

*The President's Daily Brief*

*23 December 1972*

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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

23 December 1972

PRINCIPAL DEVELOPMENTS

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Evidence is mounting that Moscow refused Chilean President Allende the large-scale "bail-out" assistance he was seeking. (Page 3)

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 Malta. (Page 4) 25X1

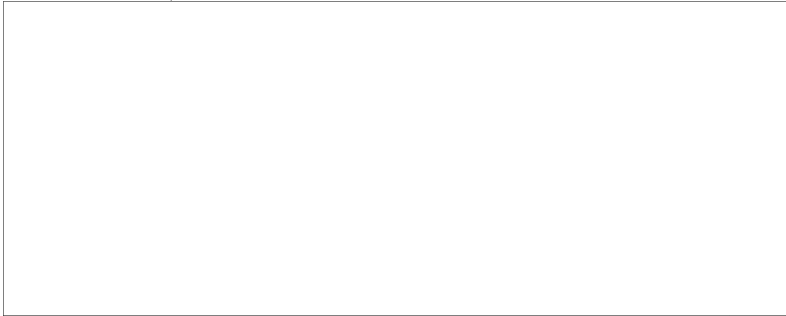
Diminished Communist activity in Cambodia is making it possible for the government to move badly needed rice and other goods from the northwest to Phnom Penh. (Page 5)

Tokyo's measures to reduce its trade surplus are moving very slowly. (Page 6)

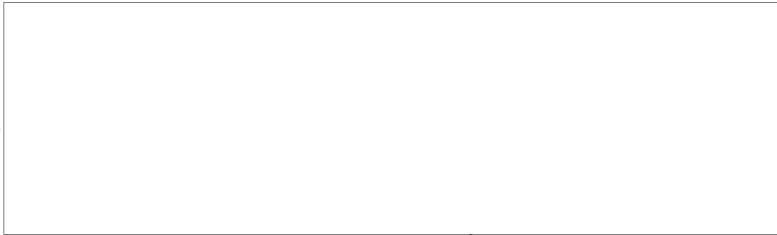
Peking's reaction to a US air attack that damaged a Chinese merchant ship in Haiphong harbor has been measured and low-keyed. (Page 7)

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**NORTH VIETNAM**



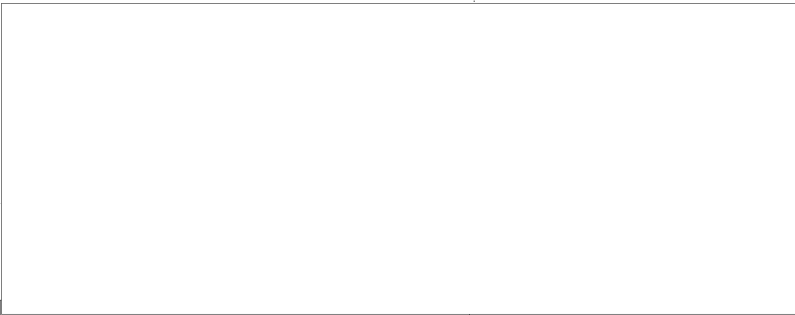
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CHILE-USSR

Evidence is mounting that Moscow refused President Allende the large-scale "bail-out" assistance he was seeking.

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[redacted] the Soviets did agree to provide some immediate help in the form of \$25 to \$30 million in food-stuffs, but this is far short of the \$300 to \$500 million in hard currency credits that Allende [redacted]

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[redacted] was after.

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[redacted]

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*If Moscow were to provide Allende with the massive assistance he sought, it would have entailed major sacrifices at a time when the Soviet foreign exchange position is being strained by the need to finance large grain imports.*

*Moscow's apparent refusal to bail out Allende leaves the Chilean economy in dire straits. The foodstuffs apparently promised by the Soviets amount to less than eight percent of Chile's food import needs and will not allow Chile to avert a major cutback in imports and consumption during 1973.*

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[redacted]

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**MALTA**

[Redacted]

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[Redacted]

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CAMBODIA

Diminished Communist activity in recent weeks is making it possible for the government to move badly needed rice and other goods from the northwest to Phnom Penh.

The government garrison in the isolated northern provincial capital of Kompong Thom has been subjected to a series of shellings and ground probes since 7 December, but it has recently been reinforced and does not appear in danger of being overrun.

*Throughout Cambodia, the intensity of the fighting has dropped significantly since the withdrawal of most of the Vietnamese Communist troops to South Vietnam last spring. The Khmer Communists have continued to improve their military capabilities, but they do not appear able to deal any major military setback to the defense-minded Cambodian Army.*

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**JAPAN**

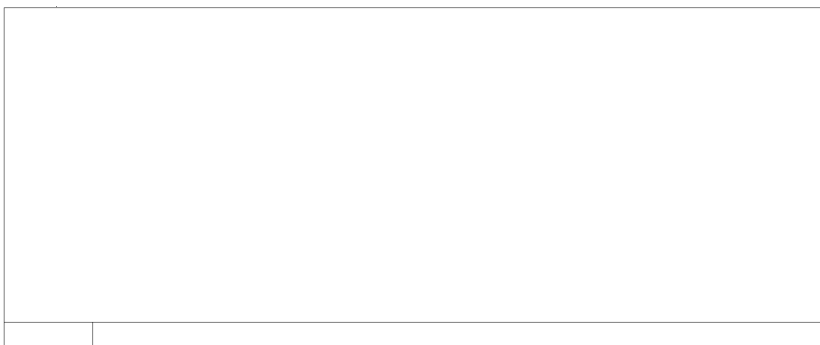
Tokyo's measures to reduce its trade surplus are moving very slowly. The program to raise import quota levels has hardly gotten off the ground; so far there has been agreement on only six of some 32 controlled products. On the export side, the Japanese have selected some 20 items for restraints, but the date for implementing them has repeatedly been delayed.

*This evident foot-dragging may well stem from a belief on the part of Japanese officials that there will be another yen revaluation in the next few months and that this will overtake any steps taken now.*

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NOTES

China - US - North Vietnam: Peking's reaction to a US air attack on 20 December that damaged a Chinese merchant ship in Haiphong harbor has been measured and low-keyed. In a brief broadcast of 21 December, the New China News Agency expressed "extreme indignation," but implied that there were no casualties and little damage. The NCNA asserted that the Chinese Government is "closely watching the development of daily expanding US war activities." This formulation is considerably short of Peking's statement last June that US air operations "threatened" China's security.



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