



The President's Daily Brief

18 March 1972

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THE PRESIDENT'S DAILY BRIEF

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PRINCIPAL DEVELOPMENTS

In Laos, the situation around Long Tieng has eased somewhat, but both sides are preparing for new combat. (Page 1)

Chinese [redacted]
(Page 2)

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[redacted] Turkey [redacted]
(Page 3)

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Officials in Panama have been implying a link between US press charges of high-level Panamanian involvement in narcotics trafficking and US negotiating tactics over a new canal agreement. (Page 4)

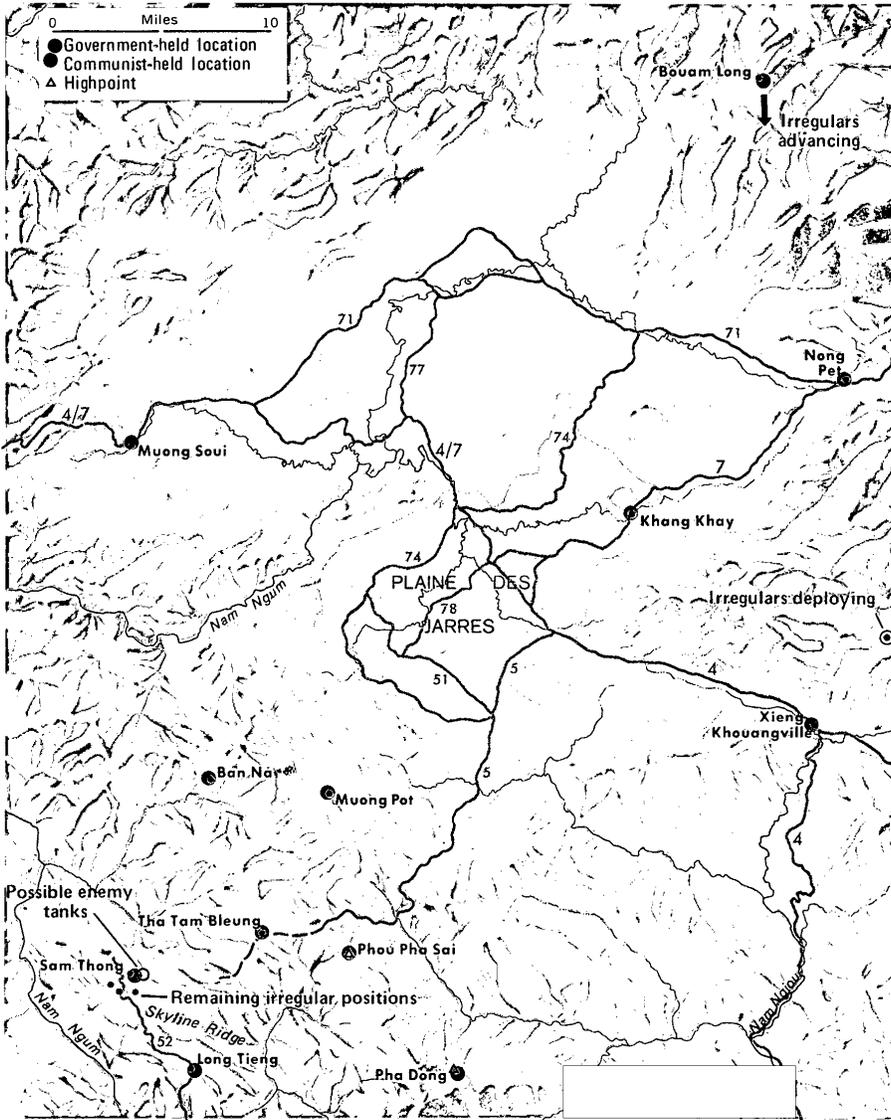
Chile's military leaders may try to use Soviet military credit offers to obtain noncombat equipment. (Page 5)

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At Annex, we discuss the current attitudes of Pakistan and India as they inch toward negotiations.

LAOS: PLAINE DES JARRES AREA



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LAOS

The Communists are continuing preparations for new attacks on Long Tieng. [redacted] heavy enemy activity in the Tha Tam Bleung area and on 17 March [redacted] enemy tanks had moved into the Sam Thong valley. Government troops still hold positions on the southwestern edge of Sam Thong, but two North Vietnamese regiments also remain in the area. For the moment, the Communists have restricted their attacks to the shelling of Skyline Ridge and nearby targets.

