

The President's Daily Brief

3 November 1971

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FOR THE PRESIDENT ONLY

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PRINCIPAL DEVELOPMENTS

President Yahya says he will agree to withdraw Pakistani forces unilaterally from their forward positions. (Page 1)

Prime Minister Sato has taken a much more flexible line on China since the passage of the Albanian resolution. (Page 2)

A new Soviet decree states that the output of selected consumer goods will rise by 90 percent in the next five years. (Page 3)

A high West German official has provided the most explicit statement to date of Bonn's position on mutual force reductions. (Page 4)

The Jordanians are considering seeking a united Arab call for UN sanctions against Israel on the Jerusalem issue. (Page 5)

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INDIA-PAKISTAN

President Yahya told Ambassador Farland yesterday that he would agree to withdraw his forces unilaterally from their forward positions. No specifics of a withdrawal were discussed, but he added that "this doesn't mean that I would pull the troops back into the barracks."

Yahya undoubtedly hopes to encourage US pressure on Prime Minister Gandhi to take similar action. Although Indian Foreign Minister Singh [redacted] said that New Delhi would consider withdrawing if the Pakistanis pulled their troops back, Defense Minister Ram has committed himself publicly that there will be no withdrawal as long as the East Bengal problem remains unsolved.

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The Pakistanis would find it far easier to withdraw on the western frontier than in the East, where border clashes with guerrillas or Indian forces occur daily. If Yahya envisaged returning the troops to their peacetime stations in the West, some of these posts are less than 20 miles from the border and the troops could return in a matter of hours.

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JAPAN-CHINA

With the resolution of the China issue in the United Nations, Prime Minister Sato has publicly stated that Japan wishes to begin official negotiations leading to recognition of the Peoples Republic. He intends to dispatch a high-level Liberal Democratic Party emissary to Peking to pave the way for a visit by either himself or Foreign Minister Fukuda. The ruling party's executive board has reached agreement on a resolution which acknowledges that the Peoples Republic represents China.

In the past week Sato has sounded much more flexible on China relations. In a Diet debate the day after the UN vote he made what the press termed the first formal apology by Japan for its wartime actions on the mainland and said that Peking need have no fear of a Japanese militaristic revival. Two days ago Sato admitted that the logical justification for the 1952 Japan - Republic of China Peace Treaty had crumbled with the UN General Assembly's passage of the Albanian Resolution. While he stated flatly that his government would not abrogate the treaty as a precondition for negotiations with the Chinese Communists, both he and Fukuda have expressed a willingness to consider the treaty a matter for discussion with them.

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USSR

A new party and government decree states that the output of selected consumer goods will rise by 90 percent during the period 1971-1975. It also stresses the need to improve the quality and variety of such goods. Enterprises are to be prevented from cutting production of "items in great demand," and the performance of those producing mainly non-consumer items is to be measured, to a considerable extent, by their production of consumer goods. The decree also provides for the creation of a reserve fund to subsidize the production of those consumer items "having a comparatively low profitability."

The traditional Soviet emphasis has been on heavy industry, and prices and incentives have been tailored toward this goal. Consumer goods production has suffered accordingly. The new decree represents Party Chief Brezhnev's attempt to fulfill a promise he made at the 24th party congress last spring that a program on consumer goods would be forthcoming. As have previous--and unsuccessful--Soviet efforts to satisfy the consumer without reordering basic economic priorities, it relies on direct administrative control of the enterprise rather than on such economic levers as a more rational price system.

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WEST GERMANY

In a conversation with Ambassador Rush late last week, State Secretary Frank provided the most explicit statement of the West German position on mutual force reductions to date. Bonn's most important divergence with Washington, he said, is the belief that the opening phase of negotiations should seek agreement on general principles and on constraining troop movements rather than on immediate reductions. In addition, Bonn believes that the geographic area of the reduction must extend beyond the two Germanies, and that at some stage reductions of indigenous, as well as foreign, troops must be included.

We see increasing signs that the Germans are coming to share French and British skepticism that mutual force reductions could accord with European defense interests. Bonn also appears concerned that Washington's interest in negotiations on force reductions might be dictated by domestic pressures for unilateral withdrawal of large numbers of US troops from Europe.

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UN-JERUSALEM

The Jordanians are mulling over the possibility of seeking a united Arab call for UN sanctions against Israel on the Jerusalem issue, according to several high Jordanian officials. This would be done at a meeting of Arab foreign ministers scheduled to be held in Cairo on 13 November.

Two considerations appear to dominate Amman's thinking. One is that failure to initiate the move on sanctions could result in yielding leadership on this subject to Syria. Jordan also is concerned about Peking's ability to stir Arab animosity toward King Husayn's government. Taking the strong line on sanctions would, according to the Jordanians, result in more Arab support and reduce any immediate impact of activity by Peking.

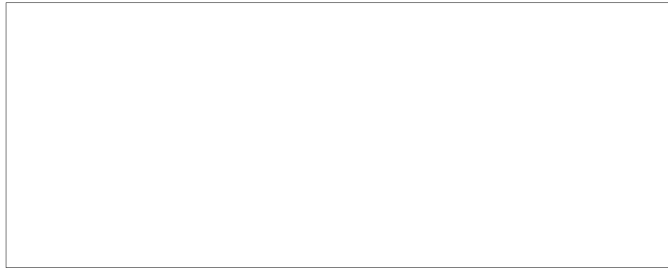
Ambassador Brown suggests that Amman this time may well be willing to risk the prospect of a US veto on sanctions and force the matter to a vote in the Security Council.

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CYPRUS



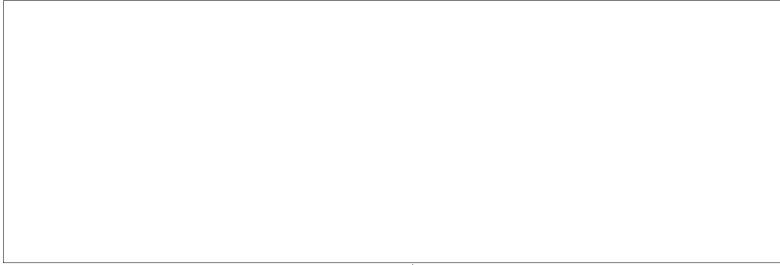
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