

The President's Daily Brief

1 June 1973

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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

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PRINCIPAL DEVELOPMENTS

Talk of war preparations in the Middle East has diminished in recent weeks as the Egyptians concentrate on diplomatic maneuvers in advance of the UN Security Council debate next week. (Page 1)

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Cambodia

(Page 2)

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Soviet stalling on negotiations with Japan concerning joint economic ventures in Siberia is aimed at playing off the major industrial nations against one another. (Page 3)

The decision of West Germany's highest court to hear a constitutional challenge to the inter-German treaty has had an immediate negative impact on Bonn's negotiations with Pankow. (Page 4)

Canada's minority government, bolstered by the broad domestic support for the decision to quit the ICCS, will now push more aggressively for adoption of its legislative program. (Page 5)

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EGYPT

Talk of war preparations has diminished in recent weeks. The Egyptians are concentrating on diplomatic maneuvers in advance of the UN Security Council debate on the Middle East next week.

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Egyptian statements have turned from strident calls for war to a lower pitched--and longer range--emphasis on the "total mobilization" of political and economic, as well as military, resources for an eventual confrontation with Israel.

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Egypt's intensive round of diplomatic contacts has aimed at finding an approach that would exert pressure on the US to push Israel toward compromise, or at least give the appearance of progress toward a peaceful solution.

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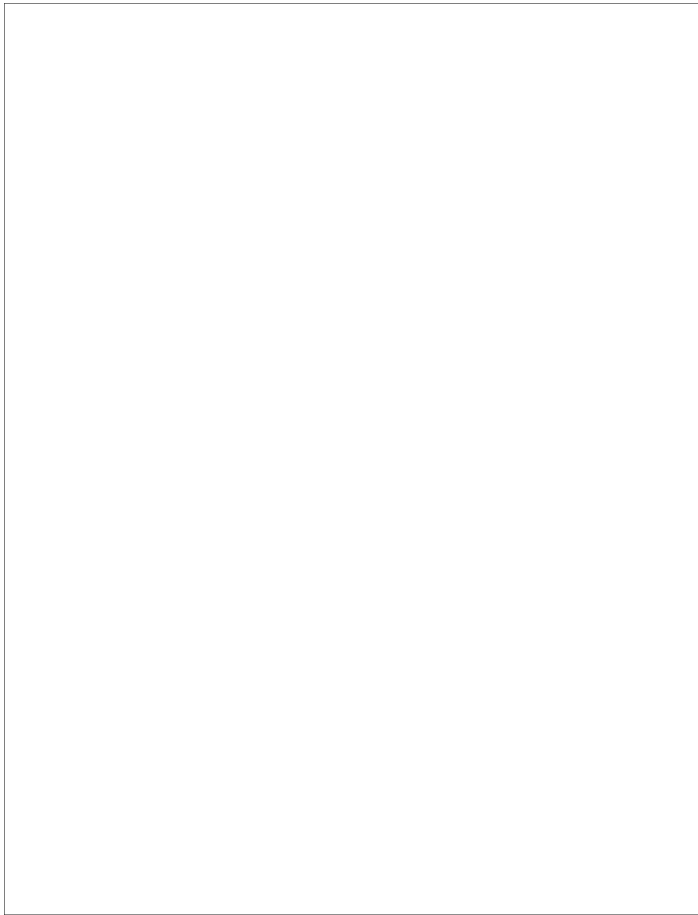
Cairo is apprehensive about US-Soviet detente, fearing a Soviet reluctance to provide strong support for Egypt's approach toward a settlement. President Sadat has made clear his unhappiness with Soviet policy toward Egypt in several recent public speeches, and the Soviets apparently have told the Egyptians that they want a non-controversial UN resolution. This is a particularly important consideration for Moscow on the eve of Brezhnev's summit meeting with President Nixon.

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CAMBODIA



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USSR-JAPAN

The Soviets have begun to stall on negotiations with Japan concerning joint economic ventures in Siberia. They have postponed meetings that were to take up details concerning the Tyumen oil pipeline, Yakutsk gas, and other projects.

The Soviets have discussed their new approach with US diplomats in Tokyo. Ambassador Troyanovsky, after pressing hard earlier in the year for Japanese Government support of the Tyumen project, recently acknowledged that the USSR is now "dragging its feet." A Soviet trade official said Moscow expected to conclude favorable deals with the US on energy projects during coming meetings and would later propose similar terms to Japan on a "take-it-or-leave-it basis." He also played up the results of the recent Brezhnev-Brandt meeting, particularly on energy matters.

The Soviets probably hope that these remarks will get back to the Japanese and persuade them that Moscow has attractive alternatives to Japanese participation in Siberian projects. Tokyo officials have tried to alert Japanese businessmen to the Soviet ploy, but there are already signs of mounting worry that the USSR might turn to the West for help in developing its energy resources.

The new Soviet coolness toward Japanese participation is part of a larger Soviet effort to play off the major industrial nations against one another. During his visit to Bonn, Brezhnev spoke in glowing terms about the prospects for economic cooperation with the US and with Japan.

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WEST GERMANY

The Constitutional Court decided to hear Bavaria's constitutional challenge to the inter-German treaty. The decision, which blocks completion of the treaty's ratification, has had an immediate negative impact on Bonn's relations with Pankow. Negotiators Bahr and Kohl ended their session on Wednesday by announcing that, in light of the case, they would not set a date for their next meeting.

The Court expects to reach a decision by the end of July.

Chancellor Brandt seems justified in his public optimism that the Court will rule in favor of the treaty, even though four of its eight justices were named by the opposition. The challenge comes from the most conservative element of the opposition, which as a whole is no longer strongly opposed to the treaty.

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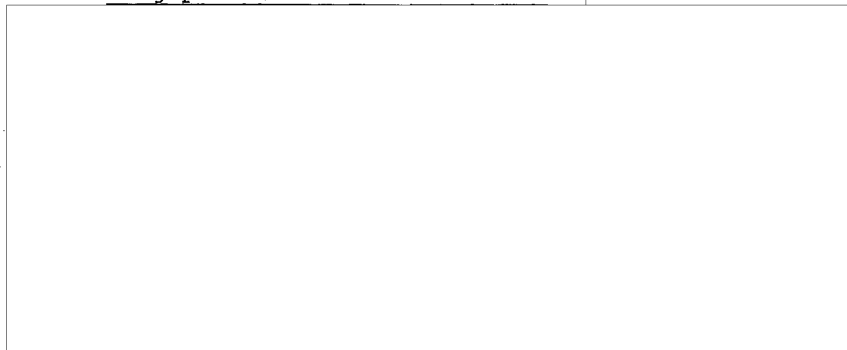
NOTES

Canada: Bolstered by broad domestic support for its decision to quit the ICCS, the minority Trudeau government apparently is attempting to dispel any notion that it is concerned solely with survival, and will now push more aggressively for adoption of its legislative program. The most controversial element of this program is the Liberal Party's proposal to cut corporate taxes, which is opposed by the party's coalition partner, the New Democratic Party. The Liberals may have gained the support of the opposition Conservatives, however, by offering to subject the legislation to periodic parliamentary review.

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Singapore - Nationalist China:

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