



The President's Daily Brief

22 January 1970

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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

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PRINCIPAL DEVELOPMENTS

President Pompidou apparently has decided that the best interests of France lie in a strong pro-Arab policy. (Page 1)

President Ovando has met with Bolivian military leaders to discuss the generals' disenchantment with some cabinet ministers. (Page 2)

[redacted] Iraq [redacted]
[redacted] and Iran [redacted]
[redacted] (Page 3)

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[redacted]
[redacted] Cambodia [redacted]
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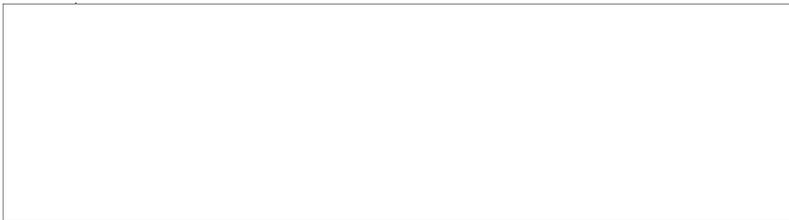
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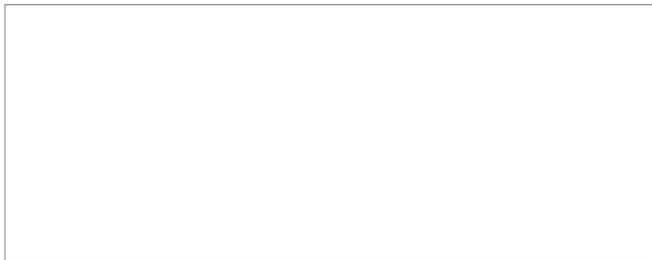
FRANCE - MIDDLE EAST

Defense Minister Debre's disclosure yesterday that France intends to sell as many as 100 aircraft to Libya was a closely held secret within the French Government. Foreign Minister Schumann's remarks to Ambassador Shriver yesterday make it clear that Schumann did not play a major role in the decision-making process and was not fully briefed on all aspects of the case.

The decision of course came from Pompidou who seems intent on enhancing the strategic and commercial role of France in the Mediterranean. He was also motivated by the need to reassure the Arab world following the Israeli gunboat affair, the lagging exports of France's aircraft industry and a desire to participate more actively in the Libyan petroleum industry. The affair also has the side effects of demonstrating French independence from the US and the USSR and Pompidou's authority over Schumann, who opposed the deal.



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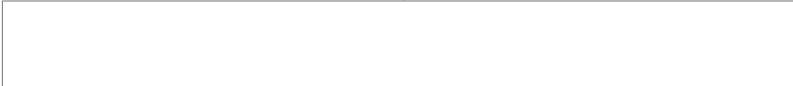
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BOLIVIA

The military high command met with President Ovando on 20 January and presented their views on the need for a cabinet shakeup. These senior military officers have become alarmed by public statements by Ovando and certain cabinet ministers which hint at collaboration with Cuba, withdrawal from the Organization of American States, and the nationalization of all property. Ovando reportedly told the generals that he would prefer to delay the dismissal of the radical ministers until they became mired in their own mistakes.

Ovando seems to be buying more time to assess his first real crisis. He probably will try to further ingratiate himself with the military by promising to take whatever action is necessary to restore the flow of US military aid--one of the main concerns of the generals.

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IRAN-IRAQ

The Iraqis squelched an Iran-backed coup Tuesday night. Some 29 of the conspirators were summarily executed.



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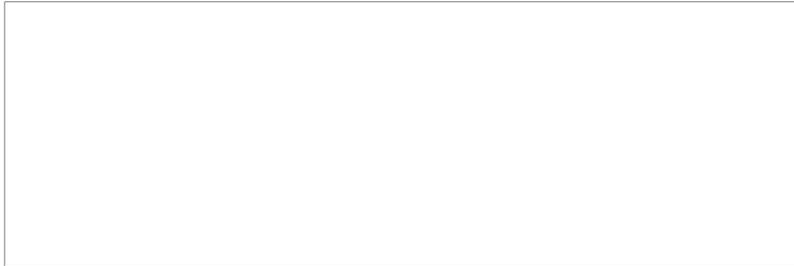
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Early today Iraq requested the Iranian ambassador and four other diplomats to leave the country within 24 hours. Radio Baghdad accused the Iranians of cooperating with US and Zionist forces in the abortive coup.

