



The President's Daily Brief

March 27, 1975

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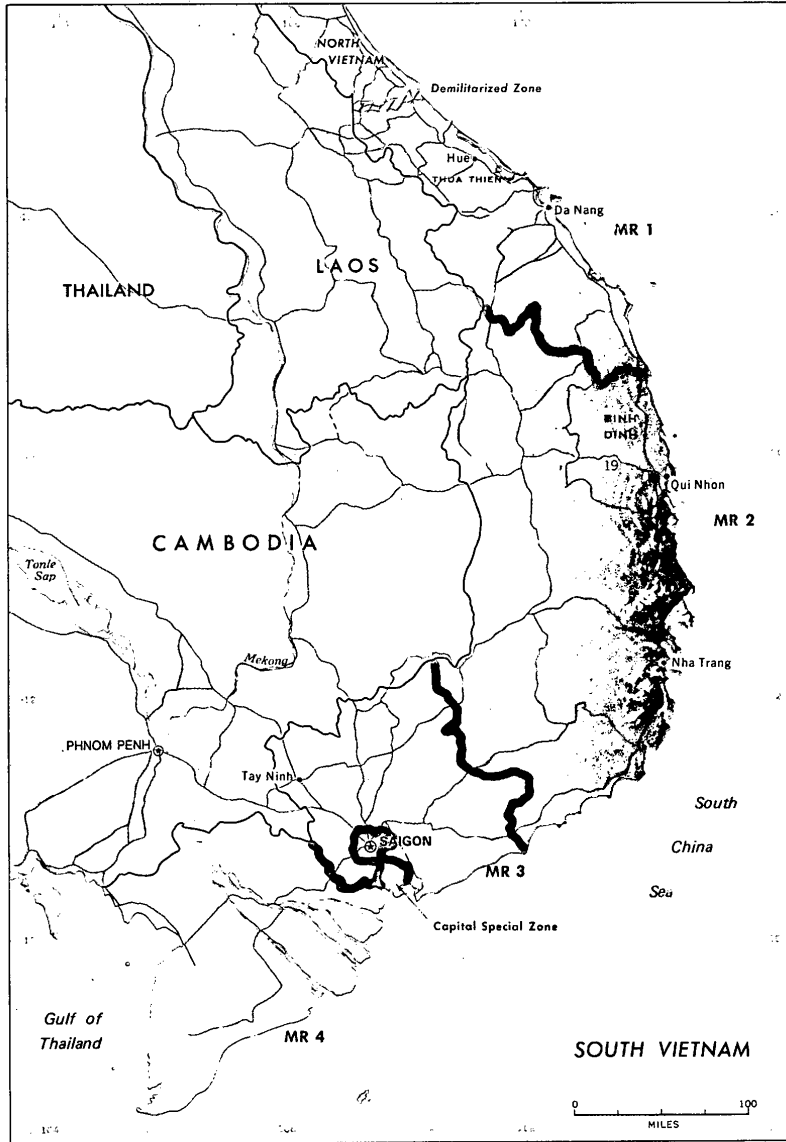
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SOUTH VIETNAM

Panic has taken over at Da Nang; the situation at the coastal enclaves of Qui Nhon and Nha Trang also continues to deteriorate.

All semblance of public order at Da Nang has disappeared. The airport has been closed because uncontrollable mobs are on the runways. Officials in the headquarters of the government's Military Region 1 command and the mayor's office have begun to burn documents and evacuate their offices. Senior military officers have left their posts and are trying in any way possible to evacuate with their families.

Yesterday, some 2,500 South Vietnamese Marines arrived in Da Nang from Hue and were immediately put in positions along the northern perimeter. The Marine Division and units of the 3rd Infantry Division are the only units in the area considered battleworthy. Most of the region's other regular combat units, including the 1st and 2nd divisions, are in disarray. As news spreads to the defense lines of the disintegration in Da Nang, all these units are likely to disband, leaving the city defenseless.

The North Vietnamese have enough strength near Da Nang to attack within a matter of hours. Two independent North Vietnamese regiments and the 304th Division are to the west. The 324B and the 325th divisions are in southern Thua Thien Province and could move against the city by the end of the week. With the earlier collapse of government units south of the city, the North Vietnamese 2nd Division also could be free to move north against Da Nang.

Given the situation at Da Nang, the communists will quickly realize that not all these forces are needed for an assault on the city. Several will then be free to move farther south to attack government forces defending the remaining coastal cities of Military Region 2.

