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# The President's Daily Brief

*June 4, 1974*

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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

June 4, 1974

PRINCIPAL DEVELOPMENTS

Sizable numbers of North Vietnamese and Chinese troops are still in Laos although today is the deadline for the withdrawal of all foreign military personnel and the return of all prisoners of war.

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Bonn is concerned that growing opposition in Italy to the nuclear Non-Proliferation Treaty may make it difficult for West Germany to complete the formal process of ratifying the treaty. (Page 2)

[Redacted]

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[Redacted] India [Redacted]  
(Page 3)

Notes on the annual trade agreement between the USSR and China [Redacted]

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Pacific appear on Page 3.

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At Annex, we examine the reasons for the continued presence of the North Vietnamese and the Chinese in Laos, reactions of the non-communists to their presence, and the tactics the Communists are likely to employ in the months ahead.

*FOR THE PRESIDENT ONLY*

LAOS

A 60-day countdown for the withdrawal of all foreign military personnel from Laos and the return of all prisoners of war, which began on April 5, ends today, but only the US and Thailand have complied. An estimated 47,000 North Vietnamese troops and some 23,000 Chinese forces remain, and show no sign of leaving. No prisoners have been exchanged, and there is little prospect of their early release.

At Annex, we examine the reasons for the continued presence of the North Vietnamese and the Chinese, non-communist reactions to their presence, and the tactics the Communists are likely to employ in the months ahead.

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WEST GERMANY - ITALY

An official of the West German foreign office has told the US embassy of Bonn's concern that growing opposition in Italy to the nuclear Non-Proliferation Treaty may make it difficult for West Germany to complete the formal process of ratifying the treaty. Bonn may hope that the US will take fresh steps to try to persuade the Italian government to push for early ratification.

According to the West German, a senior Italian official recently noted that the Indian nuclear test has reduced the likelihood of Italian parliamentary approval of the treaty. The Italian position is further complicated, he said, by the fact that other Mediterranean states, including Israel, Egypt, Libya, Algeria, and Spain, have not signed.

Although the Italians apparently have no present plans to join the nuclear club, Italian political leaders evidently feel that a formal commitment to ban the development of nuclear weapons would now be politically unwise. The Rumor government now intends to delay asking parliament to ratify the treaty.

The West German Bundestag ratified the treaty in February after receiving assurance from the Brandt government that all its EC partners except France were also prepared to ratify. Bonn decided to delay the deposit of instruments of ratification, however, until its European allies, especially Italy, demonstrated that they too were making progress toward ratification.

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India:

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USSR-China: The recently signed annual trade agreement between the USSR and China calls for a total trade level of more than \$345 million, compared with \$270 million last year--an increase of nearly 30 percent. Trade, however, is still far below the record \$2 billion registered in 1959. According to a Soviet broadcast, exports from the USSR will consist primarily of aircraft and generating equipment. Most of China's exports will be raw materials, agricultural products, and consumer goods.

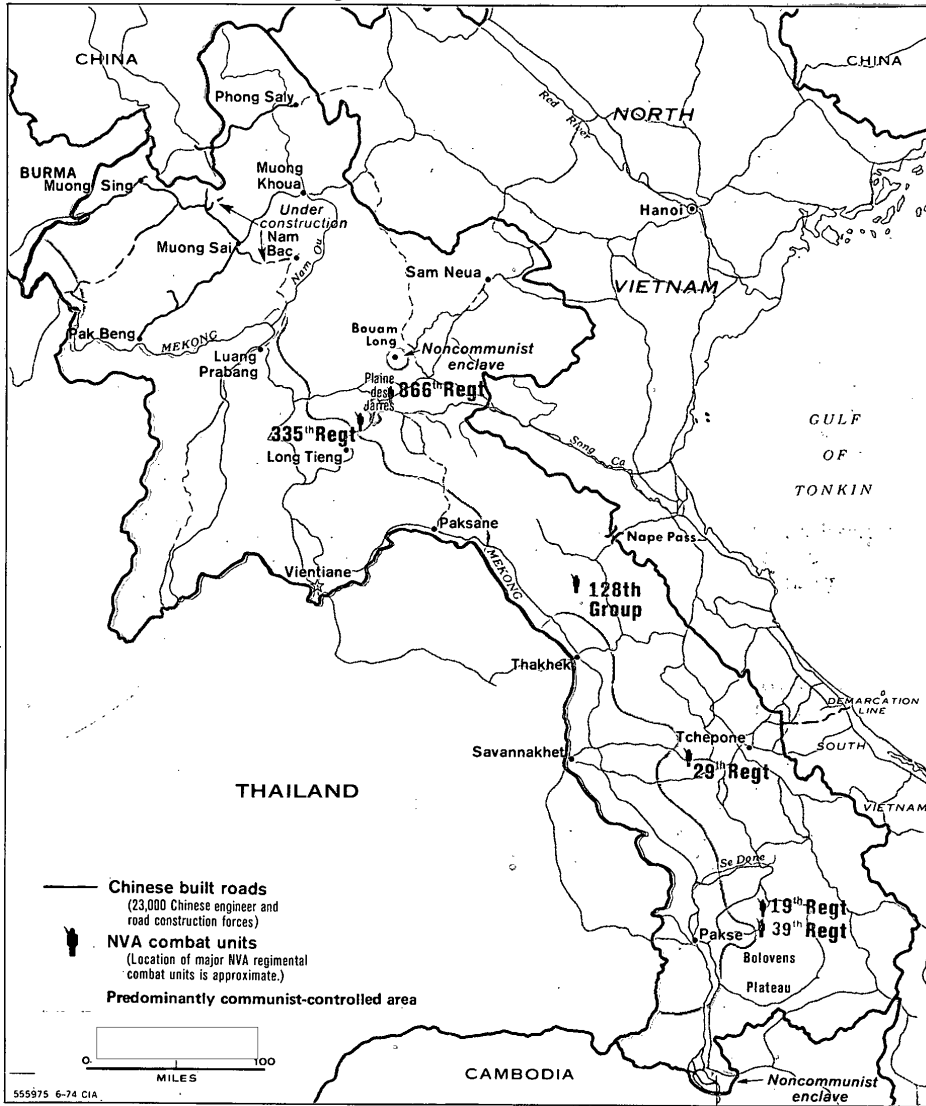
USSR: The recently completed Soviet naval exercises in the Norwegian Sea and northwestern Pacific featured intensive anti-submarine and anti-carrier operations, but no submarine-launched ballistic missiles were fired from the Norwegian Sea as had been expected.

