



The President's Daily Brief

10 October 1970



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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

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PRINCIPAL DEVELOPMENTS

General Torres' new cabinet reflects a compromise with his opponents in Bolivia's military. (Page 1)

Chancellor Brandt has reacted negatively to the tougher Soviet line on Berlin. (Page 2)

[Redacted] Soviet [Redacted] (Page 3)

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[Redacted] Laos [Redacted] (Page 4)

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All major Libyan oil producers have now signed agreements with the government. (Page 4)

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BOLIVIA

General Torres' new cabinet contains a roughly equal mix of left and center, military and civilian, and pro- and anti-US ministers. There are four holdovers from the Ovando cabinet, but only one of these is a member of the young leftist group that was opposed by moderates in the armed forces. None of the leftists who were forced out of the Ovando government in recent months is included. In a press interview Thursday Torres said that his government will be "nationalist and revolutionary" but "by no means extreme leftist." He said that he will respect the compensation agreement on Gulf Oil's expropriated property.

The make-up of the cabinet, and the failure of the threatened countercoup to materialize, suggest that the military officers opposed to Torres gained at least some of their objectives through negotiation.

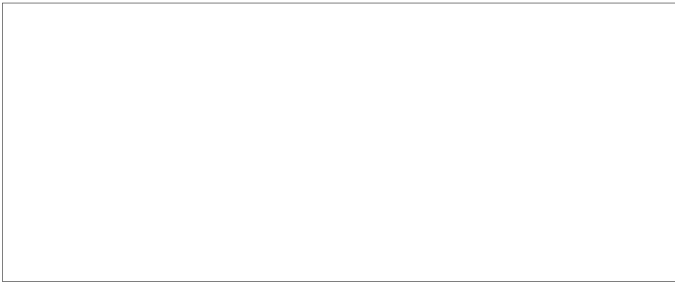
Torres' apparent compromise with the military will cost him support among extreme leftist elements. A student-labor group called off a pro-Torres demonstration yesterday after the cabinet was announced. Some labor leaders are saying that they are disappointed with the cabinet and that Torres no longer enjoys complete labor support.

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WEST GERMANY - BERLIN

Brandt has reacted negatively to the tougher line taken by the Soviets at the four-power working-level meeting Wednesday. He has told Ambassador Rush that the Soviet proposal to reach a general agreement first--leaving a detailed Berlin settlement until later--was "out of the question," even though such an arrangement could help Brandt justify ratification of the Soviet - West German treaty. He urged the Allies not to "give an inch" on Soviet demands that Bundestag committee meetings be among West German activities banned in West Berlin. He said that the whole Soviet list of prohibited Berlin activities would dangerously increase Soviet and East German influence in the western sector.

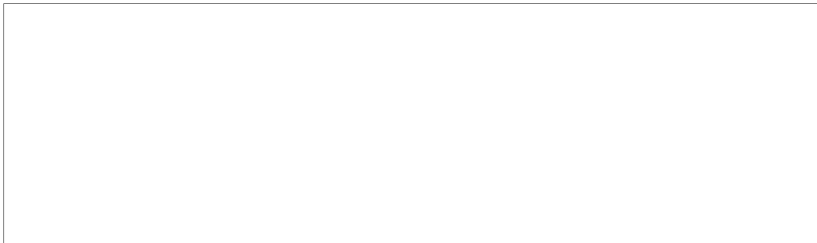
Brandt was taken aback by the Soviet stance at the meeting Wednesday, and may on reflection be less adamant about the Soviet proposals. He attaches great importance to the four powers reaching an agreement on Berlin, now that it has become an essential element in maintaining the momentum of his Ostpolitik.



