

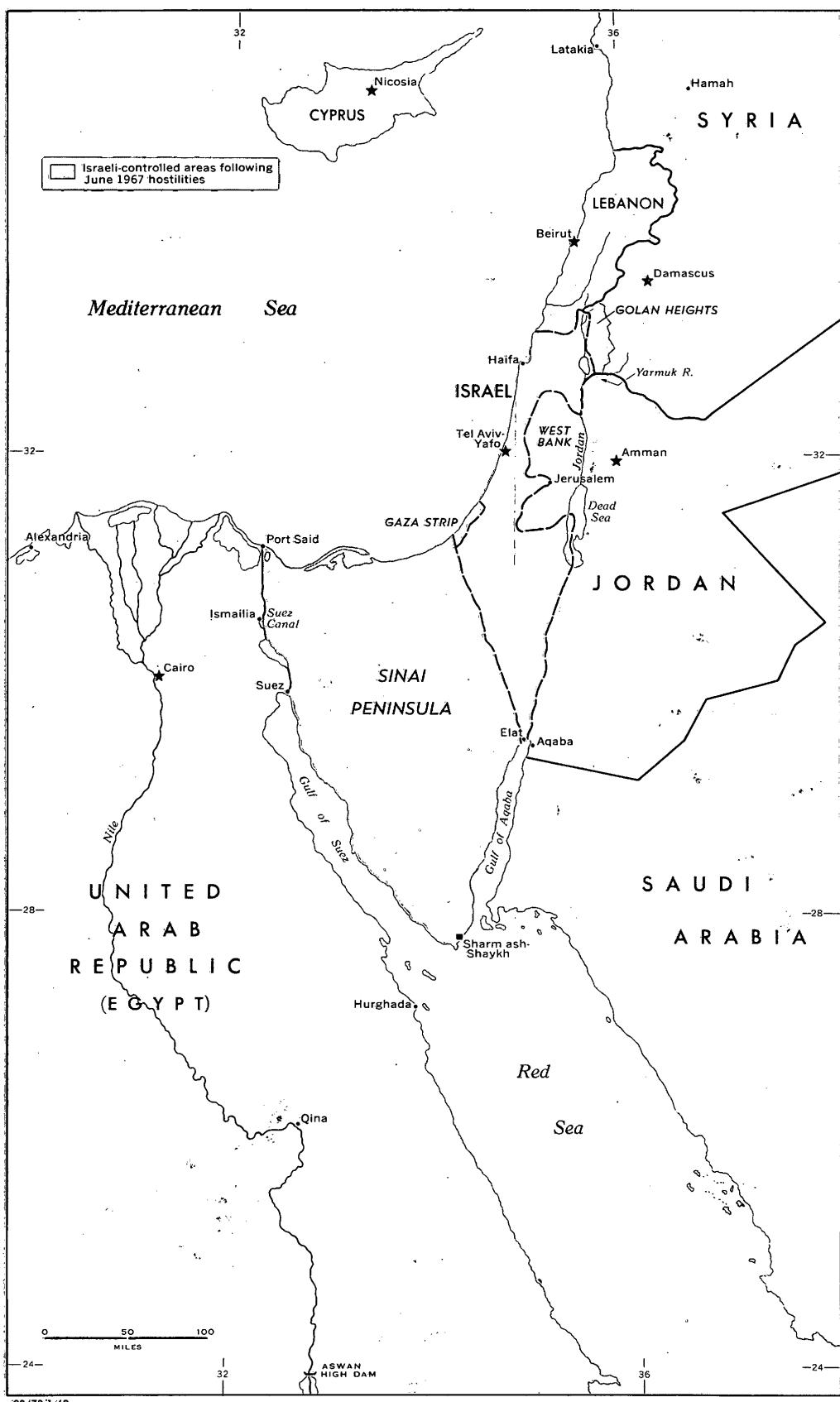
## *The President's Daily Brief*



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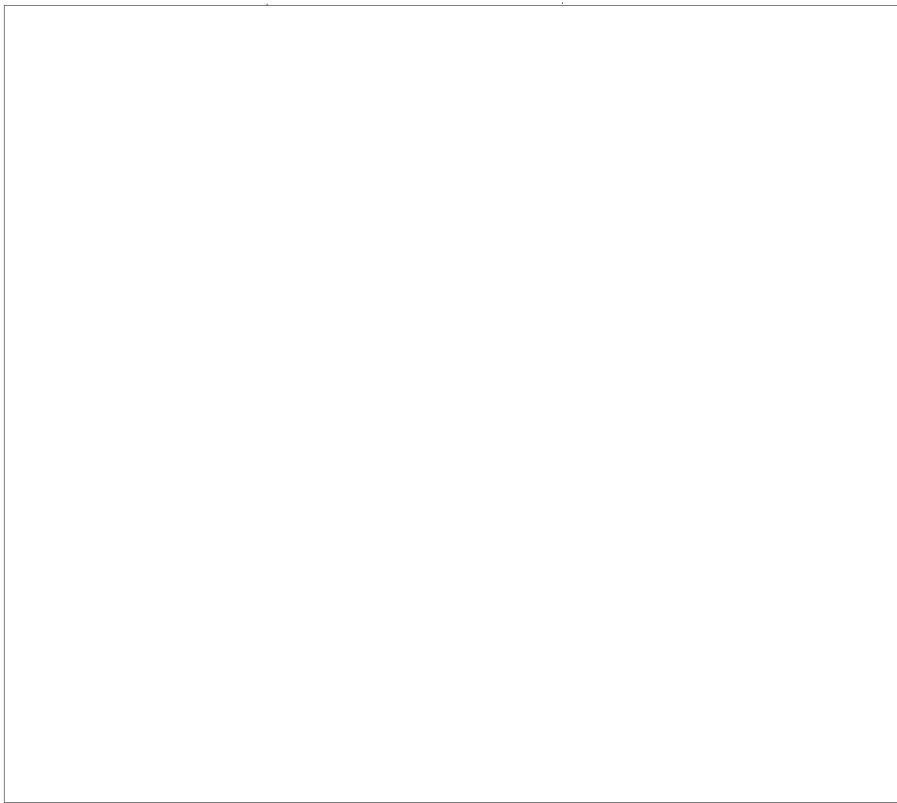
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3 February 1969  
(Morning)



I. MAJOR PROBLEMS

MIDDLE EAST



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Herve Alphand, former French ambassador to the US and now top careerist in the Foreign Ministry, told the US Embassy in Paris Friday that the Quai is developing specific proposals for tabling at the projected four power meeting at the UN. Alphand claimed the Quai has prepared a paper, not yet approved by Debre and De Gaulle, which is

much more precise than the Soviet plan about ways to bring the Arabs and the Israelis together. It provides for guarantees of frontiers, freedom of passage through the Suez and the Gulf of Aqaba, and small rectifications of frontiers "in both directions."

Alphand said he hoped the UK and US would also come to the table armed with specific proposals.

#### EUROPE

The political adviser in the French Defense Ministry has scotched recent press speculation that France is interested in increasing its military ties with NATO. He told an embassy officer that the speculation was probably based on conversation with the "limited number of the French military" who are not in sympathy with De Gaulle's policies. He also said the articles had exaggerated the extent of French interest in participating more extensively in NATO exercises, although he thought a limited increase in this area might be possible.

The adviser, who earlier had hinted strongly at a French desire for some form of nuclear cooperation with the US, did not mention this topic on this occasion.

#### SOVIET AFFAIRS

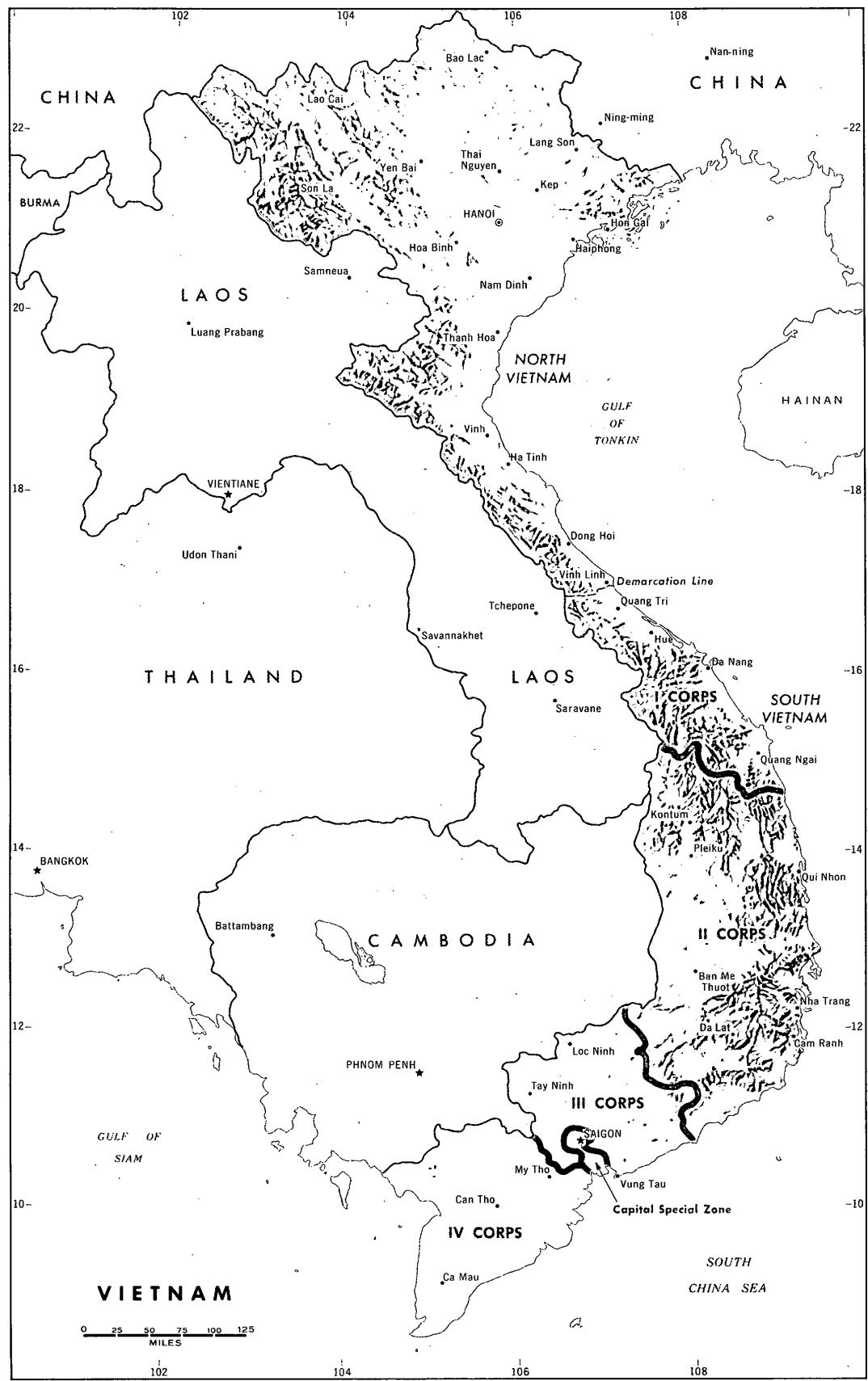
There is nothing of significance to report.

VIETNAM

Because of widespread speculation about special nuances in the North Vietnamese presentation in Paris last Thursday, we reviewed previous Communist statements to see what, if anything, was new in Xuan Thuy's language. We found almost nothing. The most striking point, as reported earlier, was his repeated insistence that political issues must be clarified before military matters can be resolved. The Communists used almost the same language last July, however.

There was nothing new in Xuan Thuy's statement that the DRV's four points and the Front's five points should be the "basis" for a political settlement. The Communists have long hedged their positions with this phrasing. Thuy's lip service to the principle of "self-determination" was somewhat more explicit than in the past, but this, too, has been a recurring theme in the talks. Usually it takes the form of a demand that the US respect the military provisions of the Geneva agreements so that conditions for "self-determination" will be created.

Thuy rendered the third of Hanoi's four points into a demand for "self-determination" in which the Liberation Front's "existence" is acknowledged. This is almost the same formula the Communists put forward last July, when they seemed to drop the demand in point three that a settlement must be "in accordance" with the Front's political program. Although the older, more restrictive language



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is still used frequently, we have long assumed that the Communists have abandoned this totally unacceptable demand. Even their current line calling for a "peace cabinet" in Saigon is a step down from the Front's program, which calls for overthrow and dismantling of the present government.

\* \* \*

In the provinces surrounding Saigon, first line Communist units are continuing to edge closer to key allied target areas.

## II. OTHER IMPORTANT DEVELOPMENTS

### JAPAN

Ten Japanese students invaded the US Embassy in Tokyo yesterday afternoon in what was clearly an attention-getting stunt. They broke several windows and hung banners containing anti-US slogans from the chancery roof before being evicted by the Japanese police. No offices in the embassy were entered, and there were no US injuries.

### VENEZUELA

President-elect Caldera told Ambassador Bernbaum last Thursday that he fully supports Venezuela's claim to the Essequibo region of Guyana. He said that his government

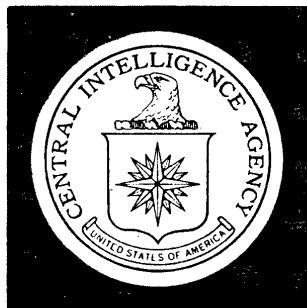
would not resort to military force but that it could not repudiate those Guyanese and Venezuelans who were trying to foment rebellion in Essequibo. He also told the ambassador that the large-scale economic projects now under way in eastern Venezuela need to expand into the disputed region.

All of this confirms our belief that neither Caldera nor any other Venezuelan politician is willing or able to de-fuse the dispute with Guyana.

#### PAKISTAN

More turmoil is in prospect in Pakistan. Leftist leaders and dissident students have already turned down President Ayub's offer to open up a dialogue and have demanded that troops be withdrawn from the major cities. Ayub's speech on Saturday in fact did not live up to its advance billing. He did note that the 1962 constitution could be amended, but we doubt that he is ready to meet the key demands of the opposition that the indirect election system, which virtually assures his re-election early next year, be abolished and that parliamentary government be restored.

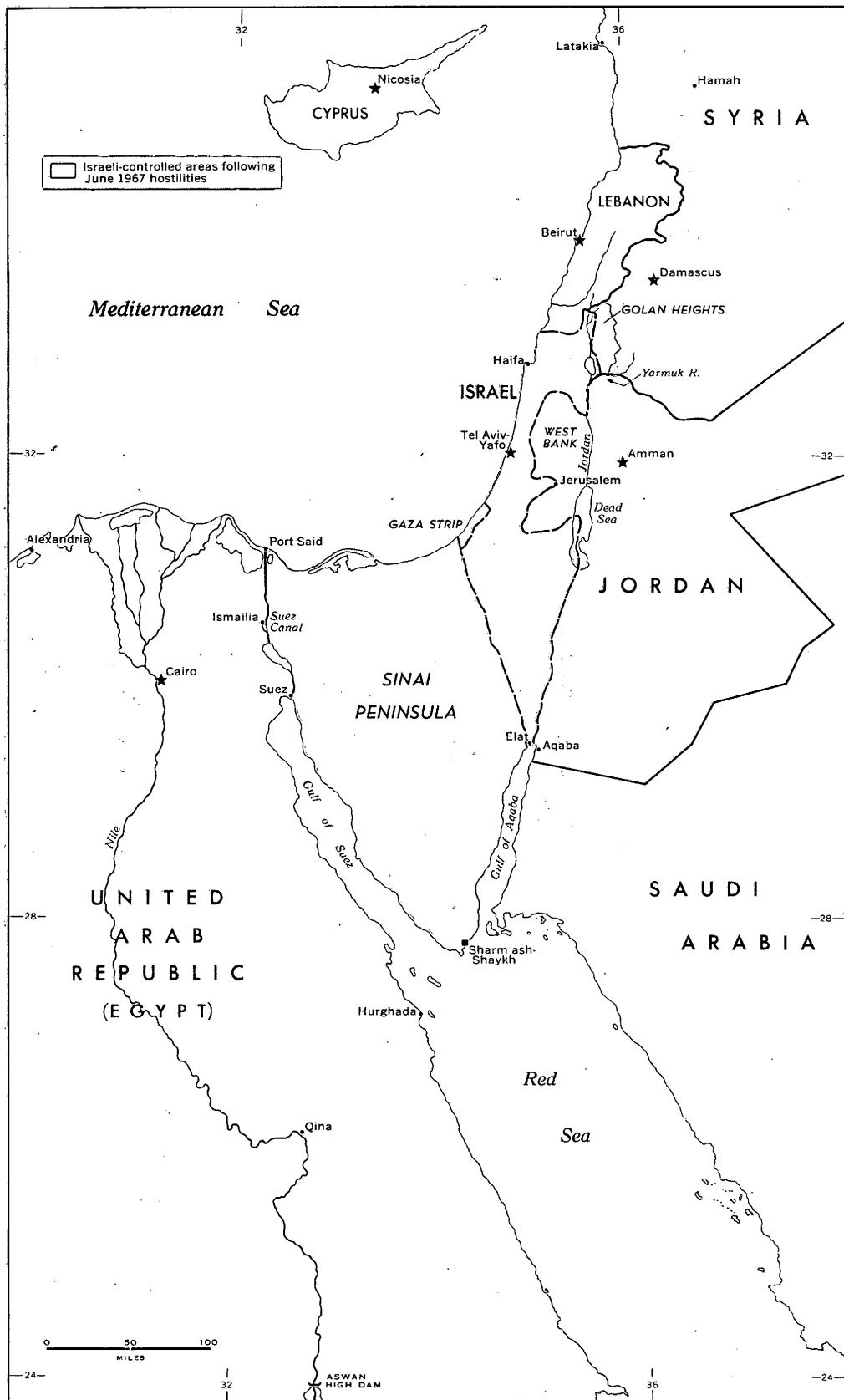
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## *The President's Daily Brief*

*3 February 1969  
(Afternoon)*

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FOR THE PRESIDENT ONLY

4 February 1969

LATE NOTES FOR THE PRESIDENT'S DAILY BRIEF OF

3 FEBRUARY 1969

I. MAJOR PROBLEMS

MIDDLE EAST

The British have told the US UN Mission that the principal topic of discussion between U Thant and Foreign Secretary Stewart Saturday was the proposal for a four-power meeting. Thant made clear he favors the four-power consultations as a way of giving the Jarring mission fresh guidance and impetus.

Thant was dead set against his or Jarring's attendance at these sessions, since he thought neither could avoid being brought into the discussions. He feared this would undercut Jarring's status and make it impossible for the latter to continue. Thant was also lukewarm to Stewart's suggestion that in any event perhaps some UN "observer" could attend, although he did not rule it out completely.

EUROPE

There is nothing of significance to report.

SOVIET AFFAIRS

There is nothing of significance to report.

FOR THE PRESIDENT ONLY

*FOR THE PRESIDENT ONLY*

VIETNAM

There is nothing of significance to report.

II. OTHER IMPORTANT DEVELOPMENTS

IRAN

The Shah is already trying to put pressure on the Consortium. The prime minister, at the Shah's instructions, has warned the ambassadors of the four countries (including the US) represented in the Consortium that unless the \$1 billion in oil revenues is forthcoming next year, Iran will pass legislation either depriving the Consortium of 50 percent of its interests or making "cost oil" available for marketing by the Iranian Government.

HUNGARY

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*FOR THE PRESIDENT ONLY*

## I. MAJOR PROBLEMS

### MIDDLE EAST

There is nothing to Radio Baghdad's claims of massive assaults on Iraqi positions in northern Jordan, but the almost daily Israeli overflights, both for purposes of reconnaissance and to keep the Arabs on edge, help keep tensions high. Occasionally, as was the case today, these overflights draw Iraqi antiaircraft fire.

[redacted]  
[redacted] that this had happened, adding that two artillery positions had been knocked out by subsequent Israeli suppressive fire.

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In other areas along the Jordan River and in a remote area south of the Dead Sea the Israelis have again carried out limited retaliatory air strikes against terrorist positions.

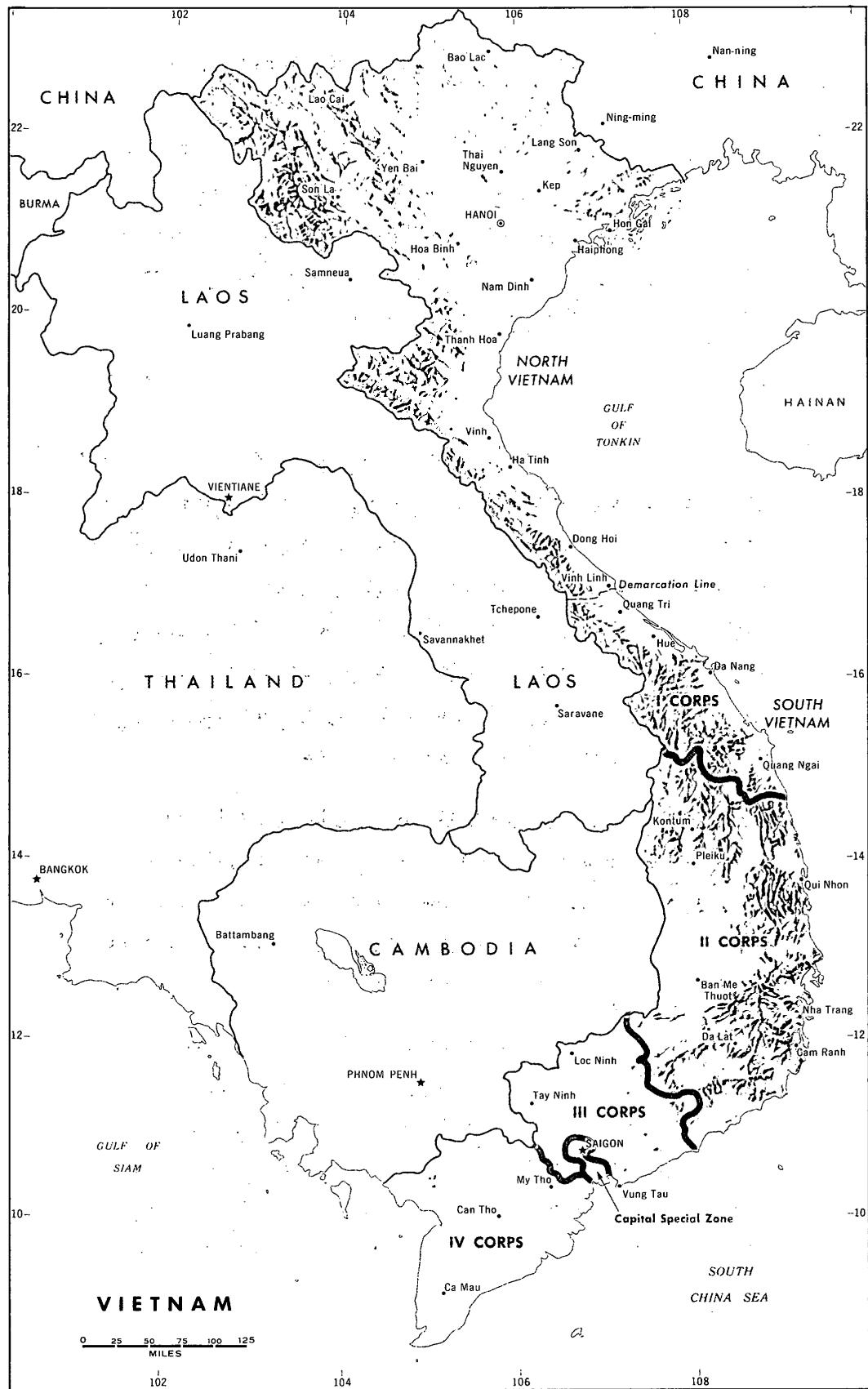
### EUROPE

There is nothing of significance to report.

### SOVIET AFFAIRS

Tito's well-publicized visit to Rumania over the weekend indicates that neither he nor Rumania's Ceausescu have been entirely intimidated by the latest round of pressures from Moscow. We do not yet know much about what was discussed, and the communiqué issued by the two leaders is longer on atmospherics than on substance.

FOR THE PRESIDENT ONLY



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Its careful avoidance of language needlessly antagonistic to the USSR shows their concern with the situation, however, and balances their "determination" to continue on an independent path. Perhaps the best guide to their thinking lies in the promise to deepen economic cooperation, a defensive hedge against more pressures from the USSR and its allies.

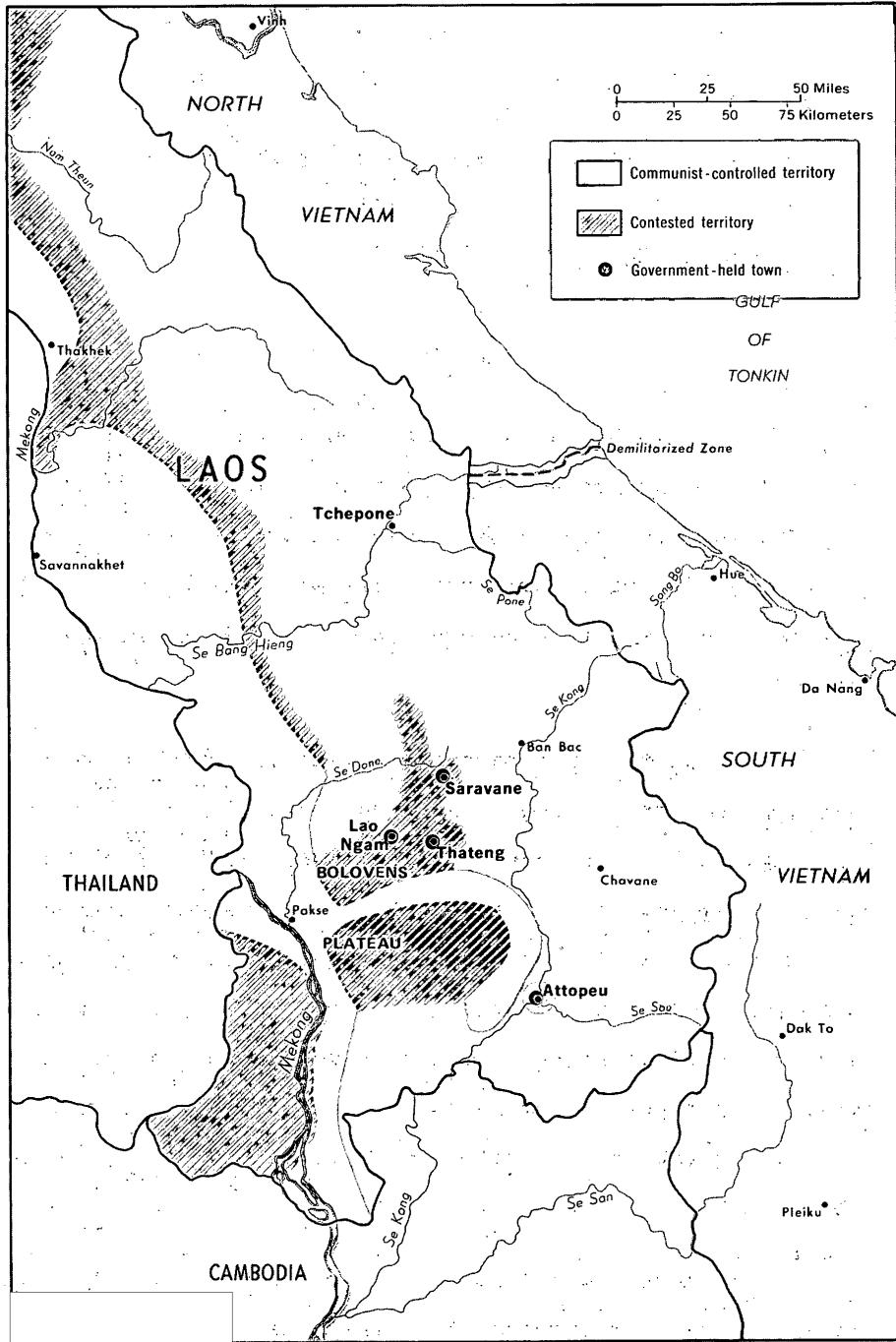
### VIETNAM

There were no new developments over the weekend which point to any impending change in Communist tactics at the talks. There are some signs in recent statements by North Vietnamese leaders that they are somewhat uncertain over just how to proceed. Some of the leaders are evidently urging a major escalation in military activity in the hope of putting greater pressure on the US to take up political issues in Paris.

The politburo, however, cannot be certain of the reaction of the US to another Tet-like offensive or even a major assault somewhat short of last year's Tet effort. Some in Hanoi might argue that such an effort would stiffen the US attitude in Paris.

Current Communist military moves suggest that the enemy is trying to put himself into a position from which he can exercise a fairly wide range of options. These run from a major assault including at least limited sapper attacks and shellings of major urban centers, down to a continuation of the limited kind of action

## LAOS: Current Situation



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we have seen over the past several weeks. On balance, however, some sort of upsurge in enemy activity seems likely before Tet.

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No major military activity has been reported today.

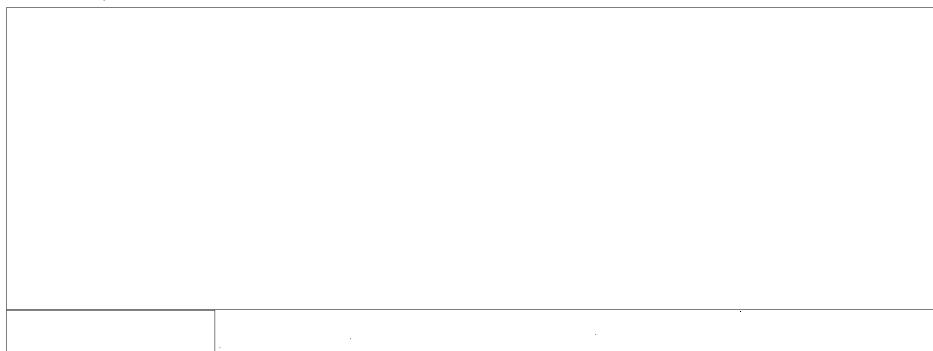
## II. OTHER IMPORTANT DEVELOPMENTS

### LAOS

North Vietnamese forces on Sunday renewed their attacks on the government base camp at Thateng. Although the 400-man garrison repulsed several ground probes, much of the base's barbed wire perimeter was destroyed. It is doubtful that the defenders could withstand an all-out assault.

While most of the recent fighting in southern Laos has centered on Thateng, there are continuing reports of an enemy buildup in other areas of the Bolovens Plateau.

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These latest developments are consistent with the traditional pattern of engagement in the area; probe and fall

back; attack and withdraw. Nevertheless, the already slim resolve of government military commanders in the south is being eroded. Without significant reinforcements from other regions, they may abandon important positions to the Communists, including the politically sensitive provincial capitals of Saravane and Attopeu, and this in turn would shake the aging Souvanna's control of the situation.

