

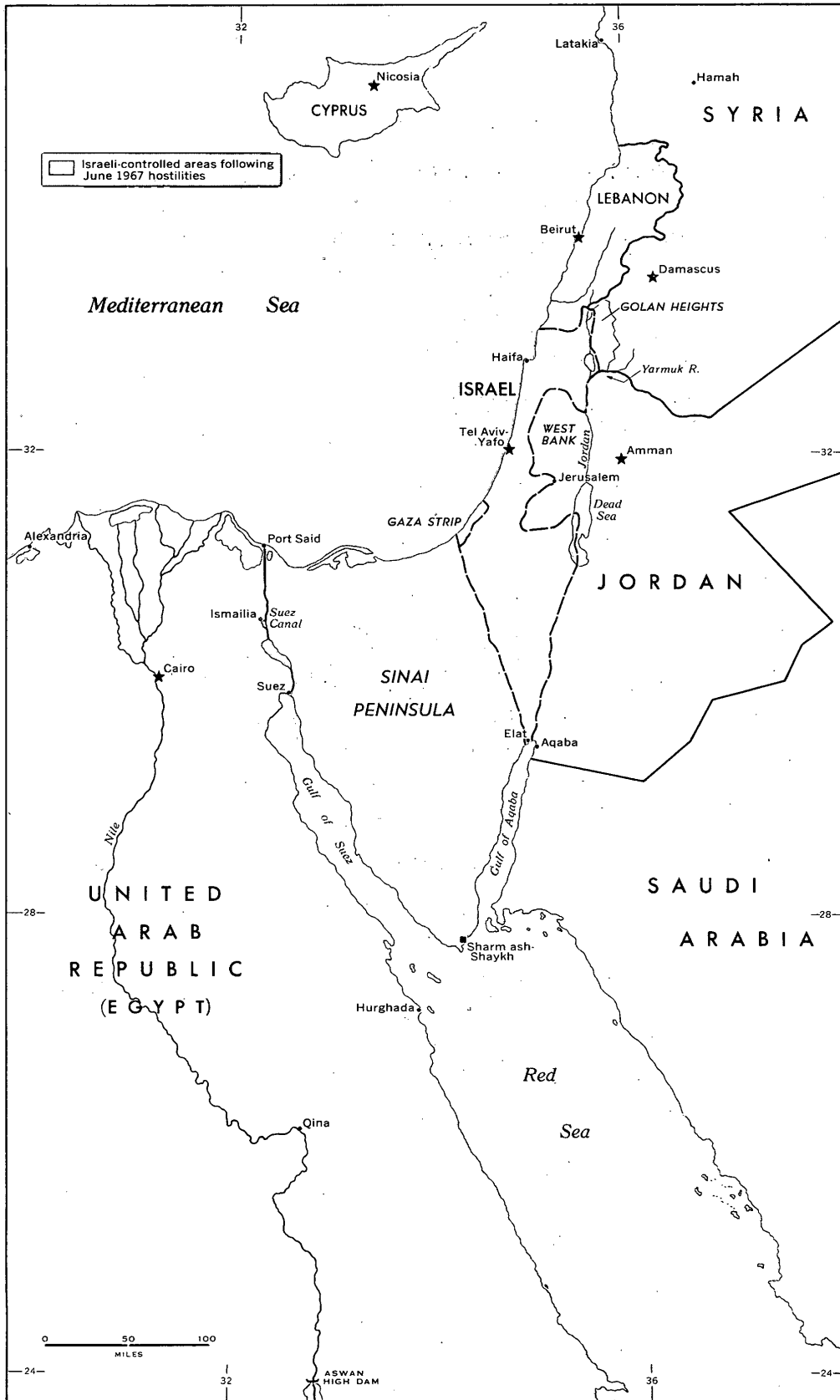
The President's Daily Brief

30 January 1969

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LATE NOTES FOR THE PRESIDENT'S DAILY BRIEF OF

30 JANUARY 1969



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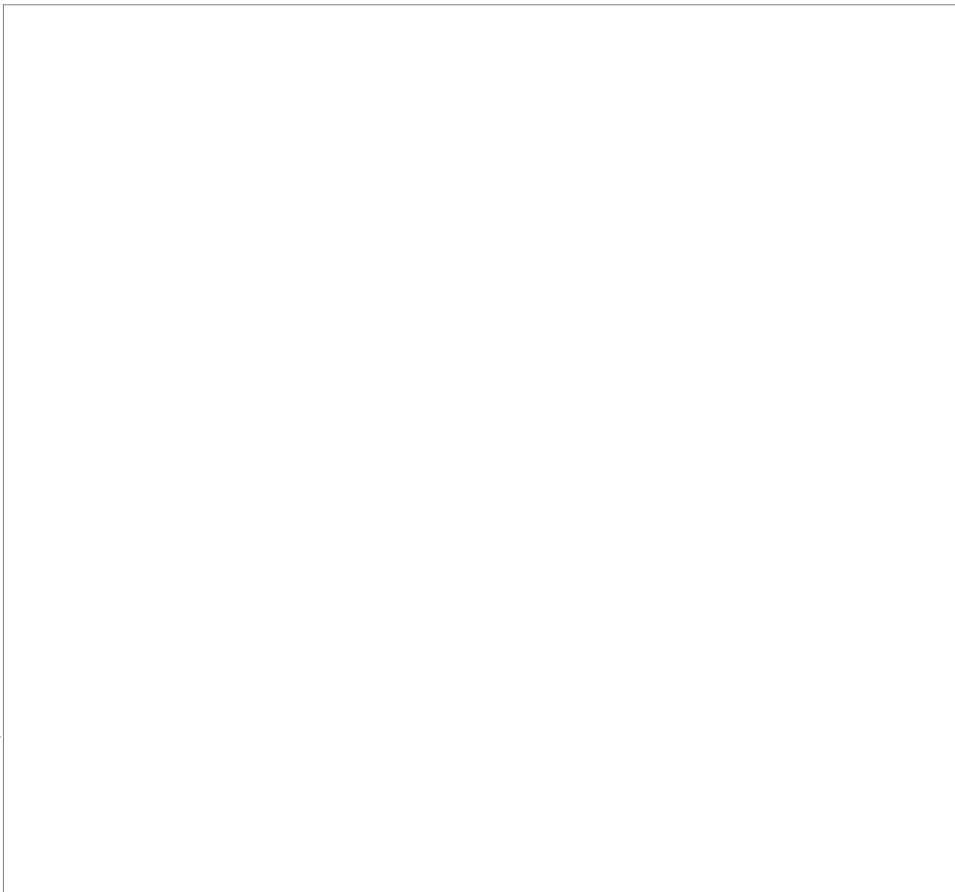
FOR THE PRESIDENT ONLY

31 January 1969

LATE NOTES FOR THE PRESIDENT'S DAILY BRIEF OF
30 JANUARY 1969

I. MAJOR PROBLEMS

MIDDLE EAST



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Ambassador Jarring told the British on 29 January that he is willing to wait in New York as long as necessary to get a clarification of the attitudes of the great powers. After that, Jarring may set up shop in Geneva, with the idea of getting answers from the Middle Eastern states to

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specific questions which ultimately must be part of a settlement. [redacted]

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The Iraqi information minister announced this morning that a new mass spy trial is being prepared. (FBIS 37, 31 Jan 69)

EUROPE

The first British national opinion poll of 1969, published yesterday in the Daily Mail, reveals a sharp swing back to the Labor Government, after a low point in December. Prime Minister Wilson's personal stock also went up, albeit not as much as his government's. "Peace and quiet" for the past month or two seems to have been responsible. [redacted]

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SOVIET AFFAIRS

At the same time they are negotiating in Peru, the Soviets and Hungarians also are dickering with Venezuela about establishing diplomatic relations. A Venezuelan Foreign Ministry official told a US Embassy officer yesterday that agreement might be reached prior to the inauguration of President-elect Caldera in March. No action is likely, however, until after the new government is sworn in. [redacted]

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VIETNAM

An authoritative commentary on the President's news conference was published today in the North Vietnamese party daily, Nhan Dan, according to Hanoi Radio. It avoided responding to the questions of restoration of the Demilitarized Zone or a return to the Geneva agreements, calling such points "deceptive talk." The commentary apparently was timed to reinforce the rejection in Paris

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yesterday of Ambassador Lodge's proposals. (FBIS 28, 31
Jan 69)

