



*The President's Daily Brief*

*8 June 1972*

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*Top Secret*

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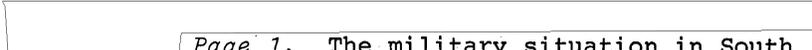


*FOR THE PRESIDENT ONLY*

THE PRESIDENT'S DAILY BRIEF

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PRINCIPAL DEVELOPMENTS

 *Page 1.* The military situation in South Vietnam remains essentially unchanged.

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Intercommunal talks on Cyprus reopen today, but prospects for success seem slim. (*Page 3*)

At Annex we discuss some of the problems Pakistani President Bhutto faces on the domestic scene and in seeking a settlement with India.

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VIETNAM

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The North Vietnamese are withdrawing portions of their air defense system from the general vicinity of the DMZ. Recent intercepts indicate that elements of three SAM regiments are moving north. One regiment appears to be shifting north within North Vietnam's southernmost Quang Binh Province, a second has moved elements to the Vinh area, and parts of a third have moved still farther north to Thanh Hoa Province.

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The military situation remains essentially unchanged, although increased combat activity is being reported from the Cambodian border provinces northwest of Saigon.

Brief but sharp clashes are continuing in Hau Nghia Province, particularly around Trang Bang, where the Communists have established several blocking points on Route 1. In nearby Tay Ninh Province, enemy-initiated actions are now at the highest level since the Communist offensive began. To the east, in Binh Long Province, elements [Redacted] are keeping pressure on the South Vietnamese units attempting to relieve the defenders of An Loc. Communist shelling of An Loc has increased recently, but there are no signs that new ground attacks are in the offing.

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Elsewhere in South Vietnam, combat activity centered around a new government ground attack into Quang Tri Province and continuing clearing operations in the central highlands. South Vietnamese forces have reported good progress in clearing the remaining pockets of resistance from the northern limits of Kontum City, but continue to be stymied, however, in their efforts to open Route 14 between Kontum and Pleiku.

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CYPRUS

Intercommunal talks resume today in Nicosia after a nine-month lapse. For the first time representatives of Greece, Turkey, and the UN will participate, in addition to spokesmen for the island's Greek and Turkish communities.

*The talks recessed last September after three years of futile attempts to agree on how much the Turkish Cypriot minority should participate in the government and how much autonomy the Turks should have. The new format for the talks resulted from efforts by Ankara and Athens to break the deadlock, although the hassle over President Makarios' importation of Czech arms last winter further delayed the resumption.*

*There is little to suggest that these talks will make any more progress than the earlier ones, for Makarios still seems intent on withholding real political power from the Turkish community and an atmosphere of trust necessary for mutual concessions is lacking. As long as the talks last, however, they should help keep intercommunal tensions down.*

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## PAKISTAN

In his six months as Pakistan's President, Z. A. Bhutto has maneuvered adroitly to balance conflicting political pressures. He has not yet, however, come to grips with the country's basic problems, the most pressing of which is to obtain a settlement with India. This mainly involves arranging for India to withdraw its troops from Pakistani territory and to release some 94,000 Pakistani prisoners of war. Unless Bhutto can achieve this, he will face continued pressure from the army and the prisoners' families, and he will be forced to find some place to settle about a million refugees from the areas occupied by Indian forces last December. These refugees have not posed a serious problem thus far, but the longer their return home is delayed, the more likely they are to cause trouble.

Bhutto has tried to prepare the Pakistanis for the price that will have to be paid for an agreement with India. He has had some success. Recognition of Bangladesh--once unthinkable--is no longer an issue, although Bhutto intends to use it as a bargaining point with both the Indians and Bengalis. Bhutto has shifted the government's long-standing policy on Kashmir. He now claims it is the responsibility of the Kashmiris themselves, rather than the Pakistanis, to end the Indian occupation, and Bhutto proposed easing conditions along the 1945 cease-fire line. On the other hand, neither Bhutto nor the Pakistani people yet appear willing to acknowledge formally New Delhi's claim that Indian-occupied Kashmir is part of India. Nor is Bhutto in a position to acquiesce in the trial of any significant number of prisoners of war for alleged "war crimes" in Bangladesh. Should Mrs. Gandhi transfer POWs to Dacca for such trials, the pending summit talks could easily break down.

If Bhutto were to fail in his efforts in New Delhi, he would most likely seek to absolve himself by placing all the blame on Mrs. Gandhi. Without a settlement, however, he would come under greater pressure to maintain a "credible deterrent" against Hindu expansionism, and to divert limited resources from social and economic programs to defense. Over the long run, an attempt to maintain a large military force without extensive outside assistance could have serious economic effects.

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Even if he does achieve a badly needed settlement with India, Bhutto still faces serious domestic difficulties. Although he has taken bold initiatives in some areas, his reforms have alienated elements of the population without fully satisfying the expectations of his supporters. The announcement of his ostensibly sweeping land reform program was well received, but many peasants are bound to be disappointed. The law contains loopholes intended to appease the powerful landowning families, and, in any case, there is not enough land to give each peasant what he thinks is his due.

Bhutto's labor and industrial policies have been even less successful. Many laborers assumed that with "their man" Bhutto in power, there would be major changes in the industrial sector favorable to their interests. These expectations have precipitated many strikes and demonstrations. His early moves, such as placing some industries under government control and jailing a few members of the 30 or so families that reputedly control most of Pakistan's wealth, were widely popular. He has since resolved his differences with the industrialists, however, and any major nationalization program apparently has been abandoned. At the same time, Bhutto has been careful to avoid dealing harshly with labor unrest. Although he has the power to end most strikes quickly, in practice he has rarely taken action against the workers. Eventually, Bhutto faces a difficult choice: giving in to workers' demands, with considerable risk of damaging the economy, or getting tough with the workers at some cost to his political support.

Bhutto has also been unable to resolve his problems with the opposition. The provincial governments of Baluchistan and the Northwest Frontier are controlled by a coalition headed by Wali Khan's National Awami Party. Although potentially secessionist, the NAP currently is more interested in attaining provincial autonomy and becoming a political force nationally by winning over leftists who now support Bhutto. Bhutto has temporarily avoided a confrontation by maneuvering the opposition into approving his interim constitution in order to avoid appearing to favor continued martial law. Nevertheless, he faces the risk of serious unrest along the frontier unless a relationship between the provinces and the central government acceptable to the NAP can be worked out.

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Ultimately, Bhutto's success in keeping secessionist tendencies in check is likely to depend on his ability to master his other problems. As long as he appears firmly in the saddle and there are signs of economic progress, the Baluchis and the Pathans are not likely to press their demands. Should Bhutto falter, however, the centrifugal pressures that have always existed in Pakistan may again come into play.

Not the least of Bhutto's problems is his continuing vulnerability to military pressure. Even though he has removed the ambitious officers who helped him to power, the military still poses a threat to his regime. There is still much dissatisfaction within the military over his reform programs and his conduct of foreign policy. Military leaders may feel compelled to step in once again if they become convinced that Bhutto intends to move against officer-class interests or if he permits a breakdown of law and order.

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