### IRAN

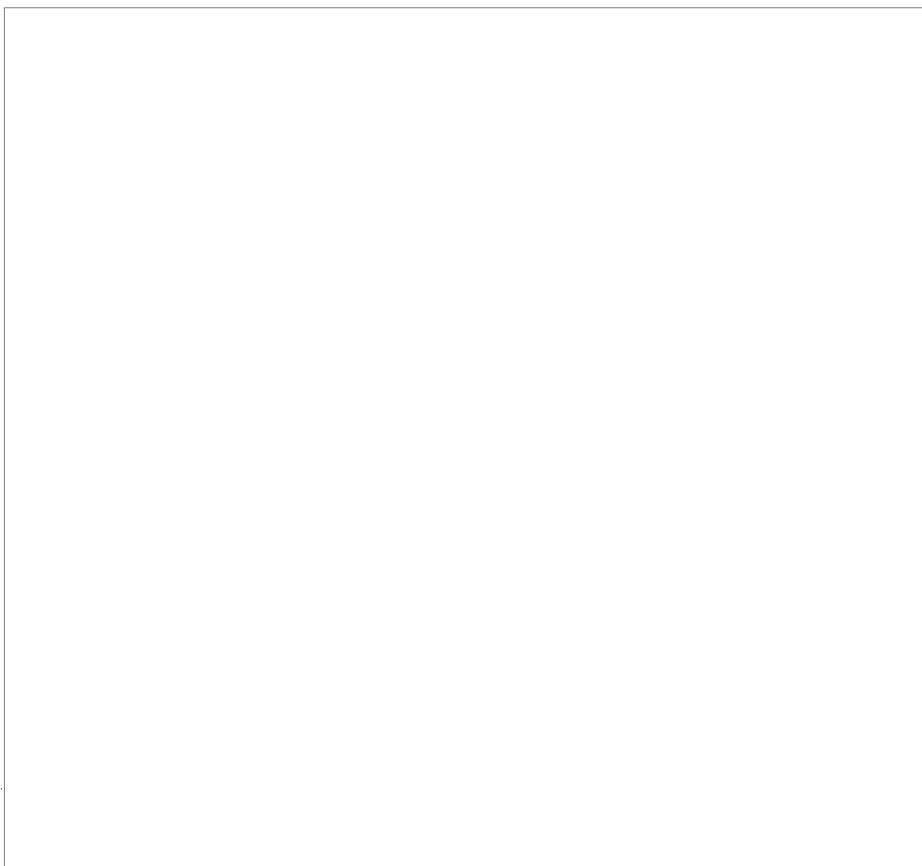
Iran's latest and most ambitious five-year plan, which only began last year, may already be in trouble because oil revenue for the next two years will be lower than anticipated. The plan had been based on expectations of sharply rising receipts from the western Consortium which markets most of Iran's oil. The Consortium (which includes a wide variety of the major companies) now predicts a \$7 million shortfall from a projected \$865 million in the Iranian treasury take this year and \$100 million shortfall next year.

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Because of current sluggishness in world demand for oil and because of the Consortium's heavy production commitments elsewhere, it will be hard put fully to meet the Shah's demands. For his part, the Shah can make a lot of noise and to some extent harass the Consortium, but his freedom of action is very limited.

HUNGARY

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BRAZIL

The government has assumed more dictatorial powers. A new institutional act, signed on Friday, has stripped the Supreme Court of its powers in those areas most sensitive to Brazilian security forces--such as the right to review major decisions of military tribunals. The new decree also reduces the court from 16 to 11 members, and paves the way for governmental decision-making unhindered by judicial interference.

These moves will probably provoke only mild reaction.

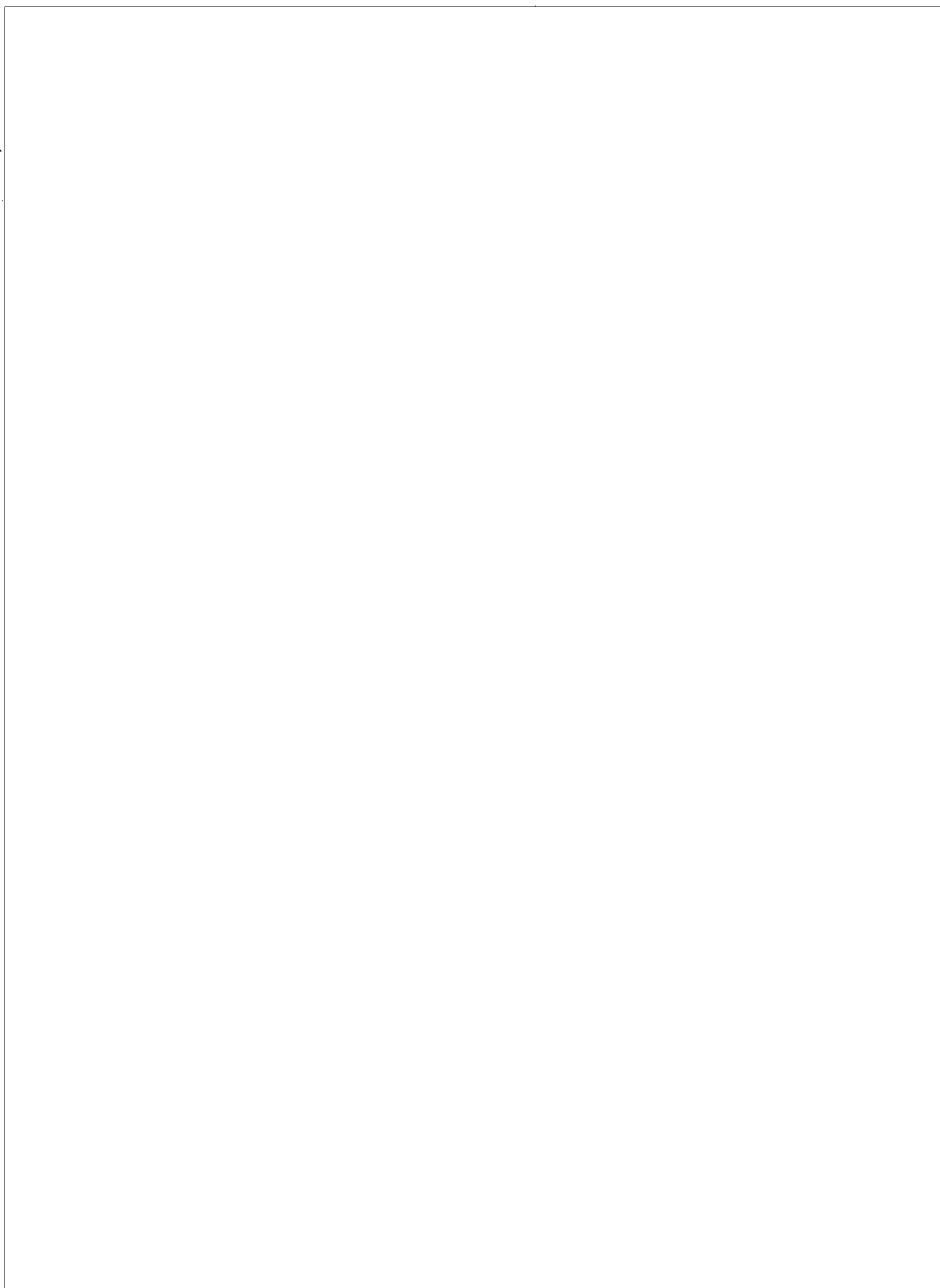
FOR THE PRESIDENT ONLY

COMMUNIST CHINA

The Annex discusses prospects for the talks between  
the US and Communist China in Warsaw later this month.

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## PROSPECTS FOR THE WARSAW TALKS

SIGNIFICANCE: Peking is setting the stage for the next Sino-US meeting in Warsaw--now sixteen days away--with a heavy barrage of anti-American propaganda and a series of violent attacks on the President. It seems likely that the principal objective is to provide a hard-line "revolutionary" background against which the Chinese can resume diplomatic contact with the US, suspended since January 1968, with as little damage as possible to their claim that Communist China is the leader in the world struggle against "imperialism."

\* \* \*

The official Chinese statement issued on 26 November, which set the date for the February meeting, touched off considerable speculation, in the press and elsewhere, that Peking might be considering a fundamental change in policy toward the US. This rested in large part on the reference to the "five principles of peaceful coexistence" in the context of Sino-US relations--the first such mention since 1964. The Chinese declared that agreement on these cryptic and ambiguous formulations was one of two fundamental requirements for progress in settling differences between Peking and Washington. (The other requirement is that the US must "get out of Taiwan.")

It now seems clear, however, that neither the language of the statement nor the Chinese decision to resume the talks had anything to do with a shift in Peking's attitude or intentions with regard to the US. The statement was

FOR THE PRESIDENT ONLY

issued in response to US action in publicizing postponement of the talks--put off by the Chinese for the second time in less than a year. It defensively portrayed the US as obstructionist and sought to present the Chinese as reasonable people willing to go ahead with efforts to work out long-standing problems. The decision to meet with US representatives again appears designed primarily to achieve objectives having little to do with Sino-US relations.

Peking is, of course, interested in probing the attitudes of the new administration. The proposal to hold the next (135th) meeting on 20 February specifically noted that by that time "the new US President will have been in office for a month, and the US side will probably be able to make up its mind." By seeming to take a somewhat more conciliatory position they probably hoped to test US intentions at minimum cost while at the same time preparing the way for new attacks on US alleged intransigence.

A more important Chinese objective is to refurbish Peking's international image, badly tarnished by the excesses of the Cultural Revolution and Red Guard diplomacy during the past three years.

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Last fall Peking reacted comparatively moderately to the Chinese setback in the UN. The Chinese condemned the organization in standard terms but did not disclaim interest in joining it, or threaten to

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FOR THE PRESIDENT ONLY

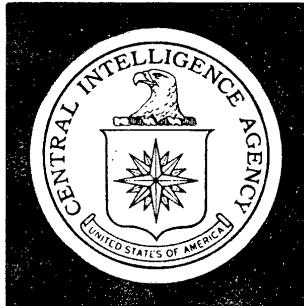
sponsor a new "revolutionary" international body as they did in 1967.

Another probable Chinese objective in agreeing to resume the ambassadorial meetings is to put Peking in a better position with regard to the expanded talks in Paris. While urging the North Vietnamese [redacted] 50X1 [redacted] to avoid negotiations of any sort with the US 50X1 the Chinese could hardly engage in discussions with US representatives in Warsaw. By November Peking apparently concluded that further resistance to the Paris negotiations was futile and decided to back off from a stand which would make it difficult if not impossible for the Chinese to take part in possible multilateral negotiations at a later date.

These indications of tactical flexibility, however, do not appear to foreshadow any change in Peking's basic position. Nothing the Chinese have said or done suggests that they intend at this time to budge from the intransigent stand they have taken on basic issues ever since the talks began in 1955. Peking continues to insist that the US "withdraw" from Taiwan before other problems can even be discussed. It is possible that the Chinese may initiate some procedural maneuvers at the upcoming meeting, calculated to keep alive speculation that Peking intends to adopt a more moderate posture--particularly for the benefit of those states now considering recognition. Beyond this there is likely to be little substance in the Warsaw exchange.

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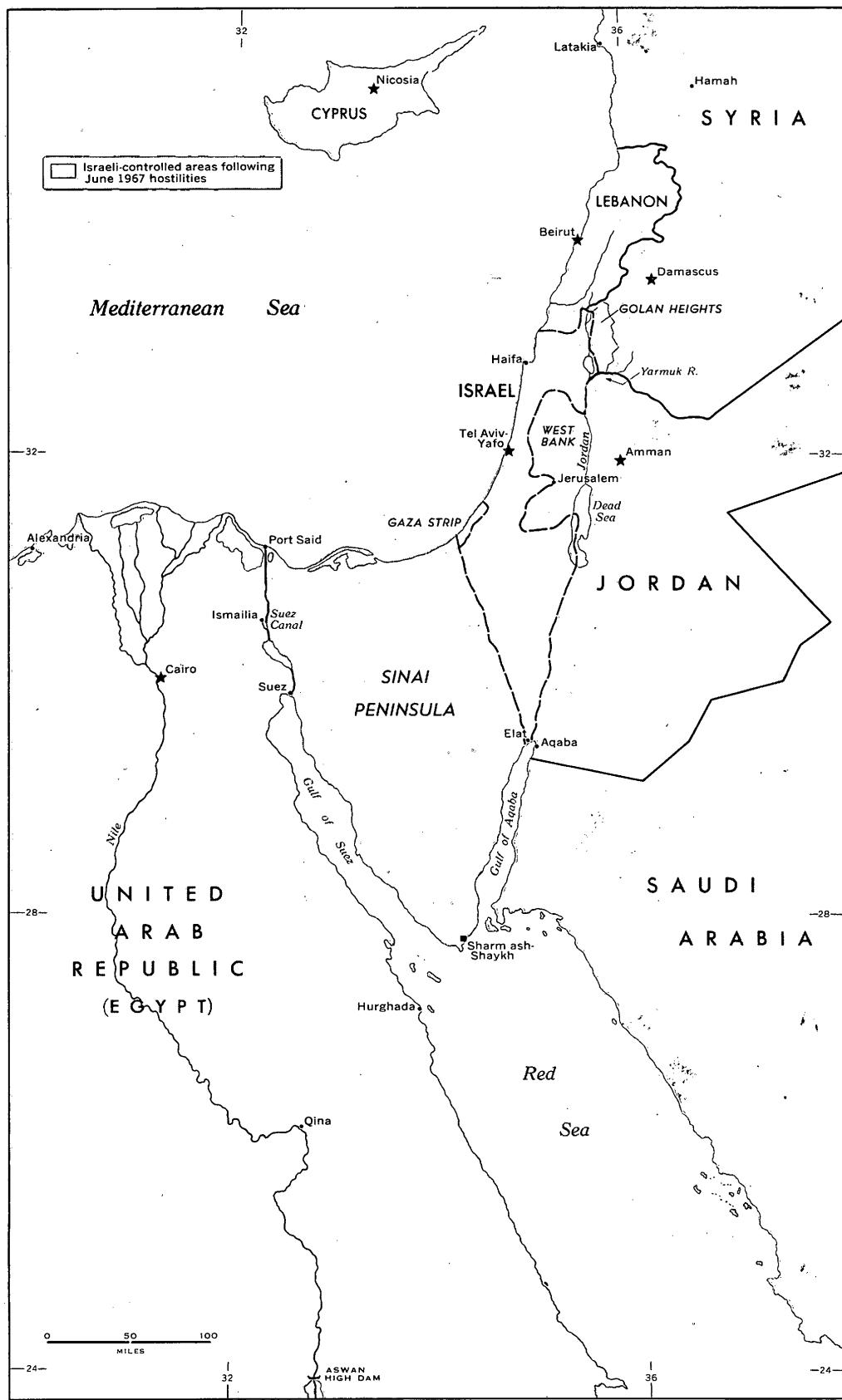
## *The President's Daily Brief*

4 February 1969

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5 February 1969

LATE NOTES FOR THE PRESIDENT'S DAILY BRIEF OF

6 FEBRUARY 1969

I. MAJOR PROBLEMS

MIDDLE EAST

There is nothing of significance to report.

EUROPE

There is nothing of significance to report.

SOVIET AFFAIRS

There is nothing of significance to report.

VIETNAM

Vice President Ky has told Ambassador Lodge that he intends to return to Saigon on Saturday, 8 February. His purpose is to put more pressure on President Thieu to reorganize the South Vietnamese government and in particular to replace Premier Huong.

Ky has been telling American officials for some time that the government of South Vietnam cannot deal effectively with all the problems it will face in a post war competition with the Communists unless the cabinet is strengthened. In

FOR THE PRESIDENT ONLY

Ky's mind, strengthening the cabinet means ousting his personal enemy Huong and several other cabinet members and replacing them with Ky's own supporters.

[redacted] 50X1

## II. OTHER IMPORTANT DEVELOPMENTS

### CANADA

The Canadian Ambassador in Washington said yesterday his government is considering advancing the timing of its initial contact in Stockholm with the Chinese Communists from 7 February to today, in view of press leaks in Japan about the intended approach. There would also be an acceleration of the public announcement, originally planned for 10 February.

[redacted] 50X1

### CUBA

Havana, in reply to US queries, has given the Swiss a note setting out its views on the hijacking problem and the use of Miami-Varadero flights by Cubans wishing to return to Cuba. The main points are:

--The Cubans are not willing to approve unrestricted entry of all Cubans who might wish to return home from the US; they are willing to consider any list of names given them, but in no case could any person who left Cuba illegally be permitted to return.

--The Cubans would be willing to permit passengers on hijacked planes to return to the US on the same plane provided the crew, airlines, and US authorities are willing to take all responsibility.

--Havana does not consider it possible under present circumstances to conclude a bilateral agreement with the US.

--If the problem continues, Havana will consider taking any measures it considers appropriate to resolve it "in an adequate and just manner."

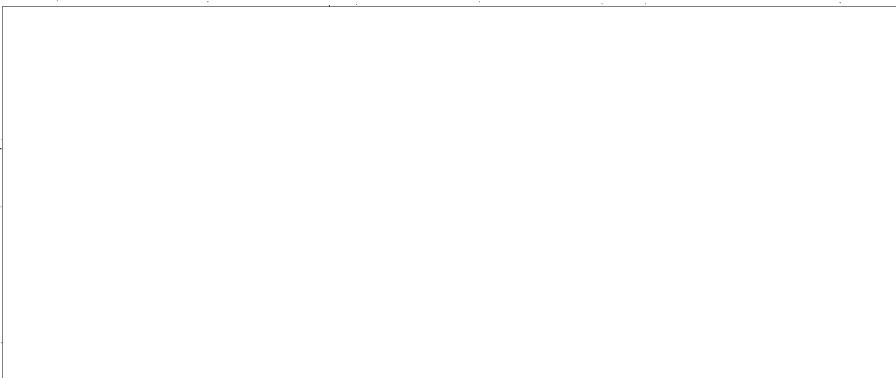
In a subsequent conversation with the Swiss Ambassador, Castro's main argument was that the US is to blame for the hijacking problem, since hijackers were usually individuals who had left Cuba illegally, and the US had encouraged this by receiving such people with open arms.

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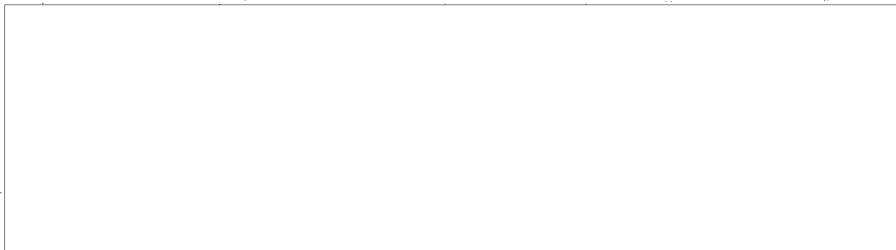
## I. MAJOR PROBLEMS

### MIDDLE EAST



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The influential Jerusalem Post, which often reflects Israeli Government thinking, recently suggested that for any meaningful settlement Israel might better deal with the terrorists than the Arab governments.



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The fact that nothing came of last month's Jordanian economic mission to Moscow was, oddly enough, pleasing to both sides. Both, for reasons of their own, went through the ritual of negotiations, seemingly only for purposes of arriving at a congenial communiqué. The Soviets, of course, were interested in preserving their

*FOR THE PRESIDENT ONLY*

image as friends of the Arabs. The Jordanians apparently wanted to make their Western friends nervous about their future orientation, as well as to see if the Soviets could be induced to give them something for nothing.

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## EUROPE

There is nothing significant to report.

## SOVIET AFFAIRS

The Soviets' failure to orbit a weather satellite on 1 February leaves their program limping, with only one active monitoring system in orbit--and its useful lifetime is probably about over. This will make it more difficult than ever for Moscow to live up to its obligations under a series of US-USSR agreements dating back to 1962 for timely exchange of meteorological data.

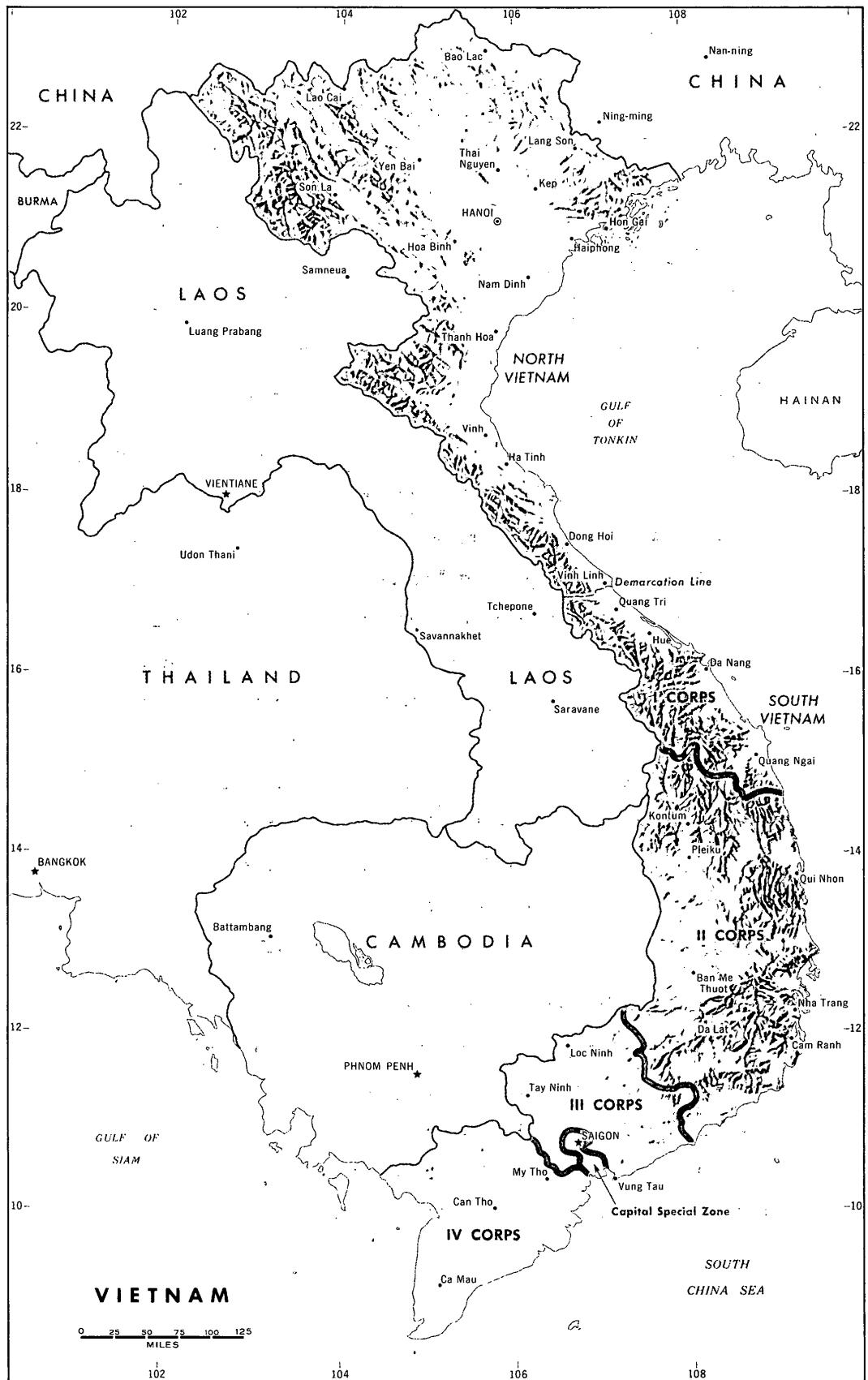
The first successful Soviet weather satellite was not orbited until 1966, a year after the date set in the agreement for exchange of information. Since then, the USSR has sent only limited data to the US, most of it late and of poor quality.

VIETNAM

A preview of Hanoi's initial substantive position in the Paris talks may have been surfaced in Ambassador Lodge's conversation with Soviet Ambassador Zorin in Paris on 31 January. We share Ambassador Lodge's view that the Soviets are right on top of events in Paris. In fact, it seems likely that Zorin was leading with openers suggested by the North Vietnamese.

He suggested that the US should take the initiative by starting to pull out US troops and then consider political matters. On the latter, Zorin baldly suggested that Lodge should use his "influence" in Saigon to bring about changes in the government so that talks could move forward. This is a fine scenario from the Communist point of view and precisely parallels their propaganda line about a "peace cabinet" and the need for the US to end its "aggression" as a first step toward a settlement. Hanoi almost certainly believes, however, that it will have to climb down from this position eventually. Zorin's comments were another attempt to stake out a maximum position at the outset of the talks.

The Vietnamese Communists seem concerned about the implications of partial US troop withdrawals prior to some understanding on broader political issues. They would, of course, like to see the US withdraw unilaterally and completely without making the Communists pay a price in return. But not only do they realize that this



is unlikely they also seem apprehensive about suggestions that the US plans only a gradual withdrawal of its forces as the South Vietnamese take over the main part of the job. They realize that if this changeover were successfully executed, it would undercut what they consider to be an element of prime leverage on the US--domestic US pressure for political concessions to the Communists in order to end the war and get US troops home. Le Duc Tho told Ambassador Harriman last month that the Communists would have none of this, and he strongly implied they would try to prevent it with military force if necessary. A recent Hanoi broadcast concludes on a similar note by saying that the US cannot "de-Americanize" the war.

\* \* \*

Ground activity remained at a generally low level yesterday. One rocket round landed in the Hue Citadel.

## II. OTHER IMPORTANT DEVELOPMENTS

### KOREA

North Korea may be readying more guerrilla groups to infiltrate the South. We have indications [redacted] 50X1 [redacted] that approximately four 15-man teams are taking 50X1 operational training. These may be the same four that trained earlier with--but did not accompany--the eight teams that landed on South Korea's east coast in November.

### PANAMA

The current situation in Panama is the subject of today's Annex.

### PERU

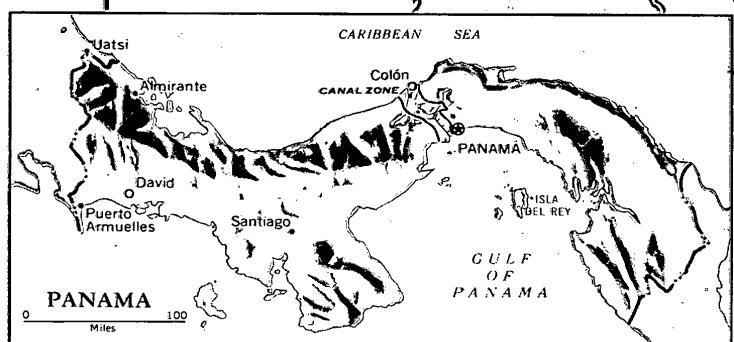
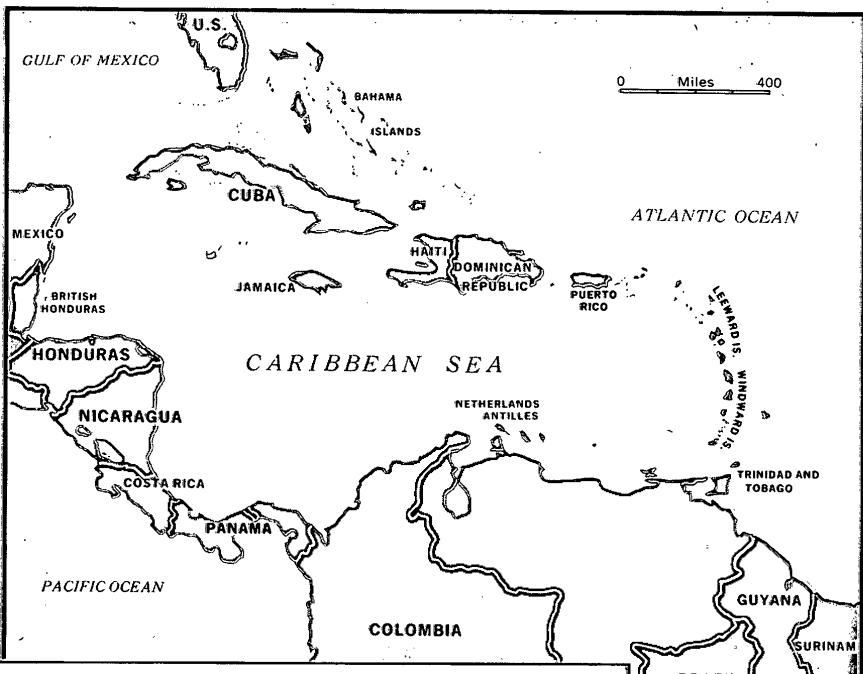
Some government officials have finally become convinced that the danger of US sanctions in the dispute over the expropriation of the International Petroleum Company is real, and the government is trying to trim its propaganda sails accordingly. [redacted] 50X1 [redacted] 50X1

To us this seems in large measure a cosmetic change.

We believe Velasco and his nationalistic advisers are too heavily committed to the prosecution of their case to make any significant concessions on the substance of the dispute itself. [redacted]

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PANAMA\*

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SIGNIFICANCE: Panama, closely linked to the US by its dependence on benefits from the interoceanic canal and the sizable US presence on the isthmus, is currently saddled with the first direct military government in the 65-year history of the republic. US relations with the junta government have been correct but cool since the coup last October and economic assistance, programed at about \$20 million in FY 1969, has been resumed only on a limited scale. The government has not been anti-American but the colonels now in control are likely to be more nationalistic--and thus more difficult to deal with--than their civilian predecessors. Prospects for the draft canal treaties look exceedingly dim at this point.

\* \* \*

Internal Political Situation

The Panamanian political system, long dominated by a small group of wealthy and often warring families, almost broke down during a series of crises last year associated with the chaotic election that brought Arnulfo Arias to the presidency for a third time. After only eleven days in office Arias was ousted--as he had been twice before--by a military coup when he attempted to dislodge opponents in the ranks of the National Guard, the country's only military and police force.

Power relationships in Panama are still extremely fluid. The 5,000-man guard is now struggling with the unfamiliar task of running a government. Colonels Torrijos and Martinez,

\*A Special National Intelligence Estimate (Number 84-69) entitled "The Situation in Panama" was approved by the US Intelligence Board on 30 January 1969.

FOR THE PRESIDENT ONLY

guard commandant and chief of staff respectively, were the authors of the coup, and the reins of authority within the government have rested almost exclusively with them from the beginning.

Both men have publicly given an appearance of unity, but there are recurring reports of rivalry between them. Both are ambitious, though Martinez seems to be more aggressive and has adeptly placed his followers in key command positions. [redacted]

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Torrijos and Martinez have both expressed antipathy for the country's wealthy oligarchy, whose privileged political position has diminished considerably since the coup. However, the strong call for reform espoused by the government appears to stem principally from Martinez, who has a reputation for honesty that is rare in Panamanian politics. A government dominated solely by Martinez would probably push the pace of reform, making coexistence between the upper-class elite and the military establishment more tenuous. Torrijos is more prone to deal with the old-line politicians and less inclined to press for wholesale changes. Martinez, on the other hand, would probably resort to strong-arm methods to get what he wanted.

Since the military take-over, the government has issued a number of pronouncements on intended reforms, but its program to date has been vague and one of improvisation.

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FOR THE PRESIDENT ONLY

Indeed, there are no indications that the colonels as yet have a well-defined concept of what they seek to accomplish under their military-directed "revolution." Elections of some sort have been promised in 1970, presumably after the electoral machinery has been overhauled to clean up the gross manipulation practiced by the oligarchy in past elections. The outlook for an early return to anything approaching a democratically functioning political system, however, appears bleak.

Panamanians have long regarded the military with considerable disdain, and the junta government has had little success in eliciting popular support. Indeed, almost all opposition has been either curtailed or crushed. Political parties have been intimidated and neutralized, stringent controls have been laid on the country's news media, and the two largest educational institutions have been shut down to thwart possible student disorders. Panama's small and disorganized extremist groups have been suppressed, and the government has publicly disavowed Communism or any other extremist ideology.