II. OTHER IMPORTANT DEVELOPMENTS

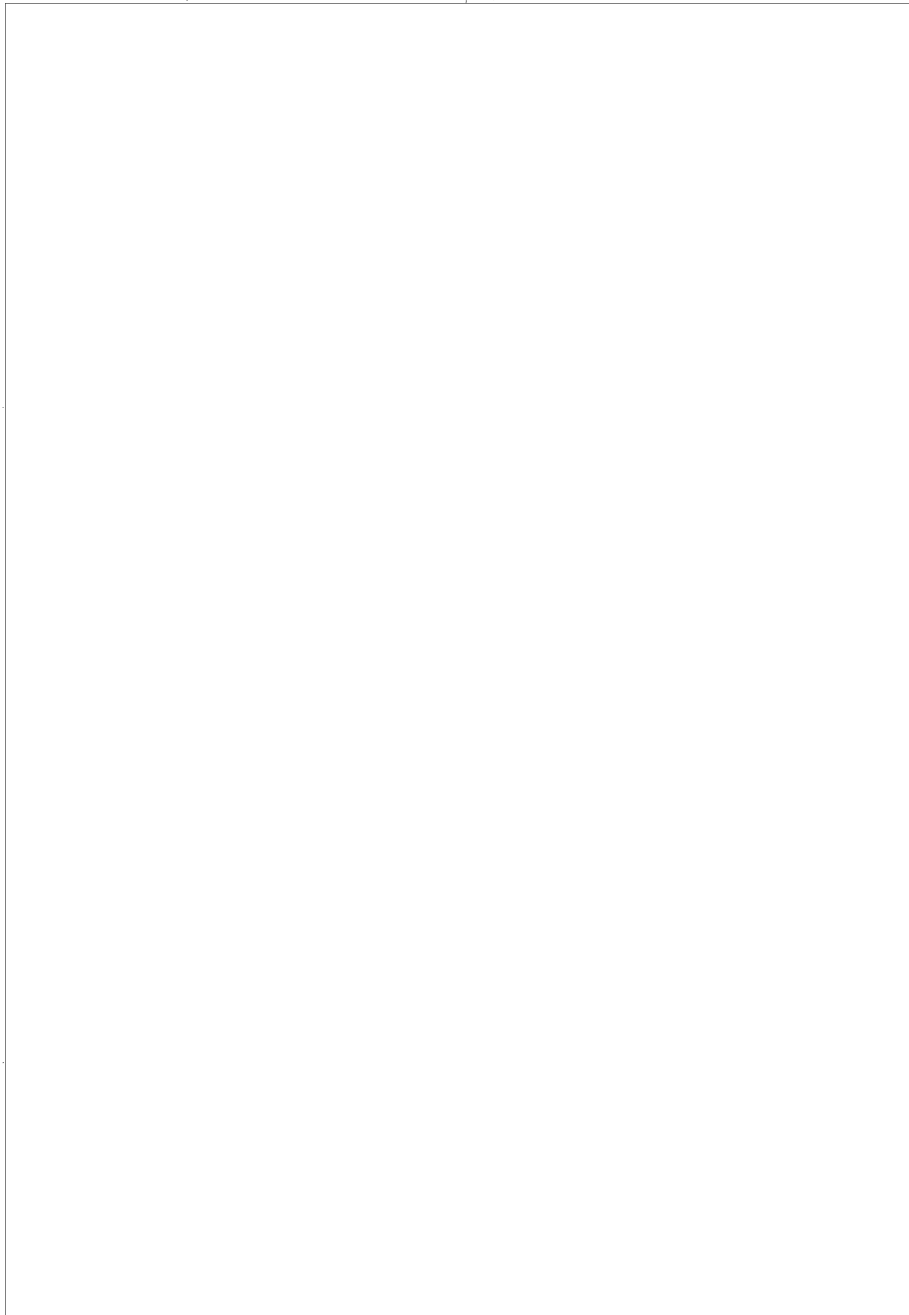
There is nothing of significance to report.

