



*The President's Daily Brief*

26 August 1971

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*FOR THE PRESIDENT ONLY*

THE PRESIDENT'S DAILY BRIEF

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PRINCIPAL DEVELOPMENTS

President Yahya Khan of Pakistan has indicated he favors a meeting between his representatives and a Bangla Desh delegation. (Page 1)

With the visit to Tokyo this week of a leading Chinese specialist on Japan, Peking apparently hopes to capitalize on the favorable "China mood" in Japan. (Page 2)

The latest international economic developments are reviewed on Page 3.

An unusually large number of Soviet ships are involved in a naval exercise in the Black Sea. (Page 4)

Differences within the revolutionary coalition in Bolivia have surfaced. (Page 4)

At annex is an assessment of Sunday's Lower House elections in South Vietnam.

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PAKISTAN

President Yahya Khan, in reply to a "hypothetical" suggestion by Ambassador Farland, said that he would look with favor on an unpublicized meeting in a "neutral" third country between his representatives and a Bangla Desh delegation, should such a possibility develop. Ambassador Farland had informed Yahya on 24 August of recent US contacts in Calcutta with an Awami League representative who said that the group's leaders are interested in a compromise settlement with the government of Pakistan.

*Despite Yahya's statement, negotiations remain unlikely as long as he refuses to consider releasing East Pakistani leader Mujibur Rahman, who currently is on trial in West Pakistan. Yahya is said to have decided against executing the East Pakistani leader, but it is highly unlikely that he would consider halting Mujib's trial and releasing him. Awami Leaguers have said consistently that Mujib would have to participate in any final settlement, and they would probably be reluctant to agree to any talks without prior assurance that his release would at least be a subject for discussion.*

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CHINA-JAPAN

*The visit this week to Tokyo of Wang Kuo-chuan, a leading Chinese specialist on Japan, suggests that Peking hopes to capitalize on the prevailing favorable "China mood" in Japan, and possibly strengthen it. Wang, who is making the trip to attend the funeral of a long-time Japanese advocate of closer Sino-Japanese relations, almost certainly is prepared to meet important Japanese officials, possibly including members of Prime Minister Sato's cabinet; Sato himself has expressed interest in meeting with Wang. The visit no doubt will increase pressures on the Sato government to take new initiatives toward improving Tokyo's relations with Peking. It also could affect current discussions in Japan on how to approach the question of Chinese representation in the UN this fall.*

*FOR THE PRESIDENT ONLY*

INTERNATIONAL ECONOMIC DEVELOPMENTS

The chairman of the Group of Ten continues to urge that the Committee of Deputies meet to discuss currency revaluation prior to the Group's proposed meeting of finance ministers in London in mid-September. The London conference would draft recommendations for changes in exchange rates for the annual meeting of the International Monetary Fund in Washington later in the month. Press reports of an IMF staff working paper on revaluation received a stormy reception in Europe. Suggested revaluations of 15 percent for the yen, 13 to 14 percent for the mark, and seven percent for the French franc and pound were rejected by European officials as being excessively high.

The dollar continued to weaken slightly against most European currencies yesterday. The Japanese yen closed higher as commercial banks reversed themselves and purchased dollars to comply with government guidelines that they maintain certain dollar balances.

FOR THE PRESIDENT ONLY

NOTES

USSR: [redacted] an unusually large number of Soviet ships are involved in a naval exercise in the Black Sea. At least 18 warships, including both of the navy's antisubmarine helicopter carriers, have been noted active in the western area of the Black Sea; naval aviation also was active. Other Soviet military activities in eastern Europe are at seasonal levels

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[redacted] Although apparently not aimed directly at the Romanians, this activity will reinforce Soviet psychological pressures on Bucharest.