Consequences for the US

In this inherently unstable situation, the US is exposed because of the canal. Panama's leaders know that the US stake in the present lock canal and in any future sea-level canal can be used as a lever to apply pressure on Washington. It is doubtful, however, that the government would encourage blatant anti-Americanism except as a last resort. Only if confronted with serious political

or economic difficulties would the military leaders risk using the inflammatory canal issue to deflect criticism from themselves. The guard officers are surely aware that if they stimulated the public over some real or imagined issue involving the canal they would be riding a tiger.

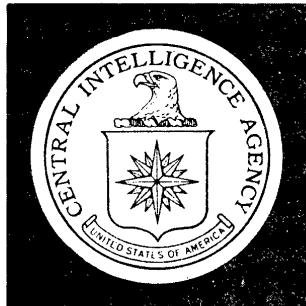
An aroused populace could easily get out of hand and threaten the junta's rule.

Differing concepts regarding the future of the canal underlie all relations between the US and Panama. The current government has taken no stand on the draft treaties negotiated by the Robles government during 1964-67, probably because it recognized that the US Government, beset with political problems of its own regarding any diminution of its exclusive rule of the canal, would not settle such a basic matter with a nonconstitutional government. Moreover, the new and inexperienced leadership probably does not feel secure enough at present to raise the complex and controversial treaty issue. The Robles treaty drafts were widely criticized in Panama when details were leaked in 1967. If the junta government accepted these drafts, it would be open to charges of selling out to the US. The colonels may be content to let the matter ride until a new legislative assembly is restored under some kind of constitutional trappings. In this case, however, the successor government would push hard Panama's long-standing demands for a larger share of canal revenues and the exercise of sovereignty over the zone. In the meantime, the junta may seek to attain through executive agreement concessions of immediate interest to Panama, such as transfer of some canal zone properties or an increase in the present annuity of \$1,930,000.

Thus far, the military government has professed friend-ship toward the US. Some resentment over aid restrictions will probably continue and the current US position of restraint is likely to be reciprocated. Barring some unfore-seen incident--always possible given the extent of the US presence in the country--no abrupt deterioration in rela-tions is likely. The government may seek to demonstrate its independence from the US to gain more popular support, but the current leadership is not likely to go as far as the Peruvian junta.

While a more nationalistic attitude can be expected in dealings with the US, there are indications that the guard wants to restore the full flow of economic assist-ance. There is no reason to believe, however, that the junta would be particularly responsive to US pressure for an early return to elected government. Reduction or pro-longed delays in US assistance could damage business confi-dence, increase economic difficulties, and encourage po-litical opposition. This, in turn, might provoke the colonels into adopting an even more independent stance, which would strain traditionally close ties between the two countries and perhaps prompt the government to resort to blackmail against the US by threatening disorders against the canal.

*Top Secret*



## *The President's Daily Brief*

5 February 1969

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**TOP SECRET**

LATE NOTES FOR THE PRESIDENT'S DAILY BRIEF OF

5 FEBRUARY 1969

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**TOP SECRET**

6 February 1969

LATE NOTES FOR THE PRESIDENT'S DAILY BRIEF OF  
5 FEBRUARY 1969

I. MAJOR PROBLEMS

MIDDLE EAST

There is nothing significant to report.

EUROPE

The Soviets have taken a hard stand against any West German proposals for a deal under which Moscow would renounce "rights" it has already asserted to intervene in West German affairs under the Potsdam accords and the United Nations charter, in return for Bonn's signature of the nonproliferation treaty. [redacted]

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[redacted] until a German peace treaty is concluded, the Soviets will continue to regard both documents as the basis for their relations with Bonn. [redacted]

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\* \* \*

In West Germany, a parliamentary controversy has arisen over recent criticism of certain aspects of the nonproliferation treaty by two ranking diplomats, one the Foreign Office's commissioner for disarmament. The matter has taken a strong political coloration; the Socialists are critical and the Christian Democrats are defending the diplomats. The leader of the small Free Democratic Party also is critical. He told US Embassy officers on 5 February that his party is solidly in

FOR THE PRESIDENT ONLY

favor of West German signature of the treaty. [redacted]

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[redacted]  
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\* \* \*

The Socialists yesterday apparently reneged on an earlier promise to support Kai-Uwe von Hassel, a Christian Democrat, as the new president of the West German parliament. Von Hassel won anyway, by two votes, but he had to rely on votes from the Free Democrats, who are not in the grand coalition. This looks like yet another reason for a loosening--if not dismemberment--of the coalition prior to elections later this year. [redacted]

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[redacted]  
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#### SOVIET AFFAIRS

There is nothing significant to report.

#### VIETNAM

The Viet Cong Radio announced today that another US prisoner would be released during the Tet holiday, which occurs from 17 to 19 February. The captive is said to be John A. Kuhman, a US soldier who was born in West Germany. The Viet Cong may be planning to make a propaganda issue out of his birthplace. (Reuters, Saigon, 6 Feb 69)

\* \* \*

*FOR THE PRESIDENT ONLY*

The press also reports that two terrorists bombed  
a local civil guard headquarters in Saigon today. We  
expect more of this type of attack as Tet approaches.

(Reuters, Saigon, 6 Feb 69)

## II. OTHER IMPORTANT DEVELOPMENTS

There is nothing of significance to report.

*FOR THE PRESIDENT ONLY*

## I. MAJOR PROBLEMS

### MIDDLE EAST

There is nothing of significance to report.

### EUROPE

As we had expected, the debate in West Germany over the nonproliferation treaty is heating up and is threatening to spill over into this year's election campaign. Brandt downgraded the arguments against the treaty last week in an article put out by his party's press service, and CDU and CSU leaders have been rebutting him ever since. The CSU, with Franz-Josef Strauss himself in the van, is particularly vehement and comprehensive in its objections. We assume that one motive behind Bonn's urgent requests for a US demarche to the Soviets is a desire to have the issue resolved as far as possible in advance of the elections next fall.

\* \* \*

Moscow has made a bit more headway in its efforts to head off the meeting of the West German Federal Assembly in West Berlin. Soviet Ambassador Abrasimov has managed to dent Mayor Schuetz's belief that the meeting would not stimulate any major Communist countermeasures.

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Ambassador Tsarapkin

will doubtless be trying to drive the wedge in farther in his upcoming talk with Brandt at the latter's Black Forest retreat.

*FOR THE PRESIDENT ONLY*

The Soviets may be having troubles of their own, however. Deputy Foreign Minister Semenov met yesterday in Berlin with high East German leaders, probably to go over several issues--including the Assembly meeting--on which Soviet and East German policies differ. We will probably hear more noise from the Soviets about the Assembly in the future, although not as much as Pankow would like.

At the moment we still expect the meeting to be held in Berlin as planned.

#### SOVIET AFFAIRS

For the past three weeks there has been a sense of unease in Moscow concerning the situation in the Kremlin. The factor contributing most conspicuously to this unease has been Kosygin's long absence from his desk (he was last seen publicly on 20 December). [redacted]

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Brezhnev has not been seen in public since 22 January,

[redacted]  
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[redacted] Another member of the Politburo, Kirilenko, has 50X1 been out of sight since 13 December. Other members of the Politburo have filled in for them, resulting in unusual public exposure for Shelepin, among others. As an ambitious "junior" who is believed to have made an unsuccessful attempt in 1965 to topple some of his elders, Shelepin's activities are always the subject of special interest.

The uncertainty has also been heightened by the regime's silence, since its initial terse announcement, concerning the attack on the cosmonaut motorcade on 22 January. Soviet citizens have been speculating wildly. Some fear the incident was a secret police provocation by which to justify a crackdown on political nonconformists, while others believe the attack was against the Soviet leadership rather than the cosmonauts.

The Soviet press has recently carried several articles expressing dissatisfaction, in veiled terms, with the way in which the leadership has been exercised. These articles are not unprecedented, but their appearance during this period of uncertainty has contributed to the over-all sense of unease.

We have no good information on the forces behind these articles or on their intended targets. We suspect, however, that individual members of the leadership may be jockeying for position, perhaps with an eye to the possibility that Kosygin may not return to duty.

The Annex today provides some background on the current relationships among the Soviet leaders.

\* \* \*

The Soviets are concerned, as we are, that Ayub's position is shaky and that his fall could only mean confusion, instability, and an opening for the Chinese. They clearly want to preserve the status quo on the subcontinent and probably hope to maintain the advantage over the US and Communist China they feel they attained after the settlement of Tashkent in 1965.

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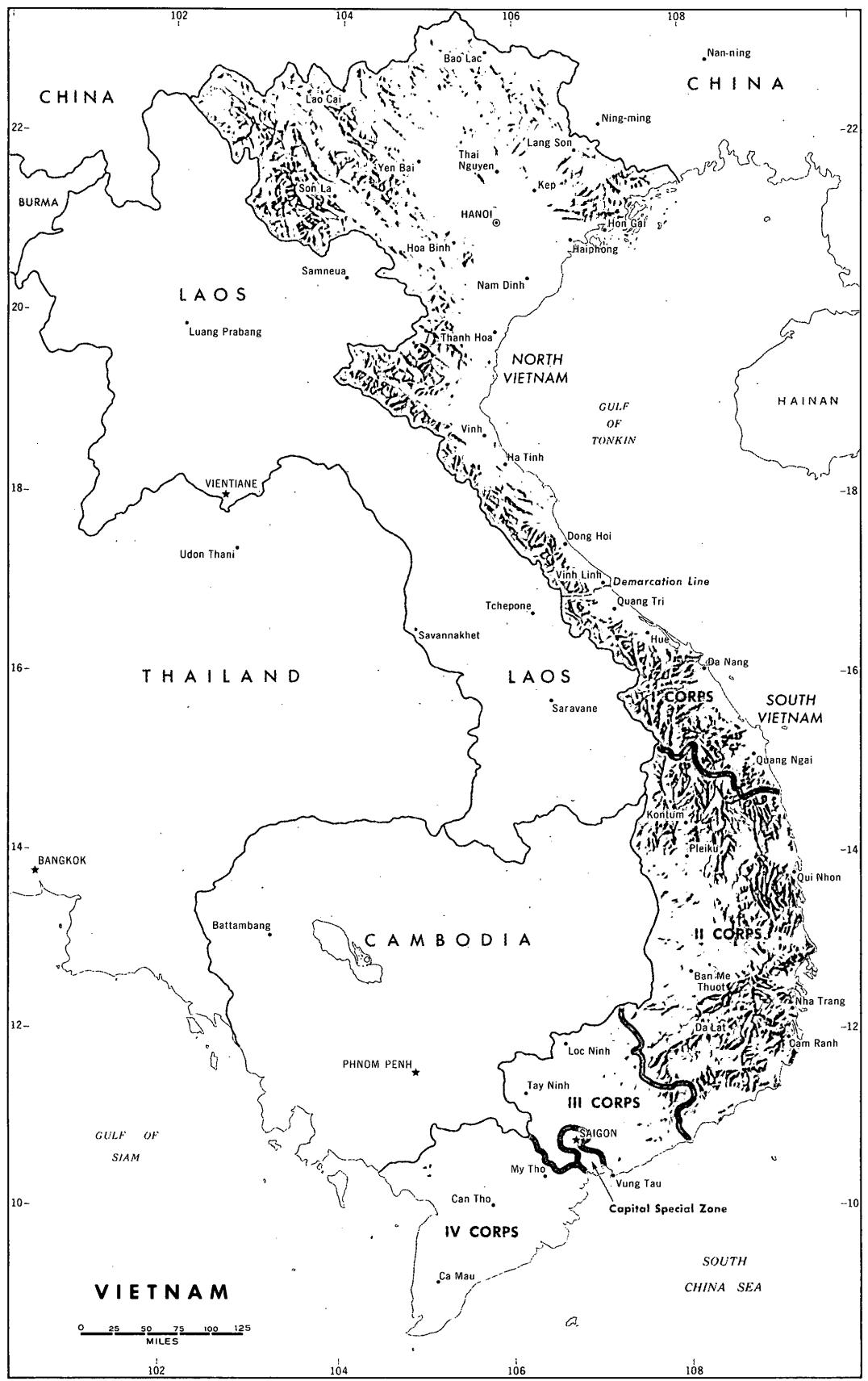
VIETNAM

Thieu is increasingly beset with demands that he reshuffle his cabinet. The list of those who have recently made clear their wish

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for major changes in Saigon includes Vice President Ky, III Corps commander Do Cao Tri, General "Big" Minh and, of course, the militant Buddhists.

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Thieu apparently is also receiving reports from various South Vietnamese quarters that the US might be sympathetic to the idea of major changes in the government, including perhaps even the replacement of Thieu with a "peace regime." Thieu seems to be taking such rumors in stride thus far, but he remains innately suspicious of the US. Moreover, he knows that any rumor that the US might support a move to oust him is certain to encourage his enemies.

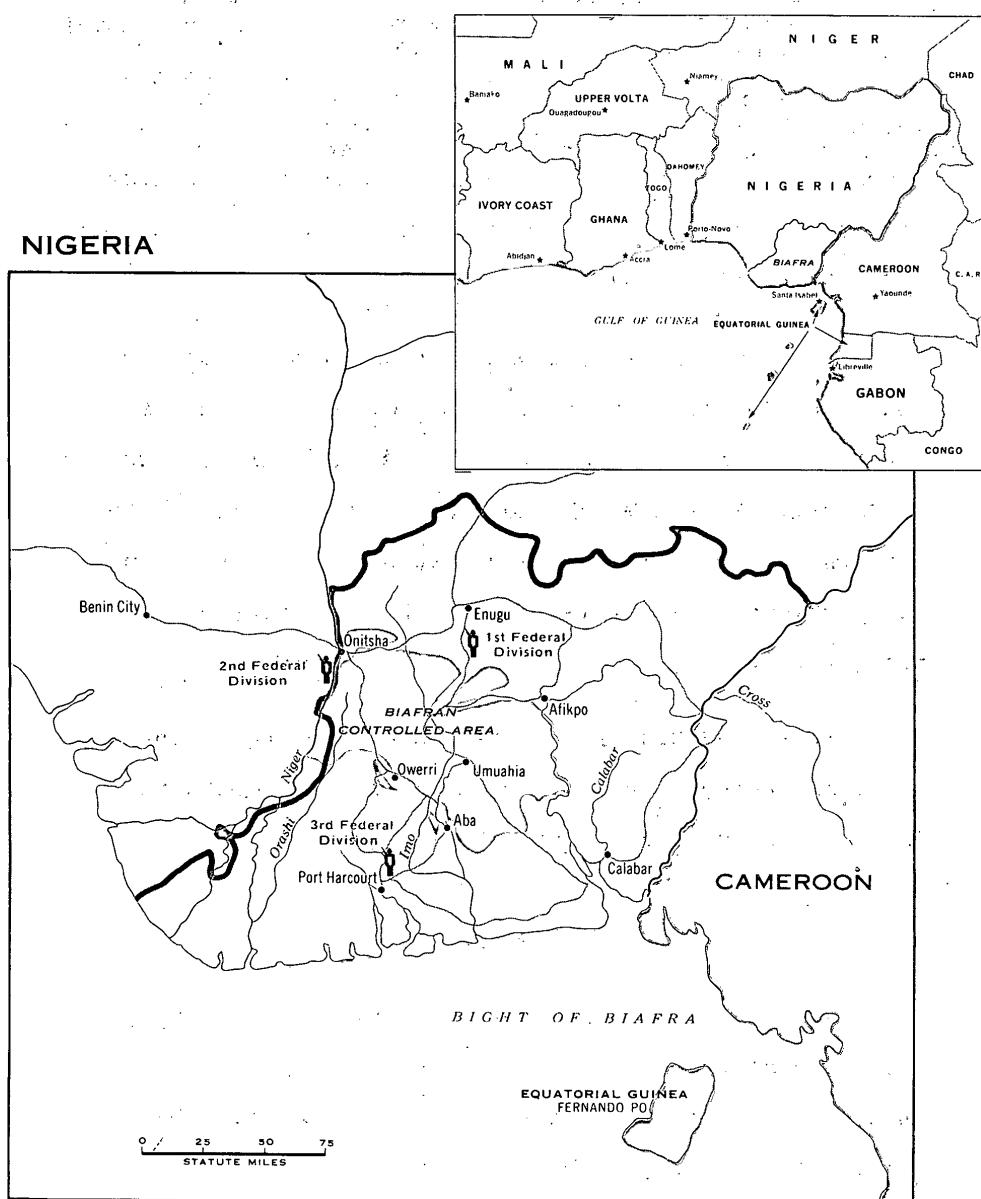
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The Communists staged several rocket and mortar attacks on allied positions in the delta yesterday. The Communists also fired three mortar rounds out of the southern portion of the Demilitarized Zone yesterday. This is the third such incident in the last few days.

\* \* \*

A recent spate of items in the North Vietnamese press reflects great dissatisfaction with the country's internal affairs and the performance of leadership cadre all down the line. For several weeks there have been signs of displeasure and strong suggestions that certain segments of the populace are flagging in their support of the war or at least not putting forth the kind of effort the regime demands. Groups, individuals, and even party leaders have been charged with a variety of sins, ranging from corruption to "individualism," but the main thrust is against anyone who is not fully concentrating on carrying out regime policy.

This campaign seems designed to counter the widespread relaxation in North Vietnam which followed the US bombing halt on 1 November. Hanoi tolerated this for a short time, but in the last two months there has been growing emphasis on needs of the war in the South, improvement of conditions in the North, and preparation for future reconstruction. With the impetus of common danger removed, the regime seems to have more trouble obtaining maximum effort than before the bombing stopped. There is no persuasive evidence at this time, however, that these problems seriously weaken the Communist war effort. We regard the harsh language used recently as an attempt to head off trouble before it gets out of hand.



## II. OTHER IMPORTANT DEVELOPMENTS

### NIGERIA

The Biafrans, who recently were very short of ammunition, are again receiving nearly 100 tons of arms a week through the nightly airlift from Gabon and the Ivory Coast. A shipment of ammunition (about 1.2 million small arms rounds) is also en route by sea from France to Gabon for airlifting into Biafra.

In the war itself, there is some fighting on the south central edge of the Biafran perimeter. Biafran forces there are trying to retake an important crossroads at Owerri. To the North, federal forces are trying to link up east of Onitsha, mainly to simplify their supply problems. Casualties in all this skirmishing are thought to be light.

Frustrated Nigerian leaders are planning another major offensive, but we doubt that their troops can force an early break in the stalemate.

### COMMUNIST CHINA

The Chinese Communists today poured some more cold water on the upcoming Warsaw talks. They informed the embassy in Warsaw that their chargé--not their ambassador still in Peking--will participate at the session on 20 February. The Chinese also said that the meeting would take place at the usual location, and not in the Chinese or US embassy, as proposed by the US.

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## THE SOVIET COLLECTIVE LEADERSHIP

The group that ousted Khrushchev in October 1964 reinstated the system of collective leadership in which members of the Politburo share--although not equally--in formulating policy. Within the Politburo there have been adjustments in assignments and shifts in power relations, but the membership of this top policy-making body--especially its full or "voting" members--has changed very little in the past four years.

The 11-man Politburo is composed of overlapping and sometimes shifting cliques based on regional associations, age, and shared outlooks in the approach to key policy problems. One fairly central element has been the "Ukrainian group," headed by Brezhnev and including Podgorny, Kirilenko, Polansky and Shelest. There are no such obvious alignments, based on geographic ties, in the careers of the other six.

Cutting across this grouping is an age gap between the "seniors"--all over 60--and the "juniors" in their early 50's, who on occasion have not been consulted and have voiced their resentment. Kosygin apart, most of the "seniors"--Brezhnev, Podgorny, Kirilenko, Suslov, Pelshe and Shelest--now present an image of thoroughly conventional Soviet Communist bureaucrats. Their view of the world and their political vocabulary--formed during the Stalin years--have preserved heavy traces of the "siege" mentality of those years. "Imperialist encirclement" and the contagion of foreign ideas are for them real dangers, only slightly mitigated by the fact that the Soviet Union has greatly reduced its international isolation.

FOR THE PRESIDENT ONLY

Kosygin and the "juniors"--Mazurov, Polyansky, Shelepin and Voronov--appear to lean to a generally more pragmatic approach, perhaps because they hold or have held positions in the state apparatus responsible for the execution of policy. For them, probably, the danger of contamination by the West is weighed against what can be achieved by a degree of cooperation--both in terms of relaxed budgetary pressures and in access to technological know-how from abroad. They seem to believe that some modifications of the Soviet system, particularly in the economic sphere, are needed and that somewhat more scope must be given to the "experts" whose contribution lies in technical knowledge, not Marxist-Leninist fervor.

Contributing to these cross currents is the fact that the composition of the Politburo now reflects the power relationships among the major interest groups in the country. The party apparatus, government bureaucracy, agricultural interests, and the military-defense industrial complex all seem to have men on the Politburo to whom they can look to represent their views. This balance has favored both stability and orthodoxy.

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the Politburo [redacted] meets regularly once a week, more often when the pressure of work demands. Its approval is required on all important matters, as well as on a large number of seemingly trivial questions. An effort is apparently made to reach unanimous agreement among all 11 members. If this is not possible, decision may be deferred or the minority view may be overridden. [redacted]

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FOR THE PRESIDENT ONLY

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Brezhnev chairs Politburo meetings and presumably his opinion carries greater weight than any other. Despite the efforts to coordinate even small details of official policy positions--sometimes down to the texts of Pravda articles--and the careful observance of accepted codes of procedure, it is clear that differences of views, political rivalries and the considerable overlapping of responsibilities among members of the Politburo all create strain within the leadership.

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Collective leadership by its very nature has meant hesitation, procrastination, and on occasion an attempt to follow mutually contradictory policy lines simultaneously. It has also led to long periods when the entire energies of the Politburo were focused on one pressing problem to the exclusion of all others.

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FOR THE PRESIDENT ONLY

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The international situation has contributed to the growing orthodoxy in the Politburo. Increased international tensions--stemming from the war in Vietnam, the Middle East crisis and concern about developments in China--gave the spokesmen for the military and the defense industry more powerful voices, at least in budgetary matters, and proved a boon to conservatives who oppose accommodation with the West and favor greater discipline at home.

In an atmosphere inconducive to the cause of reform-minded moderates, their position in the leadership was weakened. Kosygin came to have less influence than Brezhnev, who showed himself ready to listen to the military. Brezhnev has been careful to stay close to the center of opinion in the Politburo, but that center is considerably more to the conservative side than it was at the time of Khrushchev's ouster.

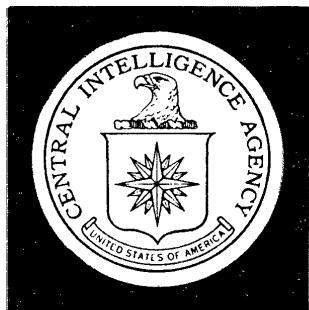
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*FOR THE PRESIDENT ONLY*

The Czechoslovak problem probably presented the collective leadership with its most difficult hours, and may have placed some of the top leaders in a weaker position. Brezhnev may, for a variety of reasons, become the most obvious and convincing scapegoat for an unsatisfactory episode in the conduct of affairs abroad. Soviet politics has a way of searching out scapegoats, and the Czechoslovak affair may yet be used against him in the future.

In maintaining the delicate power balance at the top, Kosygin has a pivotal role, despite the fact that Brezhnev is clearly "chairman of the board." Kosygin's stature as an economic administrator is unchallenged; he is not associated with either regional rivalries or partisan pleading for special interest groups. There have been periodic flurries of rumors that he intends to step down, either because of dissatisfaction with the trend of conservatism in the Politburo or because of ill health. Should he do so, the strongest moderating influence in the group would be lost. Moreover, the difficult problem of choosing his replacement would bring to the fore all the accumulated frictions, rivalries and unsolved problems that have accumulated. It would certainly put a severe strain on the system of collectivity, and the outcome might change radically the face of the Soviet leadership.

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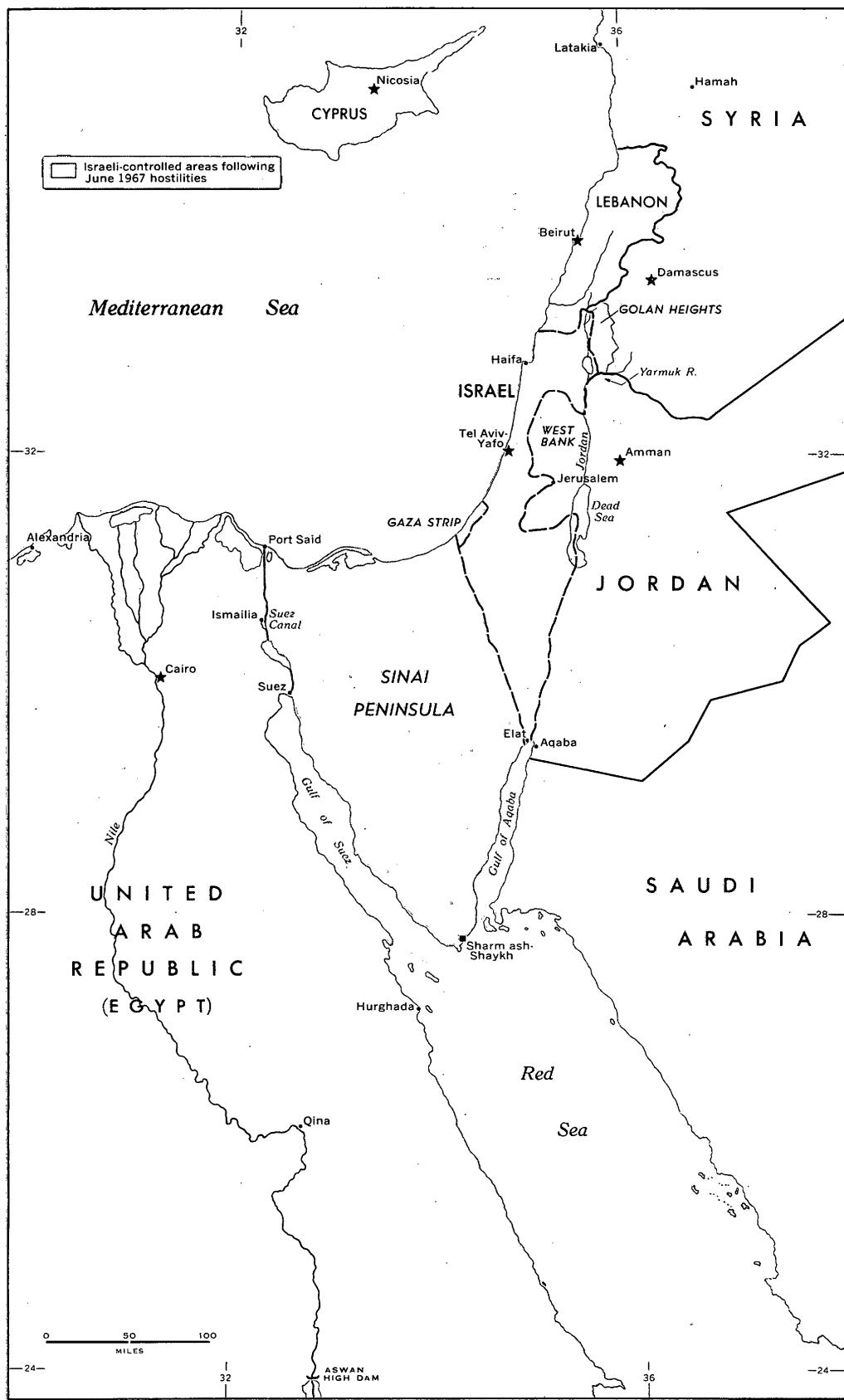


## *The President's Daily Brief*

6 February 1969

22

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LATE NOTES FOR THE PRESIDENT'S DAILY BRIEF OF

6 FEBRUARY 1969

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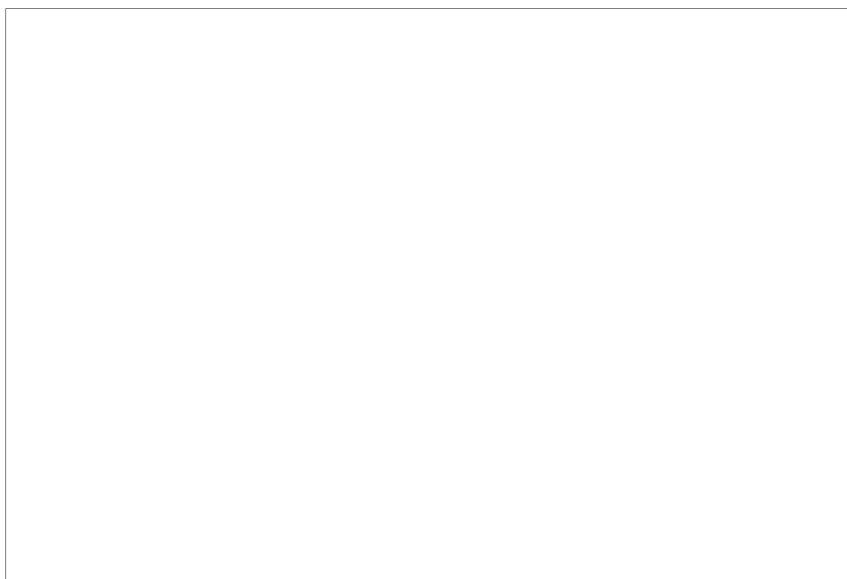
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7 February 1969

LATE NOTES FOR THE PRESIDENT'S DAILY BRIEF OF  
6 FEBRUARY 1969

I. MAJOR PROBLEMS

MIDDLE EAST



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General Bull, the chief of the UN observer force, has gone to Cairo with an Israeli complaint about Egyptian sniper fire across the Suez Canal. The Israelis also asked him to inform the Egyptian Government that their boats will be patrolling the eastern half of the Gulf of Suez from now on. Cairo is sure to consider this an encroachment on its domain. [redacted] 50X1

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SOVIET AFFAIRS



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FOR THE PRESIDENT ONLY

**FOR THE PRESIDENT ONLY**

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TASS last night reported President Nixon's news conference, highlighting the announcement of the trip to Europe. It made no editorial comment. (FBIS 57, 6 Feb 69)

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EUROPE

VIETNAM

There is nothing significant to report.

## II. OTHER IMPORTANT DEVELOPMENTS

PERU

Velasco yesterday told the Peruvians at large what his government had told the International Petroleum Company a few hours earlier--that Peru is claiming

**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

over \$690 million from the company for "unjust enrichment." This is more than five times what Peruvian officials were earlier claiming the company owes on this score. Velasco once again affirmed Peru's friendship toward the US, but he did take a swipe at the Hickenlooper amendment, asserting that it must be abolished "and never again mentioned." (FBIS 46-48,

[redacted] 50X1

The Peruvian press has noted that the deadline for the payment of another bill--the \$15 million the Peruvians are claiming for the products processed by the company since 9 October--has passed, and that the petroleum agency in Lima has initiated proceedings to sell the company properties involved. The head of the agency has said, however, that it will take a week or more to arrange the sale and the company can pay the bill at any time until the sale is actually consummated.

