



*The President's Daily Brief*

*14 June 1972*

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*FOR THE PRESIDENT ONLY*

THE PRESIDENT'S DAILY BRIEF

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PRINCIPAL DEVELOPMENTS

A British official has provided some interesting commentary on his recent visit to Peking. (Page 1)

Military activity in South Vietnam is widely scattered with the heaviest action in the delta. The movement of Communist forces away from Kontum City suggests that the city may have a respite. (Page 3)



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Soviet President Podgorny arrives in Hanoi this morning. (Page 5)

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CHINA

*British Undersecretary for Foreign Affairs Royle has briefed Ambassador Annenberg in confidence on his recent visit to Peking. Royle talked mostly with Deputy Foreign Minister Chiao Kuan-hua; he did not see Chou En-lai although the Chinese had originally said that Chou wanted to meet him. The talks included an extensive tour d'horizon as well as discussion of bilateral issues. While there are no surprises in Royle's account, his assessment seems a good reading of the current mood in Peking.*

--Royle said it was clear that the Chinese would not allow Soviet ships to unload supplies for North Vietnam in Chinese ports. He also thought they did not want to have an increase in Soviet goods transiting the country by rail. East European ships are being allowed to dock in Chinese ports because Peking wishes to draw a distinction between its relations with Moscow and with other European socialist states. The Chinese are anxious to improve relations with all the East European states, but not the USSR.

--Royle thought the conversations made it clear that Hanoi's offensive was undertaken against Chinese advice; the Chinese believe the Soviets were behind the decision. Royle gained the impression that the Chinese were not displeased with the current situation in Vietnam. He thought, however, that they would do certain things in support of Hanoi in order to maintain their bargaining position in any negotiation of a Vietnam settlement. They appeared to believe that definitive moves would come in the Paris talks context rather than through a revival of the Geneva conference.

--Once again the Chinese expressed apprehension about the possibility of a militaristic revival in Japan. They were deeply interested in the evolution of political events in Japan and wanted Royle's assessment of who would succeed Prime Minister Sato; they did not, however, express any preference among the candidates. They made it clear that normalization of relations would depend on resolution of the Taiwan issue.

--The Chinese response to Royle's plea that they work toward bringing India, Pakistan, and Bangladesh together, and that they recognize Dacca, made him believe that they would move in this general direction, although slowly.

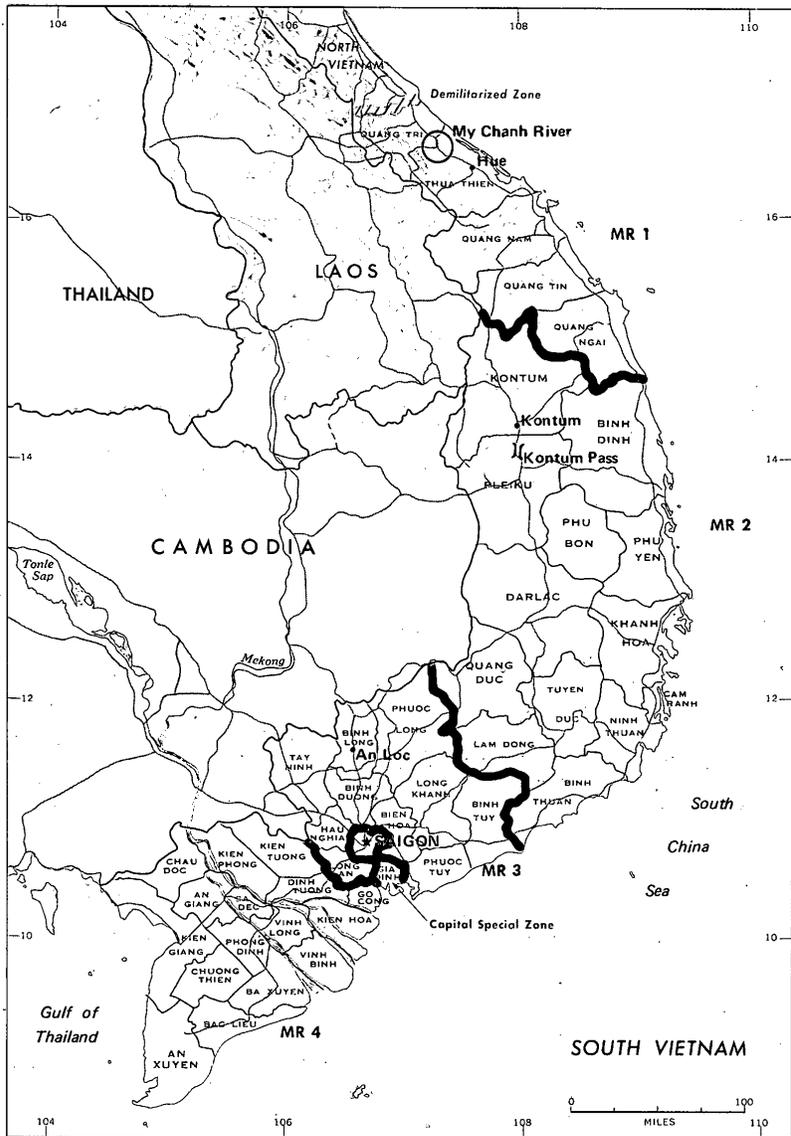
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--The Chinese were intensely interested in the European Economic Community and were strongly in favor of its expansion. They clearly see its political significance as a counter to the USSR in Europe. At the same time they condemned NATO and the presence of US troops in Europe but apparently did not contest Royle's rebuttal on this point.