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Late last month, Soviet naval forces also exercised in the eastern Mediterranean, and naval aircraft temporarily based in Cuba and Guinea flew four reconnaissance missions in the north Atlantic.

### NVA and Chinese Remaining in Laos

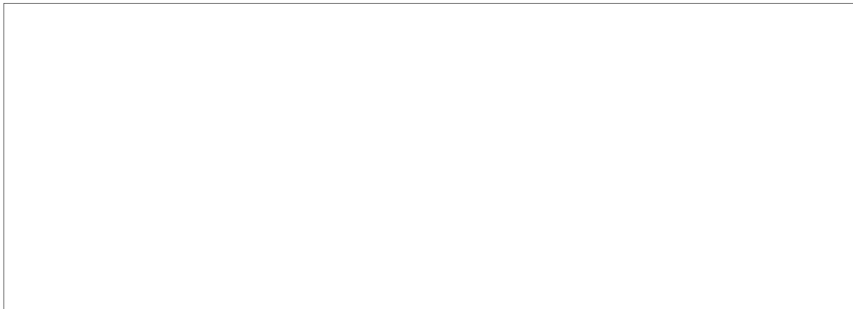


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LAOS

Sizable numbers of North Vietnamese and Chinese troops are still in Laos today--the deadline for the withdrawal of all foreign military personnel and the return of all prisoners of war. These troops show no sign of leaving; no prisoners have been exchanged, and there is little prospect of their early release.

Hanoi has recalled only one major unit since the 60-day countdown for withdrawal began on April 5. Remaining in Laos are an estimated 47,000 North Vietnamese troops (18,000 in infantry/combat support units and 29,000 in rear services). Of this total, 37,000 troops--including four combat infantry regiments--are in central and southern Laos, while 10,000--including two combat infantry regiments--are in northern Laos. Approximately three fourths of the North Vietnamese personnel are concerned primarily with supporting Hanoi's war effort in South Vietnam by keeping supplies and personnel moving along the eastern Lao infiltration corridor.



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Chinese in Laos

The provisions of the Lao accords on foreign troop withdrawal did not specify nationality. Peking's military presence was conspicuously ignored by both Lao sides throughout the protracted negotiations. Nevertheless, there are an estimated 23,000 Chinese engineer and road construction forces currently in northwest Laos. The Chinese have withdrawn some 10,000 troops--including virtually all of their infantry and air defense personnel--since the cease-fire went into effect in February 1973. No departures have been noted, however, since the coalition government was formed on April 5.

The Chinese are primarily concerned with general maintenance and road repair activity--although some limited new construction on their 300-mile road net is apparently under way.

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Why the North Vietnamese and Chinese Stay

Given the high priority Hanoi assigns to maintaining a flow of troops and supplies to South Vietnam, there was little likelihood of significant withdrawals of North Vietnamese logistic and engineer forces from the Lao infiltration corridor. The North Vietnamese have spent much time and effort developing the Ho Chi Minh trail route structure into a dual-lane all-weather road net down most of the central and southern Lao panhandle. As long as the fighting continues in Vietnam and despite the development of a parallel corridor in western South Vietnam, Hanoi will not be likely to abandon its road net in eastern Laos.