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I. MAJOR PROBLEMS

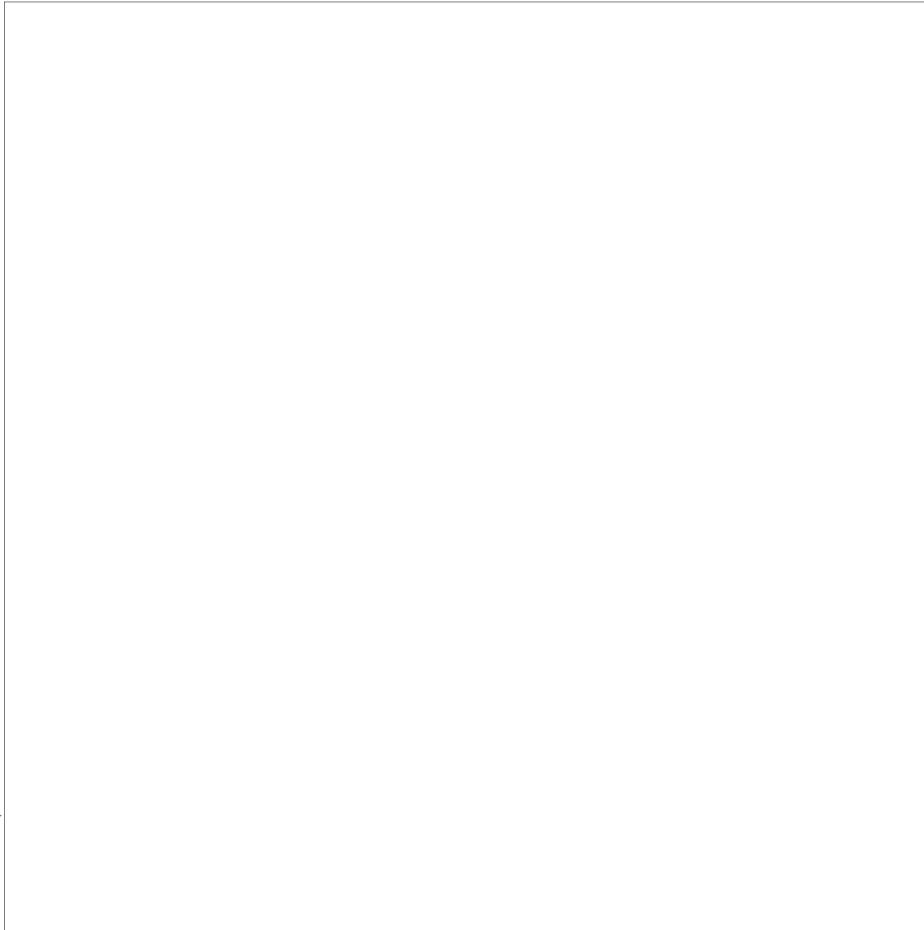
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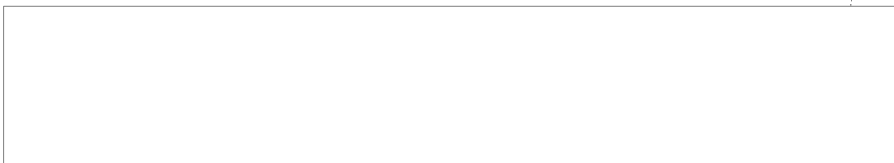


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The evidence at hand is still inconclusive as to whether there was an Israeli air attack this morning against Iraqi troops in Jordan.

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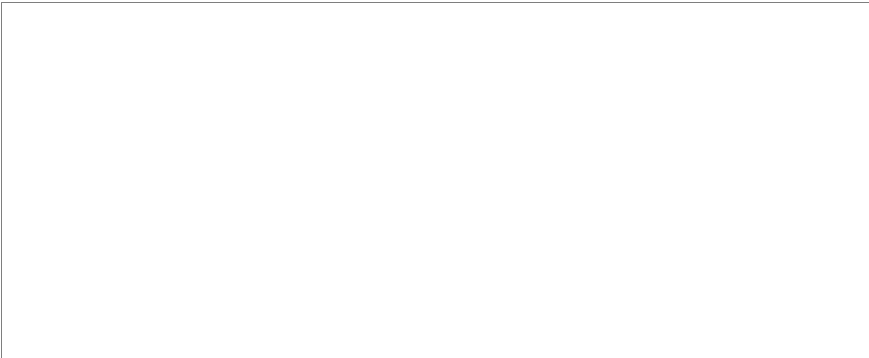
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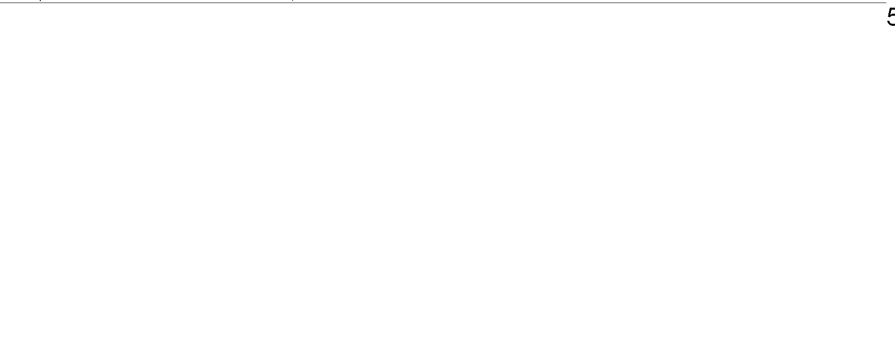
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SOVIET AFFAIRS

