



The President's Daily Brief

30 July 1973

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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

30 July 1973

PRINCIPAL DEVELOPMENTS

Both the Lao Government and the Communists expect to sign a final peace agreement within the week. (Page 1)

The South Vietnamese may undertake a major counter-offensive in the central highlands. (Page 2)

The leader of Chile's opposition Christian Democratic Party is meeting with President Allende today, and reportedly plans to present his party's demands in the form of an ultimatum. (Page 3)

During talks in Washington this week, the British Defense Minister is likely to dwell on his country's misgivings regarding force reductions and European security talks. (Page 4)

Notes on

terrorist acts in Cyprus, and on yesterday's plebiscite in Greece appear on Page 5.

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LAOS

Prime Minister Souvanna Phouma appears ready to sign a final agreement with the Communists. On July 27, Souvanna met with his personal envoy, Pheng Phongsavan, and with the chief Communist negotiator, Phoumi Vongvichit.

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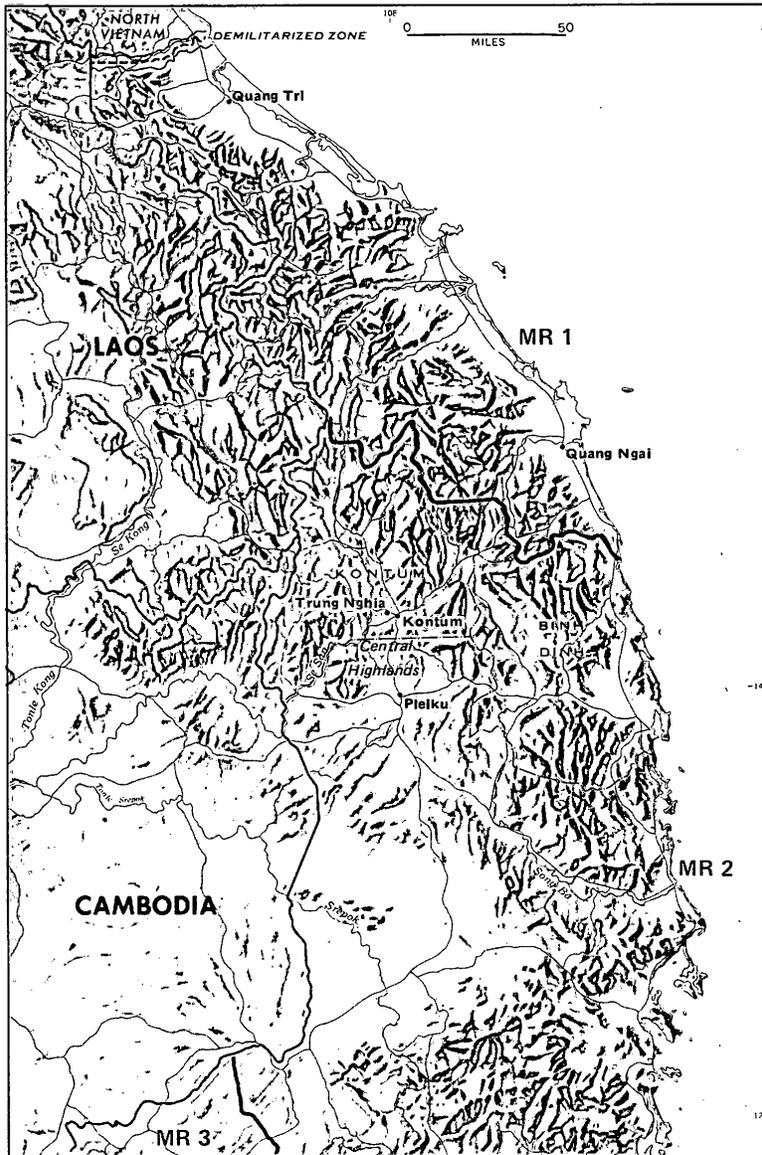
Souvanna flew to Luang Prabang on July 28 to brief the King and presumably obtain his approval for the terms of the agreement. The Prime Minister anticipates little difficulty in the royal capital; before his departure he told US Chargé Dean that he expects the two senior negotiators to have the final text of the protocol ready for signature this week.

The Communists also expect an imminent agreement. On July 28, Lao Communist officials informed representatives of the International Control Commission in Vientiane as well as the British and Soviet ambassadors that all remaining issues in the negotiations had been resolved and that the Communists anticipated signing the final agreement within the week.

In an effort to prepare his rightist critics for the agreement, Souvanna met with key members of the National Assembly on July 26, and he plans similar sessions with senior military leaders.

The rightists will almost certainly counsel him to hold out for further concessions, but Souvanna apparently believes that he now has the best terms the government can realistically hope to obtain.

SOUTH VIETNAM



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SOUTH VIETNAM

The South Vietnamese may undertake a major counteroffensive in the central highlands.