These public denunciations of Iran's role in the coup will seriously delay the settlement of the border dispute between the two countries over the Shatt al-Arab River. It will also complicate Baghdad's efforts to negotiate with the Kurdish dissidents in northern Iraq because of the strong Iranian influence with the Kurds.

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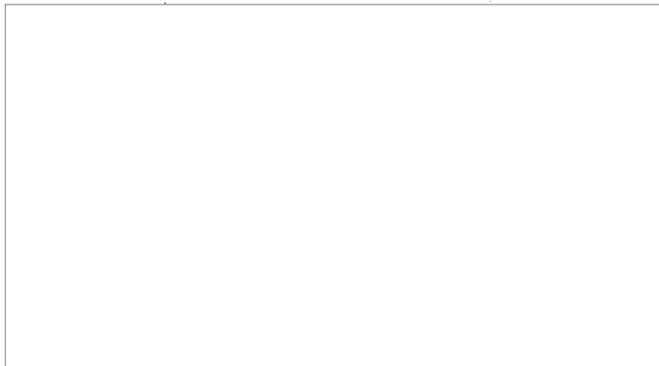
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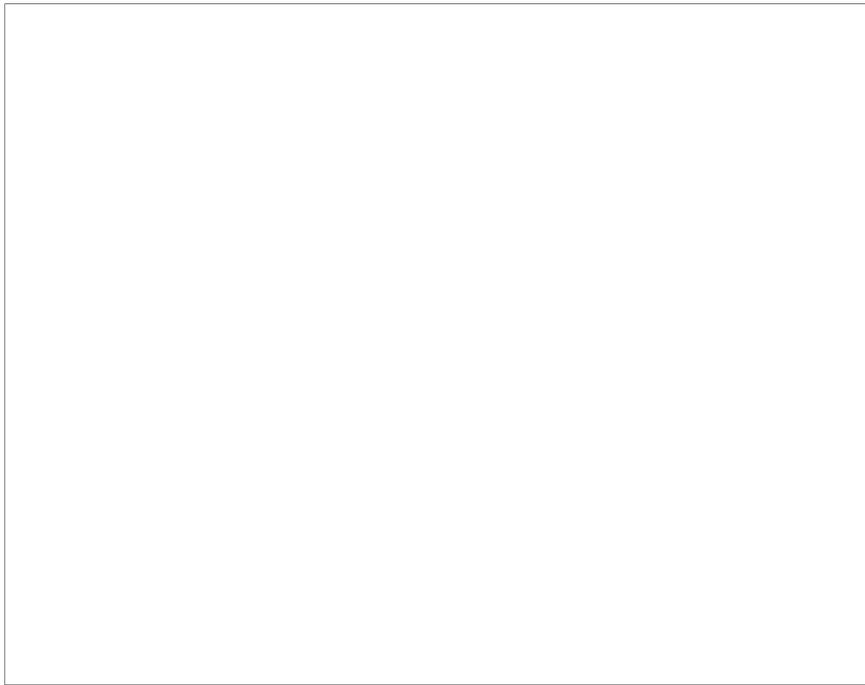
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NOTES

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Italy: Last year Italy incurred a balance-of-payments deficit of \$1.4 billion, the largest in well over a decade. The deficit is in sharp contrast with the \$627 million surplus in 1968 and is due entirely to a capital outflow which reached about \$4 billion in 1969. The money drain may have been accelerated by the current tax laws, labor unrest, and the unsettled political situation, and is likely to continue this year. Italy's official net reserves remain very strong, however.

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