



# The President's Daily Brief

12 June 1973

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THE PRESIDENT'S DAILY BRIEF

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PRINCIPAL DEVELOPMENTS

The communiqué issued after Le Duan's visit to China signals some significant adjustments in Sino - North Vietnamese relations. (Page 1)

China

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Italian Prime Minister Andreotti's resignation this morning opens the way to renewed Christian Democratic collaboration with the Socialists. (Page 4)

Libya's President Qadhafi is pressing US oil companies to comply with his demands or be nationalized. (Page 5)

Libya

Algeria

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The Soviets have not responded to Japanese Prime Minister Tanaka's announcement that he will visit the USSR in September. (Page 7)

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**FOR THE PRESIDENT ONLY****CHINA - NORTH VIETNAM**

The communiqué issued at the end of Le Duan's and Pham Van Dong's visit to China contains warm words of praise for the great friendship between the two countries, but also reflects a good deal of hard bargaining. Indeed, on one important point--the implementation of the Paris accord--the two sides apparently could not agree on language.

The section dealing with the accord contains unilateral North Vietnamese and Chinese statements, a format reminiscent of the US-China communiqué last year. Hanoi's statement is full of harsh criticism of the US and Saigon, which are blamed for all shortcomings in implementation. The Chinese section merely praises the Vietnamese Communists' "efforts" to implement the accords and states that Peking supports their efforts to "consolidate the peace in Vietnam and safeguard the results already gained." There is no condemnation of the US or its allies, and the language suggests that the sort of backing the Chinese are prepared to give the North Vietnamese in the future is sharply limited.

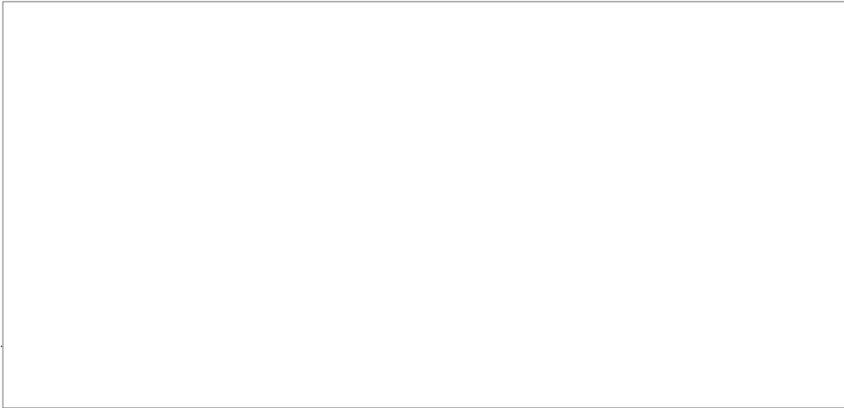
Chinese aid may also have been a contentious subject. The North Vietnamese are full of praise for past Chinese support, and the Chinese say they will fulfill their "internationalist duty" by helping the Vietnamese Communists "safeguard and consolidate peace, build socialism in the North, achieve independence and democracy in the South," and eventually achieve reunification. North Vietnamese expressions of gratitude for future aid are strikingly absent, however.

*Taken as a whole, the communiqué strongly suggests that there have been some significant adjustments in Sino - North Vietnamese relations as a result of the visit, both on a general level and in regard to the nature of an Indochina settlement. The cloudy language of the communiqué, however, leaves the specific nature of that adjustment in some doubt.*

Le Duan and Pham Van Dong are now back in Hanoi after only a brief tour of the Chinese countryside. Further travel by Le Duan seems unlikely, but a ceremonial junket by Pham Van Dong to Hanoi's other benefactors remains possible.

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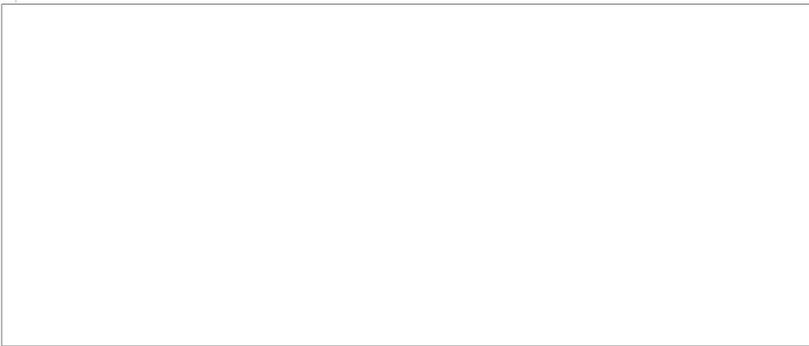
CHINA



