

*The President's Daily Brief*

18 October 1972

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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

18 October 1972

PRINCIPAL DEVELOPMENTS

Recent reporting suggests that relations between the two Communist delegations at the Paris peace talks have become strained. (Page 1)

On Page 2, we discuss Japanese Foreign Minister Ohira's impending visit to the Soviet Union.

The Japanese Government is still trying to put together a trade program to forestall growing international pressures on the yen. (Page 3)

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(Page 4)

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In Yugoslavia, Tito is seeking a purge of top Serbian party leaders who have not heeded his demand for more obedience. (Page 5)

[redacted] the Lao Communists were unusually conciliatory during yesterday's initial round of peace talks in Vientiane. (Page 6)

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Shutdowns and strikes of protest against the Chilean Government continue to spread, but most of the anti-government activity seems uncoordinated. (Page 6)

The East German parliament has enacted a law absolving from criminal prosecution those East Germans who fled to West Germany between 1961 and January 1972. (Page 6)

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[redacted] The Chiang Kai-shek government has informed Japan that it is ready to begin negotiations on its future relations with Tokyo. (Page 7)

At Annex, we discuss difficulties that appear to have risen between the North Vietnamese and the Viet Cong delegations in Paris.

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**NORTH VIETNAM - VIET CONG**

[REDACTED]

there may be something amiss in the relationship between the two Communist delegations at the Paris peace talks. Ambassador Porter's report on the session last Thursday, moreover, points to an obvious lack of coordination between the two.

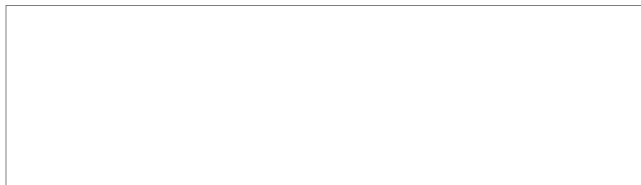
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*Signs of possible discord between the North Vietnamese and the Viet Cong delegations are discussed in more detail at Annex.*

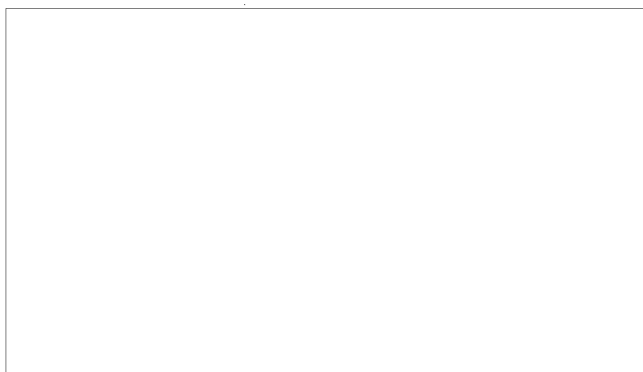
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**JAPAN-USSR**

Japanese Foreign Minister Ohira will proceed from Washington to Moscow, arriving there on Saturday for four days of talks with Soviet leaders.



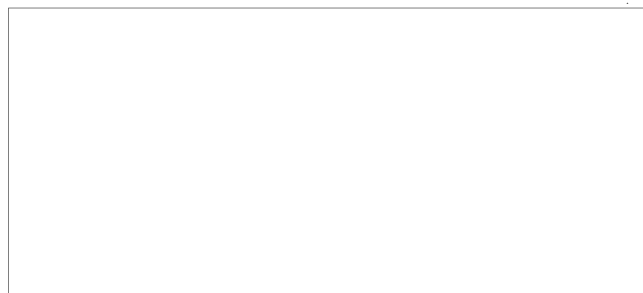
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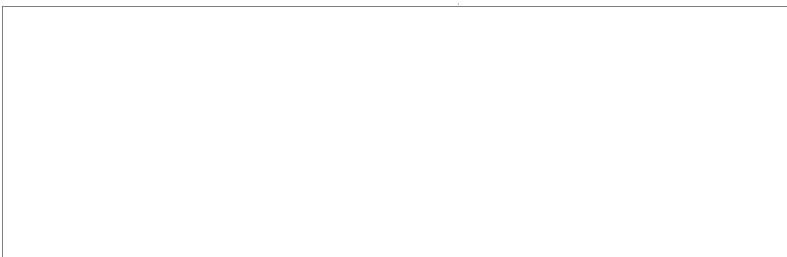


