

The President's Daily Brief

2 February 1971

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Top Secret

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PRINCIPAL DEVELOPMENTS

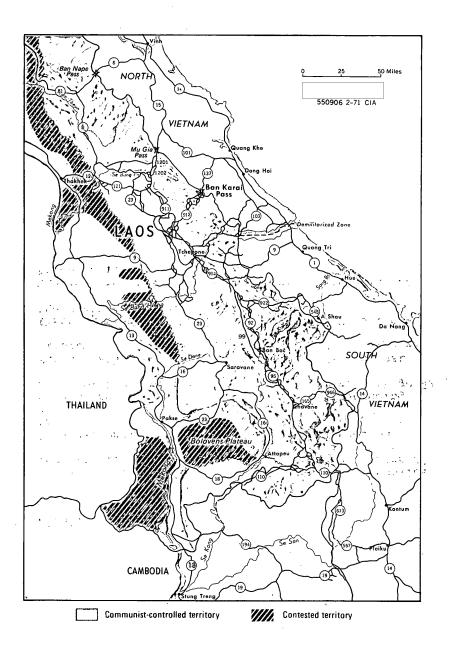
The North Vietnamese moved large amounts of supplies into the Laotian panhandle during January. (Page 1)

International oil negotiations are discussed on Page 2.

France and Germany are close to formally agreeing on a joint training program for jet pilots. (Page 3)

The Secretary General's report on the Middle East situation will be issued today at the UN. (Page 4)

Three Russian ships are steaming toward Cuba from the North Atlantic. (Page 4)



LAOS-VIETNAM

The sharply increased movement of supplies into the Laos panhandle that began in early January continued through most of the month. A message from a unit handling supplies transiting the Ban Karai pass indicates that an average of 140 tons was transported daily during 1-20 January.

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INTERNATIONAL OIL

Yesterday's meeting in Tehran between the oil company representatives and the Persian Gulf members of the Organization of Petroleum Exporting Countries (OPEC) did not develop any significant forward movement. A final attempt will be made today to reach a compromise on the per barrel price the companies will pay the Gulf states.

The British have warned the Iranian ambassador in London that a breakdown in the negotiations would cause "an unfortunate division between producing and consuming countries" and that the "British cabinet would have to conclude that the fault was that of OPEC "



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If no agreement is reached or in sight by 3 February, a general conference of all ten OPEC countries scheduled in Tehran that day will decide the next move. The Shah has threatened to demand even higher terms patterned on the Venezuelan model and OPEC may even impose a temporary cutoff of oil shipments as a punitive measure.

Mockup of New Franco-German Alpha Jet Trainer



Power: 2 turbofan engines creating about 3,000 lbs thrust each length: 40 ft Wing span: 30 ft Takeoff weight: about 10,000 lbs Speed: Mach 0.9 Takeoff run; less than 1,600 ft

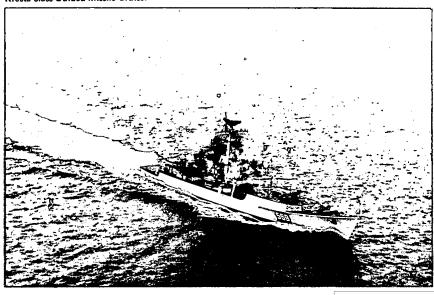
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FRANCE-GERMANY

The French and German governments have reached an "understanding" to train pilots jointly on a new Franco-German jet trainer. According to a French official in Bonn, arrangements will be made for German pilots to shift their basic jet fighter training from the US to France once the "understanding" becomes a formal agreement. Current plans call for 400 of the subsonic jet trainers to be produced, with each country receiving 200 planes.

This program, suggested by the Germans, is one of a number discussed when defense ministers Debre and Schmidt met last October. The pilot training scheme would substantially reduce German dependence on the USAF, although advanced jet fighter training would continue in the US. At present the US trains about 180 Luftwaffe pilots annually.

Kresta-class Guided Missile Cruiser



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NOTES

UN - Middle East: UN Secretary General Thant told Ambassador Yost yesterday that he will issue his report today on the Middle East situation. The report will call on the parties to exercise military restraint during this delicate stage of negotiations and to carry out the 1967 Security Council resolution in its entirety. The latest Egyptian aidememoire addressed to Thant indicates that Cairo would have preferred to have Thant's report explicitly define the cease-fire period as one month with only selective references to the 1967 resolution. Based on their discussions with the Egyptians and the UAR aide-memoire, both Thant and Ambassador Yost believe that the Secretary General's report, supported by some sort of statement from the Big Four on Thursday, will be sufficient to induce the Egyptians to extend the cease-fire for one month even though the time frame is not mentioned in Thant's report.

USSR-Cuba: Three Soviet ships--similar in composition to the force that went to Cuba last September--are currently heading southwest in the North Atlantic. The group is made up of a Kresta-class guided missile cruiser, a submarine tender, and a tanker. The ships are now northeast of Bermuda, and if they remain on their present course they could reach Cuba in about ten days. An N-class nuclear-powered attack submarine has been operating near Bermuda and may accompany these surface ships to Cuban waters.