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Bolivia: Incipient differences within the political coalition which overthrew the Torres government, reported in The President's Daily Brief of 23 August, have already surfaced. One faction of the Nationalist Revolutionary Movement has called for the party to quit the coalition in protest over President Banzer's suppression of the leftist students. Although it is unlikely that the party's leaders would choose to withdraw after so many years out of power, this kind of bickering could command a lot of Banzer's attention. Banzer also faces the possibility of some dissatisfaction among army officers

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Ceylon: The government, which increasingly fears a renewal of large-scale insurgent activity, has recently imposed nighttime curfews in four additional administrative districts; a nightly five-hour curfew was already in effect in the Western Province, which includes Colombo. [redacted]

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[redacted] insurgent groups have increased kidnappings and other terrorist acts in an effort to obtain guns and money.

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## FOR THE PRESIDENT ONLY

## SOUTH VIETNAM'S LOWER HOUSE ELECTIONS

Government supporters are expected to win a majority of the 159 seats in the Lower House election on 29 August. The high degree of interest in the election has produced sizable slates of candidates from each political party and religious group, with about eight contenders expected to compete for each seat.

Religious groups continue to play a more influential role than political parties in South Vietnam's politics. The An Quang Buddhists are the strongest such group and should be able to elect the largest bloc of opposition candidates in the Lower House. An Quang influence is greatest in Military Region 1, but could be important in some contests in the coastal provinces of MR-2, possibly in Saigon, and in a few areas of MR-3. A strong An Quang showing could result in a more cohesive opposition bloc than exists in the present House. There apparently is dissension, however, between An Quang leadership in Saigon and several local pagodas in the provinces over the choice of candidates, and this may reduce their chances for a strong showing. Several An Quang groups in MR-1 are refusing to support the official church candidate and may split the local An Quang vote between two candidates, thus allowing a government candidate to win.

The influence of the Catholic Church is second only to that of the An Quang. The hierarchy of the church itself--as opposed to the weak and divided Catholic political parties--can be expected to marshal Catholic voters behind chosen candidates, and these should do particularly well in MR-3 with its heavily Catholic population. Candidates in Tay Ninh backed by the Cao Dai church and those with Hoa Hao support in certain areas of the delta are also virtually assured of election.

The political parties have neither the disciplined organizations nor the geographic spread to have much impact, but a few parties, including the Farmers-Workers Party (FWP), which is backed by the Vietnamese Confederation of Labor, may get some of their candidates elected.

Thieu has chosen not to rely on the parties, which he continues to regard with contempt, but to use the government bureaucracy in an all-out effort to ensure a new progovernment majority in the House. Lists of candidates selected for government support have been forwarded to the province chiefs, and it appears in some cases that the province chiefs are using strong-arm tactics to ensure a government victory.

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*District and village chiefs in some areas have been told that their jobs depend on a government victory, and other local officials have been threatened with transfers to less desirable posts. Some military units are reportedly being ordered to vote for government candidates, and in Hue troops may be moved closer to the city in order to vote in local contests. There are reports from scattered provinces of opposition candidates under surveillance by the police, of campaign workers being roughed up or threatened with the draft, and of military personnel in civilian clothes disrupting political meetings. Many opposition candidates are complaining bitterly, and a few have threatened to withdraw.*

*How much of this government pressure reflects the initiative of province chiefs beyond guidelines from the palace is hard to determine. Concerned over their own political futures, they will be sorely tempted to use the enormous leverage they enjoy to produce a satisfactory result.*

*There is no indication that blatant vote-rigging has been ordered by Thieu personally, although he has been determined to deny victory to certain opposition figures. The central government has assisted its favorites with financial backing and in some cases by selecting a constituency where victory seems assured.*

*Government candidates are expected to do well in MR-3 and in the highlands of MR-2 and fairly well in MR-4, so that even in a relatively honest election, the government should be able to secure a numerical majority. MR-1 and Saigon are traditionally antigovernment, and the An Quang may give government candidates a hard race in coastal MR-2 as well.*

*The general disillusionment and unrest already generated by recent developments in the presidential race has clearly increased the danger of a popular reaction against government manipulation of the Lower House election. If, for example, An Quang candidates do badly in centers of Buddhist strength, and particularly if it is obvious that this is due to official interference, widespread protests probably would occur. Under these or similar conditions, some opposition groups might well adopt more militant tactics and take to the streets.*

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