The North Vietnamese 3rd Division began to drive toward Qui Nhon early yesterday with a series of attacks against the two regiments of the South Vietnamese 22nd Division which are defending the city's western approach. By day's end, both regiments were cut off. These units have seen fairly steady action along Route 19 and are probably tired.

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Binh Dinh's regional and popular forces are being rushed down from the outer districts to help defend the city, but this amounts to abandoning much of the nation's second most heavily populated province to the communists.

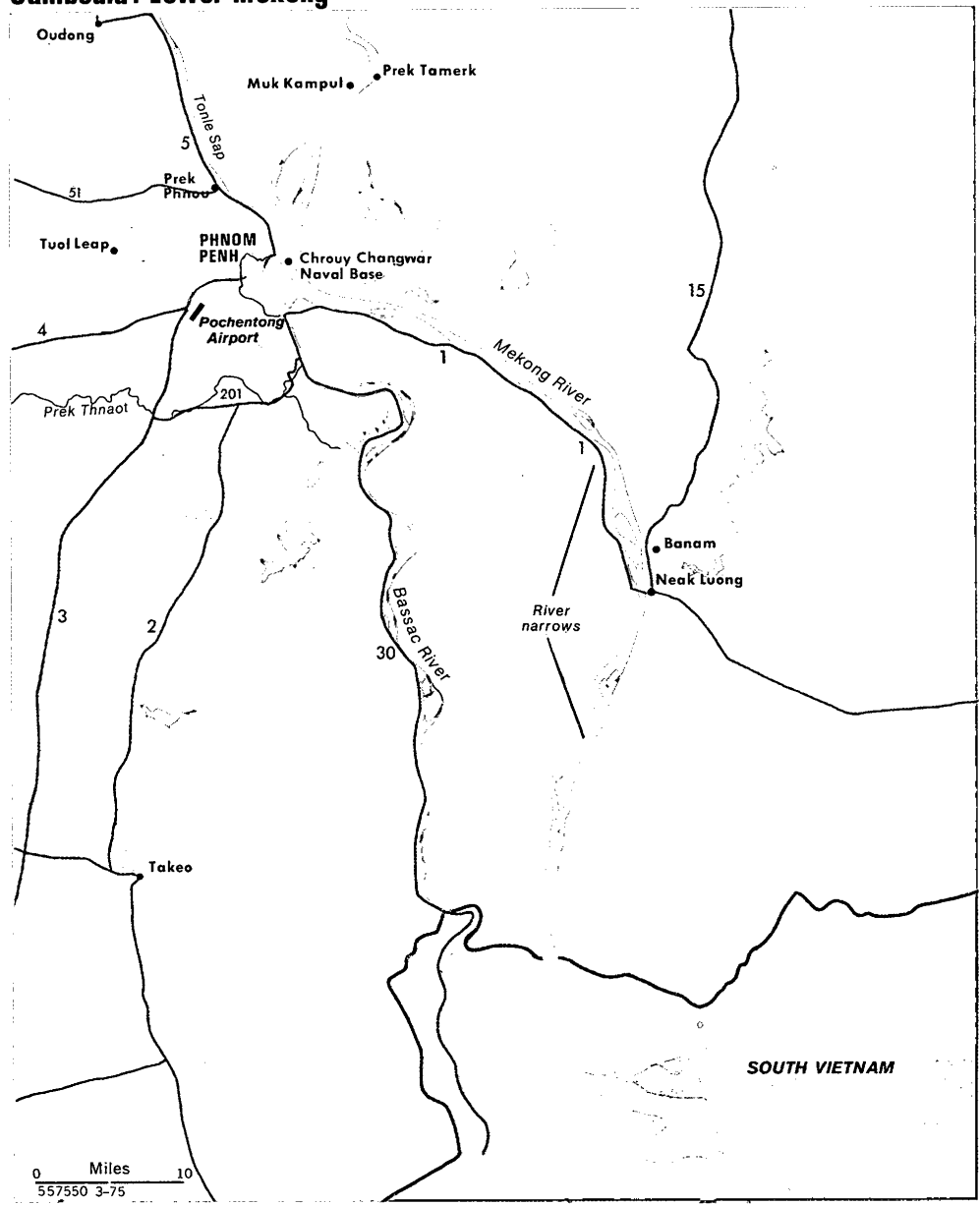
The situation at Nha Trang is similar. Communist forces moving out of the mountains are now in a position to bypass the airborne units tasked with blocking the communist advance. Nha Trang's defense now depends on territorial forces, the remnants of a regiment that was forced out of the westernmost district earlier this week, and 23rd Division stragglers from the highlands. Security problems are compounded by large numbers of refugees.

