



*The President's Daily Brief*

11 March 1972

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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

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PRINCIPAL DEVELOPMENTS

Chinese diplomats are commenting favorably on President Nixon's trip to Peking. (Page 1)

Recent satellite photography shows ground support equipment for China's first operational MRBM. (Page 2)

West German

(Page 3)

25X1

Cambodian Chief of State Cheng Heng has resigned, clearing the way for Lon Nol to succeed him and to promulgate a new constitution. (Page 4)

The secret negotiations between Guatemala and the UK over troop levels in British Honduras have collapsed. (Page 5)

Malta is reported to have accepted the UK-NATO final offer on base rental payments but Prime Minister Mintoff still wants a little something extra. (Page 6)

Israel

(Page 7)

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CHINA-US

*We are beginning to receive feedback on President Nixon's trip to China from Chinese diplomats stationed abroad and from officials assigned to Hong Kong. Most appear to be repeating instructions received from Peking, but even when an official claims to have heard nothing from home his reaction does not vary greatly from the norm.*

In general the Chinese have taken a positive and optimistic attitude toward the visit and the communiqué, but there have been no signs of euphoria. Officials are not claiming a Chinese "victory" and one diplomat, when pressed, was emphatic that each side had made "equal" concessions.

Most officials have stressed as a sign of progress the point that the United States has now agreed to the five principles of peaceful coexistence. Virtually all have referred to the section of the communiqué dealing with Taiwan as an indication of changed US attitudes on this subject, but they have also stressed that the Taiwan problem is not yet fully solved. In commenting on this section a number of officials have stated that a solution to the problem would take time, and that China was prepared to wait. One diplomat, noting that no timetable had been set for the withdrawal of US forces from Taiwan, remarked that the President was likely to come under a variety of pressures on this issue. He added that China would consider the beginning of a US withdrawal as an earnest of Washington's good intentions in dealing with China.



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CHINA

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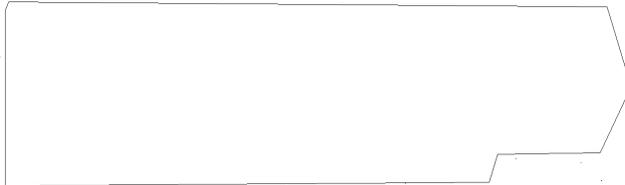
Recent satellite photography shows ground support equipment for CSS-1 ballistic missiles at the Chiu-feng-jun barracks 90 nm. east of Peking. [redacted]

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[redacted] When the barracks were last photographed a year ago, no missile equipment could be clearly identified there. Since then five buildings, including one which may be for missile check-out, have been built.

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No missiles have been detected at Chiu-feng-jun and the facility does not appear to contain a launch area.



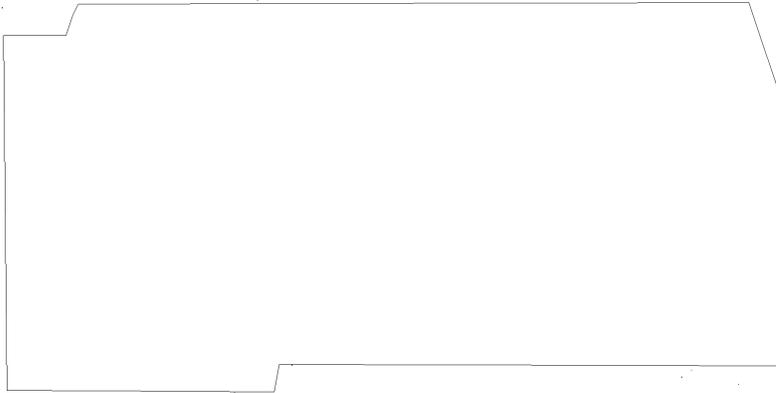
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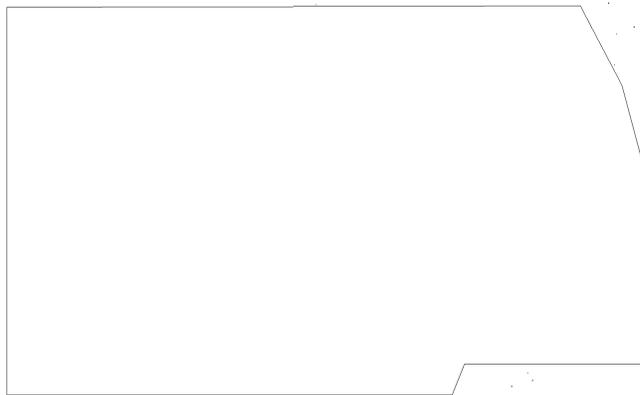
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WEST GERMANY



