



The President's Daily Brief

21 October 1969



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FOR THE PRESIDENT ONLY

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PRINCIPAL DEVELOPMENTS



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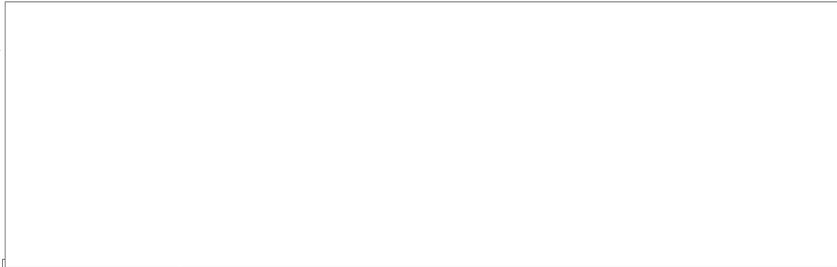
Bolivian Gulf is to be compensated only for its physical plant and equipment, according to Minister of Mines Quiroga. *(Page 2)*

Shootdowns and accidents have taken a heavy toll of Egyptian pilots and aircraft since the war of June 1967. *(Page 3)*

Czechoslovak officials are hoping that their current visit to Moscow will result in Soviet economic and political gestures that will shore up their position on the home front. *(Page 4)*

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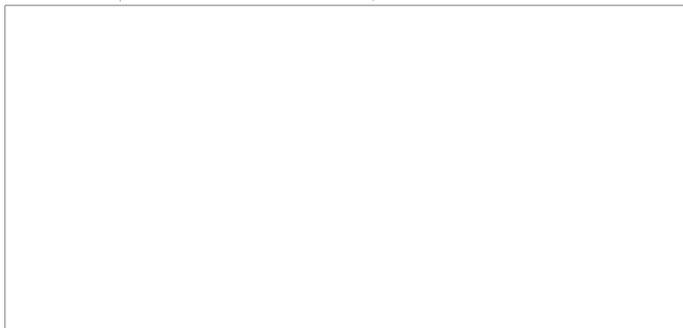
VIETNAM



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BOLIVIA

Minister of Mines Quiroga has said that Gulf will be paid only for its physical plant and equipment. He has specifically ruled out payment for gas and oil currently stored in Bolivia. Moreover, except for fixed assets, there will be no compensation for "investments that the company made in the country because what it might have spent does not interest us."

Quiroga also seems to be preparing the way for a claim, as Peru did in similar circumstances, that Gulf owes a debt to the state that will at least partially offset any compensation that might be decided on. He said that an audit to establish the amount to be paid the company may also show "possible fraud in the area of royalties."

According to the US Embassy in La Paz, if only fixed assets are paid for, the compensation would amount to no more than \$85 million even with the most favorable appraisal. Gulf's total investment in Bolivia is approximately \$140 million, all brought in since 1956.

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EGYPT

Air losses through shootdowns and accidents are cutting deeply into Egypt's pilot strength and aircraft inventory. Since the June 1967 war, the Israelis, [redacted] say they have downed more than 50 of Egypt's fighter aircraft. In addition, the Egyptian Air Force has an extremely high accident rate. [redacted]

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The total number of pilots lost cannot be accurately determined, but between 35 and 45 is a good estimate. [redacted]

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The rate at which Soviet aircraft are now being delivered to Egypt suggests that Moscow has no immediate plans to go beyond replacement of losses. Egypt's front-line fighter strength is believed to be maintained by drawing aircraft from reserves. As a result of the losses incurred in air engagements and accidents, these reserves probably are about gone. In the case of the MIG-21 (the workhorse of Egypt's air defense), the losses probably have begun to cut into the on-line combat inventory.

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CZECHOSLOVAKIA-USSR

The top leaders of Czechoslovakia's Communist Party and government began their nine-day visit to Moscow yesterday. Before leaving Prague, they carefully fostered the idea that their trip, besides symbolizing Moscow's full acceptance of Husak and a return to more or less normal relations, would have tangible benefits as well. Prague Radio's Moscow correspondent predicted in a report on Sunday that a document of basic political importance would be signed. Domestic Czechoslovak broadcasts have hinted that important economic issues would also be discussed.

We think it likely that the Soviets have in mind some gestures that would strengthen Husak's hand at home. The Czechoslovaks no doubt hope that these may take the form of a promise of significant economic aid and an indication that the Soviet garrison might someday be reduced. If Husak could get either of these plums, prospects for the stability and longevity of his rule would be greatly enhanced.

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NOTE

Somali Republic: Army and security forces in Mogadiscio staged a coup early this morning and apparently are in full control. Preliminary reports indicate that army personnel are guarding all key installations in the capital. Radio Mogadiscio announced the formation of a "revolutionary council," but mentioned no names and offered no further details on the coup. The army made its move in the midst of a political vacuum as Somali leaders were selecting a successor to President Scermarche who was assassinated last week.

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