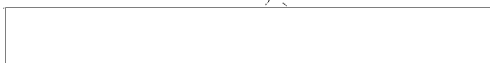


The President's Daily Brief

16 September 1971

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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

16 September 1971

PRINCIPAL DEVELOPMENTS

Page 1 [redacted] Pakistan [redacted]
[redacted] India [redacted]

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East German negotiator Kohl remained as adamant as ever in his meeting with Bahr on Tuesday; the next session is set for Wednesday after Brandt talks with Brezhnev in the Crimea. (Page 3)

The Yugoslavs have closed the Chinese exhibit at the Zagreb Fair in response to US complaints against its anti-American posters. (Page 4)

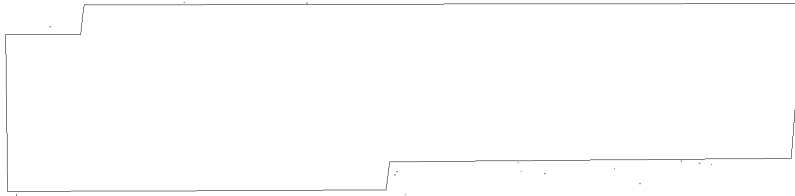
Elements of a Laotian Government task force have moved back into Paksong on the Bolovens Plateau. (Page 5)

The Chilean Christian Democratic Party has extracted several concessions from Allende. (Page 6)

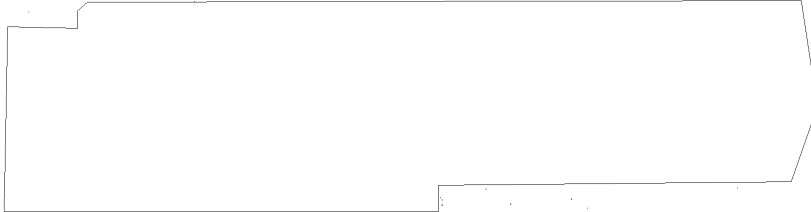
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INDIA-PAKISTAN



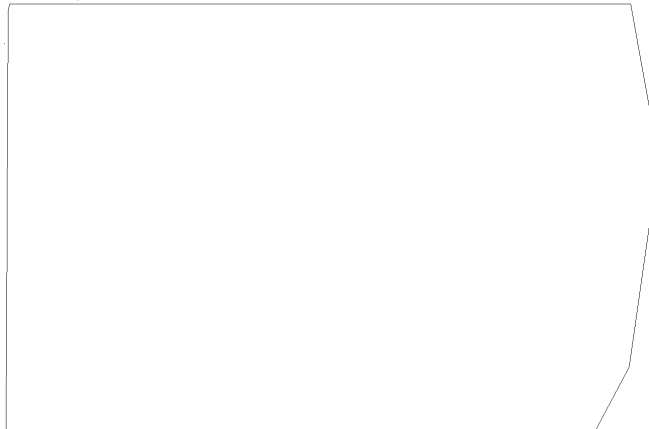
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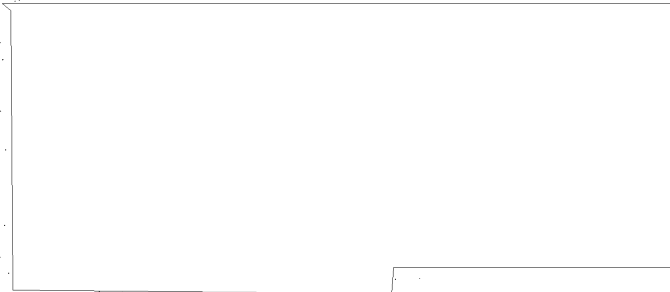


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WEST GERMANY - USSR

Despite Western efforts last weekend to get the Soviets to intercede, East German negotiator Kohl was just as adamant on Tuesday as in his two meetings last week with West German negotiator Bahr. Kohl denied that the mutually agreed German-language text of the Berlin accord can be the basis for the inter-German talks. On the same day, the negotiator for the West Berlin Senat also talked for four hours with an East German official, but made no progress on substance or procedures. The next talks in both forums have been set for 22 September, after the Brandt-Brezhnev meetings that open late today in the Crimea.

[Redacted] East German foot-dragging in the "second phase" of the Berlin talks will be a major item on Brandt's agenda for his three-day talks with Brezhnev. East German recalcitrance may be acceptable and even desirable to the Soviets as a short-term tactic, but it is doubtful that they will let it persist long enough to threaten their broader aims in Europe.