Soviet authorities today moved to dispel rumors about Kosygin's prolonged absence. A Foreign Ministry spokesman said that Kosygin is nursing a cold which he picked up when he returned to Moscow about a week ago from a vacation-cure, but that he expects to return to work late next week. The spokesman said that the Premier had spent a month in the Caucasus undergoing treatment for a mild liver ailment.

* * *

The Soviet Union and its allies have reacted quickly in response to Peru's overtures for closer contacts. Diplomatic relations will be established between Moscow and Lima in the next day or two. Since the military took over in Peru last October, they have established diplomatic ties with Rumania, Yugoslavia, and Czechoslovakia. Hungary is now pressing to join the list.



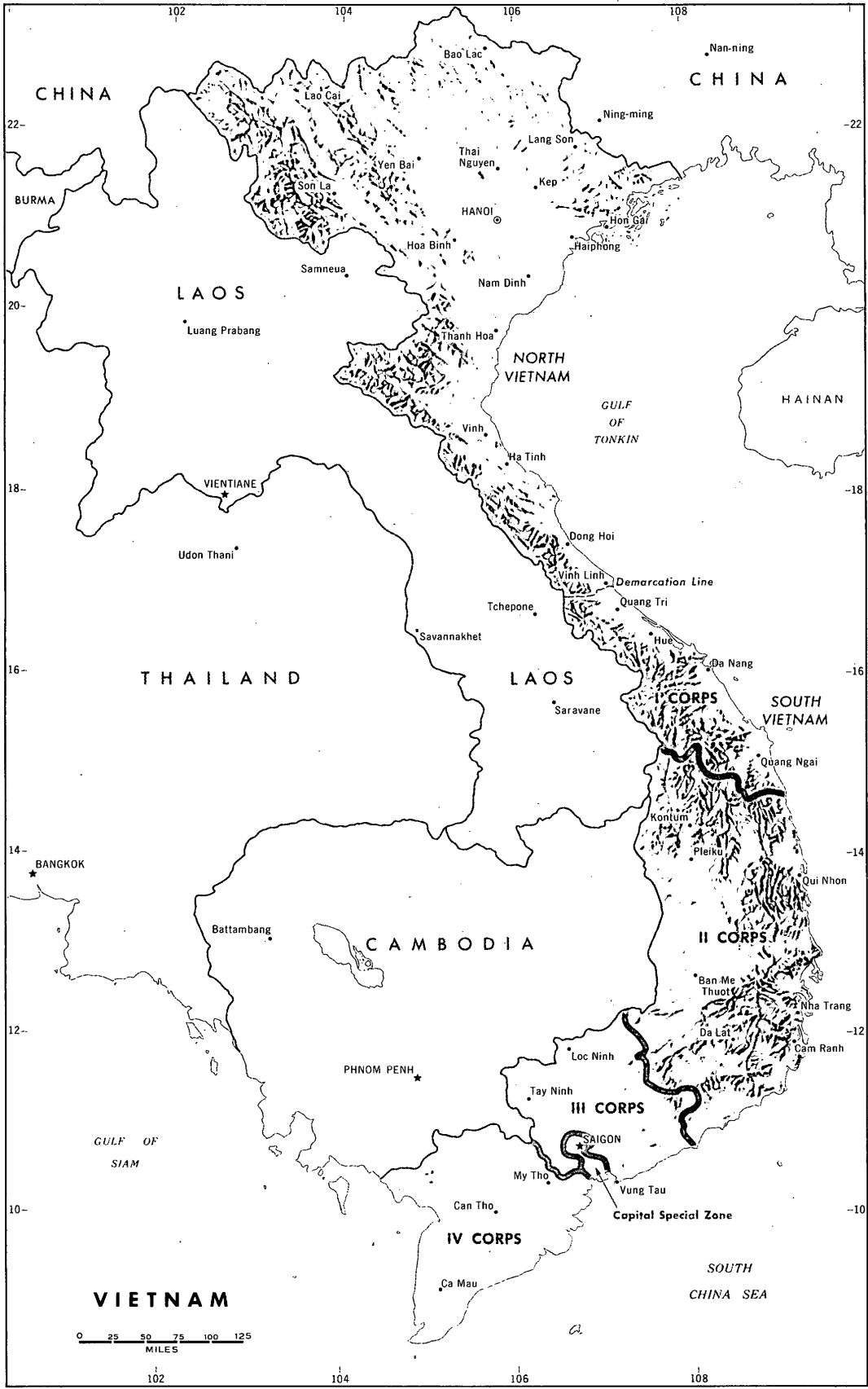
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VIETNAM

