



The President's Daily Brief

15 January 1970

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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

15 January 1970

PRINCIPAL DEVELOPMENTS

With federal troops now in control of nearly all of the Biafran enclave, the prospect of any significant military counteraction by the Ibos has almost disappeared. (Page 1)

On Page 2 [redacted] Sino-Soviet [redacted]

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[redacted] North Vietnam. (Page 4)

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[redacted] Germany. (Page 5)

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In Brandt's state of the nation speech yesterday, he sought to exploit this growing isolation of the East Germans. (Page 6)

A recent Pravda editorial reflects indecision among Soviet leaders on how to rescue the economy from the difficulties they admit are plaguing it. (Page 7)

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NIGERIA

Federal troops now control nearly all of the Biafran enclave, and the prospect of any significant military counteraction by the Ibos has about disappeared.

Ojukwu, helped perhaps by his French and Portuguese backers, has generated a good many conflicting rumors about his whereabouts and intentions. The most persistent of these, that he is in Portugal, was denied yesterday by the Portuguese themselves.

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Even if Ojukwu got substantial support from outside he would probably find it impossible to rekindle the war

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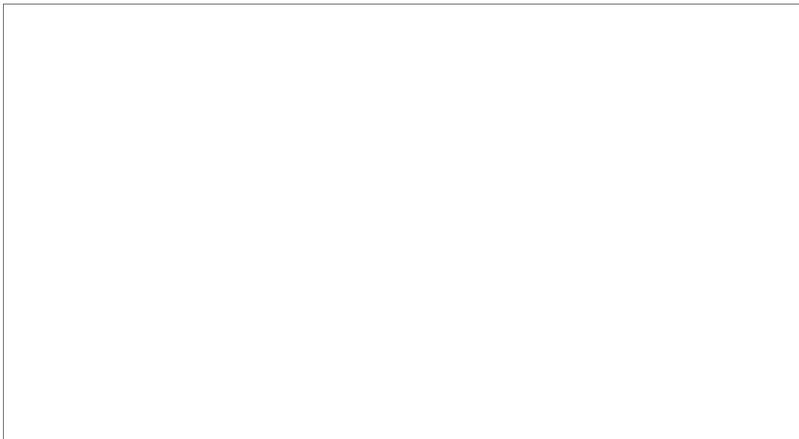
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COMMUNIST CHINA - USSR



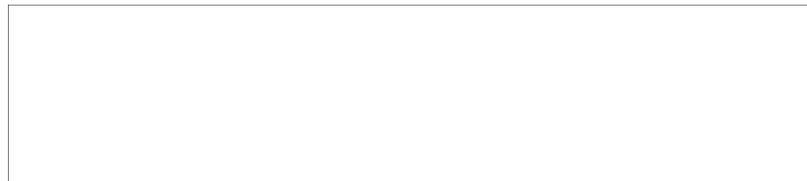
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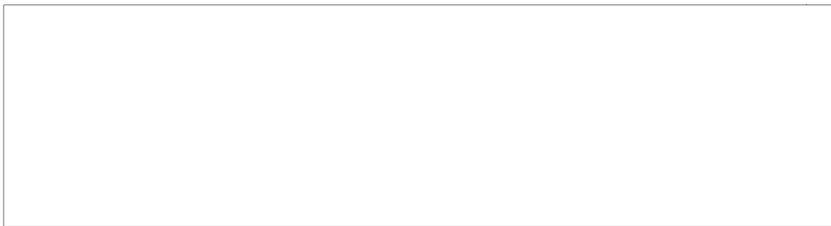
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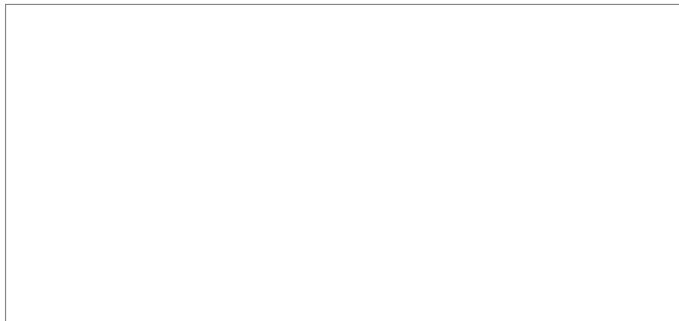


