

*The President's Daily Brief*

*3 September 1971*

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*FOR THE PRESIDENT ONLY*

THE PRESIDENT'S DAILY BRIEF

3 September 1971

PRINCIPAL DEVELOPMENTS

Ky is planning new moves, including both legal and "irregular" activities, to persuade Thieu to postpone the presidential election. (Page 1)

The latest developments at the SALT talks are discussed on Page 2.

The enthusiastic reception in Japan for a senior Chinese official has helped to crystallize the pro-China mood there. (Page 4)

Brandt is fearful that West Germany is being left behind by France and other West European countries in their efforts to improve relations with the USSR and Communist China. (Page 5)

Romania

(Page 6)

50X1

Luna 18 should reach the vicinity of the moon on 6 September. (Page 8)

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SOUTH VIETNAM

Vice President Ky is planning new moves to persuade President Thieu to postpone the presidential election, [redacted] Ky is encouraging his followers to plan for both legal and "irregular" activities, including covert political action and military pressure. The vice president hopes to persuade senior South Vietnamese Army generals to join a "military high committee" which would demand that Thieu resign to pave the way for a new election.

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*Most army commanders remain responsive to Thieu, however, and Ky is not likely to take any rash action without some substantial backing from the military.*

Ky also is attempting to organize a broad political opposition to Thieu. He is meeting with a wide spectrum of political figures ranging from usually progovernment northern Catholics to outspoken antigovernment politicians and leaders of militant veterans groups.

*It seems doubtful that these groups would be able to agree on effective cooperation with one another, and that they would look to Ky for leadership. The vice president has had few ties with opposition circles in the past.*

*Thieu's public reaffirmation yesterday that he intends to go ahead with the election as scheduled reflects his determination to resist pressure for a postponement. Although Thieu almost certainly will not be swayed by Ky's maneuvers, the vice president's activities mean the uneasy political situation is likely to persist and quite possibly grow worse.*

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## SALT

At the plenary on 31 August Semenov countered the two-and-one ABM proposal submitted by the US on 20 August with the proposal that each side be allowed to protect two "administrative-industrial" locations of its own choosing. These two would have a total of 200 launchers and 200 interceptors, and a 200-kilometer deployment limit from the center of each protected area. Semenov indicated that Moscow would not consider a trade-off of two sites protecting ICBM fields for two sites protecting "administrative-industrial complexes" as meeting the stipulations of the new proposal.

*The Soviets have avoided specific definitions of "administrative-industrial" complexes, however, and earlier Soviet comment suggests there may be some flexibility on this issue. Despite the continued absence of agreement on ABM levels and deployment, the Soviet delegation obviously is anxious to prepare a document before recess with as much agreed language as possible, even if the major issue remains unresolved.*

*There currently are three different working groups concentrating on the various provisions of the draft defensive agreements in an effort to find common ground. Semenov has told Smith that he would like the working groups to try and reconcile "even in parts" the outstanding differences in substance. Timerbaev has stated that he hoped for a paper analogous to the accident measures report negotiated during the Vienna round and completed during the present round. This appears to be a fair statement of the Soviet goal.*

*In addition to the question of the ABM levels and deployment, the question of radar deployment and of what constitutes an ABM radar continue to be major sticking points. Kishilov has twice suggested informally that Moscow could reduce its proposed 200-kilometer ABM deployment radius to the US position of 100 kilometers if the US dropped its deployment limitations on radars within the 100-kilometer radius.*

(continued)

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On the subject of offensive limitations, Semenov at the plenary formally stated the USSR's rejection of the inclusion of submarine-launched ballistic missiles (SLBMs) in any freeze on offensive weapons. When Ambassador Smith protested following the meeting, Semenov again elliptically raised the issue of forward-based systems.

*This suggests that Moscow will continue to use the threat of reopening this contentious issue to avoid consideration of SLBMs at this time.*

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### JAPAN-CHINA

*The enthusiastic public reception in Japan for Wang Kuo-ch'uan (see The President's Daily Brief of 26 August) has helped to crystallize further the pro-China mood there. Indeed, the China issue is increasingly isolating Prime Minister Sato.*

Wang saw a wide spectrum of business and political leaders and made a good impression throughout his visit. He met opposition party leaders as well as several of Sato's most outspoken critics within the ruling Liberal Democratic Party, including the head of a Diet delegation going to Peking this month. Leaders of Japan's powerful business community, such as the chairman of New Japan Steel, were particularly eager to meet with Wang.

*By not initiating substantive contact with government leaders, Wang confirmed Peking's desire to keep its distance from the beleaguered Sato government and to encourage a broader and more united front of all Japanese who hope to bring the Sato era and its policies to an early end.*

Former foreign minister Masayoshi Ohira, who heads the faction in the ruling party second only to Sato's in strength, now has broken openly with the prime minister on China. In a speech on 1 September he called for rapid establishment of governmental contacts with Peking to facilitate its early recognition by Japan.