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**FOR THE PRESIDENT ONLY**

MIDDLE EAST

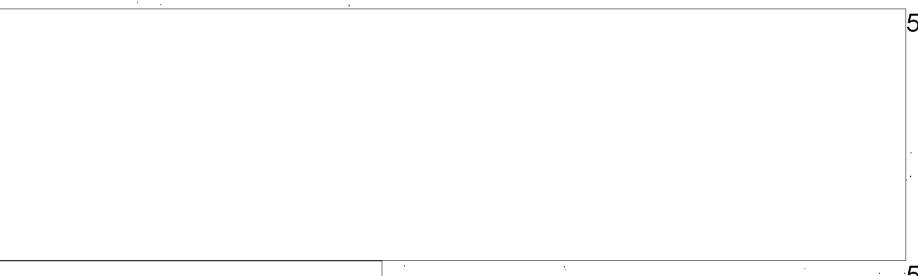


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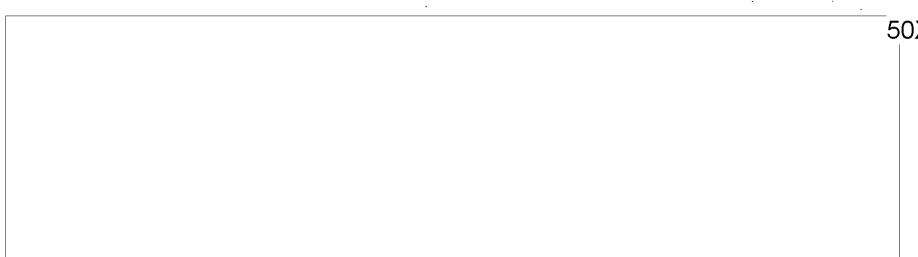
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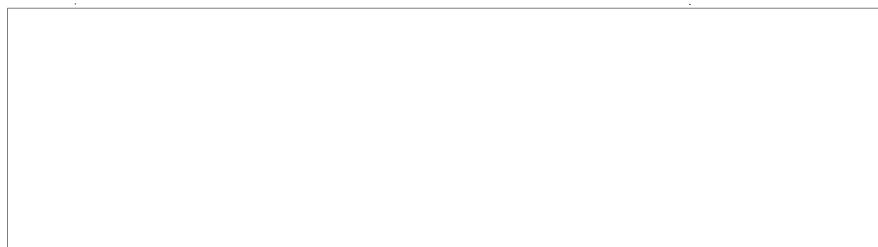


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The Egyptians were premature in their claim in the  
Cairo press about two weeks ago that the Soviets had  
agreed to include 500,000 tons of wheat in the annual

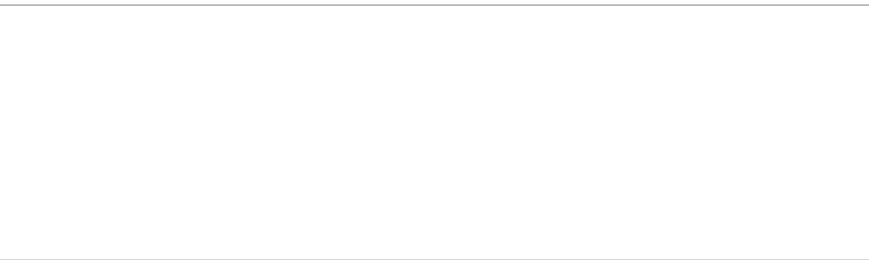
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trade agreement. The press leaks may in fact have been a tactic to force the Soviets' hand.

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Before the break in relations, the US under PL-480 supplied about one half of Egypt's annual import needs of two million tons.

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Cairo would expect Moscow to pick up this burden. The Soviets have been extremely reluctant to do so. In 1967 they finally agreed to send 1.1 million tons but only after much stalling. Last year no new contracts were signed, although some of the 1967 wheat was not actually shipped until then.

#### EUROPE

There is nothing of significance to report.

#### SOVIET AFFAIRS

Kosygin apparently was back on the job today. He and Brezhnev were among those at the railroad station greeting Hungarian party boss Kadar today, according to a TASS dispatch. The Soviet news agency, however,

has recently issued conflicting reports concerning Kosygin's whereabouts, so we are trying to confirm this one.

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Czechoslovak party leader Dubcek has bounded back from a brief illness

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[redacted] In a fighting speech yesterday, he took on both extreme hardliners and ultraliberals in and out of the party, and struck hard at Slovak party boss Husak, who is attempting to negotiate a takeover of the party central committee.

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Dubcek's forceful appearance may give heart to progressives and moderates who were beginning to waver in their loyalty, and may encourage them to go ahead with plans to force an early party congress while they still have control of the leadership.

For this reason, the Soviets are opposed to a party congress in the near future. They want to finish undermining Dubcek and his colleagues first.

#### VIETNAM

In their private meeting on 5 February, Ha Van Lau strongly rejected Ambassador Vance's protest about Communist shelling of Hue and firing from the DMZ. The line he took was familiar and is likely to be heard many times

*FOR THE PRESIDENT ONLY*

in future sessions with Communist negotiators in Paris.

There is virtually no chance of any early change in Hanoi's fundamental position that matters south of the 17th Parallel must be discussed with the National Liberation Front.

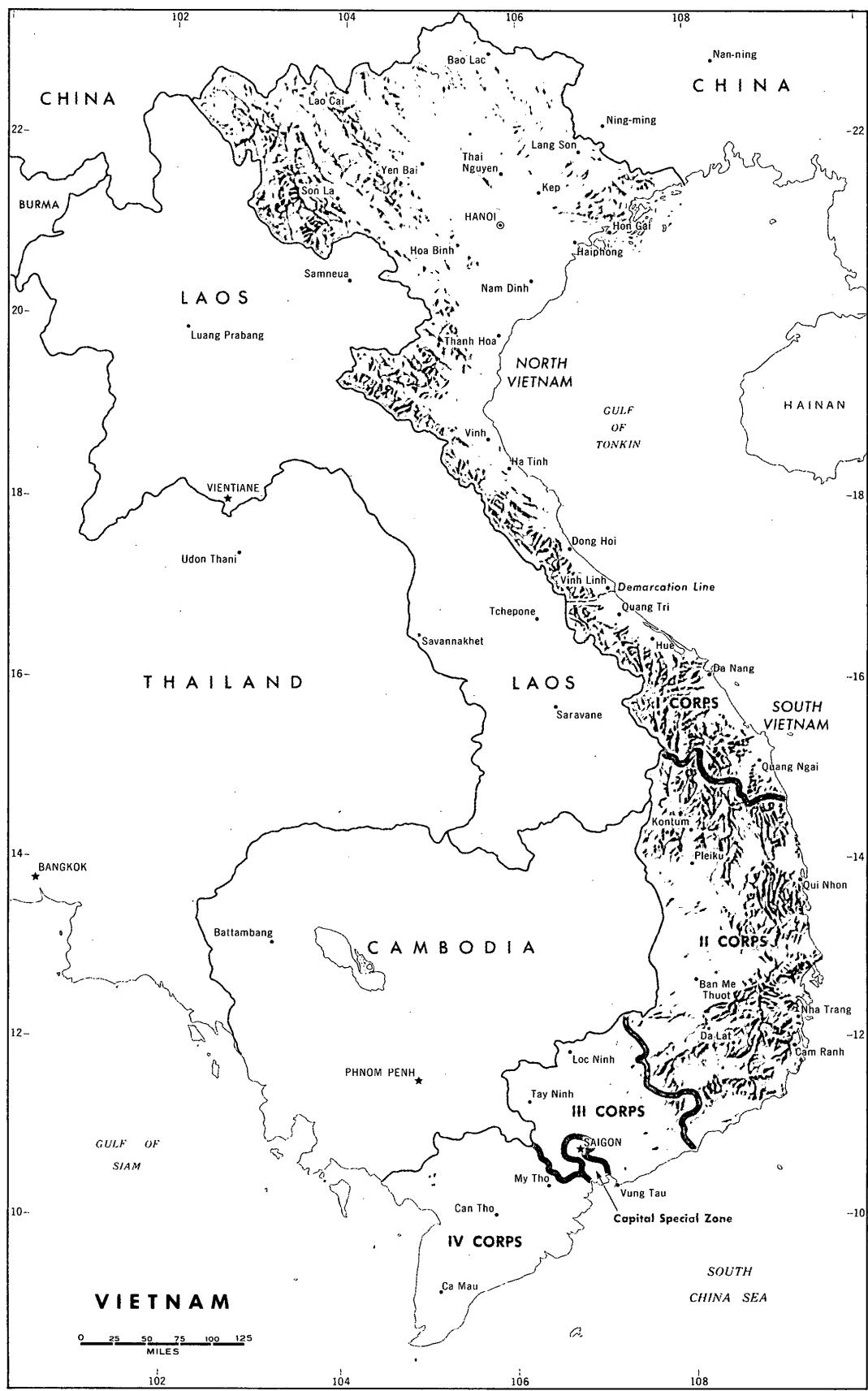
Ha Van Lau's pointed reminder at the outset of the meeting that the talks are a "four-way conference" could be taken as an invitation to private discussions in which both Saigon and the Front take part. We suspect, however, that the Communists would consider the idea of four-way private meetings of dubious value until after Ambassador Lodge has had a few private sessions with Le Duc Tho.

The North Vietnamese doubtless would beg off commenting on South Vietnamese matters at such sessions by claiming that only the Front is competent to discuss them. This would not stop them from probing seriously for indications of the new US administration's intentions, however.

It remains to be seen what effect, if any, the US protest will have on Communist military activity in South Vietnam. We doubt that it will deter them from any plans already in train for selective attacks on urban centers.

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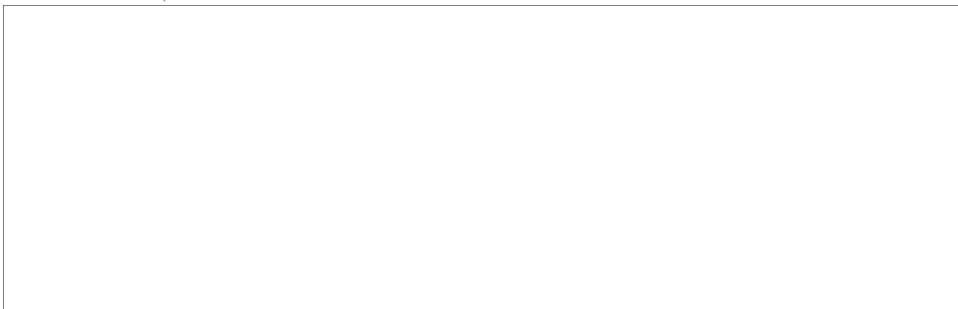
While much of the evidence we have received on Communist plans point to renewed attacks in the III Corps - Saigon area, there are signs of battle preparations in other parts of the country as well. These preparations apparently are proceeding at a slower pace, and evidence on timing is



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not as explicit. In I Corps, captured documents reflect enemy intentions to attack Da Nang this month, as well as plans for a "general attack" against a provincial capital south of that city. The central highlands have also seen an enemy buildup, probably to counter increased pacification efforts there.

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Military action remained light. Communist sappers struck another Civil Self-Defense office in downtown Saigon today, wounding several guards and damaging the building. At least seven other attacks have been staged in recent days against Civil Self-Defense offices in Saigon. The Civilian Self-Defense forces are groups of citizens who have been partially armed and trained to bolster local security. The Communists hope through these attacks to disrupt government defense of Saigon and to intimidate the civilians involved.

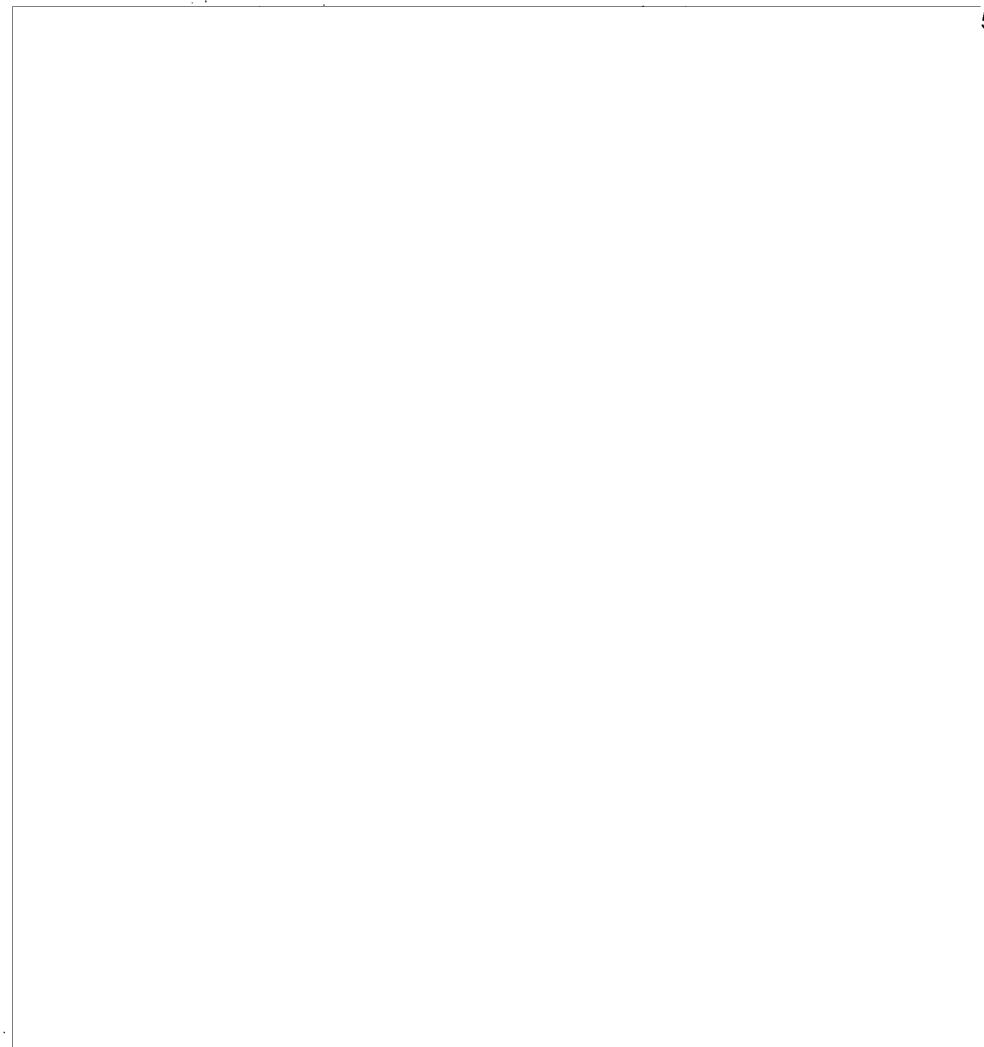
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Thieu's government is worried that the US may use the An Quang Buddhist peace campaign to pressure the government into moving more rapidly in Paris. Minister of State Thuc sought out a US Embassy officer in Saigon on 5 February and

said that President Thieu has been "very worried" that the US may be exhibiting "tolerance" of the Buddhists' activities.

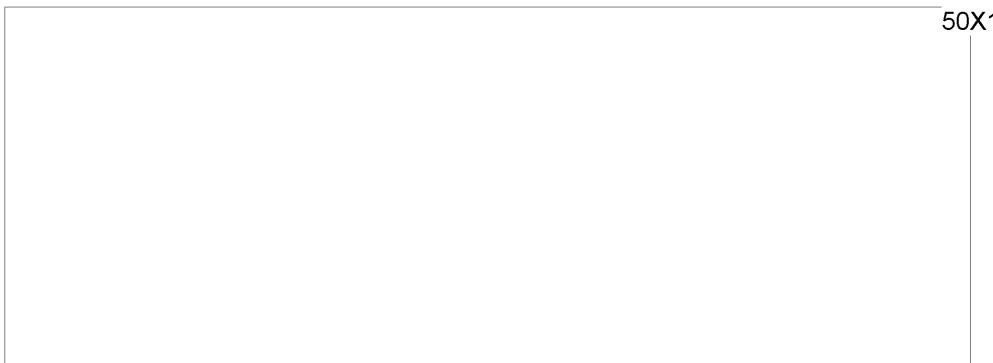
Thuc said that Thieu and other high officials think the US has already determined its peace policy and that if Saigon does not go along, the US will seek major changes in the government leadership. Thuc's comments probably represent widespread fears among many Vietnamese in and out of government that the US will eventually support a "peace government" in South Vietnam in order to end the war. The Thuc approach represents an effort to gain reassurance that the US supports the Thieu government.

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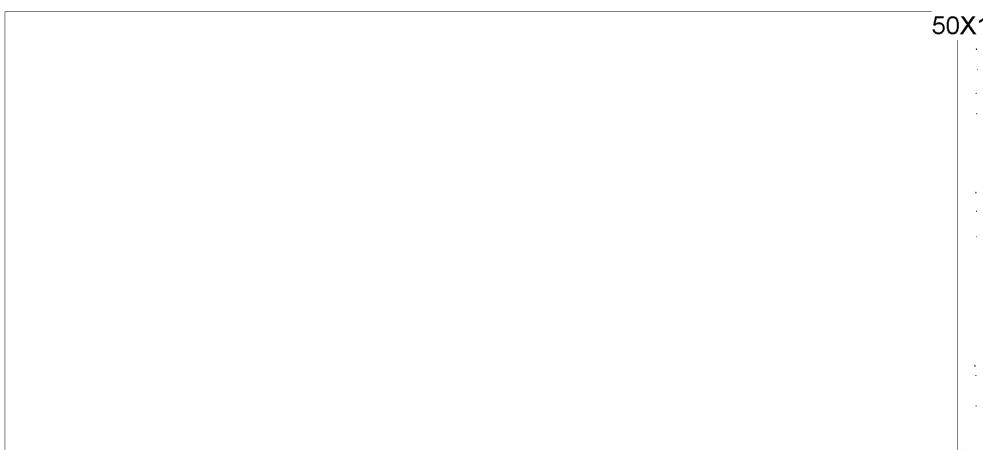


II. OTHER IMPORTANT DEVELOPMENTS

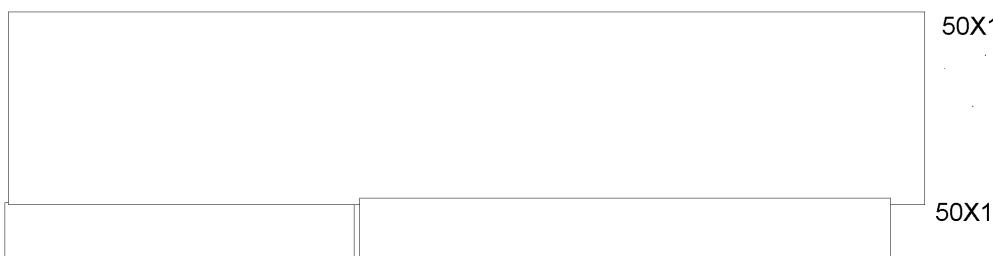
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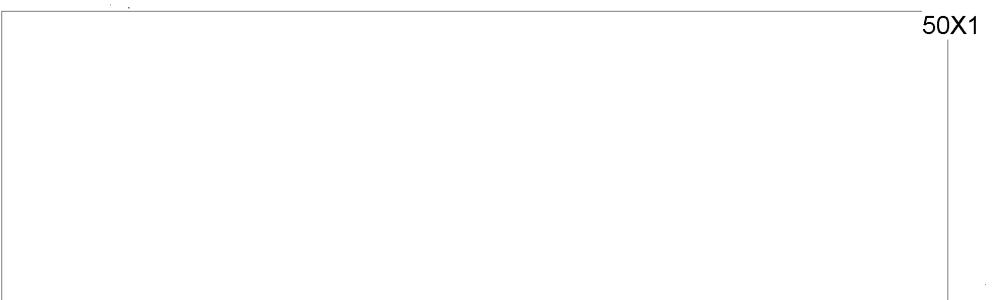


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## THE SOVIET MEDITERRANEAN SQUADRON

SIGNIFICANCE: The Soviet Mediterranean squadron, a few surface ships and submarines in 1964, has grown to become the largest naval force which the Soviets have regularly deployed outside their own fleet operating areas. The squadron swelled to more than forty ships during the Arab-Israeli war in 1967 and has since leveled off at about thirty ships. The effectiveness of the squadron as an instrument of policy has grown as its combat capabilities have increased. The image of the USSR as defender of Arab interests is being conveyed more convincingly now than when the squadron was first established, and the increased capabilities of the squadron are intended to serve as a reminder to the US and others that Soviet interests must be reckoned with in any military moves in the Middle East.

\* \* \*

Currently the Mediterranean squadron consists of 9 surface combat ships, five submarines, and 11 auxiliaries. The surface force normally includes a cruiser, two missile equipped destroyers, several conventional destroyers and minesweepers, and two amphibious landing ships. The surface ships spend most of their time at anchorages or in port.

The squadron serves Soviet political as well as military interests in the Mediterranean basin. It has extended Soviet influence in the area, strengthened the image of the USSR as defender of Arab interests, and helped convey the impression that the Mediterranean is not an "American lake."

*FOR THE PRESIDENT ONLY*

The effectiveness of the squadron as an instrument of policy has risen as its combat capabilities have improved. In this connection, the increased capabilities of the squadron against aircraft carriers are particularly relevant. The carriers of the US Sixth Fleet have in the past provided the defensive shield for US military moves in the Middle East, and the Soviets probably have come to regard US attack carriers more as an instrument of local or limited warfare than as a strategic threat. They may believe that the presence of an anticarrier force in the Mediterranean would cause the US to pause before intervening militarily in future crises in the area, and might, in turn, enable the Soviets to intervene in some fashion themselves should the need arise.

Prior to the June War the threat to US carriers was not impressive. There were few cruise missile launchers in the force, and the squadron as a whole was too small to pose a convincing threat to the US Sixth Fleet. Although intelligence collection ships were available, air reconnaissance was not. Many of the ships in the squadron were older vessels suitable for operating under cover of land-based fighter aircraft but ill equipped for long-range, long-duration operations.

Since the June War, however, the capability of the squadron against carriers has increased substantially. Most of the time at least two cruise missile ships and a nuclear-powered cruise missile submarine--mounting among them at least 12 cruise missile launchers--operate with the squadron. Reconnaissance aircraft are available, and the squadron's

air defenses have been improved by the deployment of more SAM-equipped ships. The new types of ships now being assigned to the squadron are better equipped for long-range operations, and the size and posture of the force have been increased to the point that it has become a credible threat to the Sixth Fleet.

In addition, frequent and extended calls in Arab ports--most notably in Egypt--serve as a reminder of Soviet willingness to back Arab interests. The assignment of a few amphibious ships to the squadron adds to the impression that the Soviets might be willing to intervene in behalf of Arab interests. Actually, however, an amphibious force of some 400 troops has only symbolic military value.

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The Soviets normally operate six to ten diesel submarines and at least one nuclear unit in the Mediterranean. The diesel submarines are now staying for about six months before returning to Soviet waters and spend some of this

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*FOR THE PRESIDENT ONLY*

time in port. The nuclear units usually require no special support and are generally not observed during their stay in the Mediterranean. One of these units spent several days in Alexandria last month--the first visit to a nonbloc port by a Soviet nuclear submarine. The submarines appear to be in the Mediterranean to act as a counter to the more powerful Sixth Fleet [redacted] and to gain realistic training in an area of potential conflict.

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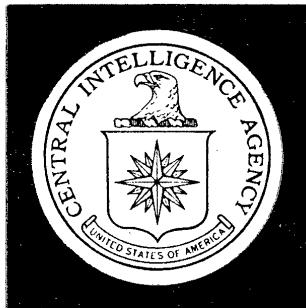
The squadron probably will not be enlarged much beyond its present size. Its capabilities will continue to be improved, however, by the regular deployment of newer and more effective ships and submarines. The logistics burden of the squadron may be reduced by the expanded use of Mediterranean ports and by increasing the proportion of nuclear-powered units in the squadron's submarine force.

The USSR has been granted the use of a naval oil storage facility in Port Said, has assigned a repair ship to Alexandria on a continuing basis, and may have assumed managerial control of a ship construction and repair facility at Alexandria. We do not believe that the Soviets intend to establish military bases--in the sense of areas over which they exercise sovereignty--in the Middle East, however. They probably do not wish to risk involving themselves in this way in future crises of peripheral consequence to Soviet interests and beyond the ability of Moscow to control. Moreover, they would not wish to tarnish their image by seeking for themselves the military bases which they have encouraged the Arabs to deny to the "imperialists."

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FOR THE PRESIDENT ONLY

*Top Secret*



# *The President's Daily Brief*

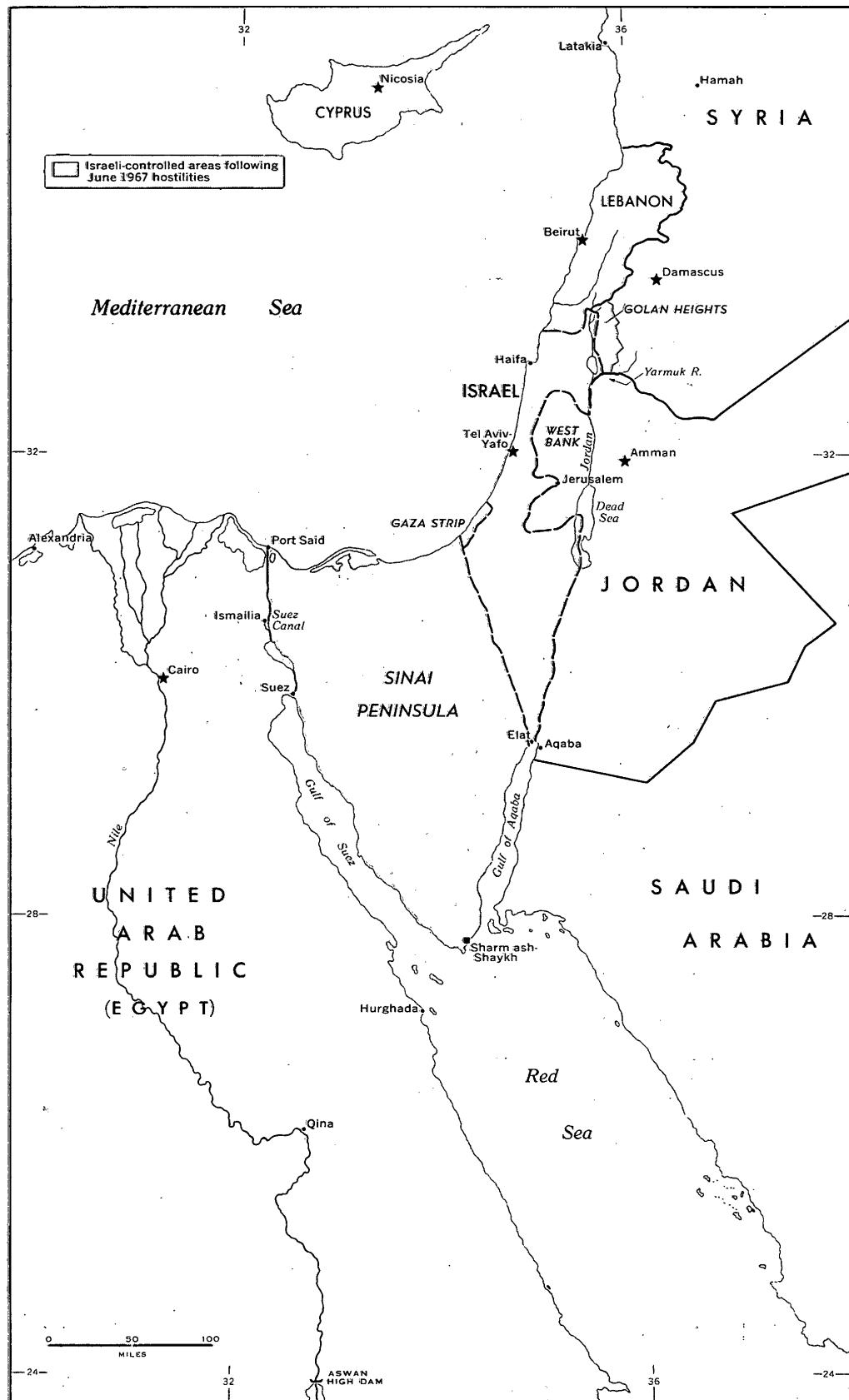
*7 February 1969*

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#19

LAW WORDS FOR THE PRESIDENT'S DAILY CHIMP OF

7 FEBRUARY 1969



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~~TOP SECRET~~

8 February 1969

LATE NOTES FOR THE PRESIDENT'S DAILY BRIEF OF  
7 FEBRUARY 1969

I. MAJOR PROBLEMS

MIDDLE EAST

Soviet Ambassador Malik told Ambassador Yost yesterday that he thought the four powers should try to develop concrete suggestions on how the Middle Eastern problem could be resolved. He doubted that giving Jarring a new boost would add much to what had been done before. Malik, obviously not yet in receipt of Moscow's official reaction to the President's reply to the French note, spent most of his time with Yost probing for the US position. He did, however, agree that a major objective of the four-power talks should be agreement on the nature of a contractual arrangement assuring Israel it will have security but in a form acceptable to the Arabs. He said this coincides with the Soviet approach.

[redacted] 50X1

[redacted] 50X1

EUROPE

[large rectangular redacted area]  
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FOR THE PRESIDENT ONLY

50X1

A Belgian official has told our embassy in Brussels that the agreement on obligatory consultation reached by Britain and the five Community members is not open ended but is limited to specific issues. The list has not yet been agreed on, but he said it obviously will include Eastern Europe, the US, and the Third World.

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### SOVIET AFFAIRS

There is nothing significant to report.

### VIETNAM

The Soviet sounding of the US position on several key points during the conversation between Mr. Blake and Mr. Oberemko on 4 February doubtless reflects not only Moscow's interest but also Hanoi's, at least in general terms. Oberemko made it clear that the Soviet Union intends to stay right on top of the substantive talks and that we should regard the Soviets as a channel through which to pass Hanoi our views. In this meeting, however, there was nothing to suggest that this will be a two-way street, at least for the present.

Without knowing who initiated this particular conversation, it is difficult to judge whether Oberemko's pointed questions reflect a direct and fairly urgent request for Soviet action from Hanoi or whether it is simply the first in what could become a series of general efforts on the part of the Soviets to sound out our position. We tend to believe the latter is the more likely

FOR THE PRESIDENT ONLY

explanation. It does, however, open up the possibility of an indirect exchange of views between Hanoi and Washington without either having to back down from its initial position on how the talks should proceed.

Regardless of whether the Soviets were acting under a specific or a general request from Hanoi, the points raised by Oberemko probably were intended to be taken as an indication of the subjects of prime interest to Hanoi. Both the Soviets and the North Vietnamese have tried on various occasions to draw out the US position on a political settlement. This, however, is the most direct and pointed effort to date.

## II. OTHER IMPORTANT DEVELOPMENTS

There is nothing significant to report.

## I. MAJOR PROBLEMS

### MIDDLE EAST

The Soviets have taken a significant step toward improving their credibility and leverage in Israel by allowing renewed emigration of Jews from the USSR to Israel. [redacted] Mos- 50X1 cow reopened the gates to emigrants last September, at the same time it began its diplomatic campaign for an Arab-Israeli settlement. All such emigration had been halted after the Arab-Israeli war in June 1967. Up to mid-January, some 600 Soviet Jews with relatives in Israel had already departed. More than 200 of these left during the first two weeks of January. All ages apparently are represented, including at least 170 children.

The Israelis view Moscow's change in policy as another indication that the Kremlin desires to inch toward normalizing Soviet-Israeli relations and that it expects in return a certain amount of Israeli flexibility toward its proposals for a Middle East settlement. As a matter of fact, the Moscow move will probably achieve this goal, and in addition, because so much emotion is involved, will probably cause the Israelis to hesitate before they take any action which might jeopardize the flow of emigrants.

