



The President's Daily Brief

16 December 1969

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PRINCIPAL DEVELOPMENTS

Ambassador Schaetzel sees the recent European Communities summit meeting as a turning point in European affairs. *(Page 1)*

In Panama, opposition to the ouster of General Torrijos is developing. *(Page 2)*

Sihanouk takes the Communists to task in a speech on Cambodian border problems. *(Page 3)*

With an eye to next week's general elections, Sato calls for official talks between Tokyo and Peking. *(Page 4)*

Ulbricht has hinted that Pankow is willing to negotiate with Bonn. *(Page 6)*

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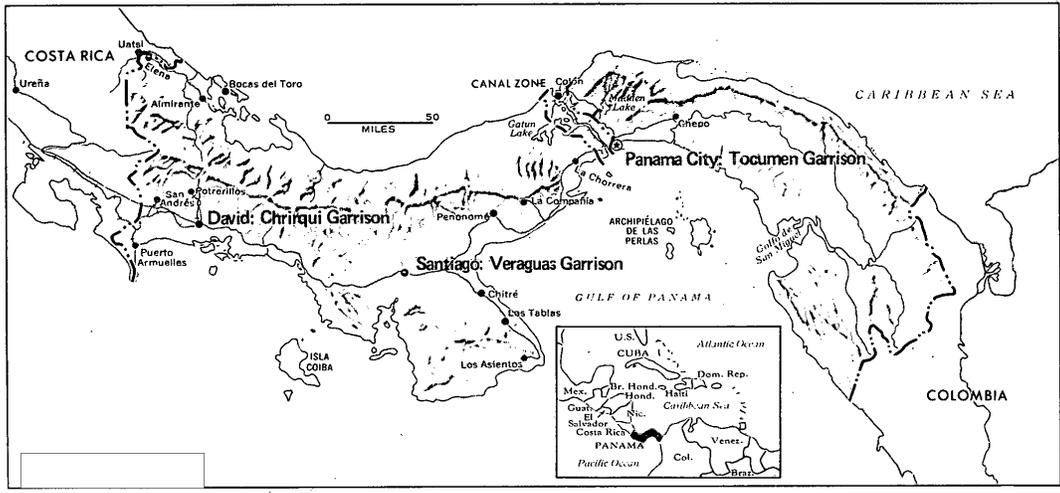
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EUROPEAN COMMUNITIES

Ambassador Schaetzel views the recent EC summit as a turning point in European affairs. He senses a new hope among Europeans that the problems associated with the closer integration of the European Communities can be solved. In the opinion of the ambassador, this optimism stems from a complete reversal of French policy which, as stated by President Pompidou at the summit meeting, now favors the expansion of the EC membership. Pompidou's EC colleagues realize that he cannot accomplish such a shift quickly, however, and that progress probably will be spasmodic.

Although European diplomatic circles generally agree that French policy has "turned around," the events of the next several months will be the definitive test. Even if the Six are closer to a common view on the future of the Communities than they have been for years, agreement on essential details will not be readily achieved. We remain optimistic that the UK will not retreat when faced with the real possibility of entry, even though some British officials continue to doubt the value of EC membership.

PANAMA: Support Developing for Ousted General Torrijos



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PANAMA

Opposition to the ouster of General Torrijos is developing. There are indications that the Chiriqui, Veraguas, and Tocumen National Guard garrisons will not join Colonels Silvera and Sanjur, who yesterday removed Torrijos from his post as Guard commandant.

Torrijos, who was in Mexico when the dissident officers moved against him, last night was in El Salvador conferring with the Panamanian ambassador. He may try to go to Panama's second largest city, David, where the majority of his support now exists. Silvera and Sanjur apparently hope to isolate these forces before Torrijos arrives.

Silvera and Sanjur have been able thus far to gain the backing of the majority of the National Guard. If Torrijos and his supporters seriously contest this seizure of power, however, the splits within the Guard may widen, and armed clashes could result.

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CAMBODIA

In a speech yesterday, broadcast over the domestic radio service, Sihanouk charged that the Viet Cong respect Cambodian territory only "on paper." He accused them of triggering the Dak Dam incident by firing at Americans "from our territory." Sihanouk noted that if Cambodia were to break relations with the US, it would also have to do so with "the Viet Minh and the Viet Cong," because "they still continue to commit aggression against our territory...."

Sihanouk's criticisms of the Communists, although generally in line with his recent views, are expressed in a more forthright than usual fashion. As such, they are a good measure of his frustration over continued Communist use of Cambodian territory. Moreover, he is clearly trying to strike a more realistic balance in assigning blame for border violations. The speech, by implication, also suggests the importance Sihanouk attaches to maintaining his renewed relations with the United States.

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JAPAN - COMMUNIST CHINA

Prime Minister Sato has called for official talks between Tokyo and Peking while campaigning for the general elections scheduled for 27 December. Another high official on Saturday said that the government was "considering" talks at the ambassadorial level.

Despite its campaign oratory, the Sato administration will move cautiously in any effort to broaden its ties with Peking.



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Sato undoubtedly felt the need to make some response to the announcement of new US - Communist China contacts in Warsaw in order to avoid criticism from the opposition parties on the China issue. Important elements within Sato's party also support closer ties with Peking.

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THAILAND

The Thai are highly upset over what they view as US interference in Saigon with a deal for the sale of 20,000 tons of Thai rice. Some cabinet officials view South Vietnamese withdrawal from the rice negotiations--with the assertion that it was at US "orders"--and the substitution of a US rice delivery to Saigon as clear evidence of US chicanery. Foreign Minister Thanat has warned Ambassador Unger that a formal protest may be levied if there is not a "responsive" reply to his strong verbal protest.

Bangkok is reacting strongly to each new sign that suggests a downgrading of Thai interests by Washington. Thai leaders are apprehensive over what they believe to be a weakening in the US commitment to Thailand's security, and they are dismayed over criticism in the US of Thailand's role in the Vietnam war.

Bangkok is apparently prepared to pursue the rice issue forcefully in an effort to regain an appearance of equality in its partnership with the US. Although the Thai have been careful in the past to keep differences with the US hidden, both Thanat and Prime Minister Thanom have made the issue a central theme in recent press conferences. Thanom has also said his government plans to put the controversy on the top of its list of things to discuss during Vice President Agnew's visit to Bangkok.

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EAST GERMANY - WEST GERMANY

Speaking at a party plenum on 13 December, East German leader Ulbricht indirectly acknowledged Chancellor Brandt's offer in October to begin talks without discrimination and said that negotiations can be started. Available excerpts of Ulbricht's long speech indicate that he did not demand that Bonn extend de jure recognition to East Germany. He did say, however, that normalization of relations "means" recognition of East Germany as an equal, sovereign state.

Ulbricht seemed to be inviting an approach from Bonn. Although ambiguous, his statements suggest that Pankow now may be willing to accept de facto recognition. Brandt has acknowledged the existence of two German states but maintains that relations between the two Germanies have a "special" quality and that Bonn cannot give full de jure recognition.

The timing of Ulbricht's speech--one week after the East Germans were given short shrift by their allies at the Warsaw Pact summit in Moscow--suggests that the East Germans may have decided that they must begin negotiations with Bonn to protect their own interests. The East Germans also want to give the impression that they are not the ones who are blocking progress on East-West German negotiations.

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