Numerous indicators point to a Communist intent to launch a series of attacks, perhaps countrywide, between



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now and Tet, which falls on 17 February this year. It is questionable whether the enemy will do much more than direct harassing fire against allied outposts and some urban centers. Terrorist and sapper action in the cities could accompany the shellings.

Recently captured prisoners report that a fairly substantial effort has been under way for some weeks to infiltrate specially trained terrorists and sappers into Saigon. They further state that some of these groups have already succeeded in entering the city; recently there have been several incidents and attempted incidents within the capital.

According to the prisoners, terrorist attacks in Saigon are to be coordinated with main force action in the provinces around the capital. Signal intelligence shows that for the last two months the enemy has been trying to move a number of infantry regiments from four nearby divisions into the provinces around Saigon. Allied pre-emptive actions have delayed these deployments, but the sighting of Communist troops in recent days by villagers in those provinces suggests that some enemy units are managing to get into positions from which they could launch attacks. Intercepted messages from I, II, and IV Corps also tell a story of Communist intentions to step up action prior to Tet.

* * *

Preliminary press accounts of today's session in Paris indicate the Communists took the line forecast

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in earlier statements. Hanoi may eventually be willing to discuss our proposals on troop withdrawals and restoring the Demilitarized Zone, but the Communists are unlikely to go very far toward resolving these matters before they have a fairly clear idea of how political issues are to be settled. Xuan Thuy's statement that "only on a political basis can we settle military questions" was as straightforward as anything the Communists have said publicly on this subject.

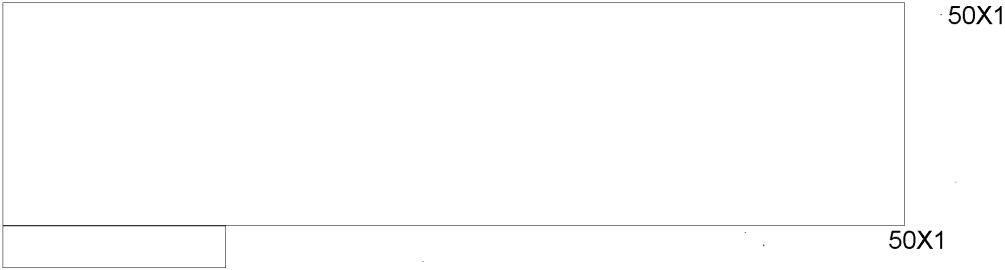
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II. OTHER IMPORTANT DEVELOPMENTS

PAKISTAN

President Ayub has gained a breathing spell by sending the army in to restore order in four of the country's main cities. Tension remains high, however.

The Ayub government now faces the dilemma which confronts all authoritarian regimes beginning to lose their grip. As the embassy in Karachi puts it, repression intensifies resistance but concessions suggest an inability to govern. We may get a better line on what Ayub plans after his regular first of the month speech Saturday. The government press is hinting that it will contain some important announcements.

BRAZIL

At annex is a review of major problems affecting US-Brazil relations.

OKINAWA

Okinawan and Japanese leaders have thus far been unsuccessful in persuading leftist labor organizers to call off a general strike and rally against the presence of

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B-52s scheduled for 4 February. These officials fear that any violent incidents would jeopardize their priority goal of achieving an early return of Okinawa to Japanese administration. A large demonstration is to be held in the vicinity of the US airbase at Kadena, and extremists may attempt to penetrate the base in an effort to provoke a violent response from the police or US security guards. The police, who must also be at other potential trouble spots, will be spread thin.