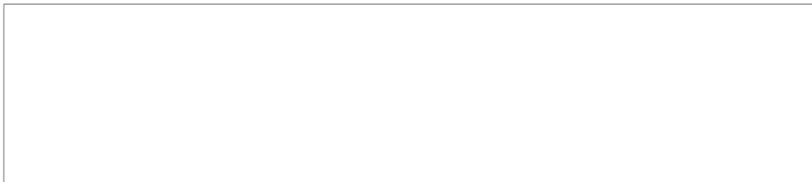
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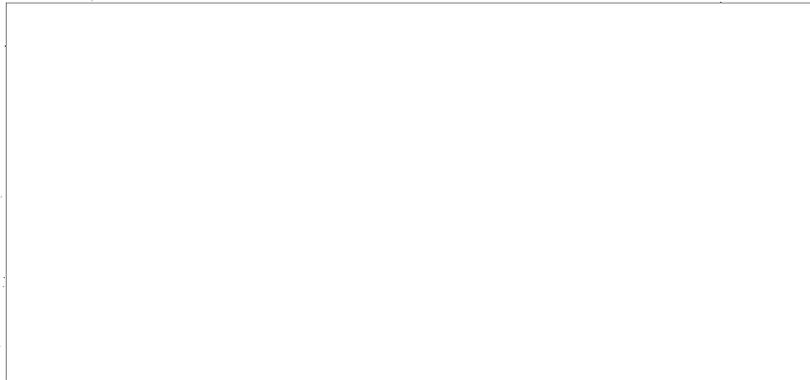


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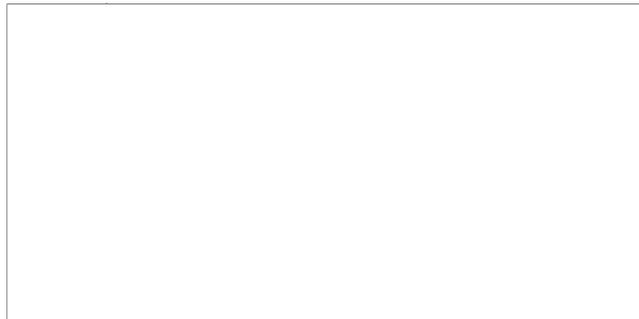
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ITALY

Prime Minister Andreotti's resignation this morning opens the way for negotiations aimed at reviving Christian Democratic collaboration with the Socialist Party. The Socialists are receptive to a renewed partnership. Long and difficult bargaining, however, will be required to work out specific terms of another "opening to the left," especially the question of Socialist autonomy from the powerful Communist Party.

*Andreotti's year-old coalition, which included the conservative Liberal Party, was the first Italian Government to exclude the Socialists in nearly a decade.*

*Andreotti will probably remain head of a caretaker government during the negotiations. The Christian Democrats are scheduled to choose a new party secretary on Sunday; he will begin negotiations with the other parties next week on a new government. Interior Minister Rumor, a former center-left prime minister, is a reported front-runner to succeed Andreotti as prime minister, while veteran party leader Fanfani may become the new party secretary.*

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LIBYA

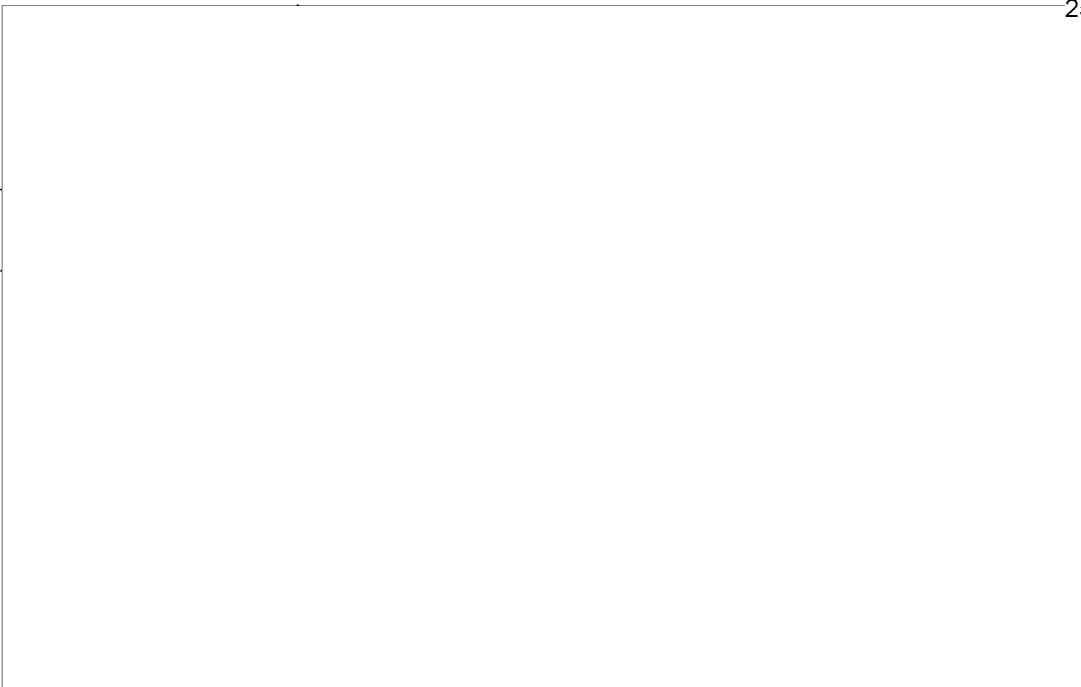
President Qadhafi's anti-US harangue yesterday was primarily aimed at placing maximum pressure on US oil companies either to accept Libya's demands for 100-percent participation or be nationalized. Characteristically, Qadhafi linked the issue of US policy in the Middle East, and specifically US reconnaissance flights off the Libyan coast with the oil negotiations. He warned that the time had come to confront US "challenges" and implied that a major showdown with US oil companies is at hand.