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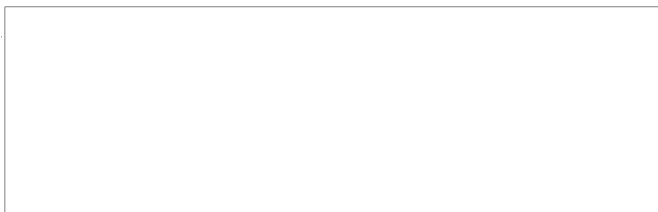
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JAPAN

The Japanese Government is still trying to put together a trade program to forestall growing international pressures on the yen. Essentially, the plan calls for a liberalization of import laws as well as simultaneous curbs on Japanese exports, including the imposition of an export surcharge, which as late as last week was rejected by Prime Minister Tanaka.



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*The major factor influencing Japanese thinking on revaluation, of course, is the country's rapidly growing trade surplus with the United States. In September the surplus amounted to \$440 million-- up almost 50 percent from the September 1971 level. So far this year the surplus with the US has totaled about \$2.9 billion and for 1972 as a whole will likely be about \$4 billion.*

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FEDAYEEN TERRORISTS

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YUGOSLAVIA

Tito is locked in a dispute with Serbian party leaders that seems likely to result in a purge of the largest republic party organization in Yugoslavia. At issue is the conduct of Serbian party boss Marko Nikezic, who became party leader during the wave of liberal reforms in 1968. Nikezic has been a champion of republic party autonomy. Since last January, however, Tito has been trying hard to recentralize party authority at the federal level.

After four days of fruitless negotiations, Tito yesterday called on the Serbian central committee to throw out its leaders. Because Nikezic is so well entrenched, such a move will be difficult to accomplish, even though Tito will have the support of the more conservative rural central committee members.

*Tito curbed similar republican "chauvinists" in Croatia last year and succeeded in purging its party. With the support of the armed forces and the security service, he can carry off a purge in Serbia as well. The long-term effects of his action, however, may be to damage badly the party and government structures which have been set up to replace Tito in an orderly fashion once he retires or dies.*



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NOTES

Laos: The Lao Communists were apparently unusually conciliatory during the initial round of peace talks held yesterday in Vientiane. [redacted] 25X1

[redacted] Pathet Lao chief negotiator Phoune Sipraseuth condemned US activities in Laos, but indicated that the Communists are willing to proceed with discussions even though the US is continuing its bombing. [redacted] 25X1

Chile: The shutdowns and strikes of protest against the Allende government continue to spread, but press reports of violence appear to be exaggerated. Most of the antigovernment activity is uncoordinated. This so far has made it less difficult for security forces to maintain control. At the same time, however, it increases the danger of unplanned outbreaks of violence.

East Germany: Pankow announced on Monday that the East German parliament has enacted a law that absolves from criminal prosecution those East Germans who fled to West Germany between 1961 and January 1972. This law also strips them of East German citizenship. By lifting Pankow's legal claims against them, the new law could pave the way for additional thousands of refugees to visit relatives in East Germany. The action is consistent with Pankow's efforts to appear conciliatory in practical matters with Bonn while holding firm in negotiations on key political issues.