*FOR THE PRESIDENT ONLY*

EUROPE

Somewhat to our surprise, the latest effort to forge closer political links in Western Europe has not produced an outright veto from De Gaulle. This initiative, an Italian plan for consultation among the members of the Western European Union (WEU) on important issues, was accepted for study by the WEU Council yesterday. In addition, Britain and the five Community members (France excepted) apparently have gone ahead and bound themselves to some kind of obligatory consultation.

The French reserved their position on this latter point, but they did not veto the idea outright. They also made clear their unhappiness with the proposal that the consultation notion itself be given further study, but in the end they went along with the rest of the members--perhaps because they thought it would be better to use delaying tactics later than to impose a flat negative now.

Rome's initiative, heavily backed by Foreign Minister Nenni, grew out of the attempts by the Five to outflank the French veto of Britain's application to join the European Communities. The idea was that political consultations would forge new links between Britain and the Six, and implicit in the proposal was the notion that if France refused to go along, the other five might start talks with the British. France's

reluctance to veto the Italian proposal suggests that Paris may indeed have felt constrained to give a little ground.

We do not expect any short-term improvement in Britain's chances for Community membership as a result of this maneuvering, and we do not think any of the participants do either. Nevertheless, the British are trying to exploit the opening.

Foreign Secretary Stewart has invited the Six--in the person of their ambassadors in London--to talks aiming toward a common position on the Middle East. If the French decline the British invitation, Paris risks imputing to Britain the role of spokesman for "Europe" in the four-power talks.

The recent spate of press stories [redacted]

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[redacted] concerning a possible new effort to set up a supranational European political community may be related to the WEU efforts. The resurgence of talk along these lines bears some earmarks of a campaign by Jean Monnet and other supporters of a federal Europe-- apparently supported by Nenni. The federalists may be trying to give an institutional structure to the loose consultative framework now being pressed for in WEU.

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### SOVIET AFFAIRS

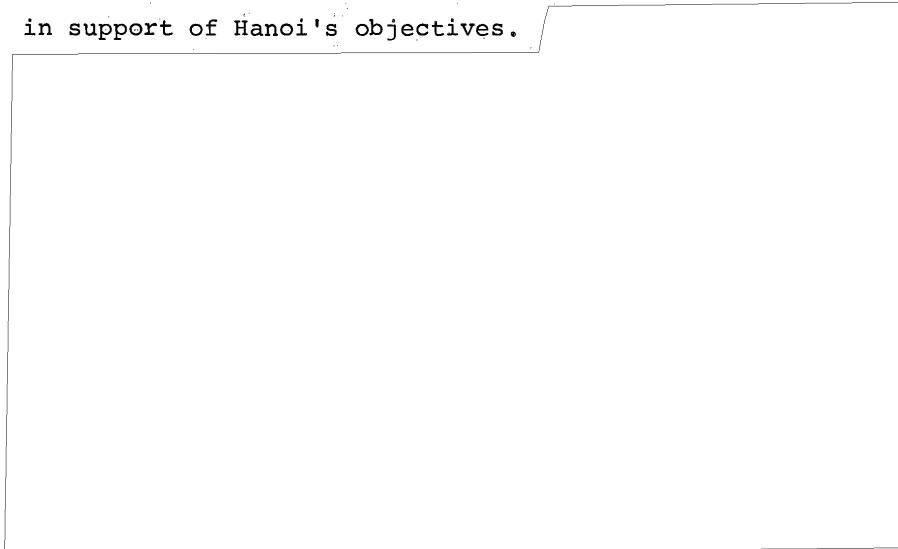
There is nothing of significance to report.

VIETNAM

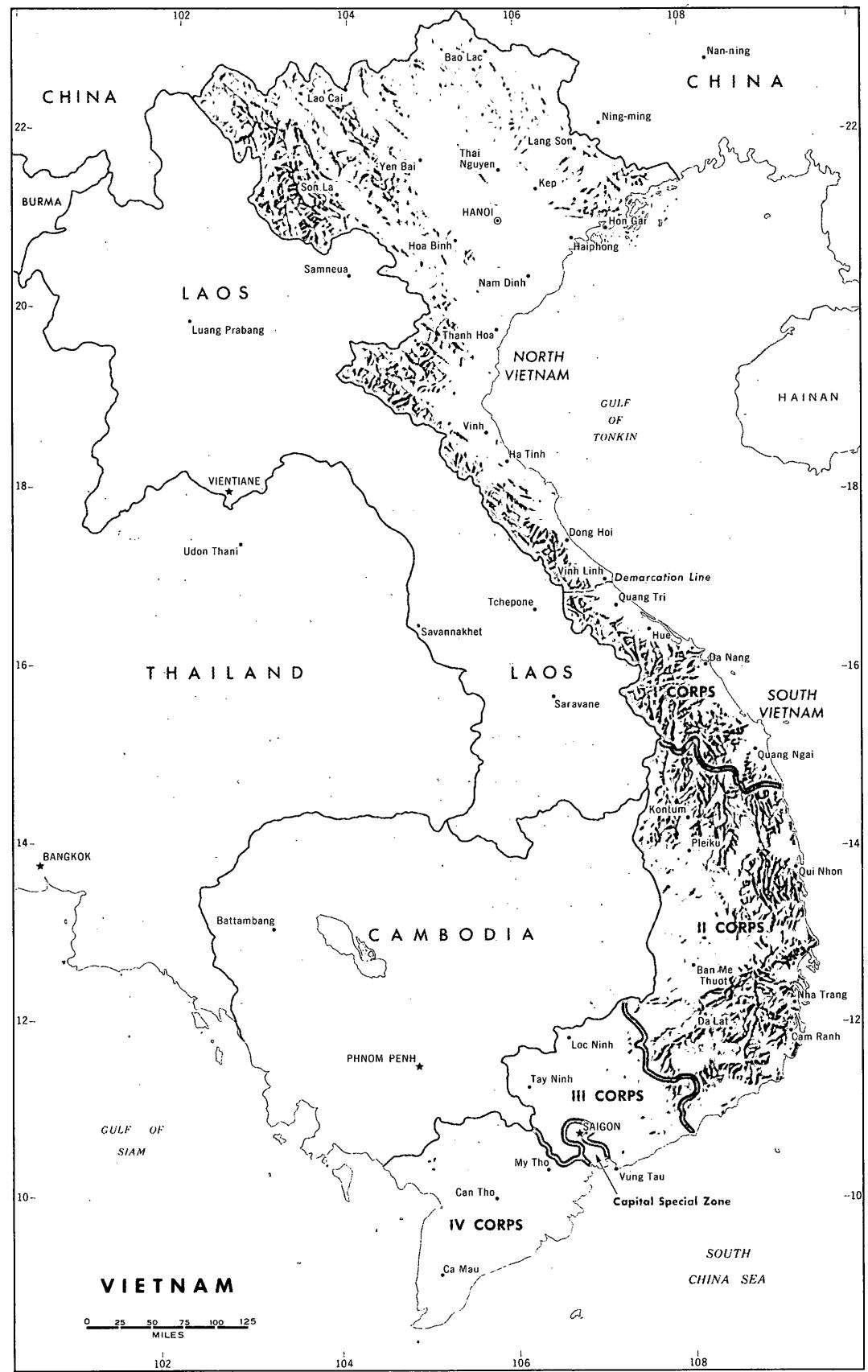
The only noteworthy point we found in the Communist presentations at yesterday's Paris session was Tran Buu Kiem's continued emphasis on the "peace cabinet" theme. His prediction of no progress in the talks until the present Saigon government is overthrown may be only rhetoric, but it seems clear that the Communists have no intention of giving any ground in Paris until they have determined if this idea can be translated into political results in South Vietnam.

The "peace cabinet" idea has been the main Communist theme since the bombing halt. In our view, it is based on real conviction that widespread sentiment for peace in South Vietnam can be more effectively mobilized in support of Hanoi's objectives.

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The Communists regard the peace issue as one on which a wide spectrum of politically active elements in South Vietnam can be united. They know that most South Vietnamese would be reluctant to endorse a coalition



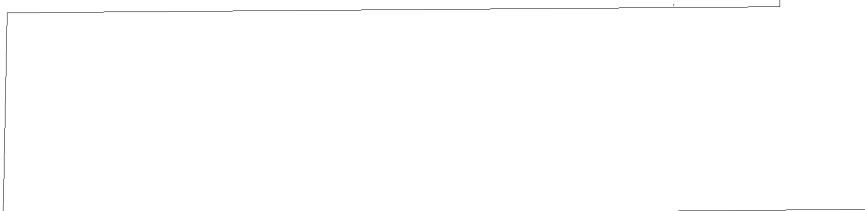
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government with the Communists. By putting their demands in the form of broad, nationalist generalities, however, the Communists hope to convince politically significant elements in South Vietnam that changes in the present regime would lead to fruitful discussions with the Communists and would eventually open the way to an acceptable political settlement and an end to the fighting.

In pursuing these objectives, the Communists are using both the carrot and the stick. Military pressure and hardline propaganda frequently are accompanied or followed up by displays of "flexibility" and "realism" both in public and in private. Tran Buu Kiem, the Front representative whose uncompromising stance at yesterday's Paris session made headlines, took an entirely different tack in an interview published in a French journal on Monday. There he went out of his way to give the impression of softening the Front's stand, especially toward the GVN, and to stress the Communists' willingness to bargain on such fundamental matters as a coalition government, elections, and even working with the present South Vietnamese leadership.

We are not able to measure adequately what inroads the Communists have made in this campaign to date.

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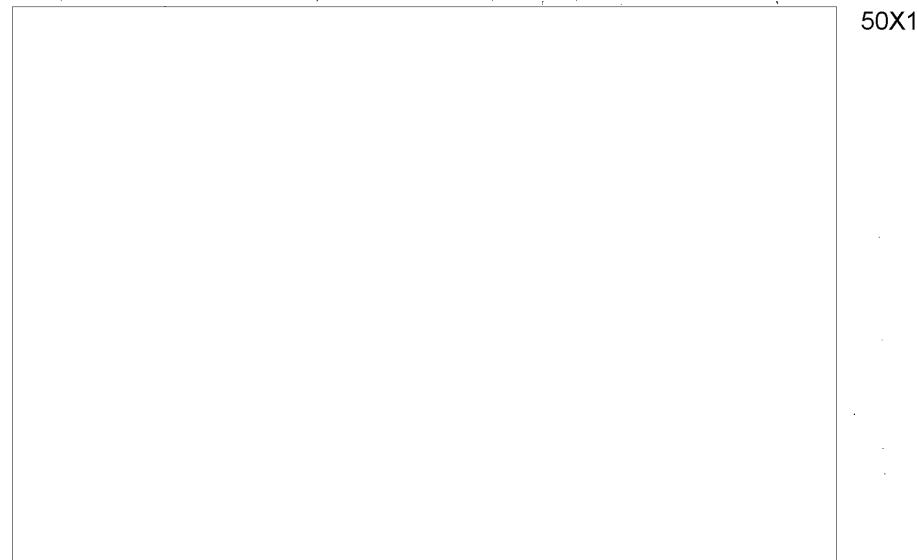
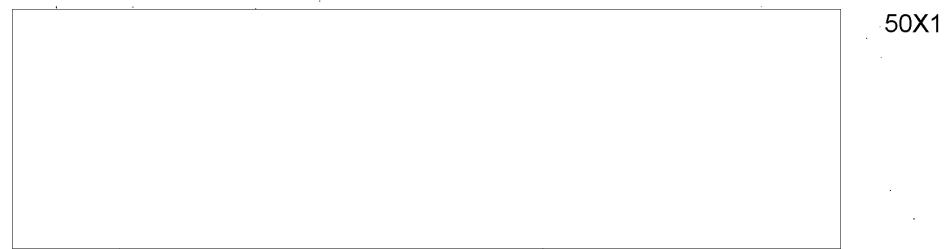
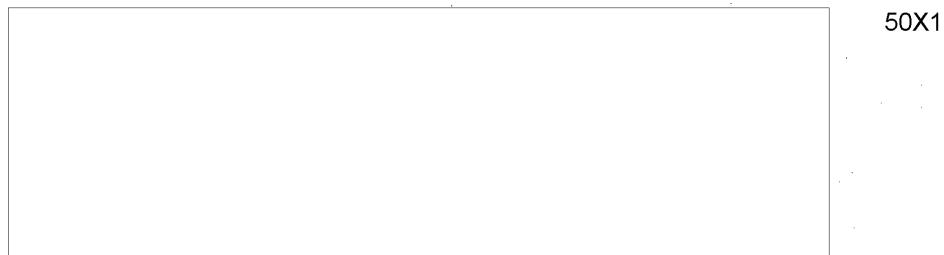
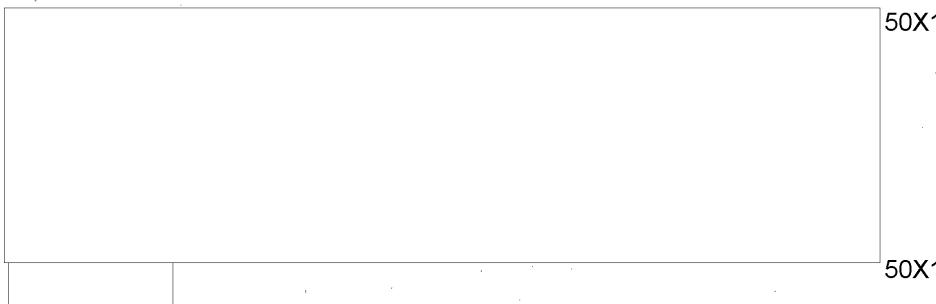
[redacted] the current concern

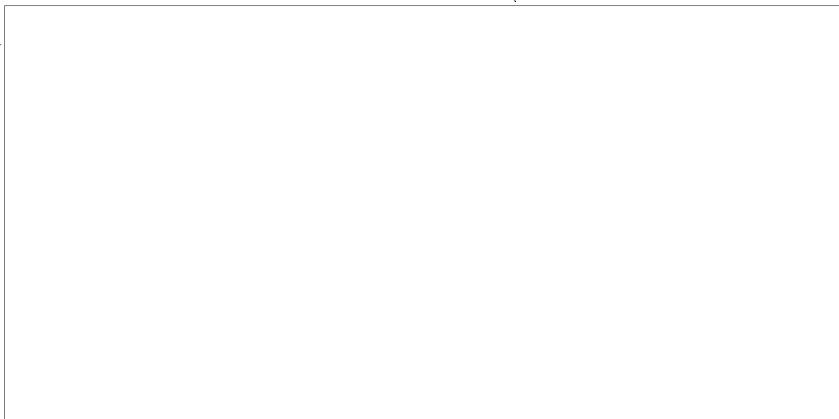
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in South Vietnam about peace sentiments and signs of intrigue about changes in the composition of the government are playing right into the hands of the Communists. They are trying hard to foster the theme of a "peace cabinet" in the Buddhist movement and to sell the same idea in labor, student, and intellectual circles in South Vietnam.

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*FOR THE PRESIDENT ONLY*

## II. OTHER IMPORTANT DEVELOPMENTS

### IRAN

An Iranian delegation will leave for Moscow tomorrow for the purpose, we believe, of negotiating a second arms purchase agreement.

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[redacted] purchases would be financed from the more than \$1 billion Iran hopes to earn from the delivery of natural gas to the USSR in the period from 1970 to 1987.

In January 1967, the Shah signed his first arms agreement with the Soviet Union for \$110 million worth of vehicles, including armored personnel carriers and antiaircraft guns. The Shah was piqued at the time over what he thought to be the slowness of the US in meeting his arms needs. More important, he saw in Soviet equipment one way to spend the money Iran would earn from the gas pipeline to the Soviet Union now under construction.

### VENEZUELA

In the wake of Wednesday's ambush of an army patrol, the Venezuelan armed forces have launched a major offensive against pro-Castro guerrillas in the eastern part of the country. Reports that a number of guerrillas have been killed and one guerrilla leader captured are still unconfirmed.

### THAILAND

Balloting for the lower house of the National Assembly--the first nationwide elections in more than ten years--will

take place on 10 February. Under the new constitution, promulgated last year by the military leadership to legitimize its rule, the upper house is appointed and the power of the legislature is in addition carefully circumscribed. These elections therefore pose no threat to the establishment.

The government nevertheless fears embarrassment. A current reading suggests that the newly formed government party, still considerably disorganized, will fall short of a majority even though winning the largest bloc of seats.



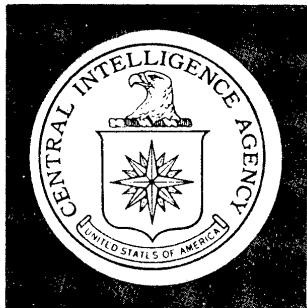
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experiment in democratization, the elections have generated high public interest in most areas of the country, particularly in Bangkok. Although the Thai people have been reasonably happy under the military regime, there are a number of grievances which may now become more significant under the new political liberalization.

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# *The President's Daily Brief*

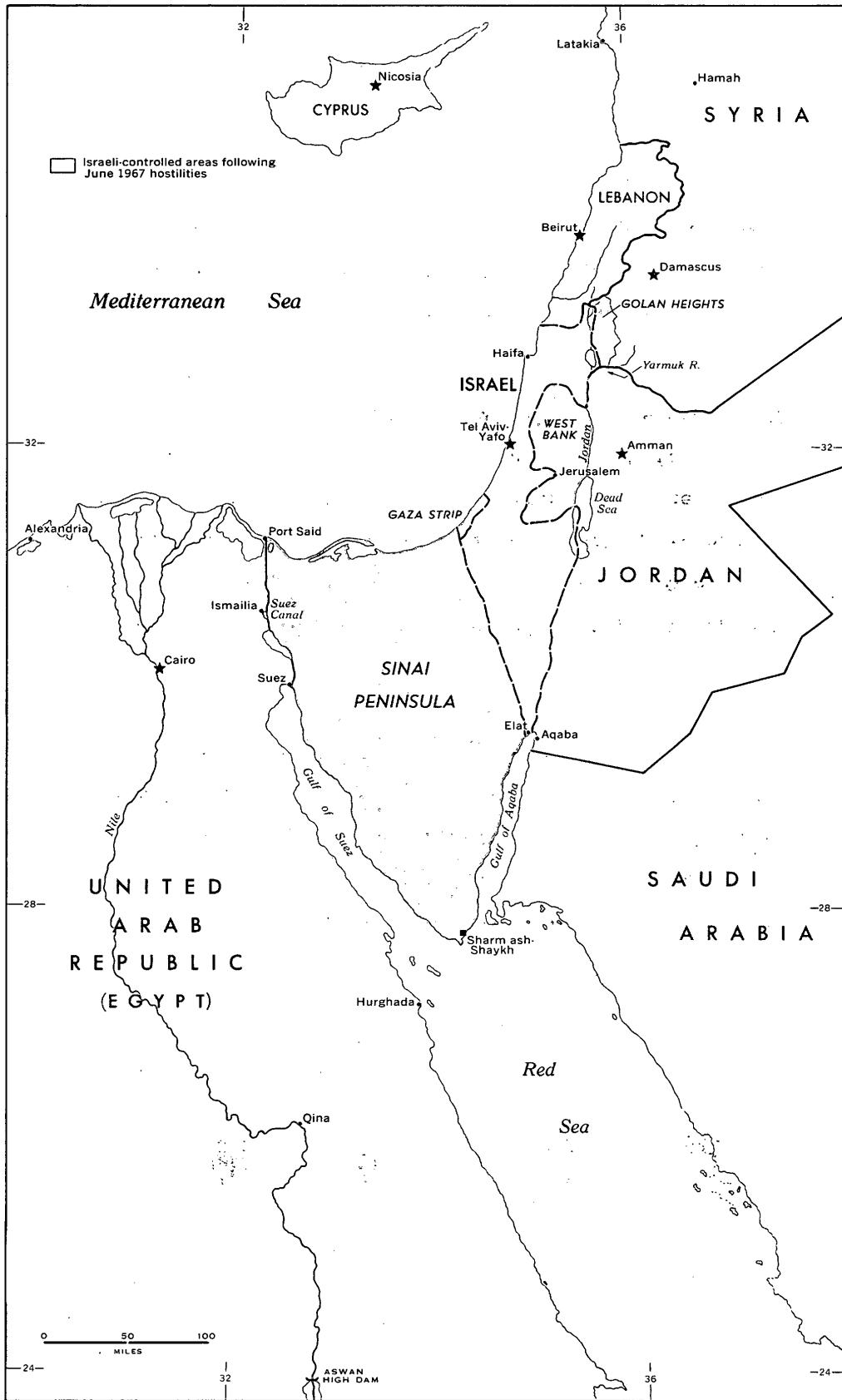
10 February 1969

(Morning)

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## I. MAJOR PROBLEMS

### MIDDLE EAST

Israeli officials continue to express their concern [redacted] publicly over an alleged buildup of Arab [redacted] 50X1  
terrorists in southern Lebanon. [redacted] 50X1  
[redacted] apparently in the hope that their [redacted] 50X1  
warning of retaliation in the event of terrorist attacks  
will be passed on to Beirut.

The Lebanese Government maintains that it is doing its best to block the terrorists coming in from Syria and Jordan. Beirut claims, however, that because of the difficult terrain considerably more forces than are available would be required to round up those on Lebanese soil.

\* \* \*

The Soviets apparently are preparing defenses for the Aswan Dam [redacted] 50X1  
[redacted] Some 300 50X1

Soviet military engineering corps personnel reportedly arrived in Egypt early in December to work on the fortifications as well as to construct an early warning system on the Red Sea coast.

[redacted] 50X1

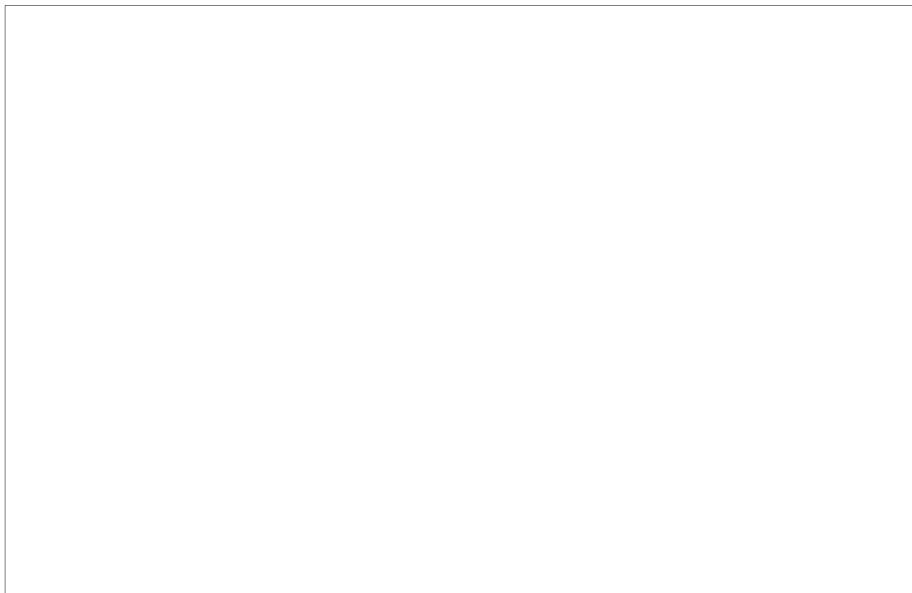
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In early November, the Soviet ambassador was said to have remarked that the Aswan Dam was "the apple of the Soviet eye" and that the Russians meant to protect it even if it meant Soviet personnel had to man the defenses.

## EUROPE

The new East German restrictions on the travel of West German officials to West Berlin will have little practical effect on the meeting in the city of the Federal Assembly on 5 March. In effect, the ban means only that participants will have to travel by air, something most of them were probably going to do in any case, since the East Germans can prevent access by land at any time.

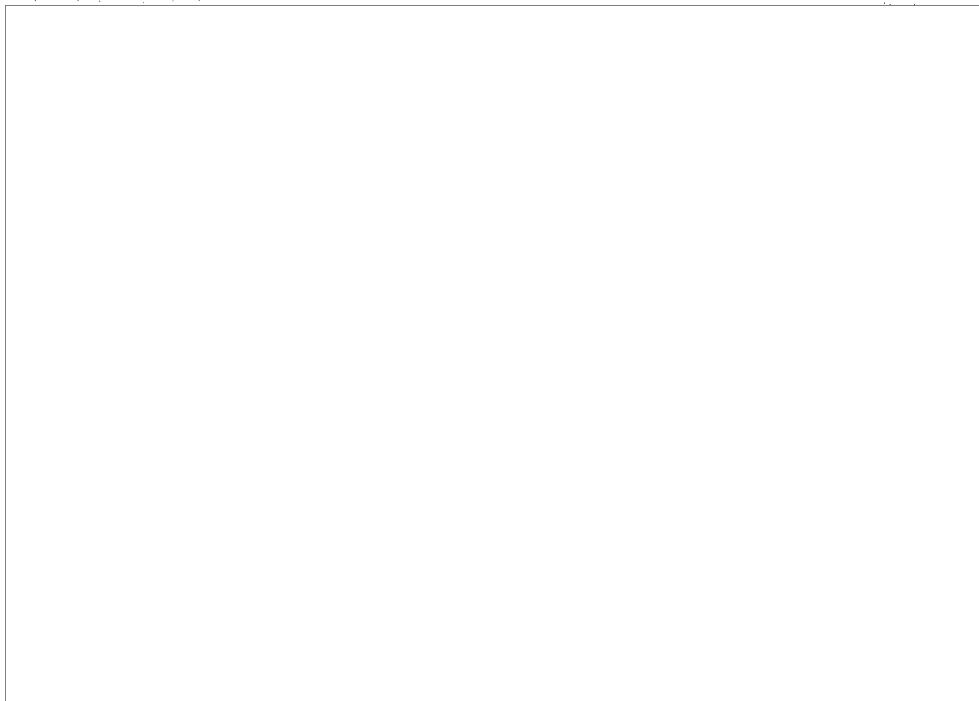
The prohibition against the transit of assembly members is about the strongest action the East Germans can take by themselves without incurring the risk of retaliation. We have no indication that the Soviets will sanction East German harassment of flights to West Berlin, although we do believe that yesterday's move was coordinated with the Russians. The announcement of the restrictions probably is intended to set the stage for a massive East German propaganda war of nerves against the Federal Assembly meeting, against the sanctioning of this meeting by the Western Allies, and against alleged "misuse" of air corridors to the city.

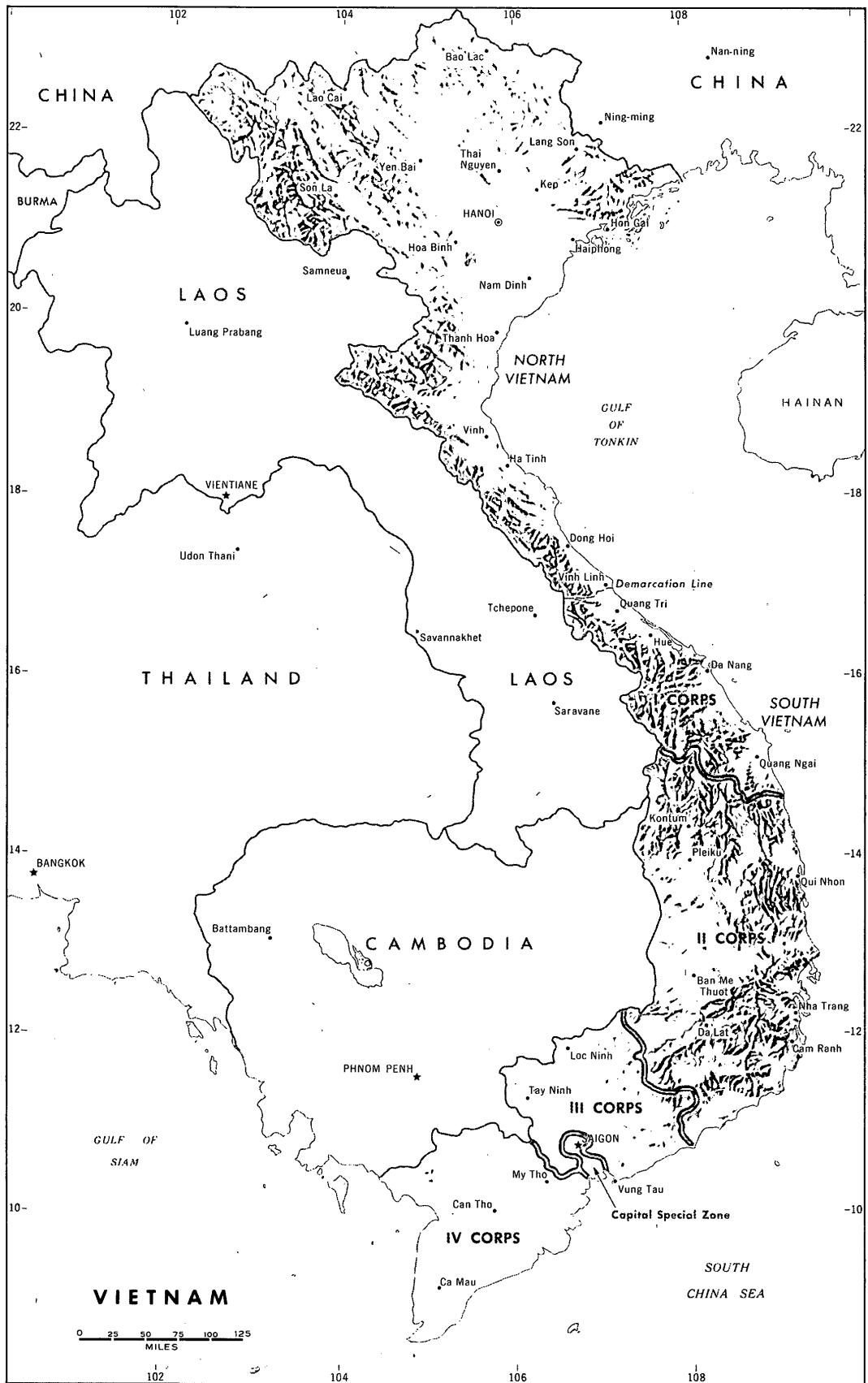


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VIETNAM

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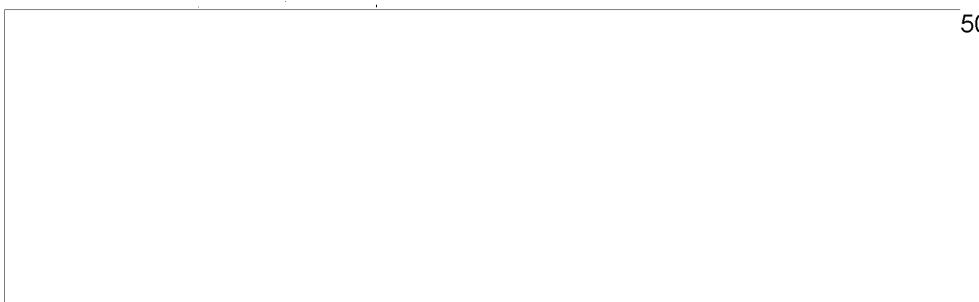
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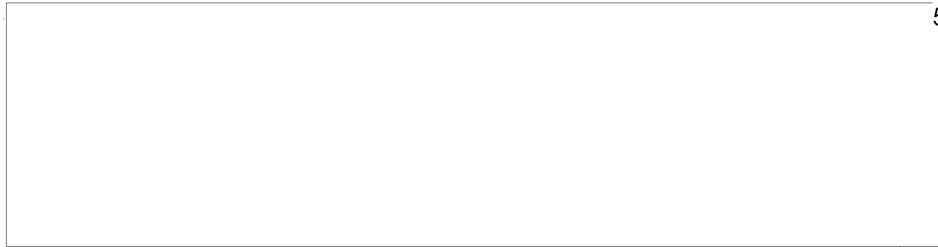
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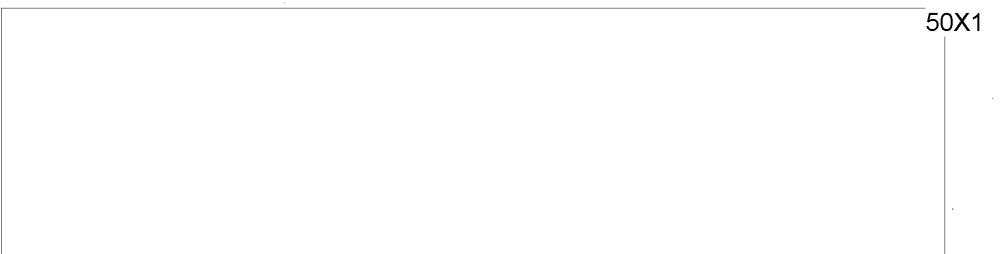
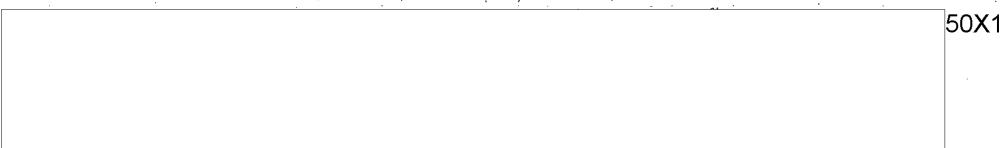
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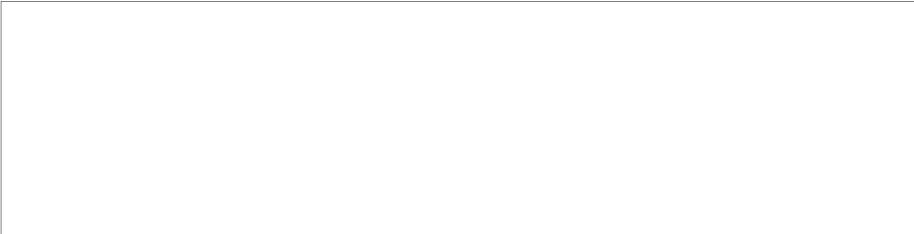