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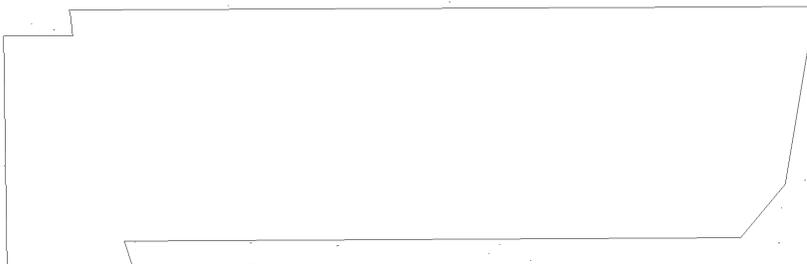
With the local situation at Long Tieng somewhat eased in the last few days, Vang Pao is deploying forces to interdict enemy supply routes east of the Plaine des Jarres. Yesterday advance elements of a task force with more than 1,500 men began moving south from Bouam Long, while another task force of about 1,000 men has been airlifted to positions about six miles northeast of Xieng Khouangville. Intercepts indicate that the Communists are aware that Vang Pao's troops have moved into these areas but are not certain about their specific objectives.

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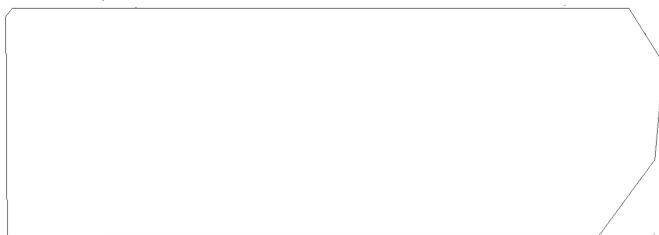


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CHINA



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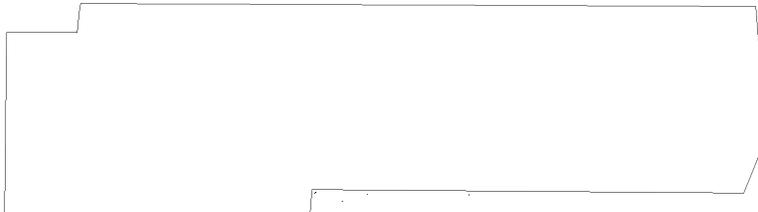


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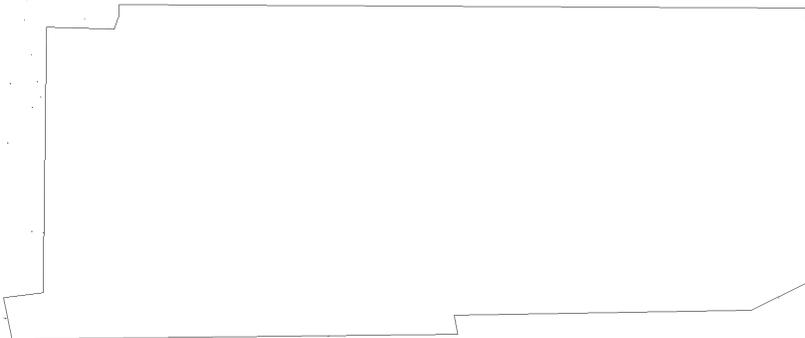
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TURKEY



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PANAMA

The government is trying to portray press charges of official Panamanian involvement in narcotics trafficking as a US intelligence plot to undermine the Torrijos regime's stand in the canal negotiations. The Panamanian ambassadors to Costa Rica and Ecuador have already attacked the US, suggesting that a diplomatic campaign may be under way to link the narcotics charges with the canal talks.



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On previous occasions when Tack has threatened to muddy the waters with a public statement on the negotiations, General Torrijos has applied an ultimate veto. The narcotics charges could make him less hesitant this time. Torrijos in his present frame of mind is likely to be casting about for some way to embarrass the US in the belief that the best defense is a good offense.