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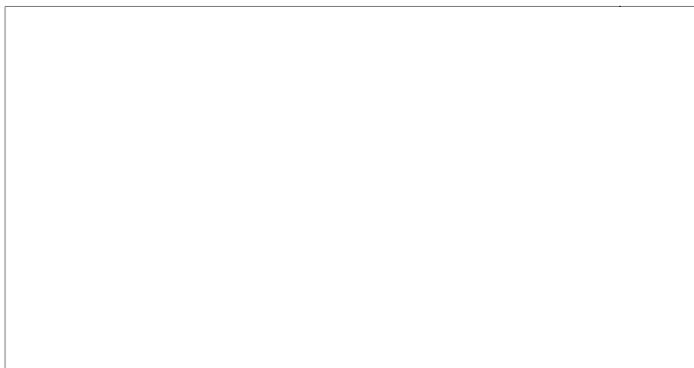
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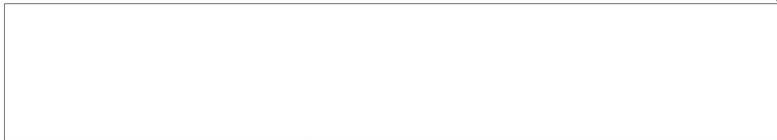
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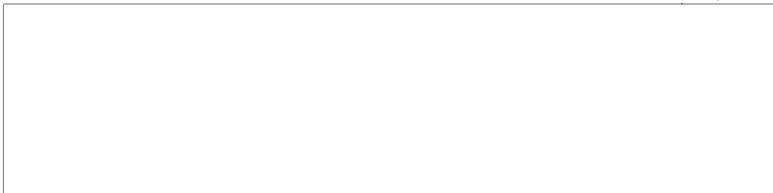
NORTH VIETNAM



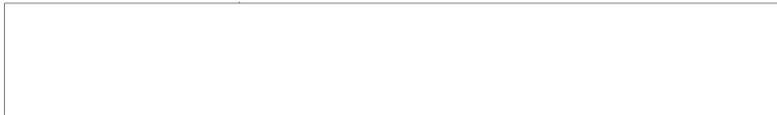
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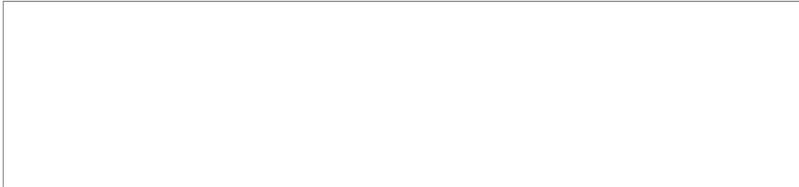
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HUNGARY-GERMANY



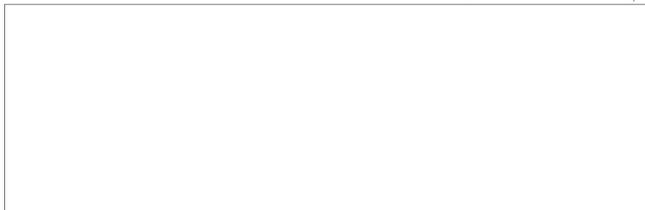
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WEST GERMANY

Chancellor Brandt, in his state of the nation speech yesterday, gave the Warsaw Pact states--minus East Germany--good marks for having "understood the good will of the federal government, even though with some reservations." In a seeming bid to these states to put pressure on Pankow, he stressed that they had been more flexible than East Germany.