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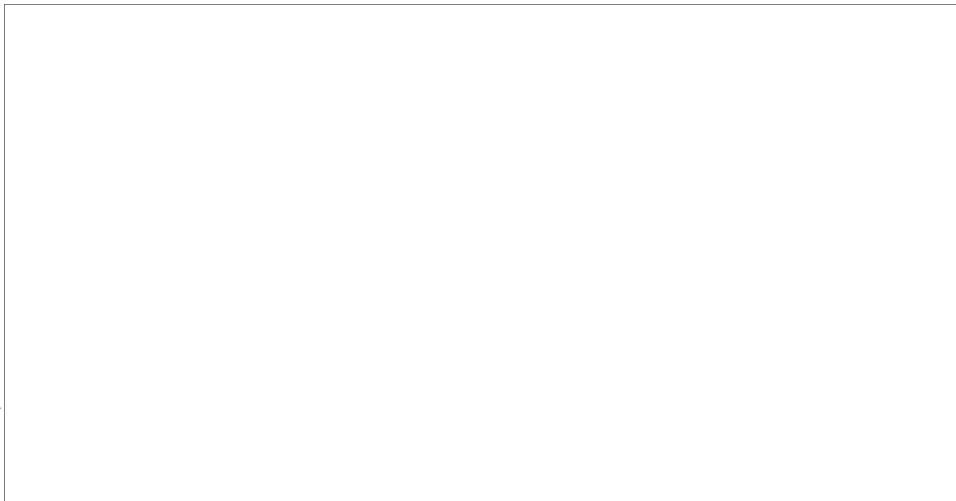
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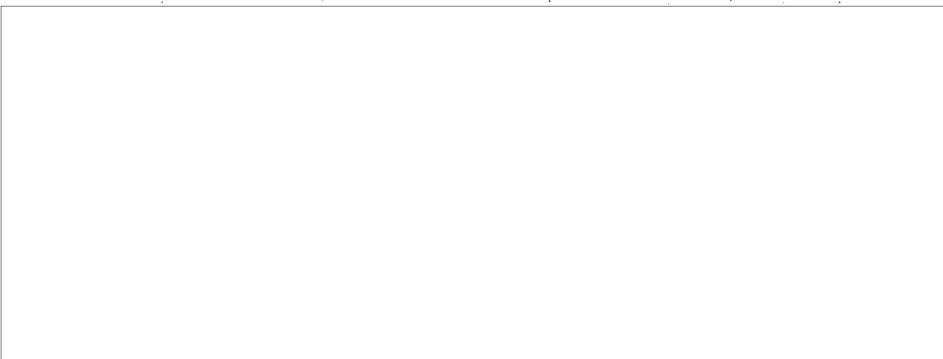
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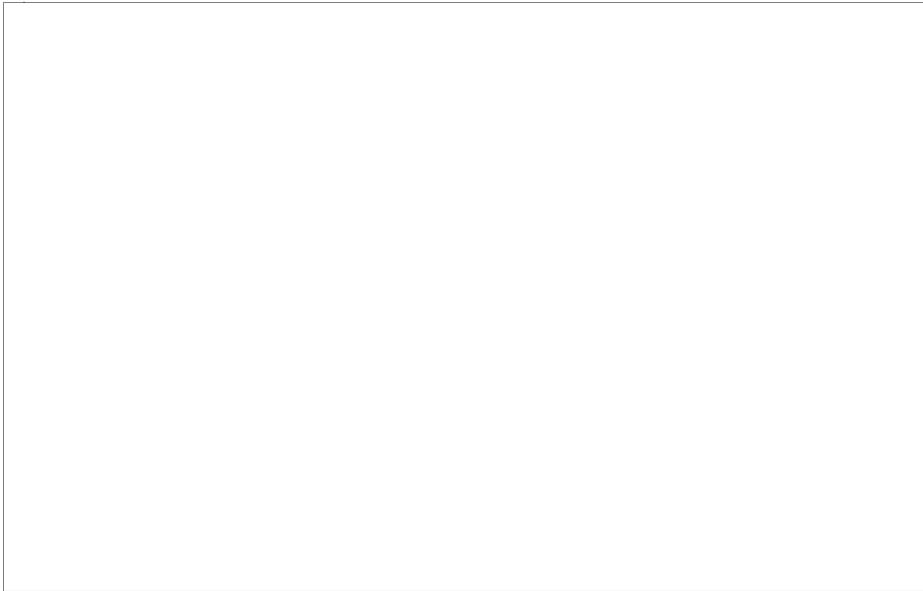
\* \* \*

The ground war fighting remained relatively light over the weekend. Communist activity was highlighted by several terrorist and sapper incidents in Saigon and a number of rocket and mortar attacks on allied positions in various areas of the country.

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## II. OTHER IMPORTANT DEVELOPMENTS

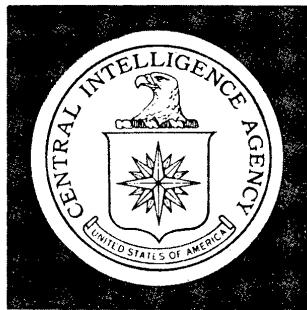
### NIGERIA



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## *The President's Daily Brief*

10 February 1969  
(Afternoon)

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**TOP SECRET**

**LATE NOTES FOR THE PRESIDENT'S DAILY BRIEF OF**

**10 FEBRUARY 1969**

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**TOP SECRET**

*FOR THE PRESIDENT ONLY*

11 February 1969

LATE NOTES FOR THE PRESIDENT'S DAILY BRIEF OF  
10 FEBRUARY 1969

I. MAJOR PROBLEMS

MIDDLE EAST

There is nothing of significance to report.

EUROPE

There is nothing of significance to report.

SOVIET AFFAIRS

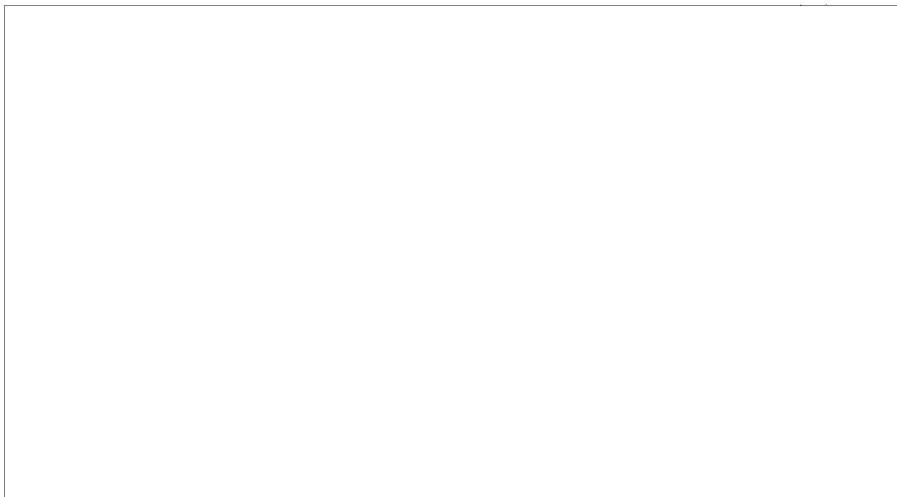
There is nothing of significance to report.

VIETNAM

There is nothing of significance to report.

II. OTHER IMPORTANT DEVELOPMENTS

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

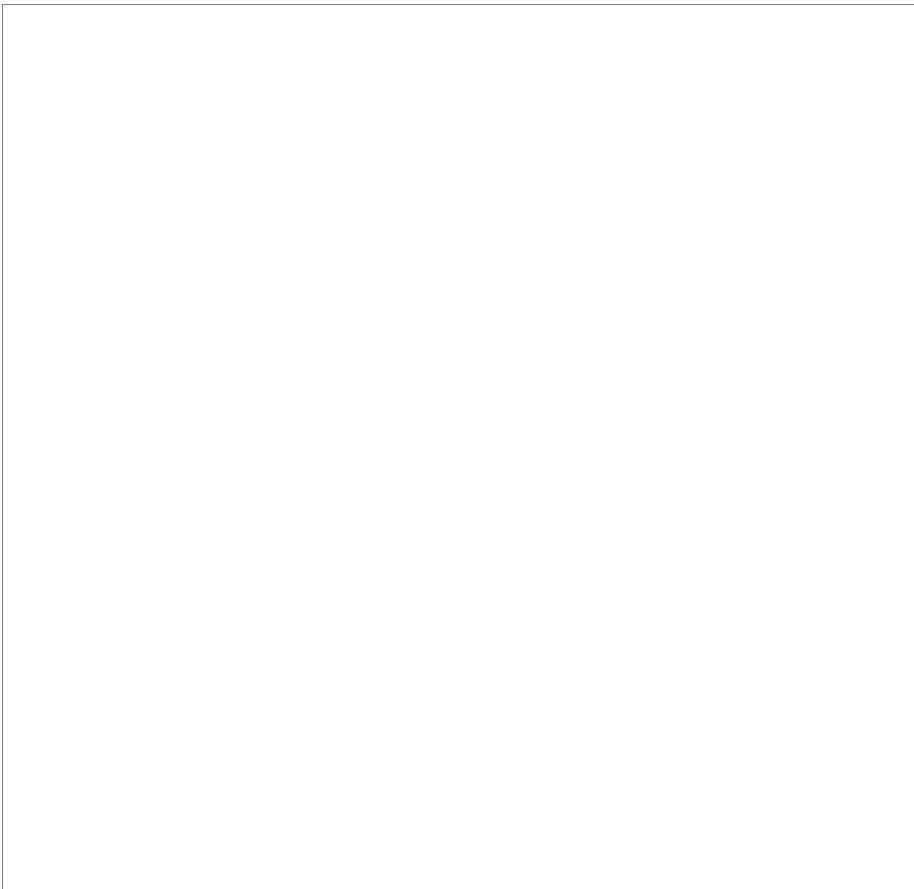
I. MAJOR PROBLEMS

MIDDLE EAST

There is nothing of significance to report.

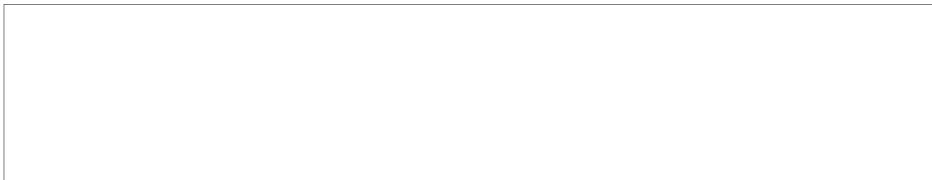
EUROPE

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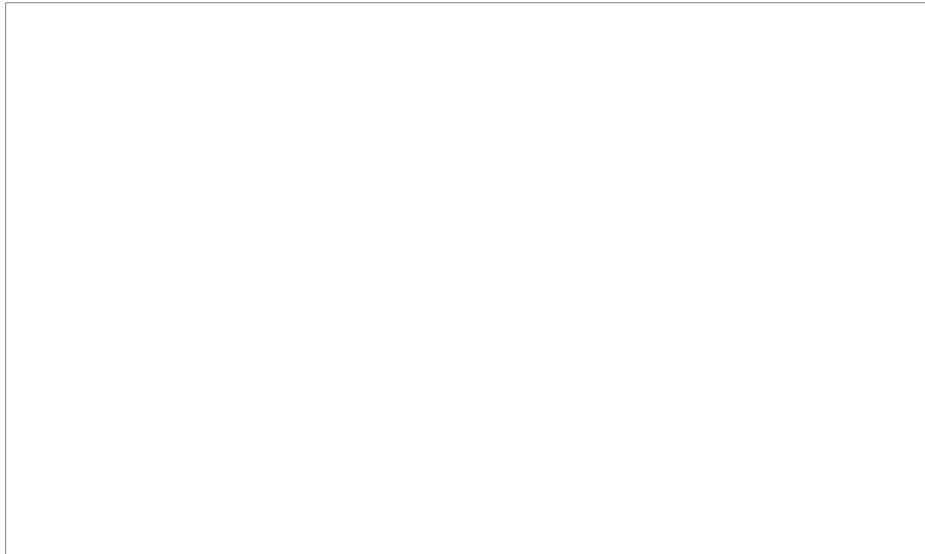


SOVIET AFFAIRS

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*FOR THE PRESIDENT ONLY*



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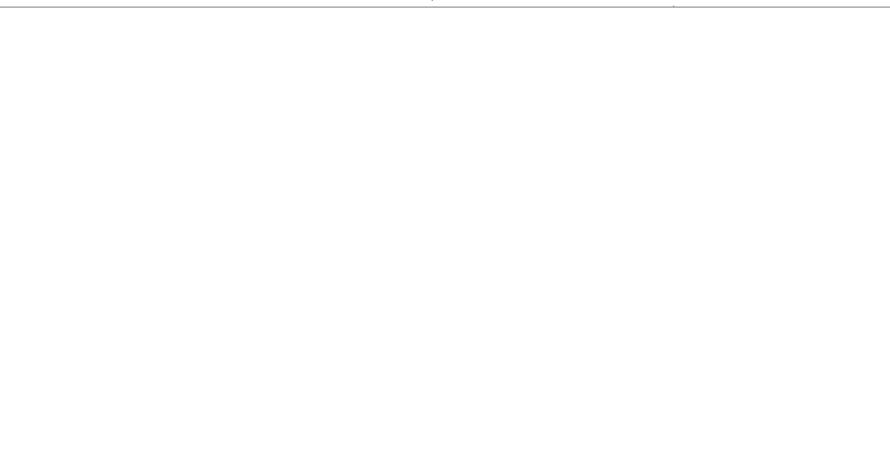
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*FOR THE PRESIDENT ONLY*

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\* \* \*

The US Ambassador in Belgrade has been told by a high-level Yugoslav Foreign Office official that Rumania is no longer under pressure from Moscow to hold Warsaw Pact maneuvers this spring because of continuing Soviet involvement in Czechoslovakia. The Soviet Ambassador in Bucharest is said to have told his Yugoslav colleague that no maneuvers would be held in Rumania until the end of the year.

The Rumanians also told the Yugoslavs that they believe developments in Czechoslovakia will cause the Moscow Conference of World Communist Parties, scheduled for this spring, to be postponed. If and when the conference is held, the Rumanians will attend but the Yugoslavs will not.

\* \* \*

The arrival in East Berlin yesterday of Soviet Marshal Ivan Yakubovsky, supreme commander of the Warsaw

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

Only one new infiltration group has been noted en route to South Vietnam so far this month. This lack of activity continues the downward trend which began several weeks ago.

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The decline of infiltration at this time of year--partly because of poor weather conditions-- is not without precedent. The pattern of infiltration and the numbers involved in the past three months are almost identical with those for the same period last year. If the similarity continues to hold, we would expect the February total to be about the same as last year

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\* \* \*

The tactical military situation in South Vietnam remains unchanged. Only limited and small-scale ground action was reported.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

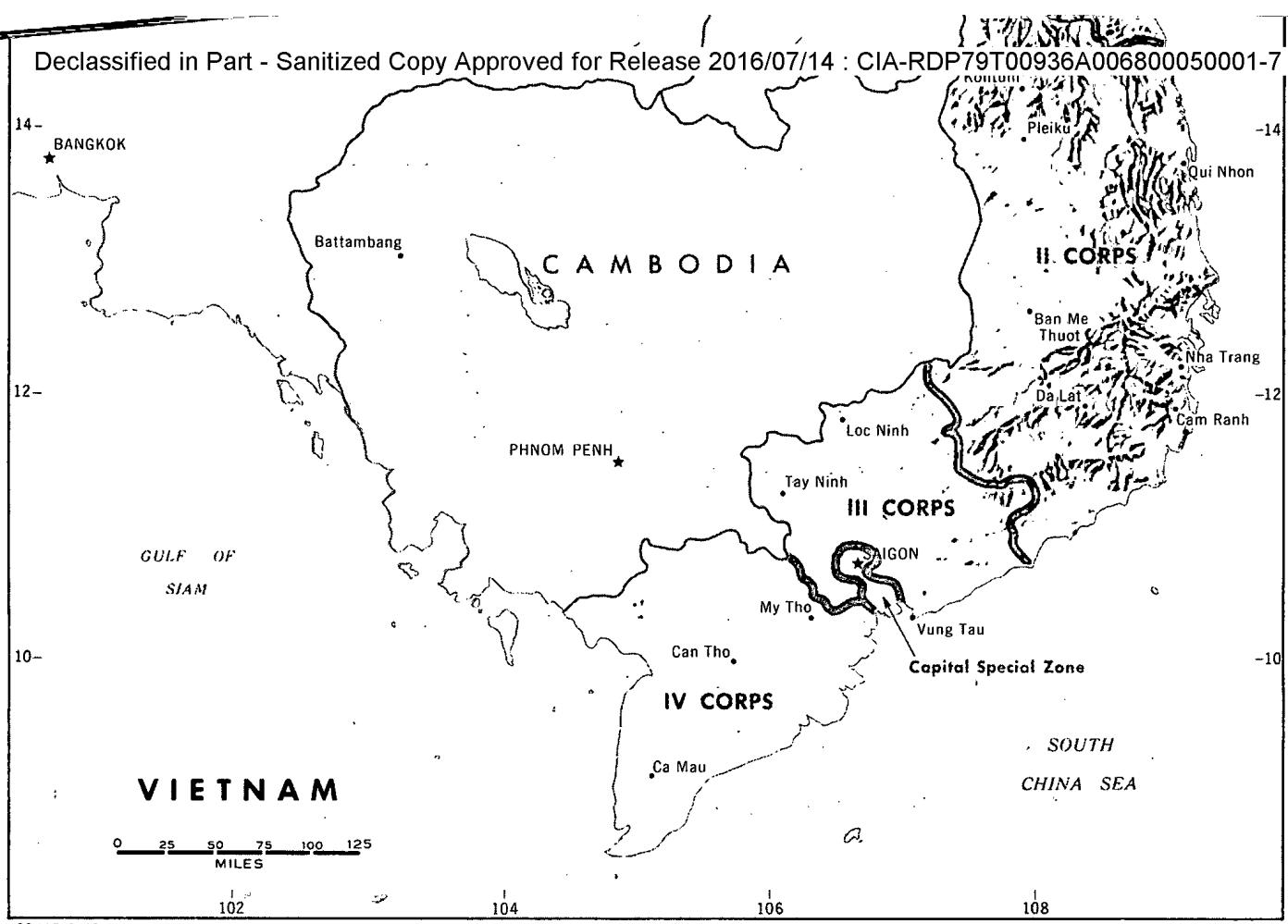
Pact, probably heralds a meeting of Pact military representatives.

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V I E T N A M

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*FOR THE PRESIDENT ONLY*

## II. OTHER IMPORTANT DEVELOPMENTS

### PERU

Members of the coterie around Velasco have once again made it clear that the Peruvians are convinced the US will not apply sanctions in the dispute over the expropriation of the International Petroleum Company.

Secure in this assumption, they are even taking in stride the fact that trade negotiations with the Soviets are not going well. The negotiators from Moscow reportedly are interested mostly in selling trucks and mining equipment, which the Peruvians do not want. The Soviets have shown no interest in buying Peruvian minerals or sugar.

### BRAZIL

The military are pushing ahead with the "sanitizing" of Brazil. Nearly a fifth of the members of the national legislature have now been purged, and five state legislatures have been closed. The Brazilian National Security Council has also approved the establishment of a military-police commission to investigate "subversive or counterevolutionary acts." This could be a vehicle for making harassment of the government's real and fancied opponents less haphazard than it has been so far.

President Costa e Silva may be opposed to all this, but we are almost certain he lacks the power to reverse the trend.

*FOR THE PRESIDENT ONLY*

**Communist Chinese  
Activity**

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*FOR THE PRESIDENT ONLY*

TURKEY

The Annex today deals with problems in US-Turkish relations.

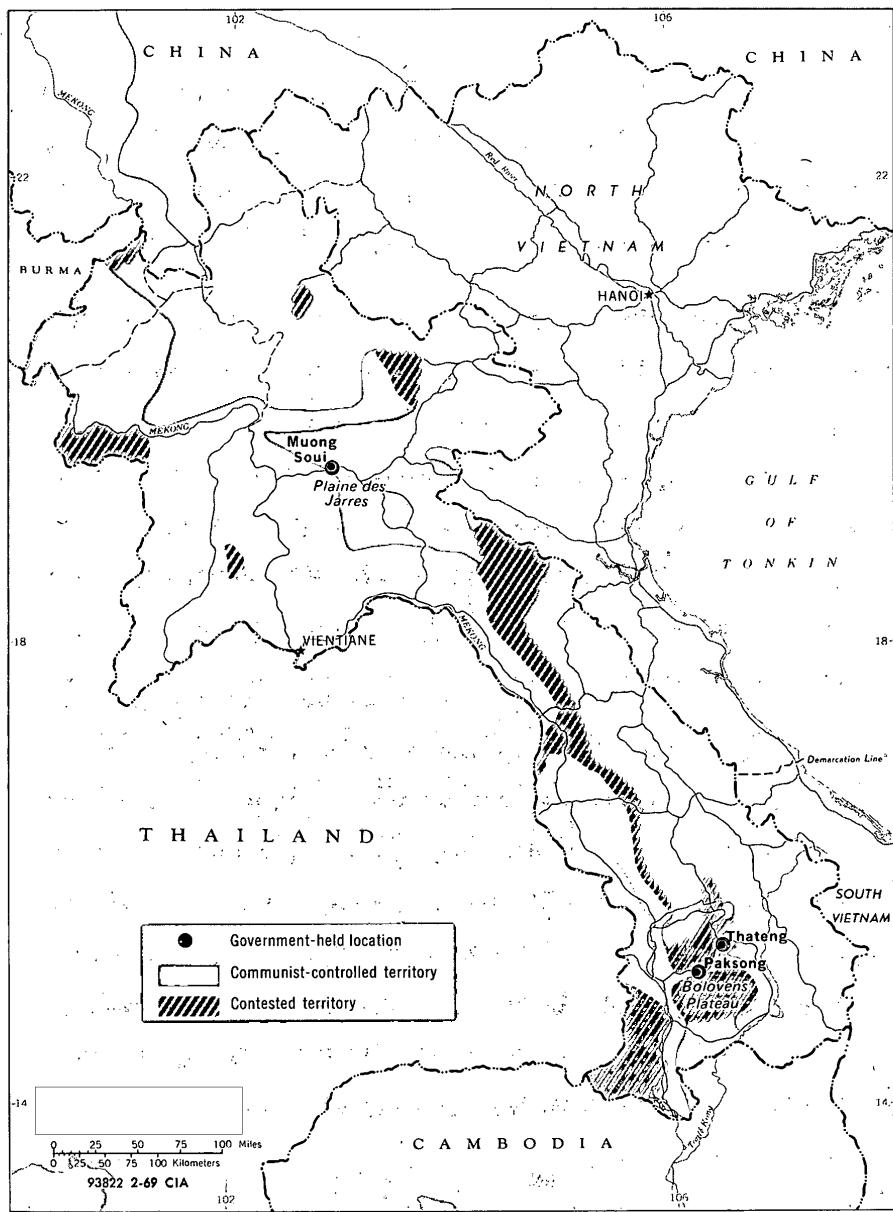
COMMUNIST CHINA

The Chinese are putting new emphasis on the improvement of air defense and logistic capabilities in southern Yunnan Province. Satellite photography of late January shows work well along on extension of the runway at Ssu-mao airfield to accommodate jet fighters. When the new concrete runway is completed, Ssu-mao will become the fourth jet fighter field in the border area. China's air defenses will then be extended to cover all of the Vietnam and Laotian frontier.

At the same time, engineer units are developing a large military logistic base in the southern Yunnan salient. Of 800 barracks and storage facilities identified by aerial photography within five miles of the Laotian border, about 700 are new. These structures are not far from a Chinese road construction project under way for several months in Communist-held parts of northern Laos.

This activity on both sides of the border will make it easier for the Chinese to support Laotian Communist forces in remote parts of northern Laos, as they have been doing for some years.

## LAOS: Current Situation



*FOR THE PRESIDENT ONLY*

LAOS

Unusually heavy US airstrikes are being targeted against North Vietnamese positions surrounding Thateng in support of the government's efforts to bring in reinforcements and vital supplies by helicopter. A number of friendly guerrilla teams will move overland to harass the Communists. The airstrikes may initially prove effective, but prospects for lifting the three-month siege are not good. Even with the arrival of the relief force, government forces are heavily outnumbered.

In north Laos, Communist terrorists withdrew today from Muong Soui after killing one US military attaché and wounding another. This attack seems more illustrative of the sporadic terrorism the Communists manage to carry out in Laos than indicative of a concerted Communist effort against government forces at Muong Soui.

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TURKEY

SIGNIFICANCE: Turkey has great strategic importance for the US--both because substantial American investment and prestige is committed there and because it is the south-eastern anchor of NATO. During the past two decades, the US has given Turkey over \$5 billion in economic and military aid, and has trained and equipped the bulk of its military establishment which totals about half a million men. US installations in Turkey are of major importance to our mutual defense effort. Through them we have been able to stage strategic forces and from them we have monitored Soviet missile and space developments. Nonetheless, and despite the accumulation over the years of substantial goodwill in Turkey, the US faces complex problems in its relations with Turkey, of which anti-American incidents of recent months are but surface manifestations. Many of these problems really stem from the underlying frustration and xenophobia of a people which is still about 45-percent illiterate, over 70 percent dependent on agriculture, and with some 42 percent under the age of 15.

\* \* \*

American prestige and influence in Turkey reached its zenith in the mid-fifties. The 1960 military revolution was the major turning point. The forces of rebellion were aroused by the government's increasing repressiveness, and fostered by the mounting frustration of the political

FOR THE PRESIDENT ONLY

*FOR THE PRESIDENT ONLY*

opposition. Some of this animosity toward the ancien-regime rubbed off on the US. In the postrevolution period, the Turks began to reappraise their foreign relations, and this reappraisal has been accelerated by new frustrations growing out of the persistent Cyprus dispute.

For the past two years, the US and Turkey have been mutually reviewing in detail the fifty-four agreements which undergird our bilateral relations. Many of these were concluded during the heyday of the pre-1960 Bayar-Menderes administration and never received parliamentary ratification. Major differences have now been reconciled, and hopefully a new consolidated agreement will be ready for signature within a few months. A considerable domestic storm could develop, however, if as now seems quite likely, the government decides not to put the agreement through the formal parliamentary ratification.

The revolution of 1960, largely a reaction to Menderes' tight control, ushered in a period of activity by the long-dormant political left, which has increasingly plagued both the conservative government of Prime Minister Demirel and Americans in Turkey. For the first time in modern Turkish history, socialism and communism became accepted topics for discussion and debate. The Communist Party per se remains banned, but the self-styled Marxist Turkish Labor Party (TLP) was organized and gained limited parliamentary representation. The TLP has attracted many known and suspected Communists and has launched a coordinated program of action and propaganda aimed at undermining the government, driving

**FOR THE PRESIDENT ONLY**

the American military presence from Turkey, and pulling Turkey out of NATO.

Leftist extremism has also fostered the emergence of an extreme right which will almost certainly lead to further polarization, especially among the volatile youth. The rightists have organized a group of youth "commandos" as mobile shock "troops" to counter leftist activities. Clashes have already occurred between these two extremist factions in an atmosphere of increasing violence and instability.

In the last five years Cyprus has become a major factor in US-Turkish relations. It has periodically raised the spectre of Turkish military intervention, war between Greece and Turkey, and irreparable damage to the entire southeast flank of NATO. The Turks have several times planned to restore Turkish honor and protect the Turkish Cypriot community by military intervention. Many Turks blame the US for repeatedly forestalling them.

The US also faces the problem of sharply cutting economic and military aid without endangering the already substantial investment in Turkey. Largely under American tutelage, the Turks have made significant strides in economic development and have projected current and future plans on anticipated foreign assistance. They feel they have an even firmer US commitment to support the Turkish military establishment, which is largely committed to NATO.

Other problems include Turkish labor disputes involving US military installations, and the continuing jockeying for

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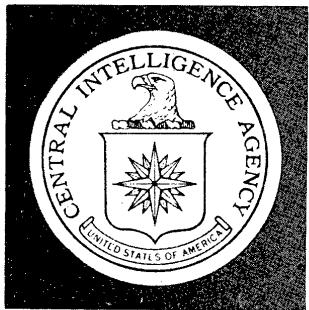
position between the US and the USSR at the Turkish Straits.

The first invites direct confrontation with the militant left; the latter raises the possibility of renewed Soviet efforts to alter the Montreux Convention.

Turkish-American relations have indeed entered a potentially delicate period of transition. Friendship for the US remains widespread, but the Turks are taking a close look at the forces at work in NATO, in East-West relations, and in US-Turkish bilateral relations.