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CAMBODIA

Chief of State Cheng Heng announced yesterday that he was resigning because he had failed to resolve "internal difficulties." He named Lon Nol as his successor. As chief of state, Lon Nol is in a position to promulgate a new constitution that would make him Cambodia's first president. The final draft of a republican constitution was to be ironed out this weekend, but Lon Nol has announced that he is nullifying this draft.

*Now that Lon Nol is chief of state as well as prime minister, he may want to dictate the provisions of a new constitution. Additional changes in the government could further delay action on the constitution.*

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GUATEMALA-UK

The secret negotiations between Foreign Minister Herrera and British Minister of State Godber

have collapsed. According to a Guatemalan communiqué, Guatemala broke off the talks in response to Britain's refusal to reduce their troop strength in British Honduras to normal levels. The communiqué characterized London's decision as "aggression," and warned that Guatemala would take the necessary measures to protect its national interests.

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*The communiqué appears to be the opening salvo of a diplomatic and propaganda campaign against Britain's increased military presence in British Honduras. In view of Guatemala's earlier effort to keep the British reinforcements secret, the decision to publicize the issue indicates that the Arana government is willing to engage its prestige in attempting to reverse London's stand. Although Herrera may try to persuade the cabinet to make a further attempt at compromise, a likely next step for Guatemala is to raise the matter in the OAS.*

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MALTA

The Maltese cabinet decided on Thursday to accept the UK-NATO offer of \$36.4 million annually,

[redacted] Prime Minister Mintoff told his cabinet that he would hold off announcing Malta's acceptance for a day or two in the hope of obtaining at least part of the one-time payment of \$13 million he has been seeking. [redacted]

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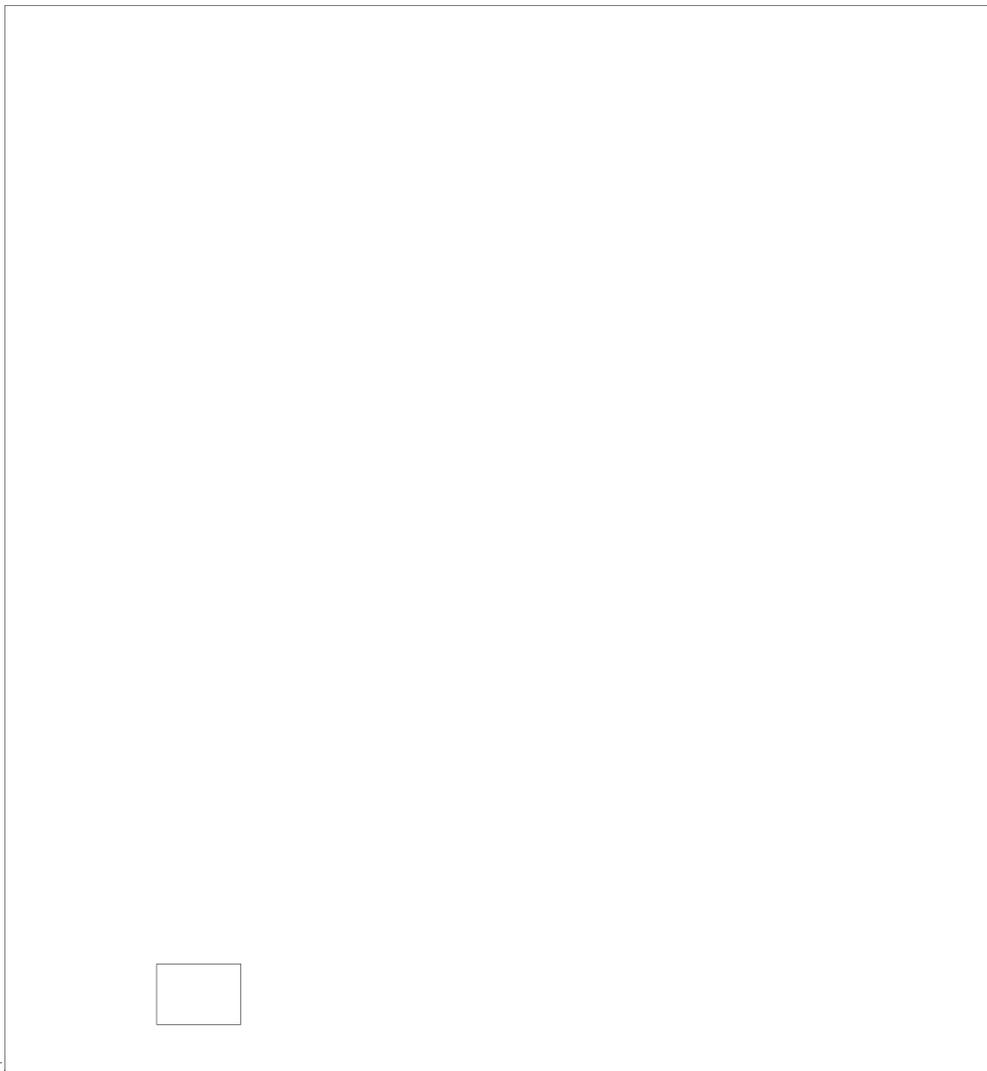
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[redacted] The cabinet warned Mintoff of the growing resentment among the Malta Labor Party's rank and file at his refusal to sign an agreement and instructed him not to break off negotiations over the extra \$13 million.