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Commonwealth Caribbean: [redacted] 25X1

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Nationalist China - Japan: The Chiang Kai-shek government is ready to begin negotiations on future relations with Japan, reports the US Embassy in Taipei. The Japanese have been informed of the decision

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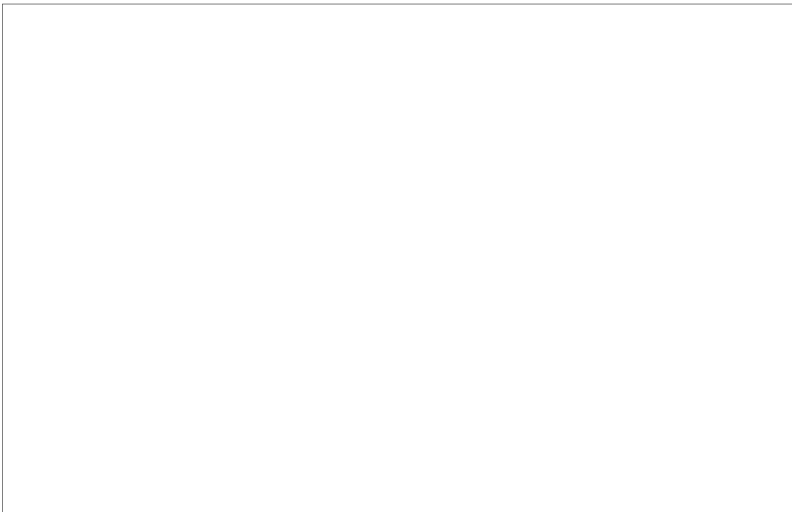
Nationalist officials are fully aware of Tokyo's economic importance to Taipei and have reacted with considerable restraint since Japan's recognition of Peking.

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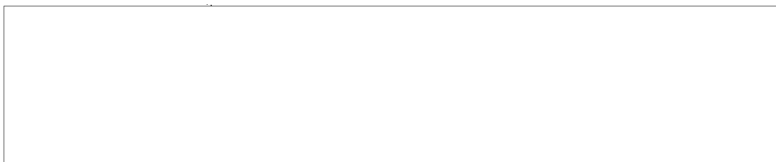
NORTH VIETNAM - VIET CONG

Ambassador Porter has reported a strange bit of byplay at the session last Thursday that suggests a communications breakdown between the North Vietnamese and the PRG delegations. The issue was the French Government's request, delivered several weeks earlier, that the peace talks vacate the conference center at Avenue Kleber on 19 October to make room for the EC summit. Up until last week, both Communist delegations had insisted that the talks must be held at another location, but just before Thursday's meeting the North Vietnamese called to say they would agree to postpone the session of 19 October if the US delegation proposed it. No such call was received from the PRG delegation--a highly unusual occurrence.

A few hours later, when Ambassador Porter proposed the postponement at the formal session, Madame Binh was quite obviously taken aback. Even with the prompting of her aides she was able to muster only a few fairly ungracious sentences. The North Vietnamese delegate, on the other hand, read from a smoothly written prepared statement. He seemed highly embarrassed at his colleague's discomfiture.



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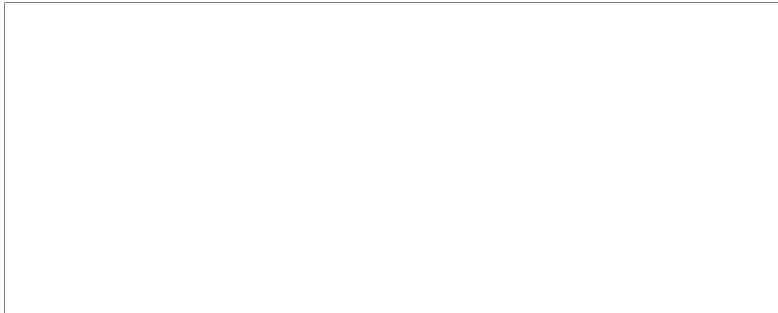
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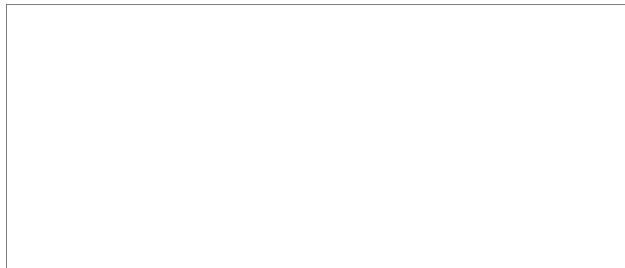
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