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Press reports today of an attempted coup are incorrect. The government has arrested ten individuals associated with opposition press and political factions, but none are of national prominence or posed a threat to the Thieu government. The press reports were based on unfounded rumors.

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Cambodia: Lower Mekong



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CAMBODIA

The Khmer communists have quickly capitalized on the reoccupation of Tuol Leap by again moving artillery within range of Phnom Penh's Pochentong Airport. Several 105-mm. howitzer rounds landed in the vicinity of the airfield yesterday, but did not interrupt US supply airlift operations. Cambodian army efforts to retake Tuol Leap have made only limited progress.

The insurgents have also extended their control over a stretch of the east bank of the Mekong northeast of Phnom Penh, forcing two government battalions to abandon positions opposite the Chrouy Changwar naval base. Farther north on the Mekong, the Cambodian navy evacuated 600 troops and 250 families from isolated riverside positions at Prek Tamerk and Muk Kampul.

Along the lower Mekong southeast of Phnom Penh, continued heavy insurgent shelling yesterday knocked out one of the 105-mm. howitzers defending the government's garrison at Neak Luong. Communist ground attacks were also reported northeast of the town. Neak Luong's 4,400 defenders, along with its large civilian and refugee population, continue to be supplied entirely by airdrop.

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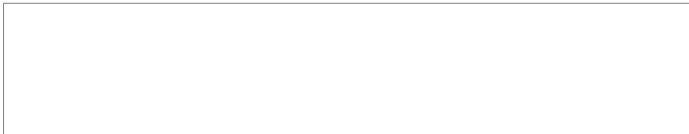
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USSR

The Soviet media, foreign or domestic, still have not mentioned the Glomar Explorer story, even though it has been broadcast in Russian to the USSR by the Voice of America and the BBC.

Thus far there appears to have been no concerted Soviet effort to question Americans on the Glomar Explorer story, and in the few instances that have been reported we can discern no pattern that would provide a clue as to the ultimate Soviet reaction.

--The Soviets have made no attempts to probe the story at the "working levels" of the Department of State.



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Chargé Vorontsov had urged Moscow to make a strong protest to the White House. The timing, however, suggests that the official was not acting on the basis of high-level instructions from Moscow.

--Last Thursday, the Soviet navy attaché, attending a social function, asked a US navy officer whether the newspaper accounts were true; whether it was something the CIA had done; and whether the Pentagon was working on an official denial. The last question was put in a plaintive, almost beseeching tone.

--On Friday, A. N. Shchukin, a Soviet SALT delegate, briefly mentioned the Glomar Explorer in Geneva by way of supporting Soviet arguments regarding the capability of "national technical means of verification."

--On Monday, the chief press officer at the Soviet embassy told a UPI reporter of Soviet "distress that we were not able to inform the

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next of kin," and referred to "certain decencies in international law and behavior." He seemed to imply that the Soviets were weighing a request for the memorabilia of the crew and films of the burial.

--The UPI man was also told by an official of the Soviet writers' union that Soviet officials are "very sensitive" about the US failure to offer to return the bodies of the crew.

There has been no evidence of any unusual activity or new line from the Soviet leadership.

--Party chief Brezhnev left Budapest by train on the evening of March 19, the day after the story broke, and arrived in Moscow 36 hours later, following stopovers in Lvov and Kiev.

--Premier Kosygin, addressing a luncheon honoring French Prime Minister Chirac, made a positive reference to US-Soviet agreements on prevention of nuclear war and limitation of strategic weapons. Brezhnev had a three-hour session with Chirac on Monday, but the accounts from the French press corps suggest that the meeting was given over to routine business.

The episode does not appear to have affected bilateral relations.

--Soviet Foreign Ministry officials continue to show interest in planning joint observances of V-E day.

--The visit to Moscow early next month of a US commercial delegation headed by Secretary Simon appears to be on track.

--The Soviets turned down a request for a visit by the current National War College class, but they have said no to similar requests in the past.

Thus far, we are aware of only two possible Soviet military reactions to the Glomar Explorer story.

--On March 21, two TU-95 reconnaissance aircraft conducted an unusual mission in the vicinity of the lost submarine, which could, however, have been in support of a Yankee-class submarine patrol change of station.

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--Over the weekend, an ocean-going tug, configured for intelligence collection, was transiting north of the Hawaiian Islands after monitoring a US-allied naval exercise that ended on Friday. [redacted]

[redacted] it could either have been headed home or toward the vicinity where the submarine was lost.