*Mintoff has claimed he needs the \$13 million because of an understanding he has to reimburse Libya immediately in the event of an agreement with the UK. He presumably was referring to a loan of at least \$3 million he received from Libya last August.*

The Italians have asked West Germany and the US to join with Rome in putting up the \$13 million; the West Germans have refused. The British have accepted the idea of such a payment reluctantly and have warned Rome that time is limited, given the fact that the final phase of the British pullout is scheduled to begin on 20 March.

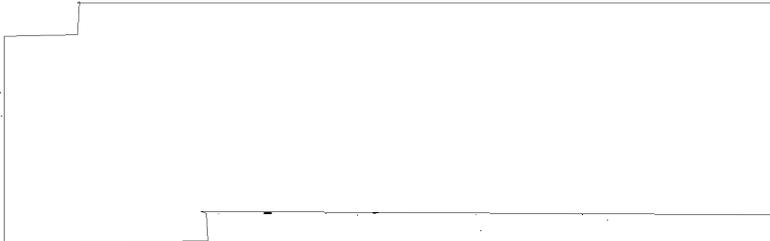
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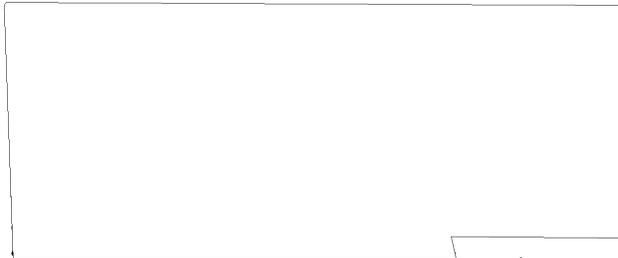
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USSR-EGYPT-ISRAEL



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NOTES

Syria: President Asad has announced Syria's acceptance of UN Security Council Resolution 242, marking the most moderate position Damascus has taken on Israel since the resolution was passed in November 1967. The Asad regime had been exhibiting a more flexible policy since ousting its radical predecessor in November 1970. This change brings Syria into line with Cairo, as well as with Moscow, which provides substantial military and economic aid to Damascus.

Venezuela: President Caldera's moderate treatment of the oil companies in his state of the union message this week contrasts with his government's increasingly nationalistic approach

This shift follows Creole's recent announcement that its production is again rising and recent US offers to discuss a broad range of bilateral matters.

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