Violence during the demonstrations in Okinawa could trigger a sympathetic reaction from leftist elements in Japan, particularly on the part of militant students who recently were responsible for the turmoil on university campuses in Tokyo.

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BRAZIL

SIGNIFICANCE: Brazil, traditionally among the strongest and closest US allies in Latin America, has become a virtual military dictatorship sapped by vacillating leadership and internal rivalries. A climax came in December 1968 when the Brazilian military forced President Costa e Silva to decree an Institutional Act that bypassed the Constitution and gave the executive broad dictatorial powers. The US expressed "dismay" at this action and assumed a policy of watchful waiting.

The massive US aid program to Brazil--which runs about \$350 million annually and is the largest program in Latin America and the third largest in the world--was taken "under review" and a \$50 million program loan tranche was delayed. Brazilian officials have not yet expressed impatience with these delays potentially damaging to Brazilian business confidence, but they are very sensitive to even implied criticism of their internal political affairs. Our aid postponements could be so interpreted and could quickly generate open antagonism among top Brazilian leaders, provoking retaliation against US business interests, and putting a severe strain on US-Brazilian relations.

Internal Political Background

Most Brazilians regard their country as ready for "Great Power" status--primarily by virtue of its vast size, burgeoning population (about 90 million) and tremendous natural resources. Few of them, however, would

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deny that only rarely has any Brazilian government used these advantages to exert significant international or even domestic leadership.

In March 1964 the Brazilian military, joined by leading state governors, revolted against the corruption, fiscal and economic irresponsibility, and the excessive toleration of the extreme left by the administration of President Joao Goulart. General Castello Branco was elected by a purged Congress in April 1964 to serve out President Goulart's term which was then extended until March 1967. Brazil was outwardly tranquil during the Castello Branco administration, but tensions within the military have existed since the 1964 coup. Hard-line military officers provided the impetus for many of Castello Branco's decrees. The military seemed united in their choice of Costa e Silva when he was elected in 1966 by Congress to replace Castello Branco, but his weak leadership, his failure to crack down on corruption and subversion, and his inability to halt growing political turbulence combined to erode this vital backing. [REDACTED]

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[REDACTED]

[REDACTED] Incident after incident--criticism of the regime by church and press, a judicial decision to free arrested student demonstrators--added to military disillusionment. In December the final straw came. Congress refused to lift the immunity of an opposition deputy who had in September made a speech in Congress criticizing the military establishment. Enraged and essentially unprepared for

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this defiance, in which even representatives of the majority progovernment Arena Party participated, the military concluded that this rebuff was intolerable.

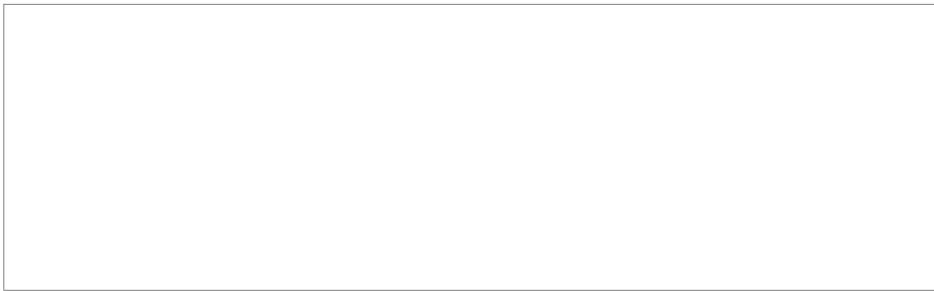
They forced the President to issue an Institutional Act on 13 December that gave him clearly dictatorial powers and stripped away any facade of constitutional government. Under authority of the act, Congress has been shut down indefinitely, as have the state legislatures. Habeas corpus has been revoked, a large number of Brazilians have been jailed, and dozens of congressmen, including several from the president's own party, have lost their political rights. The purge has included several members of the supreme court and is likely to be extended to include state and local officials. The press has been censored. There is little prospect for a return to former constitutional trappings in the foreseeable future.

Most civilian politicians are intimidated and demoralized by the military take-over. Although a majority of Brazilian and foreign businessmen support the new decrees, most other Brazilians still appear apathetic--the long-range implications of these events have yet to sink in. University students return to classes in March after a long vacation. They are a potentially strong focus of opposition, but most will probably be cowed by the government's expected show of force and by the military's new power to deny habeas corpus. Organized labor, with a host of legitimate grievances, is crippled by poor leadership and a tradition of dependence on government.