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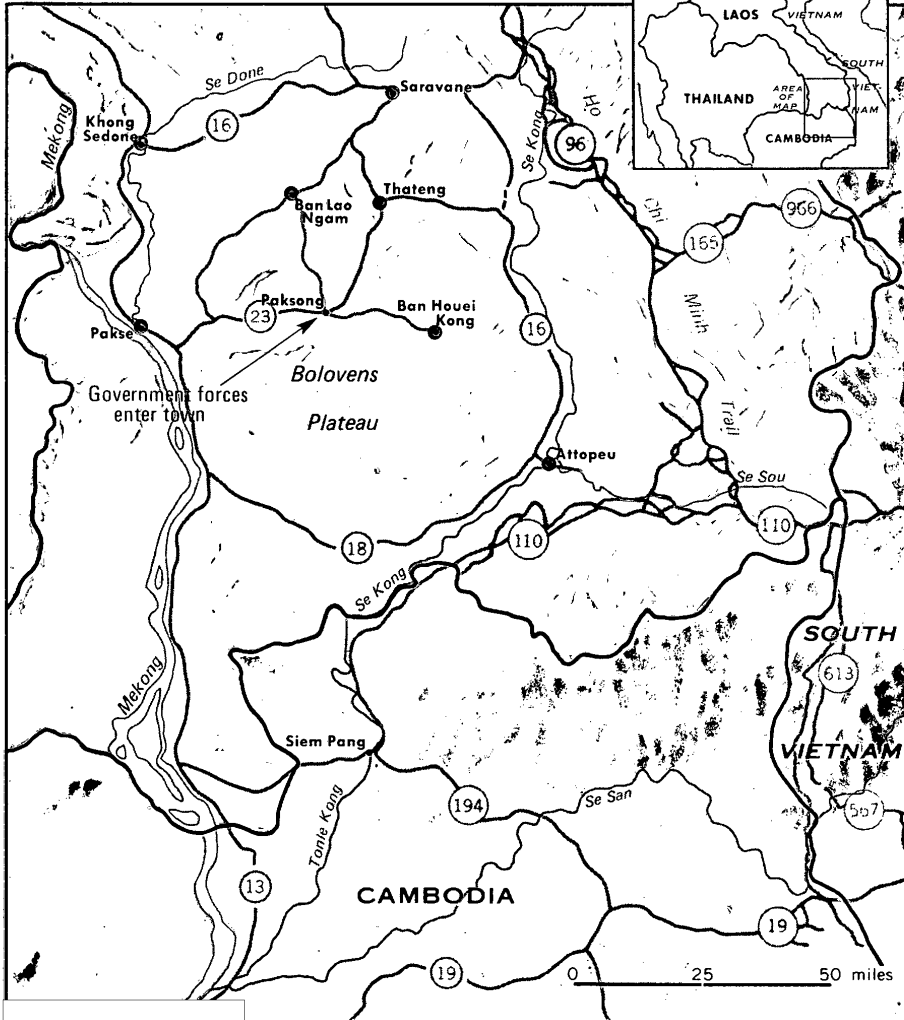
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YUGOSLAVIA-CHINA

Belgrade padlocked the Chinese Communist exhibit at the Zagreb Fair yesterday, following US complaints that the exhibit's anti-American posters flagrantly violated fair regulations. Prior to the closing, the Yugoslavs had pressed the Chinese unsuccessfully for several days to remove the offensive propaganda material.

The decision was a particularly hard one for the Yugoslavs, especially with a Chinese trade delegation visiting the fair at the time. An important factor in their willingness to risk a temporary setback to rapprochement with China is Tito's desire not to upset the atmosphere for his talks with President Nixon in late October. Belgrade is also wary of Chinese actions during the delicate period before Brezhnev's visit later this month.

LAOS: Bolovens Plateau Area



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- Communist-held location
- Government-held location

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FOR THE PRESIDENT ONLY

LAOS

Elements of two irregular battalions moved into Paksong on the Bolovens Plateau yesterday. By this morning they had cleared enemy forces from all of the town except the airstrip.

The troops are part of a larger government task force that was airlifted to positions three miles east of Paksong last weekend. Artillery and air support aided its push toward the town. Once Paksong has been secured--and providing the North Vietnamese do not counterattack--the task force presumably will attempt to move west to join other government battalions that have been trying to advance to Paksong along Route 23 for the past seven weeks.

Paksong, an important road junction, was the commercial center for the Bolovens Plateau area before its loss to the Communists in mid-May. Its recapture will give Vientiane a psychological boost.

FOR THE PRESIDENT ONLY

CHILE

The opposition Christian Democratic Party has extracted several concessions from Allende in return for a promise not to support formal impeachment proceedings brought by the conservative National Party against the minister of economy, [redacted]

[redacted] Allende is said to have made four commitments:

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--Peasants' seizures of farms and workers' seizures of factories will be stopped.

--Christian Democratic workers who were discharged following government take-over of textile plants will be reinstated.

--The government will send a bill to Congress clarifying which economic sectors are to be state-controlled, which are to remain in private hands, and which are to be mixed.

--Eventually, the minister of economy will be removed.

Taken together, the points of the agreement could significantly slow Allende's program if they are fully implemented. The minister of economy has been attacked as responsible for a general economic deterioration, notably a sharp drop in foreign exchange holdings and the evaporation of foreign credit.

Allende may have been thrown off balance by the coincidence of these economic trends with a considerable realignment within his own coalition. The Radical Party and the small Unitary Popular Action Movement have splintered, one minister has left the cabinet, and other ministerial shifts are in prospect. Relations between the Socialists and Communists remain as difficult as ever.

In order to capitalize on their current advantage, the Christian Democrats and smaller opposition groups must yet overcome their own differences and form a united front. In any event, the Christian Democrats have demonstrated adroitness in maintaining their party as an effective opposition force without engaging in a direct confrontation with the Allende government--a course that would have added to internal party strains.

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