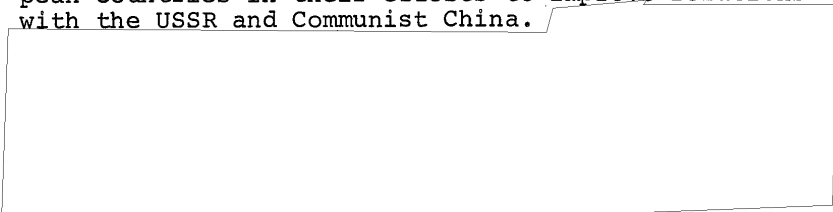
*Ohira, who is one of Foreign Minister Fukuda's most powerful opponents in the coming struggle to succeed Sato as prime minister, will continue to press the China issue to advance his campaign. As Sato's position weakens, the jockeying among contenders for his position will continue to intensify.*

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WEST GERMANY

Chancellor Brandt is worried that West Germany is being left behind by France and other West European countries in their efforts to improve relations with the USSR and Communist China.



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*Many Germans have long feared that a period of detente would result in the diplomatic isolation of the Federal Republic. While the advent of Ostpolitik and the improved atmosphere in German-Soviet relations reduced those fears, they have been revived in recent months by the developments in US-Chinese relations. The Brandt government believes that it cannot at this time actively seek better relations with Peking for fear of offending Moscow and risking the fruits of Ostpolitik in Eastern Europe.*

Brandt, [redacted], is angling for an invitation for another visit to Moscow before the German-Soviet treaty is ratified. [redacted] Brandt might use this occasion to sign a cultural agreement and a long-pending trade pact.

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Although Brandt does not now intend to seek diplomatic relations with Peking before 1974, [redacted] [redacted] Bonn may become more active in its foreign relations once its treaties with Moscow and Warsaw are ratified.

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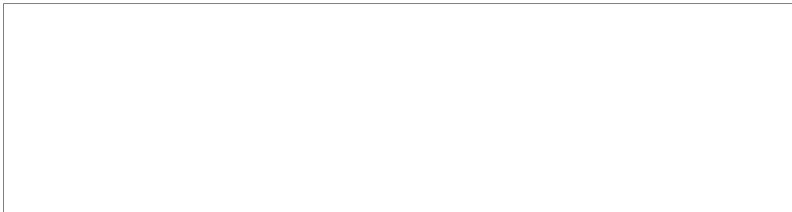
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*Earlier he indicated he expected German-Chinese trade relations to expand, despite the fact that Peking has been uninterested in an exchange of trade missions. He will probably also attempt to improve the atmosphere by other means, such as through the establishment of a German-Chinese friendship society which would enroll some important German political personalities.*

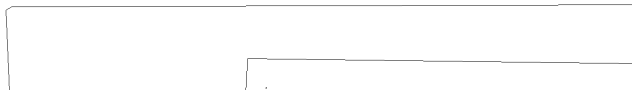
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USSR-ROMANIA

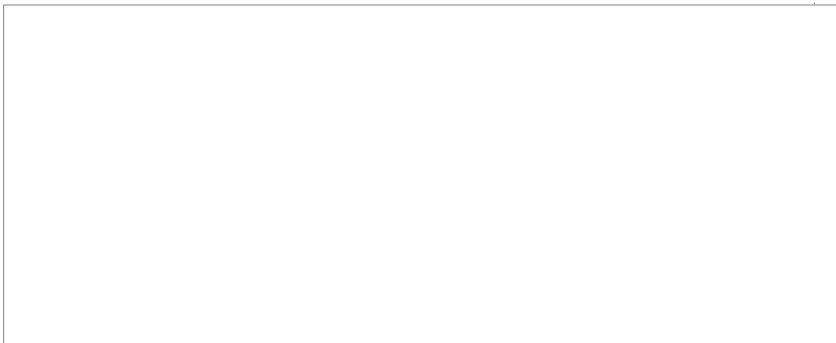
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**EAST PAKISTAN**

The jute industry, the mainstay of the East wing's economy, has been hard hit by the Bengali rebels. Bombings of mills and threats to workers resulted in a 15-percent drop in production last month. Most mills are now operating at a loss, with output only about 20 to 35 percent of normal. At least 85,000 bales of raw jute have been destroyed by the rebels, and transportation disruptions apparently are preventing replenishment of jute stocks. In the face of growing uncertainty over the availability of Pakistani jute, foreign consumers may increasingly turn to substitute materials.

Other areas of East Pakistan's economy are similarly bleak. Retail sales are well below 50 percent of normal, worker attendance in Dacca is only half of normal, tea plants are closing because of fuel shortages, banks are unable to find low risk borrowers despite an easing of credit, and there has been considerable flood damage recently to crops and transportation links.

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NOTES

USSR: Luna 18, launched from Tyuratam yesterday, should reach the vicinity of the moon on 6 September. This unmanned probe is likely to orbit the moon before attempting a soft landing; its mission after landing is not yet known. This is the eighth successful firing in the last nine launch attempts of the SL-12 booster, which now has an over-all record of 14 successes and 14 failures.

North Vietnam: Official pronouncements on North Vietnam's national day, including Premier Pham Van Dong's keynote speech, provide no further clues concerning a possible change in Hanoi's line on the war. Pham Van Dong's speech, in fact, was a typical anniversary performance, long on words and short on substance, and contained neither the unusual themes that had recently appeared in two authoritative journals nor the calls for increased military action that had become standard propaganda fare over the previous several months.

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