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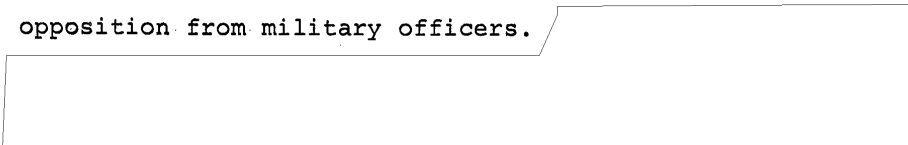
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Although Costa e Silva has so far survived as President, his leadership is ineffective, and in fact it is not clear who, or even what group, actually controls the levers of power. He is attempting to shore up his position, but he may not be sufficiently forceful or capable to exert his will. He could not keep his job in the face of united opposition from military officers.



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This inherently unstable situation may continue for some time. If the President is removed, a military man or junta would be the likely successor--perhaps a hard-line figure such as former Interior Minister General Albuquerque Lima or leaders of the powerful group of non-cabinet officers referred to as "the generals."

Foreign Policy Trends

Brazilian-US relations, which were extremely close under Castello Branco, began to become more difficult after he left office. The trend in foreign policy since March 1967 has been toward expressing deep-seated nationalistic aspirations that reflect Brazilians' belief that their country is destined to become a "Great Power."

This view is particularly prevalent among military officers, especially those identified with the hard line."

Under Costa e Silva, Brazilian foreign policy has more frequently diverged from that of the US. For example, Brazil has steadfastly resisted all appeals that it endorse the Nuclear Nonproliferation Treaty because government leaders say the treaty would forever condemn Brazil to the ranks of "second rate" nations by hampering its nuclear development program. Moreover, Brazil withdrew its early support for the US-backed permanent Inter-American Peace Force. The Brazilian Government no longer gives public backing to US policies on Vietnam.

Demonstrations of anti-Americanism in Brazil have not been fostered by the government, but they have rarely been discouraged. For example, there was a major hue and cry over Brazilian fears that the US had evil designs on the Amazon basin. This was carried to such an extreme that missionaries who had provided birth control devices to Indian women were accused of attempting to "sterilize Brazilian womanhood" so that the US could occupy the Amazon.

Foreign Minister Magalhaes Pinto, who has long aspired to the presidency, exploited these nationalistic feelings not only out of personal conviction but because he believed they would increase his support among the military. He has had little success

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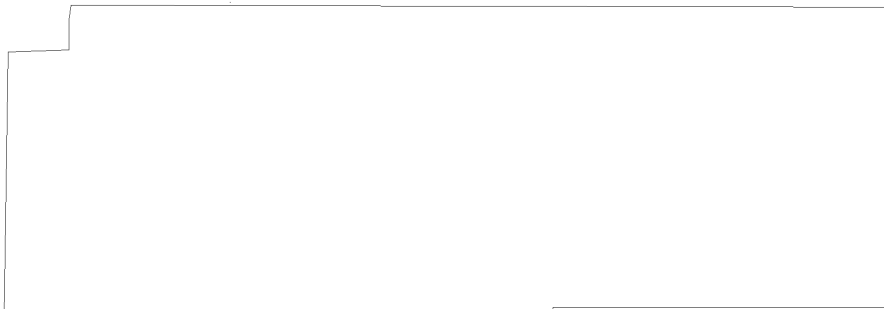
If he is replaced, however, his successor will probably be just as nationalistic.

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Consequences

The US will be criticized in Brazil and elsewhere in Latin America no matter what policies it adopts. Continuation of large-scale aid would be called a prop for an unpopular and inept dictatorship. Despite successes in curbing skyrocketing inflation, Brazil's current leaders do not seem to understand the complexity of the country's social and economic needs, much less to be able to develop effective programs to meet these needs.

On the other hand, reduction or elimination of US aid would adversely affect--and perhaps completely frustrate--the Brazilian effort to curb inflation and promote economic growth. Such economic effects would in short order aggravate the government's political problems. One result might well be to strengthen the hand of those influential hard liners in the military who are urging an "independent" stance for Brazil and a more neutral position in world affairs.



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Although the moderate view may prevail in time, the locus of power now resides in the hands of the "generals."

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