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--Other recent movements of Soviet intelligence collectors and oceanographic ships in the Pacific appear normal. Two Soviet fishery research ships are due shortly in Hawaii for a routine port call. Contrary to press speculation, their arrival is not related to the submarine story.

We assume the Soviets were taken by surprise when the story of the submarine recovery effort broke. The Soviet leadership will have many questions for the navy and the intelligence services about the validity of the press stories. It will take some time--probably more than the week that has passed--to sort out the answers, and we doubt the Soviets will ever be fully satisfied that they know the whole truth.

With the passage of time, the likelihood of a strong Soviet reaction is diminishing. Whatever their visceral feelings, the Soviet leaders have felt no compulsion to rush before the world with protests or denials. So far Soviet officials are conducting themselves as though they either have no instructions, or the instructions are to pursue "business as usual." The "no-comment" policy of the US has undoubtedly helped Moscow avoid public commentary.

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SAUDI ARABIA

The change in leadership in Saudi Arabia will slow developments on the international oil scene for at least the next month, but probably will make little difference over the longer term.

Saudi decisions on important oil policy matters are likely to be postponed until after the 40-day mourning period for the dead King. These matters include the Saudi positions on the producer-consumer conference, the pricing of oil in currencies other than the dollar, and the indexing of oil prices to offset inflation.

Decisions by the Organization of Petroleum Exporting Countries on these and other matters are also likely to be delayed. The cartel rarely takes a position independent of the views of its largest producer.

Saudi Arabia under King Khalid will remain a strong supporter of OPEC but may not be as influential a member as previously. With the loss of Faysal's prestige as a political and religious leader in the Arab world, Saudi Arabia's influence will derive largely from its oil production and financial resources. At least initially, the new Saudi leadership will probably be somewhat reluctant to take on the OPEC majority as Faysal did, and Saudi Arabia's moderating influence on OPEC policies consequently may be somewhat diminished.

Saudi oil policy has been determined in recent years by the supreme petroleum council which has been chaired by Prince Fahd, now the Crown Prince. Since Fahd is expected to be the active element in Khalid's administration and since the composition of the council has not changed, Saudi oil policies promise to continue much as before.

The death of King Faysal probably will reduce the influence of Oil Minister Yamani and may bring about his dismissal.

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WEST GERMANY

Willy Brandt, chairman of the ruling Social Democratic Party, is paying his first visit to Washington since he resigned as chancellor in the wake of a spy scandal last May. Brandt won the 1971 Nobel Peace Prize and led his party to electoral victory in November 1972. During the months immediately prior to his departure from government, however, public support for his party had declined and his own leadership had been increasingly ineffectual. The resignation was a deep shock for Brandt, and only recently have there been indications that he has succeeded in finding new outlets for his personal and political ambitions. His greatest interest continues to be foreign policy.

Last year, many West German politicians believed it only a matter of time before Brandt would relinquish party leadership. Such speculation has recently declined. Moreover, there have been signs of closer cooperation between him and Chancellor Schmidt as the party prepares for difficult state elections this spring and for federal elections next year.

Brandt still commands great respect for his work in improving Bonn's relations with Eastern Europe and for his role in the international social democratic movement. He has strong convictions about the importance of social democracy as a means of achieving social justice, unifying Western Europe, and as a force to combat communism in Europe. As a result, the West German Social Democrats have actively supported moderate socialist parties elsewhere in the world.

Of special concern to Brandt now are recent developments in Portugal. Under Brandt's leadership, the Social Democrats have contributed very substantial assistance--both technical and financial--to Mario Soares' Portuguese Socialist Party. Brandt has personally tried to persuade other West European leaders to support democratic forces in

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Portugal. [redacted]
[redacted] Brandt [redacted]
[redacted] attempted to convey to the Soviet leadership his concern about the aggressive behavior of the Portuguese Communist Party. Brandt indicated, however, that he had not been encouraged by the Soviet response.

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Chancellor Schmidt [redacted] has also tried to get the Soviets to use what influence they have to restrain the Portuguese Communists.

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[redacted]

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Whether or not the Soviets could be brought to take steps to exert such a moderating influence is an open question. It is equally difficult to tell whether, if they did try, they could succeed at this point in getting the Portuguese Communists to modify their tactics in any significant way.

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--the situation in the Middle East and in the Mediterranean;

--developments in the European Community;

--problems of the world food shortage; and

--the supply of energy and raw materials.

[redacted]

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PORTUGAL

Portuguese Prime Minister Goncalves, speaking at the installation of the new cabinet yesterday, left no doubt that the government will continue to expand its control over private industry.