Brandt said that the East Germans' draft treaty is unacceptable, and that recognition of East Germany "is for us out of the question." Germany, he insisted, is one nation. Brandt did, nevertheless, admit the validity of the principles of international law for East-West German relations, giving as examples equal treatment, respect for territorial integrity, and the peaceful settlement of disputes. He invited Pankow to enter talks on the renunciation of force and other matters.

The Chancellor broke West German precedent by making clear that the reunification of Germany is a remote goal. He came close to recognizing, de facto, the status quo. To head off criticism from opposition Christian Democrats, Brandt reconfirmed a number of long-standing German positions, among them loyalty to NATO, support for West European unity, and four power responsibility for Berlin.

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USSR

An editorial in Pravda on 13 January gives a somber account of the economy in discussing the plenum and last month's session of the Supreme Soviet. Pravda notes the slow growth in labor productivity and lists ministries that failed to fulfill their tasks. It reports the plenum's criticism of the development of agriculture, and it traces the problems of the food supply in major cities to declines in livestock.

Soviet leaders' efforts to deal with current economic problems and formulate a new five-year plan seem to be marked by indecision. On the five-year plan, which is to start next year, the editorial said only that the December plenum of the Central Committee examined "certain important problems." A planning official recently admitted that the government has still not decided what areas to emphasize during the new plan period.

One cause of the difficulties, according to Pravda, is the fact that the USSR has attained a new economic stage, with "new requirements." Development, which formerly depended on quantitative factors, now is keyed to efficiency, Pravda says.

Pravda seems to have diagnosed the problem succinctly, but offers no cure for economic ills. Its skimpy reference to economic reform indicates the party is not prepared to risk much reforming to achieve efficiency. In fact, the State Planning Committee's journal recently attacked the "market socialism" of Ota Sik, the Czechoslovak economist. Such statements in that prestigious journal are ample evidence of official opposition to a new, liberal direction in economics.

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IRAN - SAUDI ARABIA

The Shah appears to be edging close to a commitment to come to King Faysal's aid if Saudi Arabia is attacked. He told Ambassador MacArthur as much last Sunday, adding that Iran's own security needs dictate a favorable response to Faysal's request for support. To help advance this policy, the Shah is asking the US to lease or sell him aerial tankers so that Iranian fighter aircraft or ground support crews need not be stationed in Saudi Arabia itself.

A firm commitment to Faysal would certainly not be a surprising step for the Shah to take. He has for some time been obsessed with the future security of the Persian Gulf, and in recent months has been especially worried about the stability of the Saudi monarchy.

Iran has also proposed a mutual defense arrangement between Iran, Saudi Arabia, and other moderate principalities on the Gulf as a bar to radical Arab and Soviet influence once the British pull out in 1971.

The Iranians clearly think they should fill the shoes of the British as "protectors" of the Gulf. We can expect increasing pressure from the Shah to make available military equipment he thinks necessary to play this role.

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JAPAN

Prime Minister Sato, formally elected to a third term yesterday, has put together a new cabinet that reflects his increased strength and confidence resulting from the recent conservative electoral victory. He retained key members of his winning team, and most of the new appointees are party veterans who have served in previous cabinets.

The most controversial appointment is the new agricultural and forestry minister, who was forced to quit the same post in 1968 because of public outcry over an injudicious remark that Japanese nuclear rearmament might have some merit. The new director of the Japan Defense Agency, Nakasone, is a leader of the party's "new right" wing. He also advocates a more independent defense posture for Japan.

The new cabinet lineup does not indicate any immediate shifts in domestic or foreign policy, although a number of the new appointees are relatively nationalistic. Nor does it offer any evidence to support pre-election speculation that Sato might step down, having achieved his major goal of Okinawan reversion. The impressive electoral performance of Sato's party last month doubtless will encourage him to stay in office.

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