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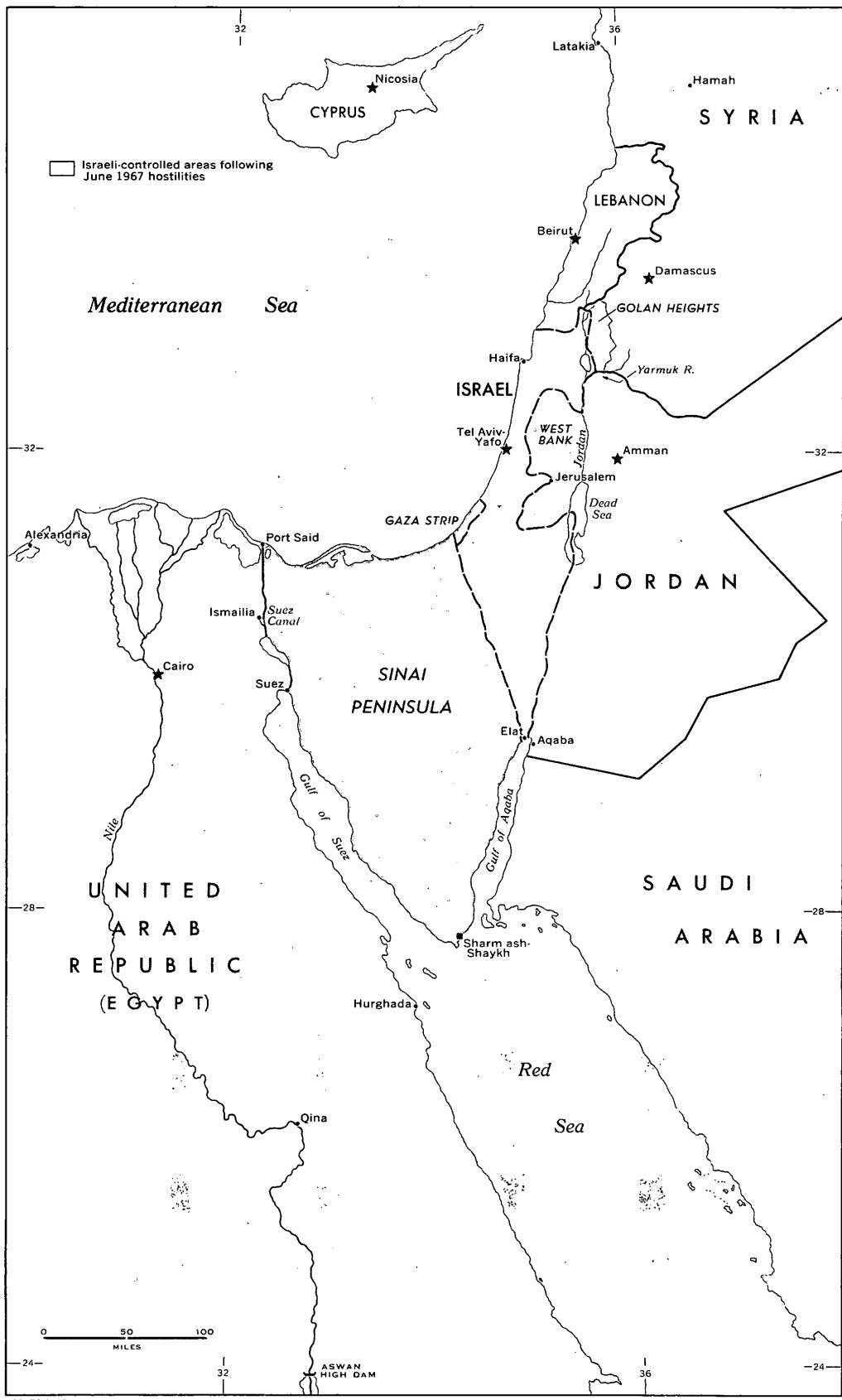


## *The President's Daily Brief*

11 February 1969

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**TOP SECRET**

**LATE NOTES FOR THE PRESIDENT'S DAILY BRIEF OF  
11 FEBRUARY 1969**

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**TOP SECRET**

*FOR THE PRESIDENT ONLY*

12 February 1969

LATE NOTES FOR THE PRESIDENT'S DAILY BRIEF OF  
11 FEBRUARY 1969

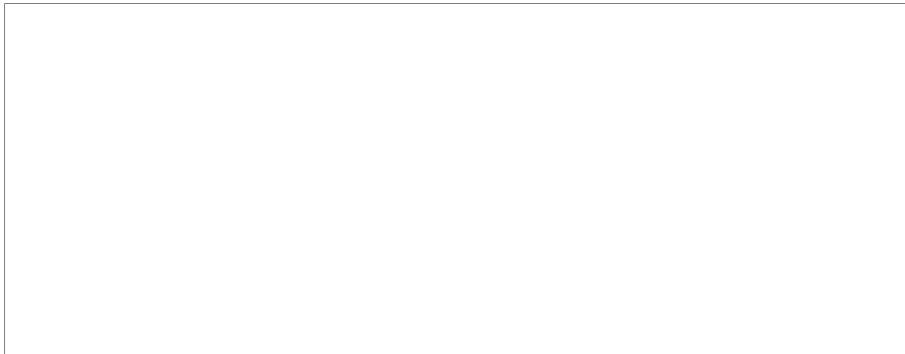
I. MAJOR PROBLEMS

MIDDLE EAST

The Indians and the Yugoslavs are pressing Egypt to resume diplomatic relations with the US, but Cairo does not seem quite ready. According to the chief of the US Interest Section, the Indian ambassador was told by a Cairo Foreign Office official Monday that the crucial development Egypt was waiting for was the upcoming conversation between President Nixon and De Gaulle.

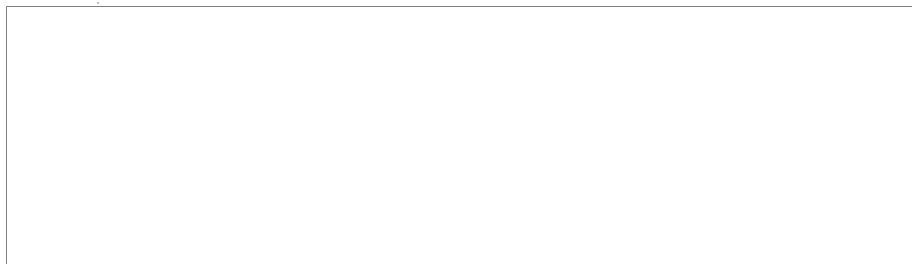
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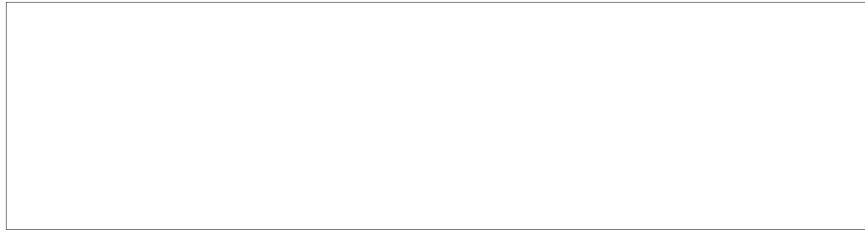
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EUROPE



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*FOR THE PRESIDENT ONLY*

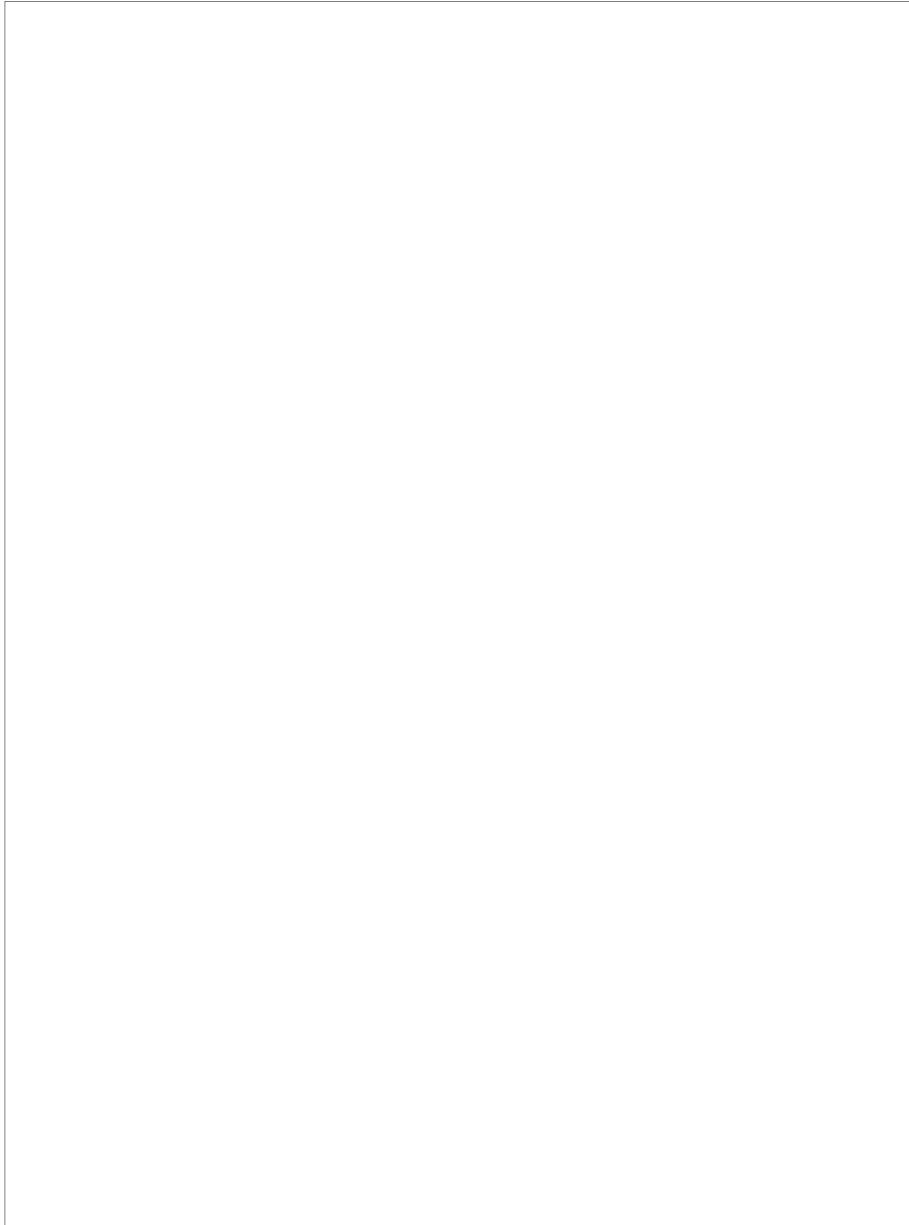


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SOVIET AFFAIRS

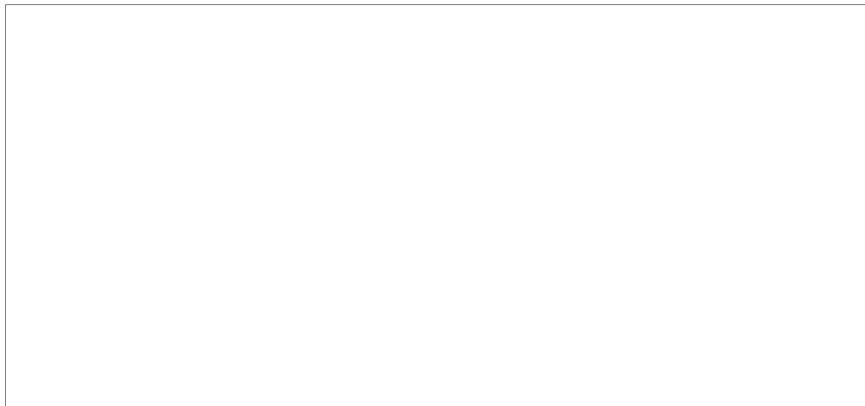
There is nothing significant to report.

VIETNAM



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*FOR THE PRESIDENT ONLY*



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## II. OTHER IMPORTANT DEVELOPMENTS

There is nothing significant to report.

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## I. MAJOR PROBLEMS

### MIDDLE EAST

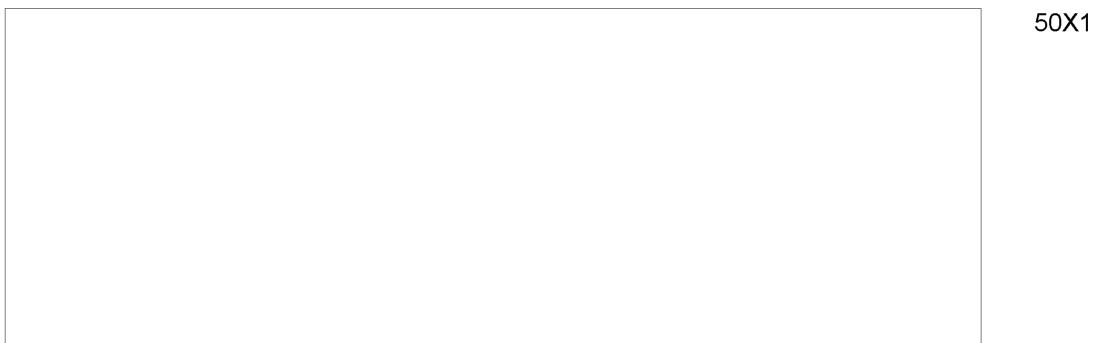
Prime Minister Eshkol beat back with no difficulty a no confidence motion by right wing critics who were upset by his statement to Newsweek that Israel was not interested in holding on to heavily Arab-populated areas of the West Bank. Eshkol's statement does not reveal any Israeli "giveaway" on the territories. The motion by the right-wingers--some of whom want Israel to hold on to all the territories--reflects the touchiness of the territorial issue in Israel, and indicates the difficulties Eshkol faces in moving toward a settlement in an election year.



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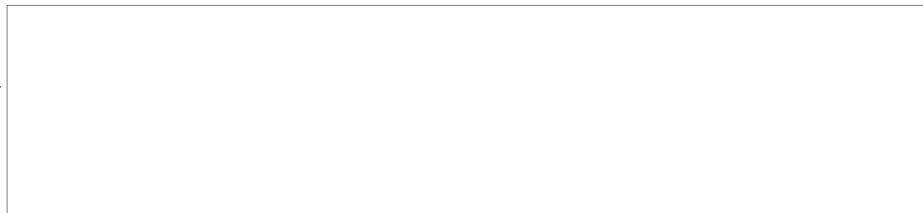
EUROPE

There is nothing of significance to report.

SOVIET AFFAIRS

There is nothing of significance to report.

VIETNAM

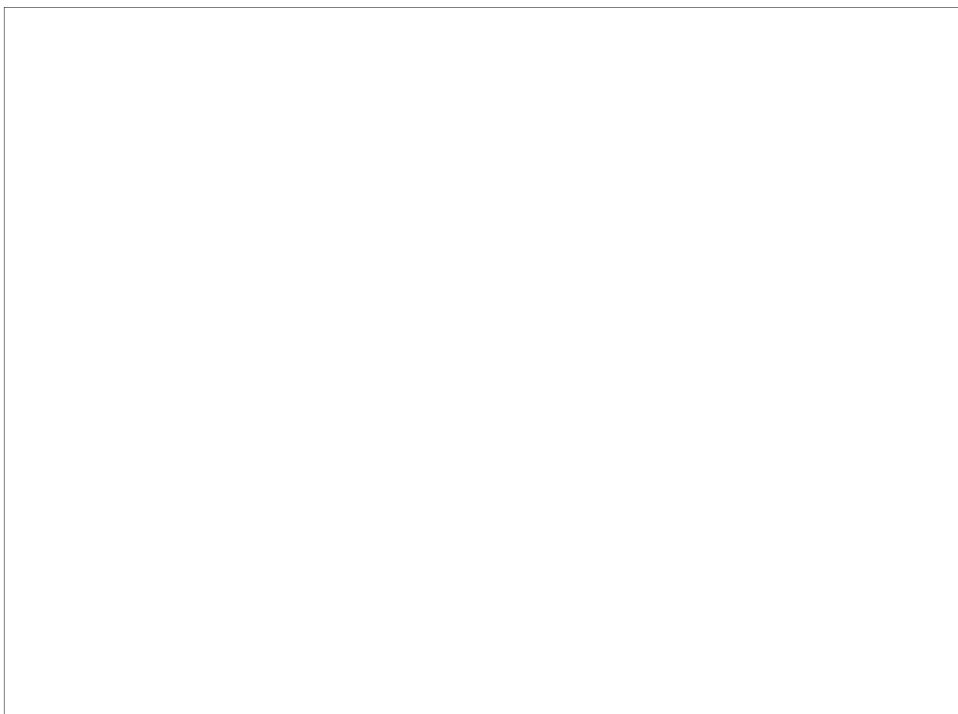


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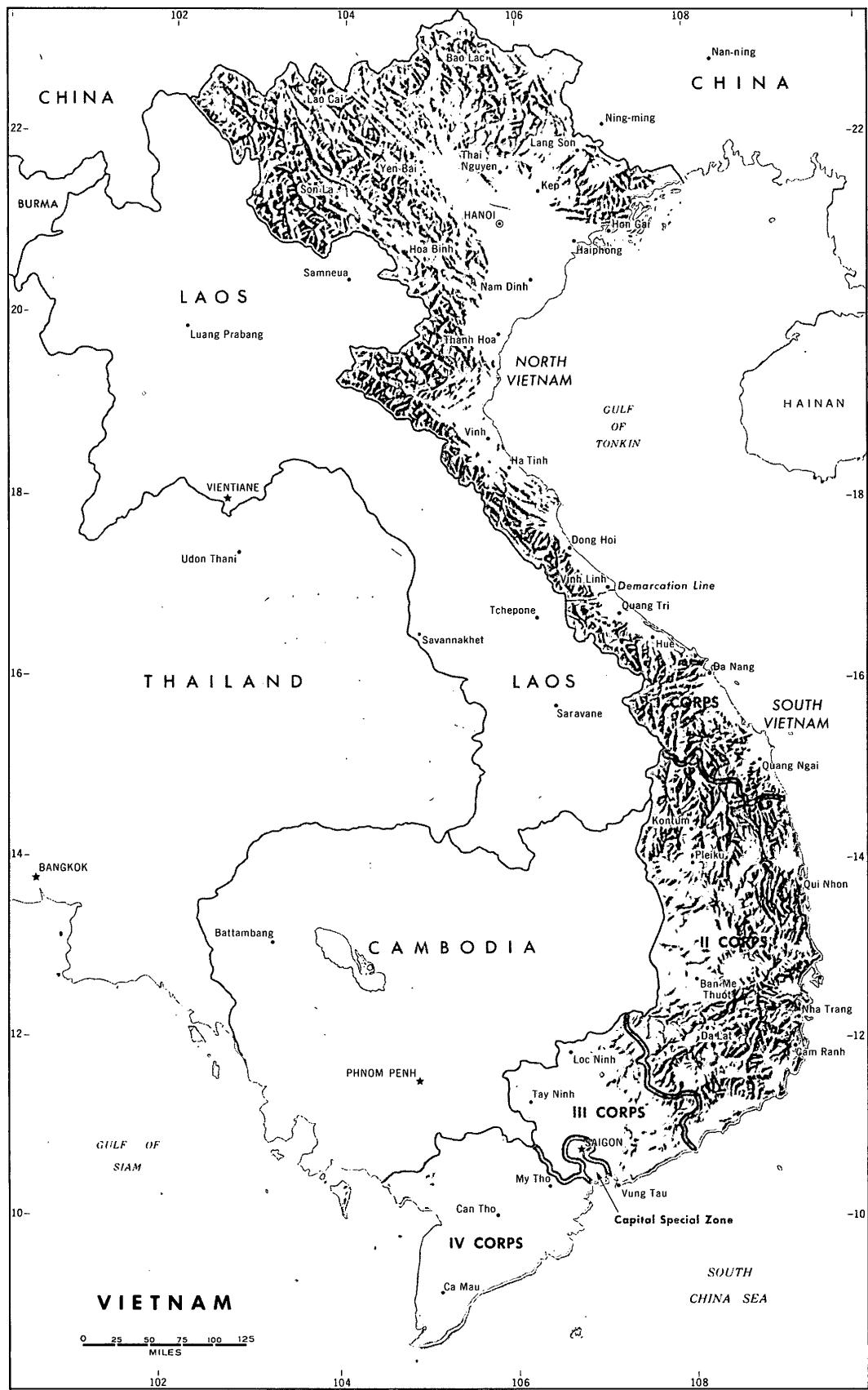


The 30-odd Viet Cong battalions in the Mekong Delta are capable of making a significant contribution to any upcoming Communist offensive. The enemy command apparatus in the region has demonstrated its ability to launch corps-wide coordinated mortar attacks on several occasions since Tet 1968. The threat of major Communist ground assaults in the delta has increased in recent weeks as sizable enemy formations have shifted closer to prime target areas. Multi-battalion Viet Cong concentrations continue to hold their positions near My Tho and other urban centers in the northern delta and relatively close to Can Tho, farther south.

A number of low-level prisoner [redacted] reports allege that the Communists will use these forces in attacks against

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*FOR THE PRESIDENT ONLY*



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delta cities in the near future.

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Allied sweep operations appear to be having some success in spoiling Communist attack preparations. At least two Viet Cong battalions, for example, apparently were pushed back from Can Tho last week by ARVN units.

\* \* \*

The Communists stepped up the pace of their military action during the past 24 hours, shelling several urban centers and allied bases stretching from Da Nang southward to the Mekong Delta.

At least four provincial capitals received enemy mortar and rocket fire, and one in the central highlands was subjected to a ground attack as well. The allied air base at Da Nang as well as a network of outlying bases in Tay Ninh Province were among the more significant military objectives struck by the Communists.

## II. OTHER IMPORTANT DEVELOPMENTS

### BELGIUM

Sometime after a Belgian cabinet meeting scheduled for 21 February, Foreign Minister Harmel plans to announce that Belgium recognizes Peking as the government of "continental China." The Belgians say that they will continue to support Taiwan in the UN and that they want to maintain relations with the Nationalists.

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### NATIONALIST CHINA

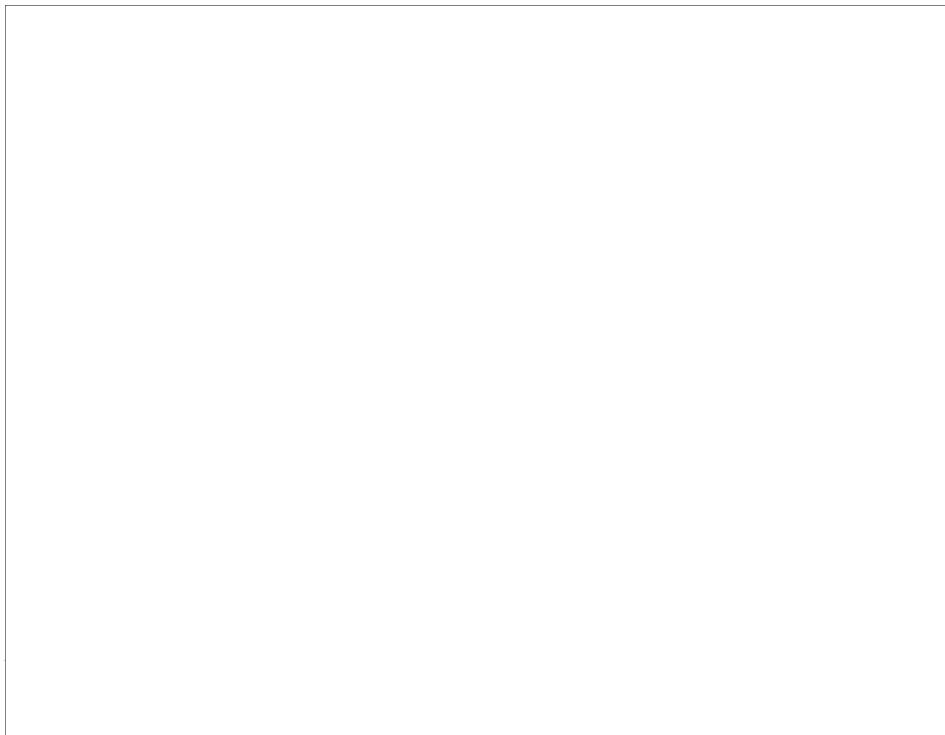
The defense ministry is engaged again in plans for small-scale sabotage operations against mainland China. Such planning occurs sporadically, but the few missions that go beyond the study stage are generally ineffective because of inept planning and the alertness of Chinese security forces.

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If the Nationalists should carry out some operation from Hong Kong, Peking would no doubt hold the British there responsible and demand that they prevent such activities in the future. The Burmese have always been highly concerned about repercussions from use of their territory by the Nationalists.

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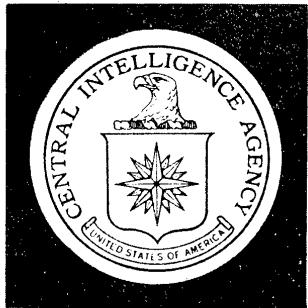
NIGERIA



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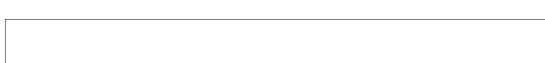
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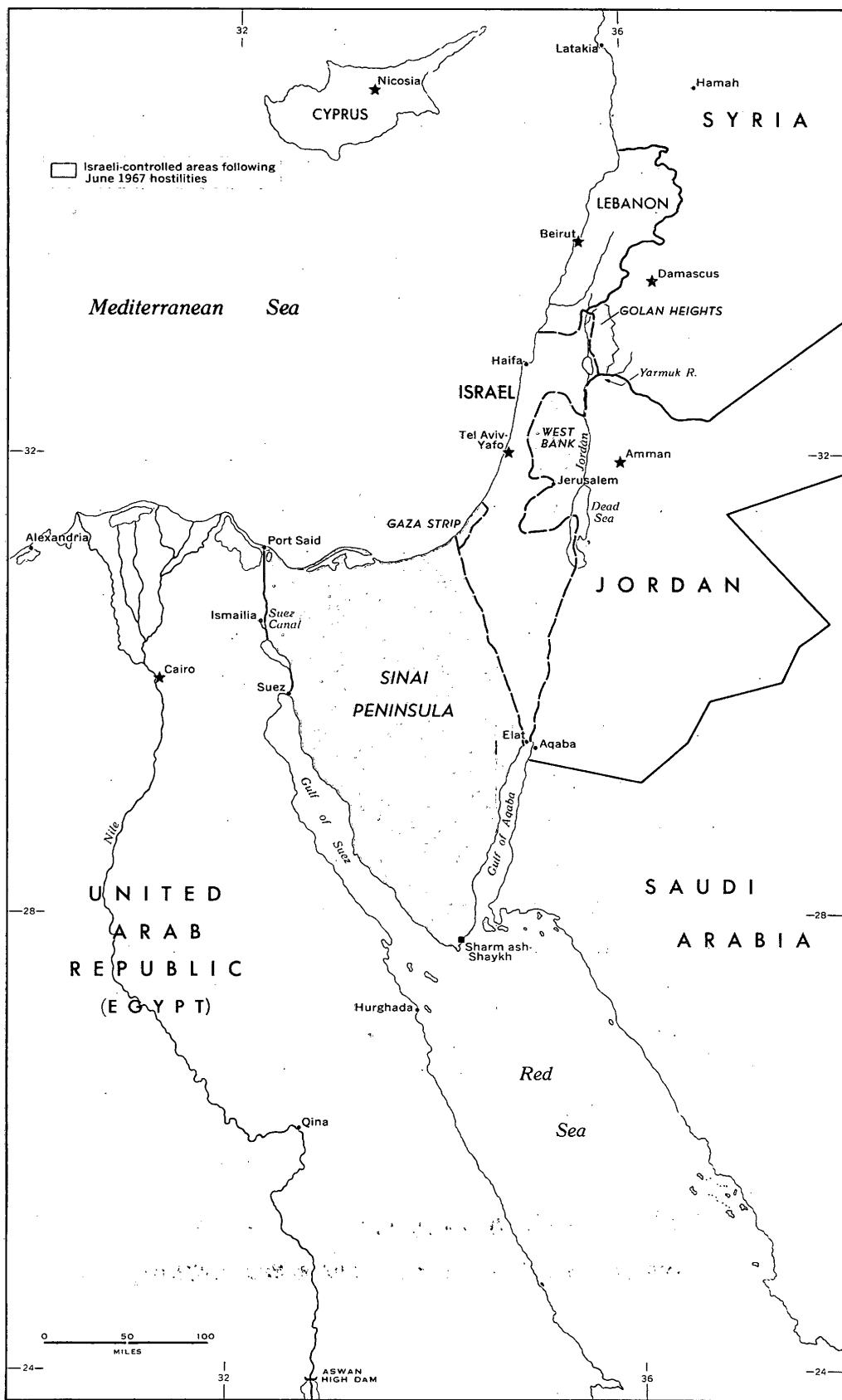
# *The President's Daily Brief*

12 February 1969



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**LIAISON NOTES FOR THE PRESIDENT'S DAILY BRIEF**

**12 FEBRUARY 1969**

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**FOR THE PRESIDENT ONLY**

13 February 1969

LATE NOTES FOR THE PRESIDENT'S DAILY BRIEF OF  
12 FEBRUARY 1969

I. MAJOR PROBLEMS

MIDDLE EAST

Yasir Arafat, the leader of Fatah and newly elected head of the Palestine Liberation Organization, will visit Beirut soon, and the Lebanese hope they can persuade him to cooperate with their efforts to limit terrorist operations based in Lebanon. They regard Arafat as a potentially moderate leader who does not want serious trouble along the Lebanon-Israel border. They are unwilling to push him too hard on the issue, however, for fear of undermining his position among his fellow Palestinians.

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SOVIET AFFAIRS

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**FOR THE PRESIDENT ONLY**

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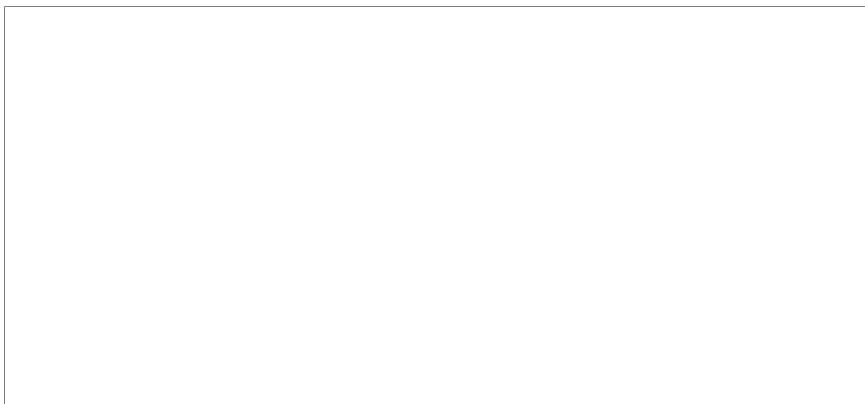
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## II. OTHER IMPORTANT DEVELOPMENTS

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I. MAJOR PROBLEMS

MIDDLE EAST

Lebanon is trying hard to control terrorists operating within its borders.

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These attempts are not likely to have much success.

The emotional hold the terrorists have in the Arab world is so strong that most governments fear the domestic political consequences of any action against them. The Lebanese in fact are probably well aware of this, but they may hope that a well publicized effort to control the terrorists will help stay Israel's retaliatory hand.