*The Libyans rejected an offer by the companies for a 50-50 joint operating agreement earlier this week. In an attempt to maximize the impact of Qadhafi's speech, the Libyans set today as the deadline for counterproposals.*

*The nationalization of Bunker Hunt yesterday was obviously intended to underscore Qadhafi's threats, but the announcement is not likely to alarm the other companies. Bunker Hunt has been operating without a formal agreement since its former partner, British Petroleum, was nationalized in 1971, and company officials have been anticipating a take-over for some time. The company accounts for only 5 percent of Libyan oil production.*

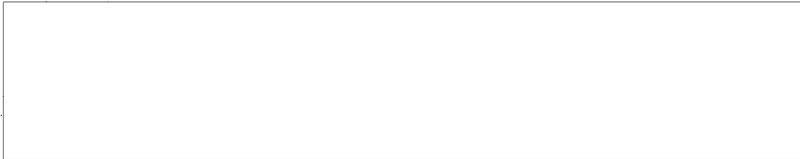
*Despite Qadhafi's pressure, the major companies will probably be unwilling to go beyond their latest offer. If the major producers can convince the smaller companies to present a united stand, they may be successful in keeping the negotiations open.*

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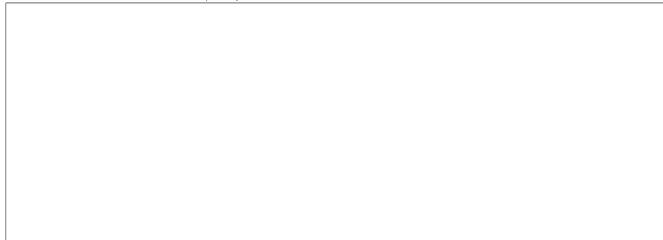


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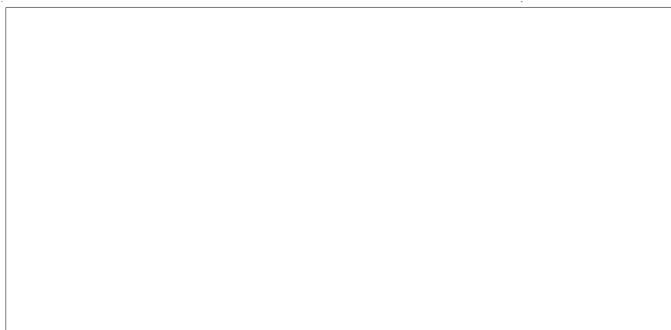
**LIBYA-ALGERIA**



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NOTES

USSR-Japan: The Soviets thus far have not commented on Prime Minister Tanaka's announcement on Friday that he will visit the USSR sometime after September 20.

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Recently, the Soviets have also slowed down the pace of their economic negotiations with the Japanese. Apparently Moscow believes that its talks with US and West European leaders about economic development projects in Siberia will put pressure on the Japanese to be more forthcoming when their discussions with the Soviets finally take place.

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Iran-Iraq: The Shah has told Ambassador Helms that Iran is not now negotiating with Iraq and has no intention of doing so in the foreseeable future. There had been several reports recently that secret talks aimed at improving relations between the two countries were under way. Some preliminary soundings were in fact taken at a secret meeting in Geneva last April. The Shah has now, however, decided to play it tough with Iraq, insisting that Baghdad accept Iran's position on the disputed border before other matters can be discussed.

Yemen (Aden) - USSR: Moscow is continuing to deliver military equipment to Aden. Since June 9, six Soviet military AN-12 transports have arrived and at least two others are due shortly. The cargo is not known, but during a similar airlift in April, Moscow delivered Aden's first MIG-21 aircraft. The Soviets also shipped at least 22 T-54 tanks by sea last month. Although Moscow has been providing military aid since 1968--amounting to some \$30 million--shipments have picked up significantly during the past year, as tensions increased between Aden and Yemen (Sana).

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