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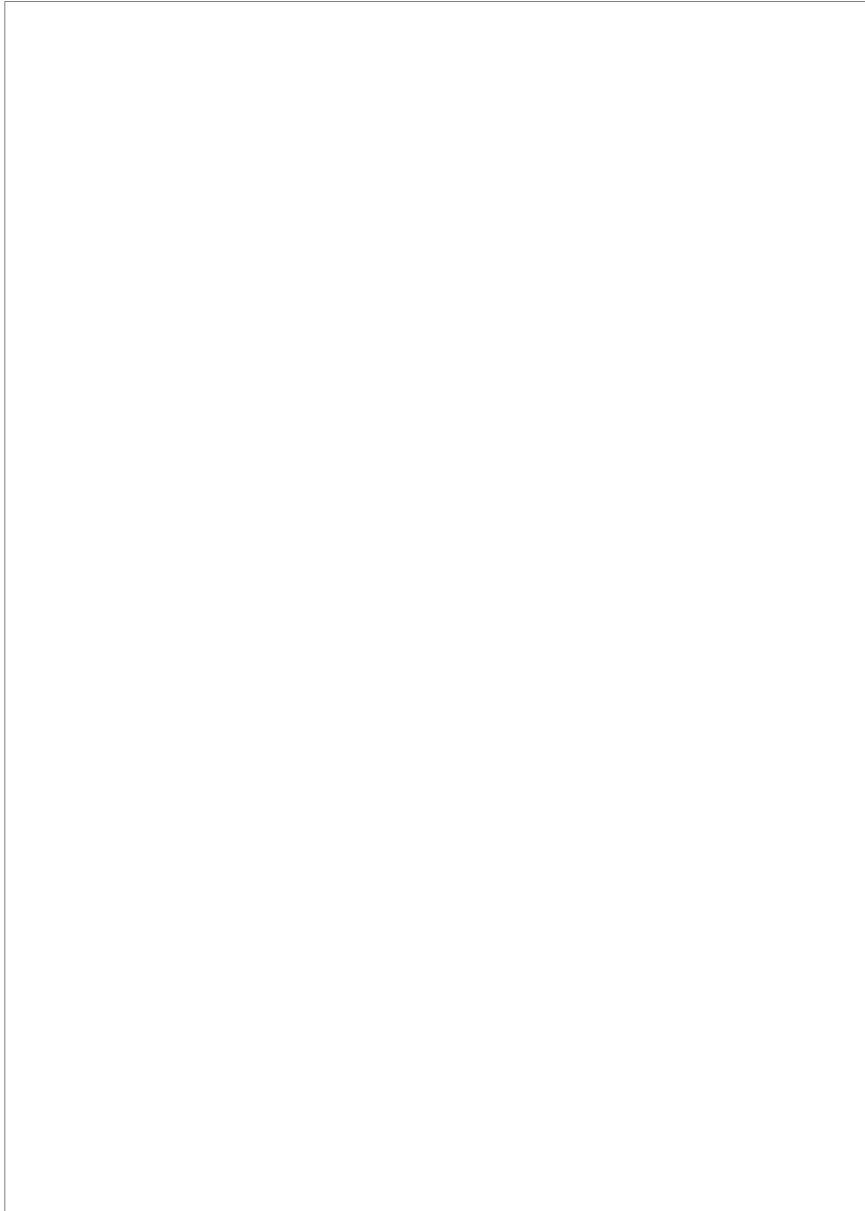
USSR



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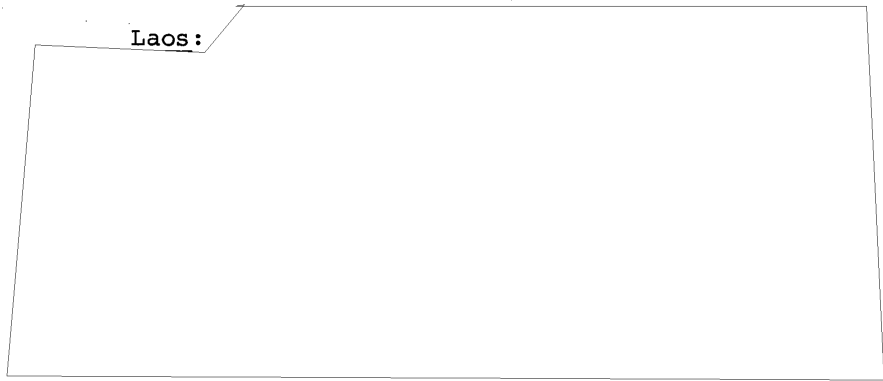


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NOTES

Laos:



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Libya: Esso, Mobil, and BP--the last holdouts among Libya's major oil producers--have signed new tax and revenue agreements with the government. Output in Libya should now reach about the same level as last year, thus reducing the threat to tight West European oil supplies. With the new pacts, Libyan oil revenues are expected to reach about \$1.45 billion in 1972, a 20-percent increase over that realized in fiscal year 1970.

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