall short.

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At the same time, one of the two opposition parties, the Republican Party organized by Lon Nol's former close associate Sirik Matak, has announced that it will boycott the elections because the government is rigging them. The other opposition party is also threatening to withdraw.

The opposition moves increase the chances that Lon Nol will cancel the elections for quite a different reason--he would not want to face the embarrassing prospect of having his party run without opposition. The Republican boycott also deepens the shadow over the troubled relationship between Lon Nol and Matak, who had been considering an offer by Lon Nol to participate in a "coalition" government.

FOR THE PRESIDENT ONLY

JAPAN-CHINA

Prime Minister Tanaka is considering importing Chinese crude oil as "partial" payment for the sale of a synthetic fiber plant to China [redacted]

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Tokyo recently approved Export-Import Bank credits for the plant, but the Chinese prefer to pay with exports. If the deal is concluded, it will be China's first export of crude oil. [redacted]

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This volume, which China could perhaps supply by 1975, would represent more than 20 percent of China's production and would meet about three percent of Japan's projected requirements.

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EUROPEAN COMMUNITIES

It appears likely that the EC summit will take place as scheduled in October. Recent French lobbying with present and prospective EC members has won agreement to focus attention at the summit on monetary matters, as the French have been seeking. Prospects for the summit had dimmed last month when West German Chancellor Brandt refused to go along with French demands in the monetary field. Differences still remain, but the persistent concern over the effects in Europe of possible new large dollar flows has aided Paris' argument that monetary questions must be paramount at a summit.

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