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CHILE

President Allende recently met with the commanders of the three services to discuss their reasons for rejecting proffered Soviet military credits of \$300 million

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_____ Their answers, according to the source, reflected a reluctance to acquire combat equipment that might entail sending Chileans to the USSR for training or accepting Soviet advisers. The navy chief did indicate, however, that a Soviet hydrographic vessel would be acceptable, and the air force and army commanders said that they could use telecommunications equipment and vehicles.

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_____ Army Chief Prats said _____ that Chile needs high-quality weaponry, but that the army cannot take advantage of the Soviet credit. He explained that, in addition to the difficulties of incorporating Soviet equipment, the presence of Soviet tanks in Chile would have an adverse effect on suspicious neighboring governments.

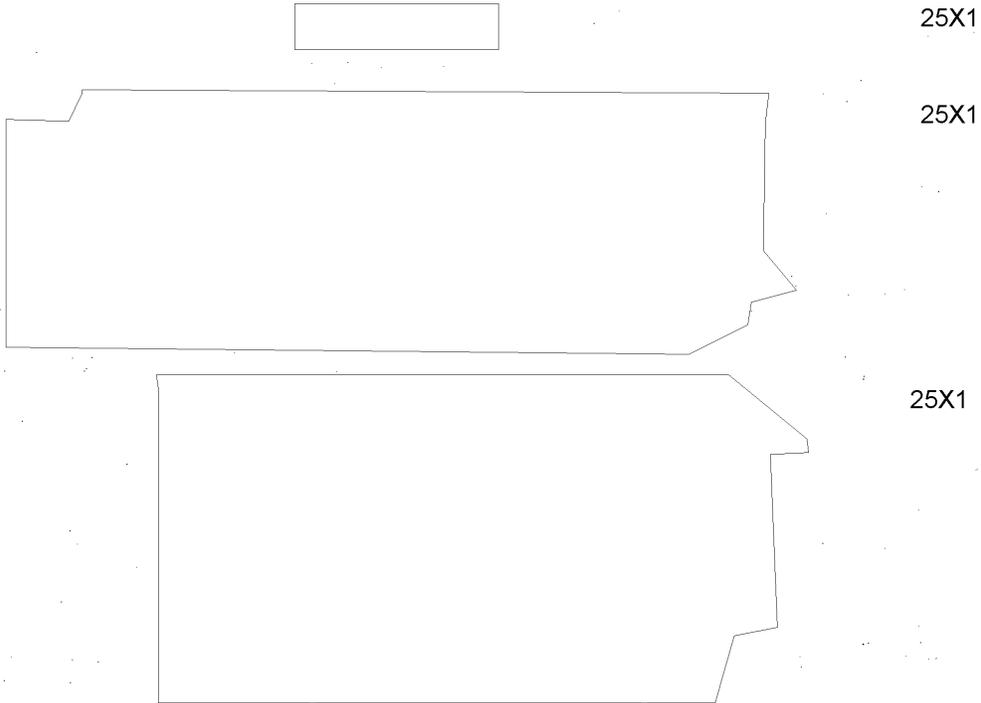
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Allende appears to be as concerned as the military chiefs over the implications of Chilean acceptance of Soviet military aid. If the commanders can settle on noncombat equipment to utilize some of the Soviet offer, both Allende and the military might find this an acceptable way out of their dilemma.