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Ma-
jor General Toan, the commander of Military Region 2, is considering moving the 22nd Division to Kontum Province in an attempt to drive the Communists out of the village of Trung Nghia and other positions near the provincial capital. Toan reportedly has lost faith in the ability of the 23rd Division to do the job and thinks that reinforcing the 23rd with the more aggressive 22nd could turn the tide. On July 27, Toan briefed the Joint General Staff in Saigon on his plans and claims the JGS posed no objections.

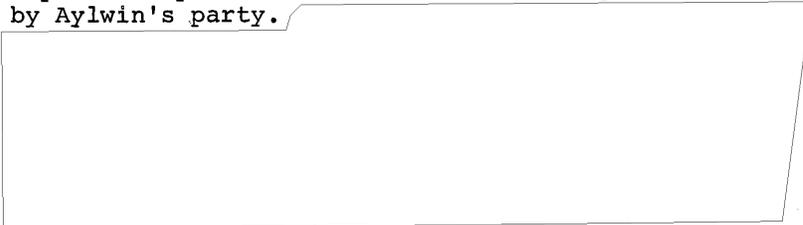
In the heavy fighting of the past seven weeks, government troops have taken many casualties in this sector, but have made little progress; the fighting appears to have developed into a test of wills between the two sides.

General Toan believes that by concentrating his air and ground assets in the area, the operation could be successfully concluded in about two weeks. He recognizes that moving the 22nd Division out of Binh Dinh will seriously weaken the government's position there, but believes that the Communist 3rd Division, which operates in the area, is too weak to take advantage of the temporary shift in forces. Toan will make his decision on implementing the plan this week.

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CHILE

President Allende is scheduled to meet this morning with Christian Democratic Party President Aylwin, even though Allende apparently has not accepted the preconditions for the meeting set out by Aylwin's party.



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Allende may also come under increased pressure from private groups and some military officers to invite the armed forces back into the cabinet. Business groups reportedly will threaten to join the truck owners' strike, and there could be demonstrations of air and naval power.

Extremists of both the right and left have denied involvement in the assassination of Allende's military aide. Sporadic violence and acts of sabotage continued over the weekend, most of them associated with the truckers' strike. In addition, public works and railroad professional workers were due to begin a 48-hour strike this morning, and unconfirmed reports indicate that bus owners in Valparaiso have joined the truck owners' walkout.

Allende is anxious to ease tensions, but he must get his Socialist and Communist supporters to go along with the terms for a political truce. There are indications that the Communists may be retreating from their recent intransigence, but compromise with the opposition would subject Allende to the wrath of the Socialists and strain the Popular Unity coalition. Allende may be willing to run this risk, however, in order to head off the possibility that a deteriorating situation could provoke military action against him.

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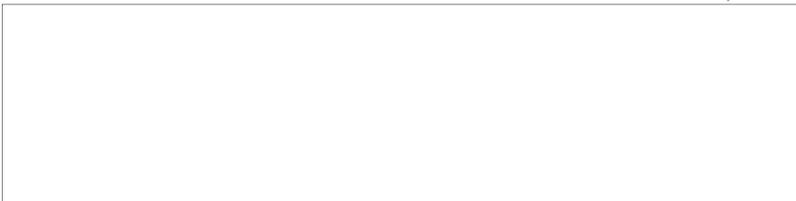
During talks in Washington this week, Defense Minister Carrington can be expected to underscore British misgivings about negotiations with the East on force reductions and on European security.

The British remain concerned that force reductions could lead to "neutralization" of central Europe. London expects tough bargaining from the Soviets and advocates trying to smoke out their aims and approach before tabling a firm Western proposal.

As for the talks on European security, the British want to prevent them from arousing the kind of euphoria that would hinder efforts to improve West European defense cooperation. They have made clear their distaste for what they call "pious rubbish" and have kept pushing for even stronger attempts to extract significant concessions from the USSR.

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NOTES



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Cyprus: Terrorist acts, including the kidnaping of a cabinet minister and numerous bombings around the island, have brought new tension to the struggle between Archbishop Makarios and George Grivas within the Greek Cypriot community. Makarios blames Grivas directly for the kidnaping and has vowed to end the terrorism; the archbishop had already strengthened the security forces, rounded up scores of Grivas' adherents, and restricted the pro-Grivas press. One cause of the current terrorism is Makarios' attempt to purge the Cyprus church; if he pursues the purge, he will encounter continuing problems and probably violence.

Greece: The Greek Government claims that yesterday's plebiscite gave a landslide approval to George Papadopoulos' plan to establish himself as president of a new republic. Press reports based on early returns showed a "yes" vote of over 80 percent, although the vote in Athens was almost evenly divided. Prominent opposition figures have already declared that the results are fraudulent and contrary to the will of the people.

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