



The President's Daily Brief

16 February 1971

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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

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PRINCIPAL DEVELOPMENTS

In northern Laos, additional reinforcements have arrived at Long Tieng, and the government's position at Ban Na has come under heavy fire. (Page 1)

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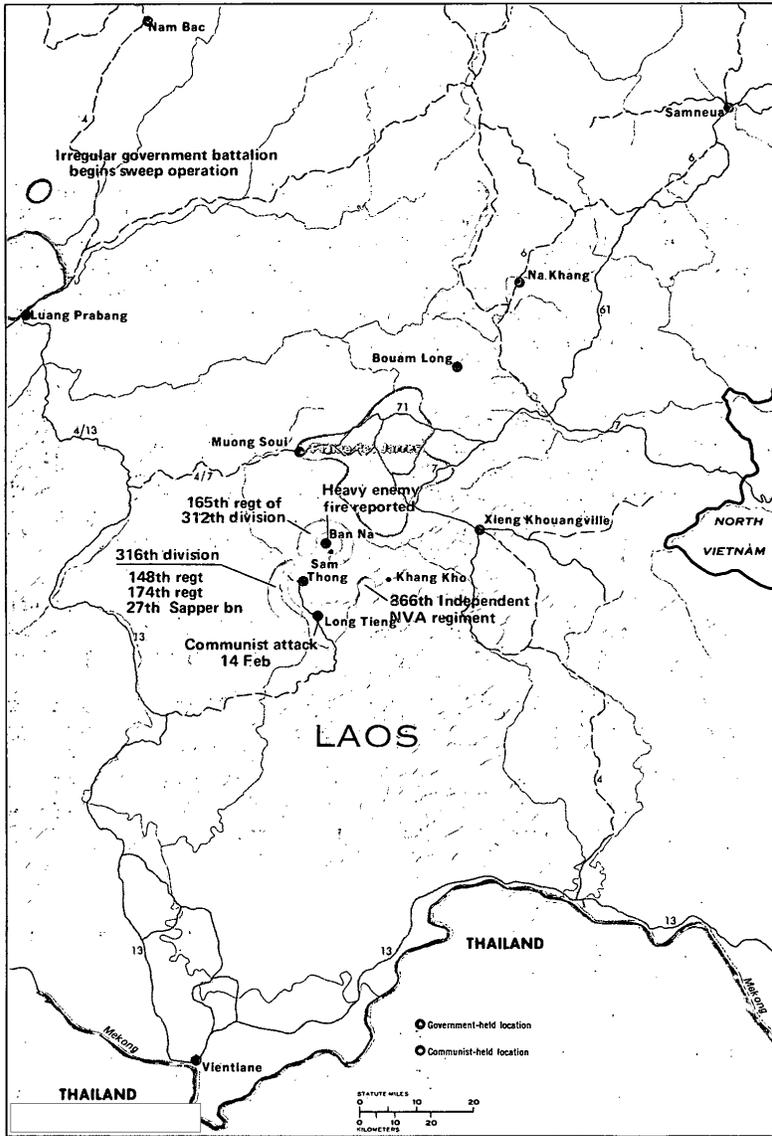
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Relations between India and Pakistan have greatly worsened following the destruction of a hijacked Indian airliner. (Page 3)

On Page 4 we comment on the draft directives for the Soviets' new five-year plan.

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LAOS

Some 1,400 reinforcements arrived at Long Tieng yesterday and are being placed both in the town and along the high ground from which the Communists launched Sunday's mortar attack. To the north, the government's position at Ban Na has received heavy enemy fire.

Ban Na, the site of several key artillery emplacements aimed at interdicting Communist troop and supply movements southward toward the Long Tieng complex, is surrounded by well-entrenched enemy troops, identified as the 165th Regiment of the North Vietnamese 312th Division.