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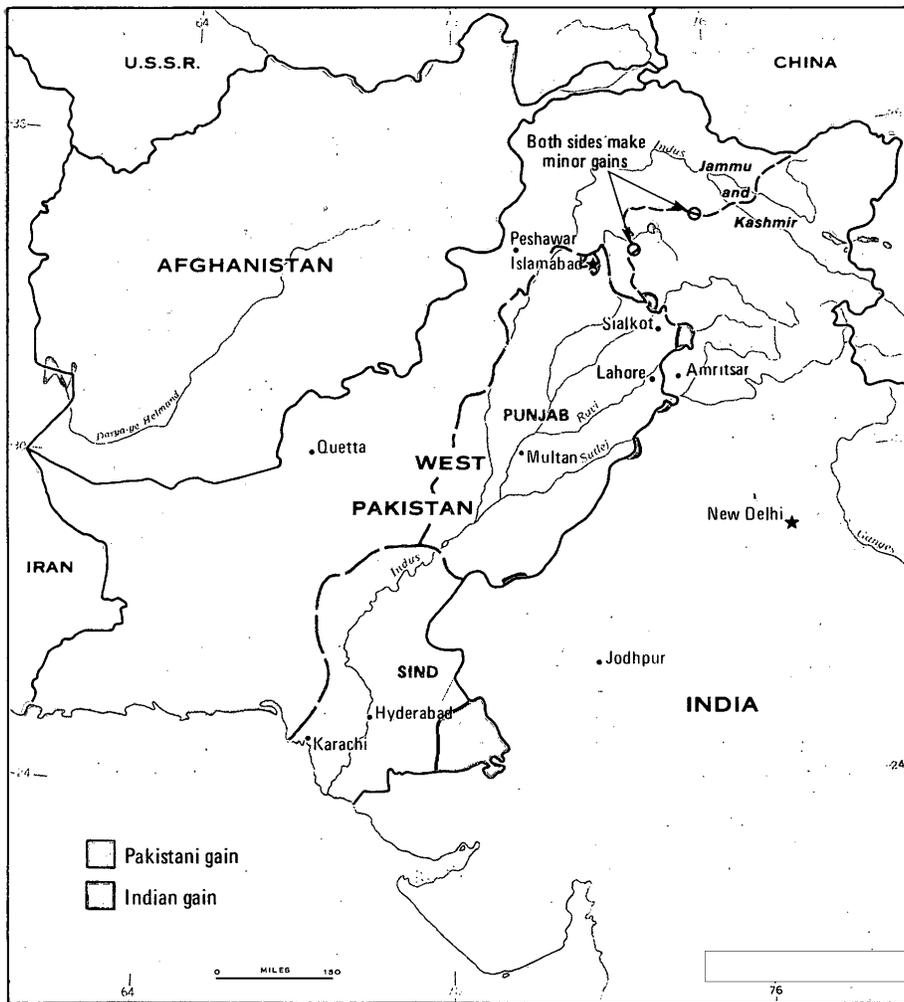
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NOTE

Israel-Lebanon: The land mine explosion in northern Israel on 16 March was the second terrorist incident since the four-day Israeli search-and-destroy operation last month against fedayeen bases in southern Lebanon. Two Israeli soldiers were killed and five injured. A retaliatory strike may well follow if Tel Aviv's investigation indicates that fedayeen infiltrators were responsible for the incident. The Israelis last hit at fedayeen targets in Lebanon on 9 March in response to rocket attacks on Israeli border settlements.



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APPROACHING NEGOTIATIONS IN SOUTH ASIA

New Delhi and Islamabad are edging toward negotiations on issues arising from India's military victory of last December. The withdrawal of Indian troops from Bangladesh this week has removed one major obstacle to Pakistani participation in talks. President Bhutto's rapid moves to solidify his domestic position and his current visit to Moscow seem designed to clear the way tacitly to acknowledge the finality of the events of last December, to accept the independent existence of Bangladesh, and to restore relations with New Delhi.

Issues between India and Pakistan

India, from its position of strength, told UN Secretary General Waldheim in mid-February that it was ready for direct peace talks "at any time, at any level, and without preconditions." New Delhi thus abandoned its earlier insistence that Islamabad first recognize Bangladesh. Prime Minister Gandhi, with her own domestic prestige greatly fortified by her Congress party's sweeping victory in the state elections last week, and with her troops holding the lion's share of captured territory, has every reason to approach talks with confidence.

Her specific aims are to adjust the frontier to India's advantage, to negotiate POW repatriation, and to settle the Kashmir dispute by a formal partition roughly along the 1949 cease-fire line. Beyond these, Mrs. Gandhi hopes by reducing tension to end Islamabad's policy of maintaining a high state of military readiness so that India can divert more resources to domestic needs.

Bhutto's immediate aim is to cancel out losses from the war. He seeks to regain some 1,400 square miles of territory India occupies and to secure repatriation of some 94,000 POWs held by India. As for Kashmir, he has little alternative but to accept the fact that India has what it wants and is both able and determined to keep it. Moreover, the recent military defeat has led many Pakistanis to favor stabilizing relations with India, even if this requires such a major change as accepting a permanent Kashmir partition. Also, Bhutto's cards are few: only 100 square miles of occupied Indian territory, 600 Indian POWs, and the prospect of recognizing Bangladesh.