The North Vietnamese are apparently also determined to maintain a limited main-force combat presence in Laos as insurance against potential rightist military moves against so-called "liberated areas" or against the new coalition government itself. Hanoi, in addition, evidently plans to continue to train, advise, and provide some logistic support to the Pathet Lao at least until convinced their Lao Communist clients can hold their own against the Lao army and do reasonably well in future general elections.

The Pathet Lao, for their part, have shown no interest in having the North Vietnamese leave. They probably welcome a continued North Vietnamese presence to help them protect their political and military interests under the new coalition.

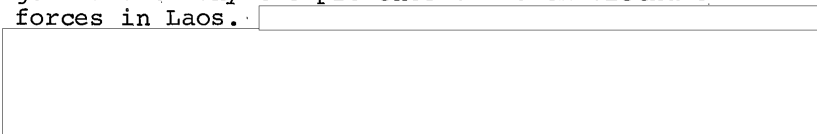
As for the Chinese, Peking plainly intends to maintain an influence in Laos--partly through diplomatic activity in Vientiane--but also through road-building activities in the northwest. Although virtually all of Peking's combat forces have left Laos, the 23,000 engineer and support troops who remain are regular armed members of the People's Liberation Army. The Chinese may consider their forces a useful counterweight to the substantial numbers of North Vietnamese troops in Laos, or they may see them as a contribution to the Pathet Lao cause parallel to that made by Hanoi.

Communist Public Postures on Withdrawal

Lao Communist officials in the new coalition government deny the presence of North Vietnamese forces in Laos.

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The Communists are trying to shift attention on the troop withdrawal issue to the US and Thailand. The national political program which Pathet Lao leader Prince Souphanouvong recently pushed through the coalition's Joint National Political Council calls upon Washington and Bangkok to stop their "interference, aggression, and military involvement in Laos."

There is also a marked increase in Communist propaganda attacks charging the US and Thailand with violating the 1962 and 1973 Lao accords. The Communists particularly cite as violations US reconnaissance overflights. Recent broadcasts from Hanoi and the Viet Cong, as well as from the Pathet Lao, have demanded that the US military be withdrawn not only from Laos but especially from bases in Thailand.

Non-Communist Reactions

Prime Minister Souvanna apparently is not overly concerned at this stage with North Vietnam's continued military presence in Laos. He has pointed out on several occasions that there is little that the non-Communists can do to eject Hanoi's troops from portions of the Lao interior or to prevent their use of the eastern trail network--particularly since these areas lie within the Pathet Lao - controlled zone.

Souvanna probably is even less disturbed over the Chinese presence. Given his strong desire to maintain good relations with Peking, the Prime Minister is unlikely to exert pressure on the Chinese road-builders.

Withdrawal Inspection Machinery Founders

Under the terms of the Lao accords, the military committee of the two-party Joint Central Commission to Implement the Agreement--assisted by the International Control Commission--is charged with inspecting and verifying foreign troop withdrawals. The Lao Communists, however, have blocked the development of any effective inspection procedures.

Prisoner Issue

The Pathet Lao admit to holding only one American prisoner, a civilian contract pilot who was captured on May 7, 1973. Another four Americans are believed to have been captured in Laos prior to the

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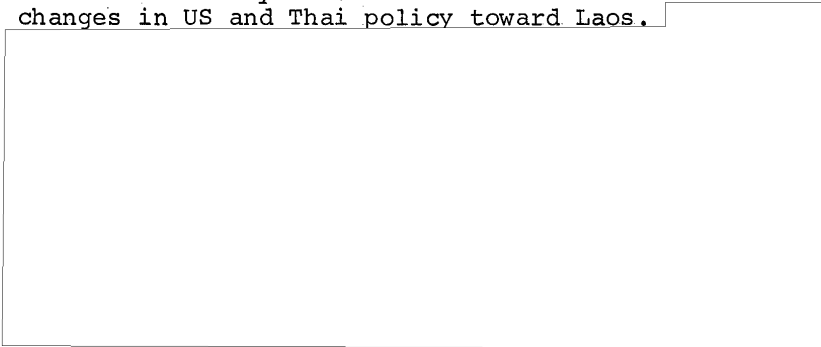
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February 1973 cease-fire agreement, and some 314 are listed as missing in action. Between 500 and 700 Thai volunteers and a small number of Thai civilians formerly employed by US contractors are believed to be in Pathet Lao hands.

The non-communist side holds an estimated 135 North Vietnamese captives. Neither Lao side has admitted to holding any Lao prisoners.

The Communists' failure to release any prisoners prior to the June 4 deadline supports earlier indications that they intend to use the issue to force changes in US and Thai policy toward Laos.



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