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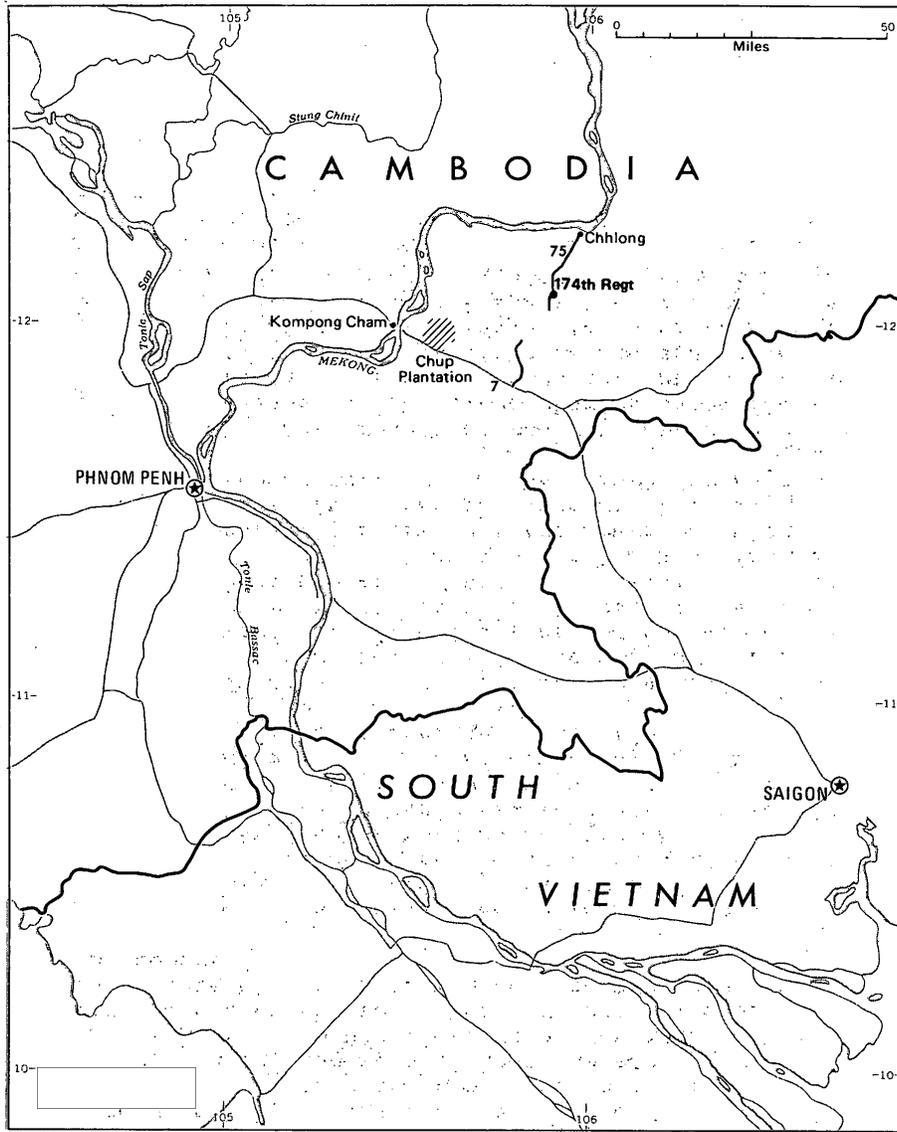
other Communist forces in the area are preparing for further combat. These forces include major elements from the North Vietnamese 316th Division to the north and northwest of Long Tieng and Sam Thong, plus the North Vietnamese 866th Independent Regiment to the east.

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In the Luang Prabang area, government irregulars have taken advantage of a lull in the fighting to improve their defenses northeast of the royal capital. They have succeeded in airlifting a battalion into a position 25 miles north of Luang Prabang, near an area where a landing attempt failed last week.

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CAMBODIA - SOUTH VIETNAM

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INDIA-PAKISTAN

Repercussions from the destruction in Pakistan of a hijacked Indian airliner two weeks ago have brought the two countries' relations to their lowest point since the brief war of 1965. Two self-described "Kashmiri freedom fighters" destroyed the plane in Lahore on 2 February after releasing the passengers and crew. Charging the Pakistani Government with collusion, New Delhi banned all Pakistani flights across India until compensation was paid. President Yahya in turn appealed to the US, UK, and USSR to use their good offices to bring the situation back to normal.

Each country now claims the other is making threatening military moves. Yesterday the Pakistani Foreign Ministry briefed the US Embassy on a series of alleged actions by the Indian armed forces, including the canceling of all army leaves, the sending of troops into border regions not previously occupied, and the moving of tanks near the borders.

Indian officials had earlier complained of Pakistani movements near the West Pakistan - India border.



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The political situation in both countries complicates the picture. Mrs. Gandhi, campaigning for next month's national elections, is demanding that Pakistan evacuate the part of Kashmir under its control, in addition to compensating for the plane and extraditing the hijackers. West Pakistani politicians are trying to improve their positions for the coming meeting of the constituent assembly, and the government is allowing the hijackers to be treated as heroes by the populace.

Even as the political leaders seek to get some mileage out of the dispute, however, we doubt that either country wants a major confrontation at this time. Officials of both continue quietly to seek means for defusing the crisis.

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USSR

As summarized by TASS, the draft directives for the ninth five-year plan, which is to be presented at the 24th party congress opening on 30 March, reflect the modest growth expectations contained in most Soviet pronouncements during the past year. The average annual rates of increase projected for the industrial, agricultural and other sectors are only slightly above those reached under the 1966-1970 plan. With somewhat lower growth rates targeted for new investment and for the labor force, it seems likely that the USSR will be hard pressed to surpass its overall growth rate of 5.5 percent we believe it achieved in the latter half of the 1960s.

From the incomplete data available, it appears that allocation of resources between the principal claimants--investment and consumption--will follow recent patterns. Agricultural goals make it clear that the augmented resources to improve farm production, decided on last year, have not been abandoned. Special efforts are pledged to increase the supply of meat and other quality foods and to improve the soft goods and consumer durables. The stated intention to hold the line on consumer prices, and even reduce some, was made with an eye to recent events in Poland.

The announcement contains the usual pledge that the new plan will "ensure the further growth of the Soviet Union's defense capacity," but provides no clear indication of the relative share of resources to be allocated to military purposes. There are enough references to priorities for defense-related industries, however, to suggest that the military's share will not be materially altered.

The fact that the Central Committee resolution approving the draft directives appears over Brezhnev's signature provides further evidence of his increasing primacy in the leadership as the party congress approaches. Ever since Stalin's day such documents have not carried any personal signatures.

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NOTES

Vietnam-Laos: As South Vietnamese troops continue their deliberate advance into the Laos panhandle, allied aircraft operating across the border are encountering extremely heavy antiaircraft fire.



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USSR-Cuba: The Soviet submarine tender and nuclear-powered N-class torpedo attack submarine previously noted south of Haiti (see The President's Daily Brief of 11 February) arrived at Cienfuegos during the weekend, joining the Soviet rescue tug and two nuclear submarine support barges already there. According to Reuters, the Kresta-class guided-missile cruiser which arrived in Havana on 10 February together with a tanker left yesterday afternoon, but we have no confirmation of this yet.

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