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The conflicting claims to the entire state of Kashmir have defied solution in the past, but Bhutto may be preparing his public for a softening of Pakistan's traditional claim to all of Kashmir. In a seeming gesture of flexibility before leaving for Moscow, Bhutto told Indian newsmen that the local inhabitants should settle the problems themselves. If such a modification evolves, the Indians could at last achieve Pakistani recognition of a permanent border along the 1949 cease-fire line, leaving two thirds of the disputed territory with India. At a minimum, New Delhi wants a few border adjustments to plug routes which Pakistani infiltrators have used in the past and to deny Pakistani forces the ability to threaten Indian communication routes from certain salients. Indian troops now hold several of these outposts.

South of Kashmir, India holds some 1,100 square miles of Pakistani territory, but apparently is not greatly interested in retaining it. Relatively unproductive land in Sind Province constitutes the largest part, but India also occupies roughly half of Sialkot District in Punjab Province, Pakistan's breadbasket east of Lahore. Between 700,000 and one million Pakistanis have fled their homes in the Punjab, and [redacted] nearly half a million acres of crops, mostly wheat to be harvested in May, and hundreds of thousands of head of livestock have been lost there. A group of Western aid donors is helping Islamabad provide relief supplies to a total of some 1.2 million refugees.

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Coupled with domestic pressure for the return of occupied territory is the growing demand in Pakistan for repatriation of the 94,000 civilian and military personnel which the war left stranded in Bangladesh. Most have been transferred to camps in India now, but the problem has been complicated by New Delhi's insistence that Bangladesh participate in any repatriation negotiations. The first exchange of a small number of seriously ill and wounded prisoners took place in late February, but India refuses to yield 93 remaining wounded Pakistanis without Dacca's concurrence.

Other issues are less prickly. Both sides seem to favor a restoration of diplomatic relations. There also might be progress on restoring communications and travel and trade links, some of which have been severed since the hostilities of 1965. Commercial overflights, except for national airlines of the two countries, have already been resumed.

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*FOR THE PRESIDENT ONLY*Issues Between Pakistan and Bangladesh

Bhutto evidently wants to establish a modus vivendi with Bangladesh now that he has shown that every possible step has been taken to avoid formal separation of the two wings. Although he still wishes to postpone recognition--and still predicts that eventually the two will come together in some manner--most Pakistanis appear to be reconciled to the reality of an independent Bangladesh. A partial restoration of economic ties might be an early step. Islamabad has already offered to donate 122,000 tons of rice to Dacca on humanitarian grounds. In any event, the complexities of dividing assets and obligations of the former united Pakistan will clearly require many months of negotiations.

Dacca's announced plans to hold trials for Bengali and Pakistani "war criminals" provide an immediate brake on moves to restore ties. Bangladesh authorities arrested several thousand civilian "collaborators," and have stated that they will also try 100 senior Pakistani officers, including General Niazi, who commanded Islamabad's forces in the east and now is in Indian custody. If Dacca proceeds with trials, Bhutto might well withdraw his offer to return to Bangladesh all of the 30,000 Bengali military personnel and 8,000 civil officers in the West who wish to go back.

Bhutto Walks on Eggs

India's crucial role in the dismemberment of Pakistan gives Bhutto every reason to approach negotiations with great care. New Delhi's use of force fortified underlying fears in Pakistan that India's ultimate goal is to destroy Pakistan as a viable state and then to absorb it. At the same time, the US Embassy in Islamabad reports a growing tendency among politically sophisticated Pakistanis to accept a relationship with India not based upon continued military confrontation. Bhutto's own position is growing stronger, but he probably remains unsure of domestic tolerance for concessions toward India. Despite his recent success in curbing the military's political role, he must be particularly alert to the development of military resistance, for the military's *raison d'etre* has always been confrontation with India. Given India's advantages, the fruitfulness of any negotiations will depend heavily on Indian magnanimity and Bhutto's adroitness in judging just how far he can afford to bend.

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