The government will concentrate on consolidating its takeover of banks and insurance companies, but Goncalves indicated that other sectors of the economy will also be nationalized.

Each of the four parties in the coalition cabinet--the Socialists, Communists, Democratic Movement, and center-left Popular Democrats--received two cabinet posts. Each is represented by a minister without portfolio and one other post. Of the remaining five civilian ministers, three are described as moderate technocrats and two as sympathetic to the Communists or Democratic Movement. These two hold positions of considerable significance to the Communists--the ministries of economic coordination and agriculture.

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The military, which has eight posts, was apparently willing to give up its majority in the cabinet because the new all-military Revolutionary Council has assumed the legislative powers formerly held by the cabinet. The cabinet remains responsible for day-to-day administration and could regain some of its influence in the future.

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MIDDLE EAST

The current determination of Egypt and Syria to move peace negotiations to Geneva will force the Arabs, Israelis, and major powers to focus on the question of Palestinian participation in the talks. The Egyptians and Syrians have in the past threatened that they will not go back to Geneva without the Palestine Liberation Organization; the Israelis have long maintained that they will not negotiate with the PLO.

Israel has expressed a willingness to return to Geneva, but has shown no sign that it will deal with a PLO delegation. As an alternative to explicit PLO participation, Cairo and Damascus may propose that the Arabs form a single, joint delegation that would include representatives of the PLO. They would hope that this would provide a way around Israel's objections. Israel, the Arabs may point out, did not object to the inclusion of several Palestinians in the Jordanian delegation at the first session of the Geneva talks in December 1973.

The Israelis have, in fact, said that they would not check too closely the credentials of the Arab delegates at Geneva. Tel Aviv may be ready to accept the presence of PLO members who were integrated into the delegation of one of the Arab states or into a single Arab delegation.

Both the Israelis and the Arabs may in the end come to view a joint Arab-PLO delegation as the only way to forestall a total collapse of Middle East negotiations. Such a step would buy time for all parties, and would put off--perhaps indefinitely--what even the Arabs consider the undesirable and probably impossible task of distinguishing the Palestinian and Jordanian roles in negotiations.

Jordan would probably participate in such a delegation if urged to do so by Egypt and Syria. For the moment, however, King Husayn is staying on the sidelines in the hope that the Arab states will be forced to concede Jordan a major role in negotiations with Israel.

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Leaders of the PLO, for their part, would accept an invitation to participate in a joint delegation, even though it would alienate radical fedayeen. The Palestinians promptly approved President Asad's recent offer of closer Syrian-Palestinian cooperation. Their action suggests that they were sufficiently disillusioned by Egypt's apparent readiness to proceed without them that they were willing to sacrifice a measure of their autonomy in return for a tangible demonstration of Syrian support. PLO leaders look on the proposed joint command--and would look on a joint delegation--as insurance that they will be included in any future moves toward a negotiated peace or in any preparations for renewed hostilities.

Despite their willingness to cooperate closely with Damascus, the Palestinians remain suspicious of Syria's motives. They are therefore pleased that step-by-step negotiations have collapsed, as this allows them to repair their strained relations with Egypt and look more closely at the Syrian offer. PLO leaders praised President Sadat's refusal to make greater concessions to Israel during the recent round of indirect talks, and upon the collapse of the talks, sent a high-ranking official to Cairo.

* * *

Thus far, Moscow is letting the Arab nations take the lead in calling for a resumption of the Middle East peace conference in Geneva. The Soviets have withheld direct, authoritative comment on the breakdown of Secretary Kissinger's negotiating efforts, although they see the collapse as supporting their position that Geneva is the only venue for achieving a settlement. They support Foreign Minister Fahmi's call for a return to Geneva, and their propaganda broadcasts to the Arab world are aimed at keeping events moving in that direction.

Not surprisingly, Soviet propaganda has placed the blame for the negotiating failure squarely on Israel. The Soviets have been relatively easy on the US, although they have made the point with the Arabs that Washington's support for Tel Aviv lies behind Israel's intransigence.

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NOTE

The Soviets evidently are preparing for more high-yield nuclear weapons tests in the western Arctic this year than in the past.

A threshold test ban treaty is scheduled to go into effect on March 31, 1976. Because this will limit test yields to 150 kilotons, Moscow is under pressure to complete its high-yield testing program. The Soviets may be planning at least four high-yield tests for their last Arctic test series. Weather conditions make it likely that all tests would take place between early summer and late fall.

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