--The Chinese made their usual analysis of the world as divided into superpowers, middle powers, and small powers. Their fear of the Soviet Union was, Royle thought, all-pervasive and colored their talks with him. They see themselves ringed by Soviet power and forced to prepare for a war they do not want. He believes that they are anxious to improve relations with a wide variety of states, including the US, as a means of damping down the possibility of a world war stemming from superpower actions.

--The Chinese were anxious to enlarge exchanges with Great Britain in all possible areas; an ambassador will arrive in London in August and defense attachés no doubt will be exchanged. Our embassy in London thinks that Royle may have brought back an assessment on trade matters which has whetted British appetites for substantial sales of aircraft. Royle did not expand on bilateral trade matters, however.



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VIETNAM

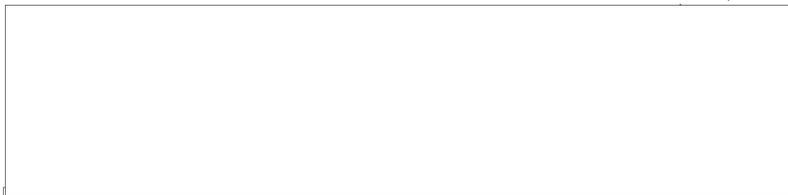
Military activity in South Vietnam is heaviest in the delta area where skirmishing and Communist shellings continue in scattered areas. South Vietnamese forces are in contact with Communist troops just inside Cambodia near the Kien Tuong Province border. Communist forces have been attempting to gain control of the extensive canal network and river system in nearby Kien Phong Province to assist their infiltration of men and materiel into the delta.

Newly reinforced government forces are continuing to clear Communist troops from sections of An Loc. In the central highlands, Communist forces are shifting away from Kontum City, apparently for resupply and refitting. Communist forces are continuing to resist government efforts to clear the Kontum Pass, but South Vietnamese engineers are working on a bypass that would permit the reopening of overland communication with Kontum City.

In the north, South Vietnamese troops operating a few miles above the defensive line at the My Chanh River report no contact with Communist forces in the southernmost part of Quang Tri Province.

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**IRELAND**

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NOTES

USSR - North Vietnam: Soviet President Podgorny left Moscow for Hanoi yesterday.

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India: The US Embassy in New Delhi reports that American businessmen are finding it increasingly uncomfortable to operate in India as they cope with continuing discrimination against their firms. This is especially evident in New Delhi. One businessman went so far as to claim that the Indian Government has relegated the US to the position of last resort as a source for India's imports. The antagonism extends beyond business relationships; senior Indian officials are hesitant to make any decisions that might be construed as pro-US by their superiors or by members of Parliament.

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