\* \* \*

Fatah, the biggest and most active of the Palestinian terrorist groups, has begun to widen its horizons. Last month Fatah picked up 31 seats on the national council of the Palestine Liberation Organization, which since its establishment in 1964 has been viewed by Arab states as the most legitimate vehicle for Palestinian nationalism. Using

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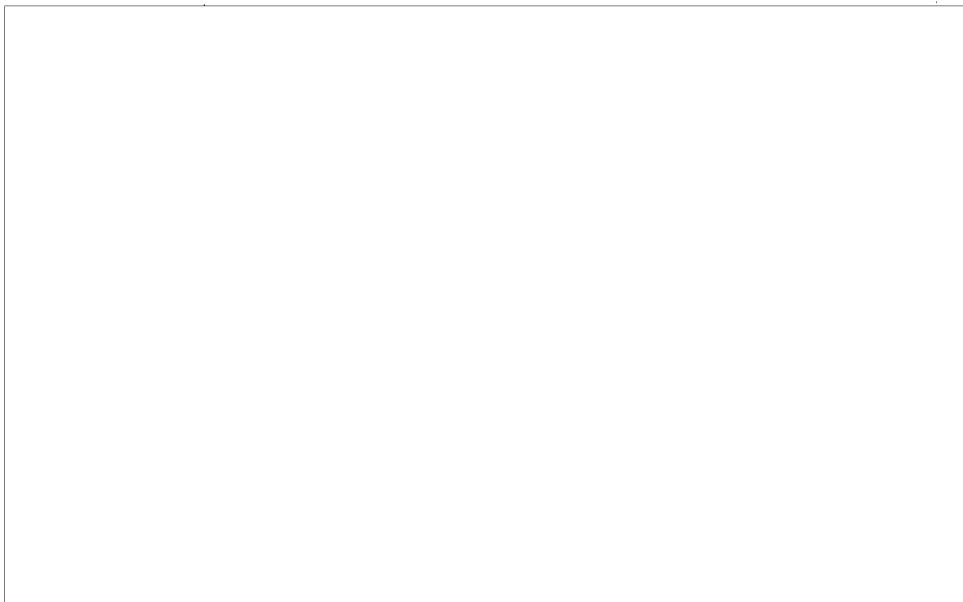
this platform, Fatah then managed to place three of its men on the 11-man executive committee. Fatah's principal spokesman, Yasir Arafat, was elected chairman.

EUROPE

There is nothing of significance to report.

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SOVIET AFFAIRS



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VIETNAM

Vietnamese Communist propaganda in the past two days provides a preview of the line Hanoi and the Front are likely

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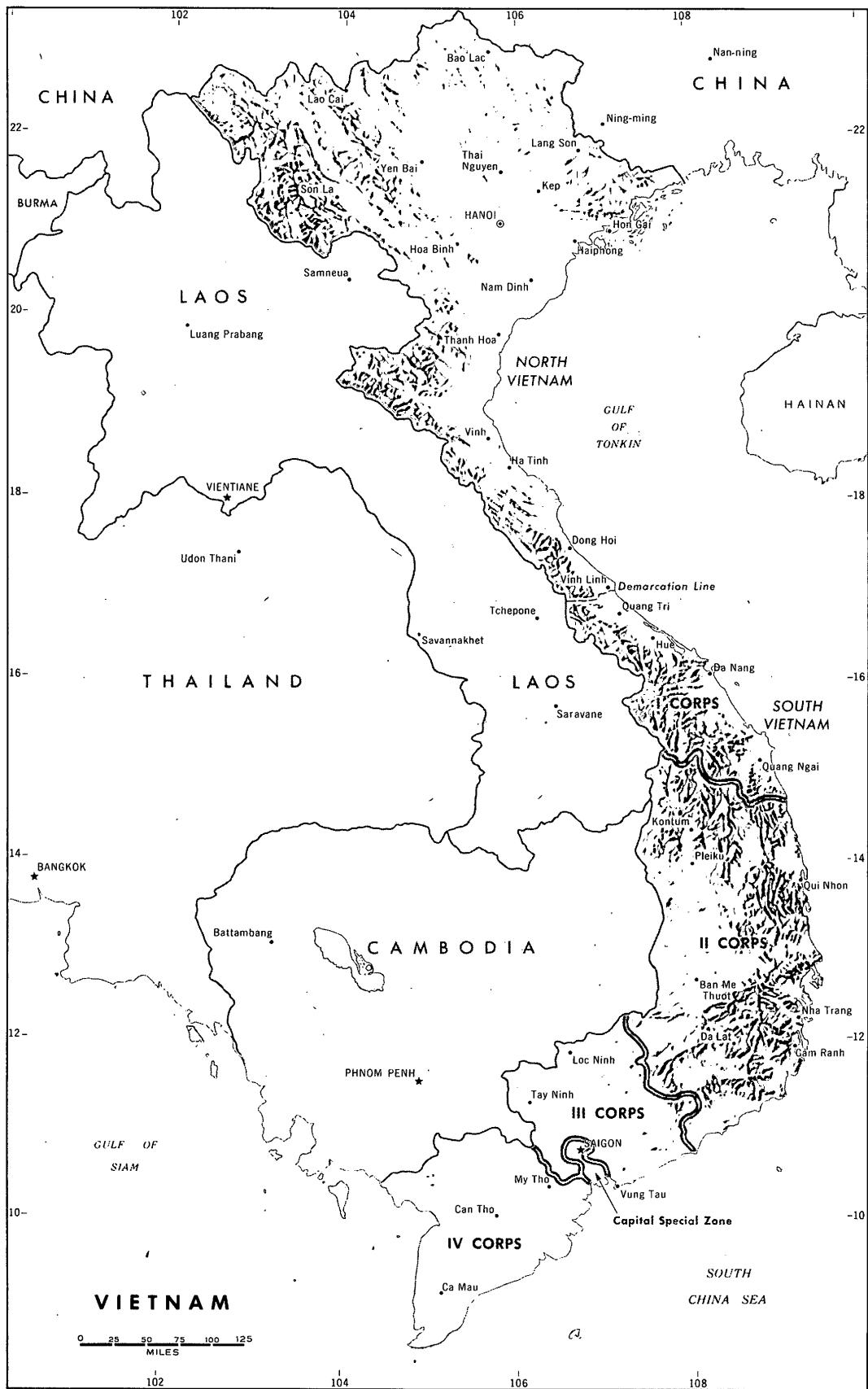
*FOR THE PRESIDENT ONLY*

to take in tomorrow's session in Paris. The Communists have focused squarely on the issue of US troop withdrawal as the first order of business in the talks. While not abandoning the priority they put on political issues, the Communists are now saying that "unconditional" withdrawal of US forces is the "key" issue in a settlement, implying that they hope to get into broader questions via this one. They also insist, as they have been doing for several weeks, that this question must be resolved by the negotiators in Paris. They seem genuinely concerned that a gradual US withdrawal worked out between Saigon and Washington, and based essentially on a strong allied military position, might significantly reduce pressure on the US to make political concessions to the Communists.

The Communist view of the withdrawal issue was put most authoritatively in a Nhan Dan commentary on 12 February demanding an immediate and "unconditional" withdrawal of US forces. This presumably means that for a while at least the Communists will not discuss "mutual withdrawals." The Front's Liberation Radio, taking its usual harder-than-Hanoi approach, makes this point explicitly by saying that only the US has "external forces" in Vietnam and that there is "no question of mutual withdrawal."

Despite the propaganda format of the current withdrawal theme, there is good reason to believe that whenever private substantive discussions begin, the Communists would like to make this issue the first item on the agenda. [redacted]

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*FOR THE PRESIDENT ONLY*

Hanoi's propaganda position that "unconditional" withdrawal is a nonnegotiable demand is simple bombast designed for openers in any future private talks.

The Communists are well aware, however, that the US withdrawal they seek will only come about as a result of negotiations, and that eventually they will have to reciprocate by pulling out forces of their own. They doubtless would prefer that their reciprocity on this issue take place on an undeclared basis, much as it did on the bombing halt. They may even try eventually to use unacknowledged, unilateral withdrawals of selected NVA units as incentive for US concessions.

\* \* \*

Reports from all four Corps areas of South Vietnam indicate extensive Communist preparations for attacks prior to, during, and just after the Tet holidays. No major enemy offensive activity was reported during the past 24 hours, however.

\* \* \*

While a great deal of attention quite properly has been focused on indications of impending Communist military action during the Tet period, it should also be noted that the Communists apparently hope to inspire popular antigovernment demonstrations in urban areas as part of their offensive.

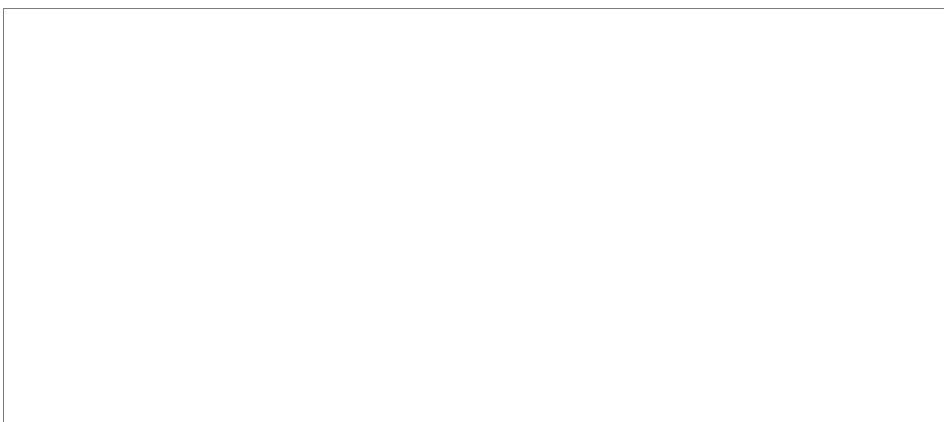
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[Redacted] Preparations for

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demonstrations have become fairly widespread in the last two months, especially in villages close to district and provincial capitals.



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The impact of any demonstrations will depend in large measure on the degree of success achieved in coordinated enemy military actions. The demonstrators would have difficulty drawing sustained support and would be dangerously exposed unless the government were distracted by significant enemy operations.

*FOR THE PRESIDENT ONLY*

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II. OTHER IMPORTANT DEVELOPMENTS

PERU

Prime Minister Montagne tried to play down the seriousness of the International Petroleum Company dispute in his talk with the US chargé this morning, but he was notably unforthcoming when the chargé pressed him on specifics. He did nothing to dispel the impression that the government intends to push ahead on all three of the issues in dispute--the value of the company's expropriated property, the \$15 million bill for petroleum acquired by the company since last October, and the \$690 million claim for the company's "unjust profits" since the oil field was opened up in the 1920s.

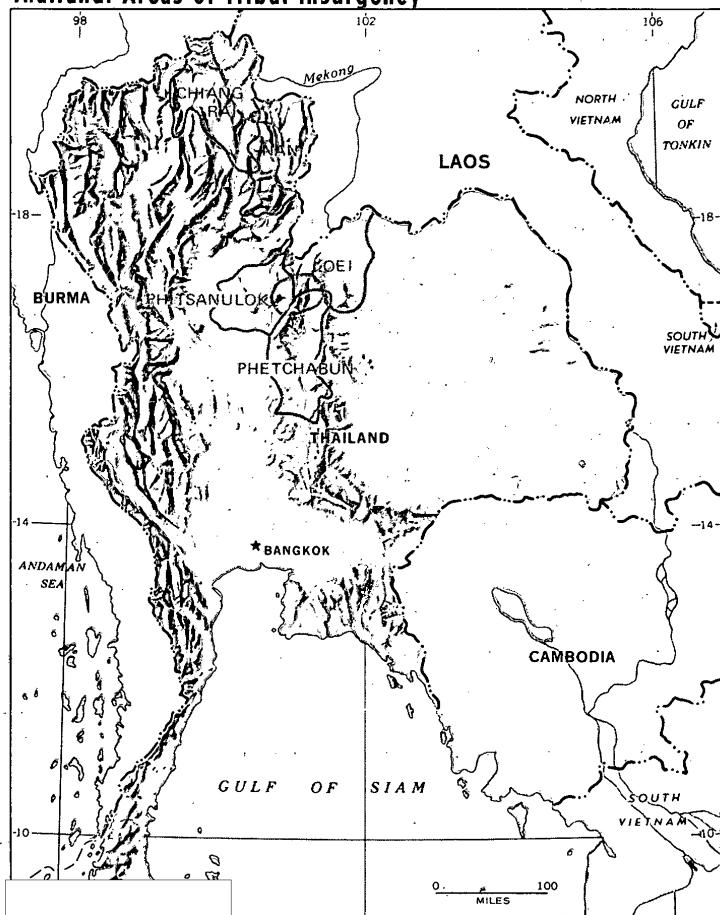
To us, this seems to be further confirmation that, however much Montagne may want President Velasco's job, there is no significant difference between them where the IPC is concerned.

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*FOR THE PRESIDENT ONLY*

**Thailand: Areas of Tribal Insurgency**



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THAILAND

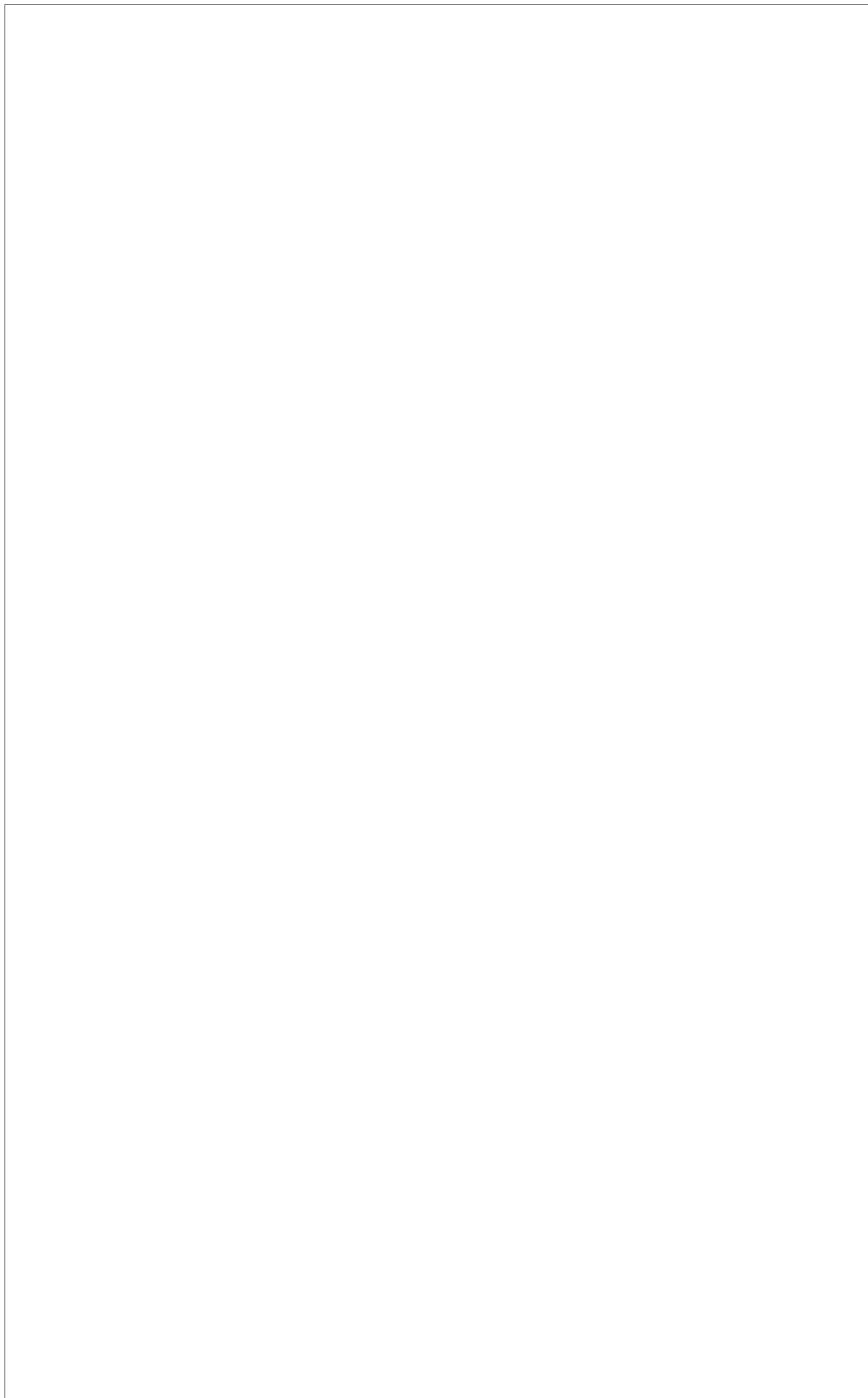
The government position in the north continues to deteriorate. Thai troops in the northern tri-border area have been unable to drive Communist-led guerrillas from fortified villages and have now virtually given up patrolling.

The insurgents, in addition to inflicting heavy casualties on government troops, are also making further efforts to destroy the government's severely disrupted tribal development program. Recently they have for the first time attacked civilian development teams working among tribal groups and are making sporadic raids on heretofore secure main roads.

Farther north, in Nan and Chiang Rai provinces, where armed insurgent activity by Meo hill tribesmen is entering its third year, there is increasing evidence that the Communists are attempting to extend their influence into adjacent lowland areas. The recent capture of a group of ethnic Thai insurgents suggests the Communists are making some headway in recruiting lowland villagers.

*FOR THE PRESIDENT ONLY*

In the face of these developments, the army has decided to concentrate its activities in the lowlands. Citing the heavy expense of maintaining troops in the field, as well as a desire to re-establish a "reserve" force, the 3rd Army has withdrawn a third of its troops committed to the security operation and has deactivated its forward operations headquarters. The immediate effect will be to enable the insurgents to establish a secure base area in the north.



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## SOVIET STRATEGIC FORCE OPTIONS

SIGNIFICANCE: Soviet strategic policy in recent years has been aimed at narrowing and eventually overcoming the United States lead in capabilities for intercontinental attack. The primary objective of the Soviets has been to achieve a more meaningful deterrent. They set the goals for achieving this at a time when the US enjoyed a superiority in strategic delivery systems which put the Soviet Union at a political and psychological disadvantage. To this end, the Soviets have built strategic forces which give them a large assured-destruction capability, as well as important capabilities for limiting damage to themselves. Although the Soviets have only begun to narrow the gap in submarine-launched ballistic missiles and remain inferior in heavy bombers, they will draw even with the US later this year in the number of operational ICBM launchers. Current programs will bring further improvements in their strategic position over the next year or so.

\* \* \*

The Soviets, nonetheless, are well aware that the United States is moving toward a number of significant improvements in strategic capabilities. The improved deterrent posture which the Soviets are now achieving could be seriously undercut by the US deployment of Poseidon, Minuteman III, Sentinel, and other new strategic systems. Faced with these US developments, we believe that Soviet military planners have a limited set of options available to them for the near term.

### Options for Strategic Defense

Strategic defense continues to be a focus of major Soviet efforts, but offers the least possibilities for success in the

**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

foreseeable future.

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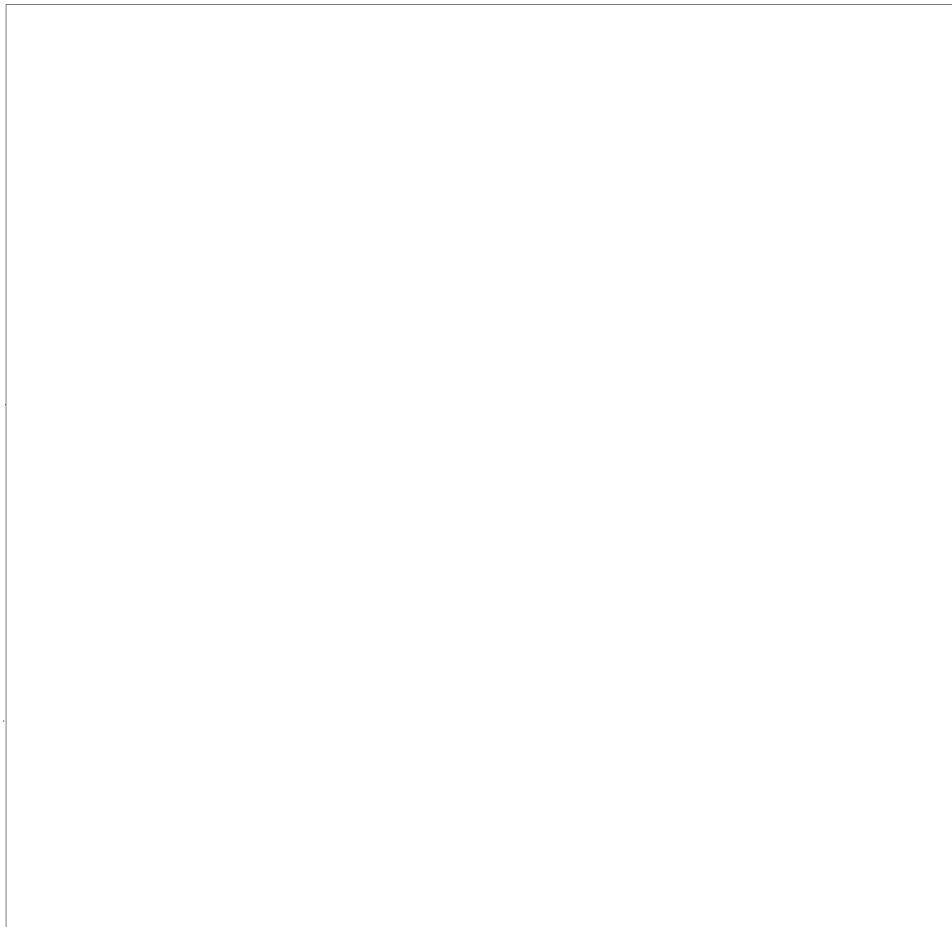
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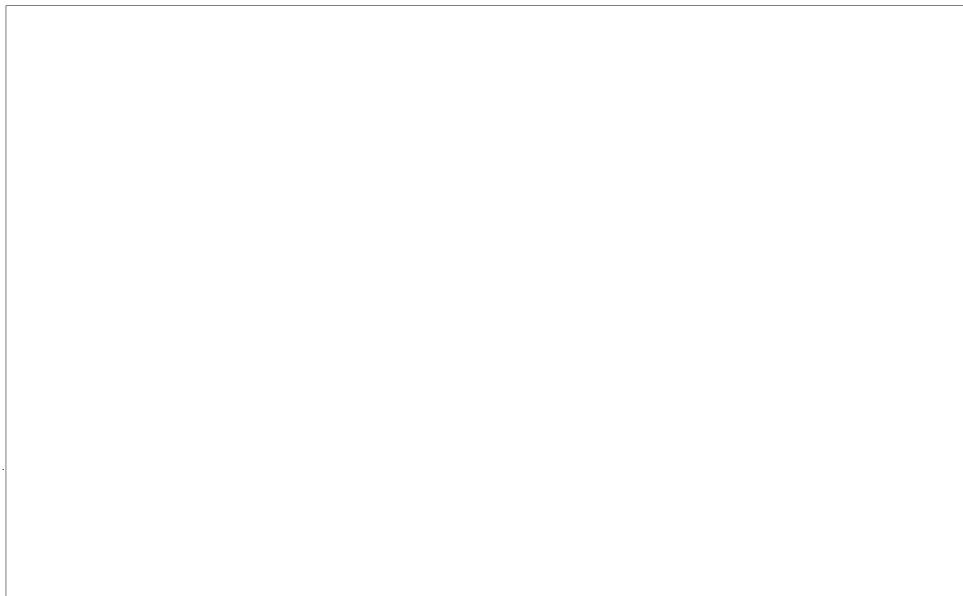
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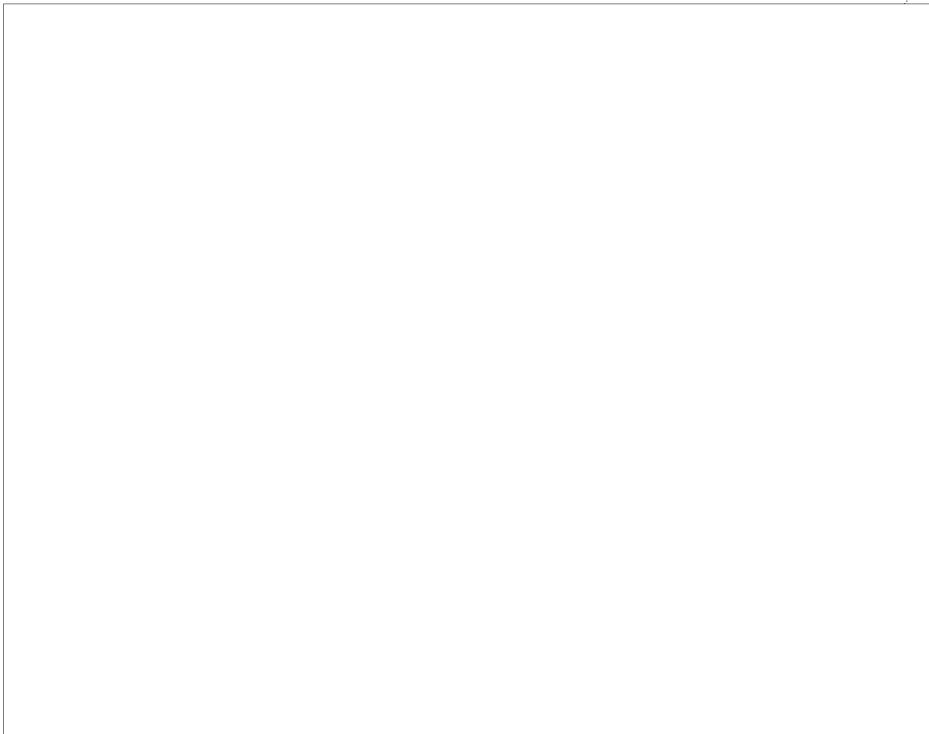


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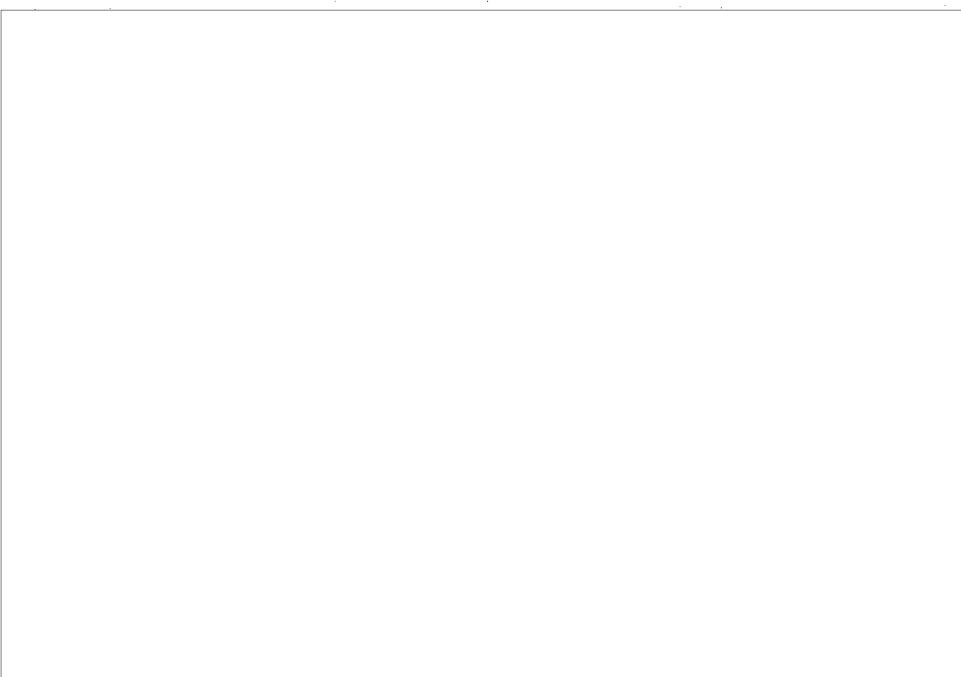
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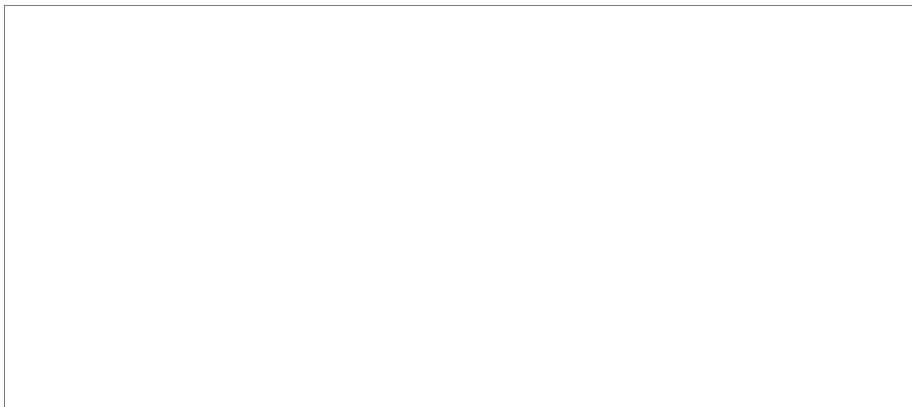


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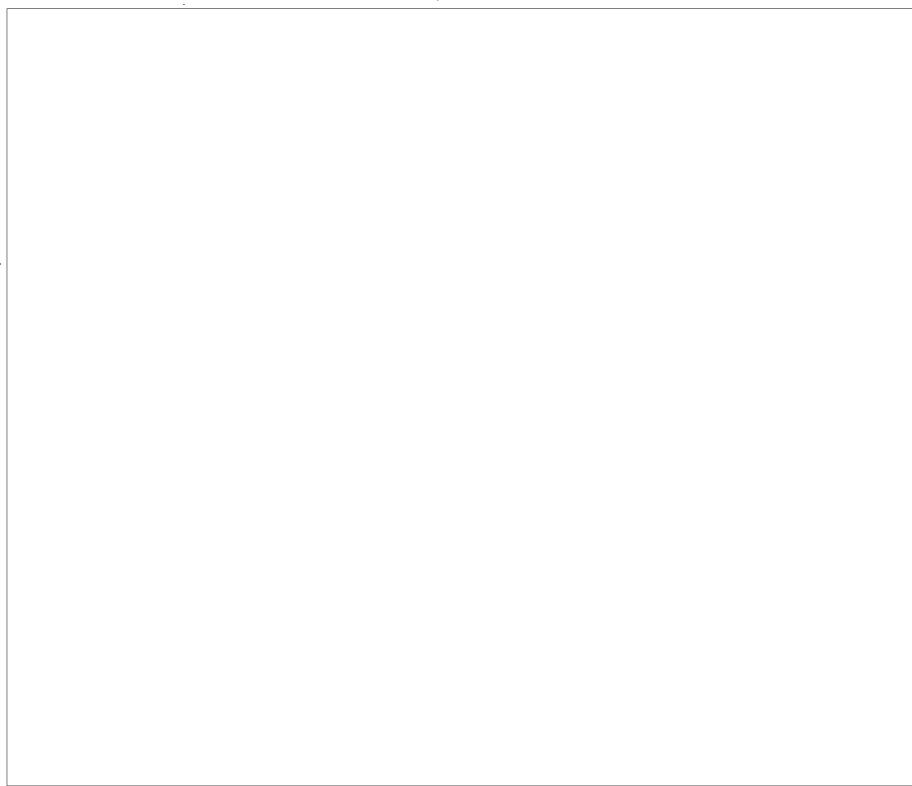
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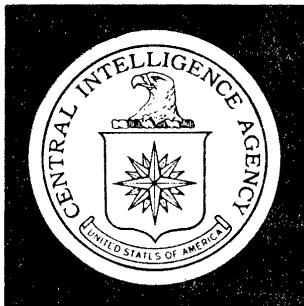


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## *The President's Daily Brief*

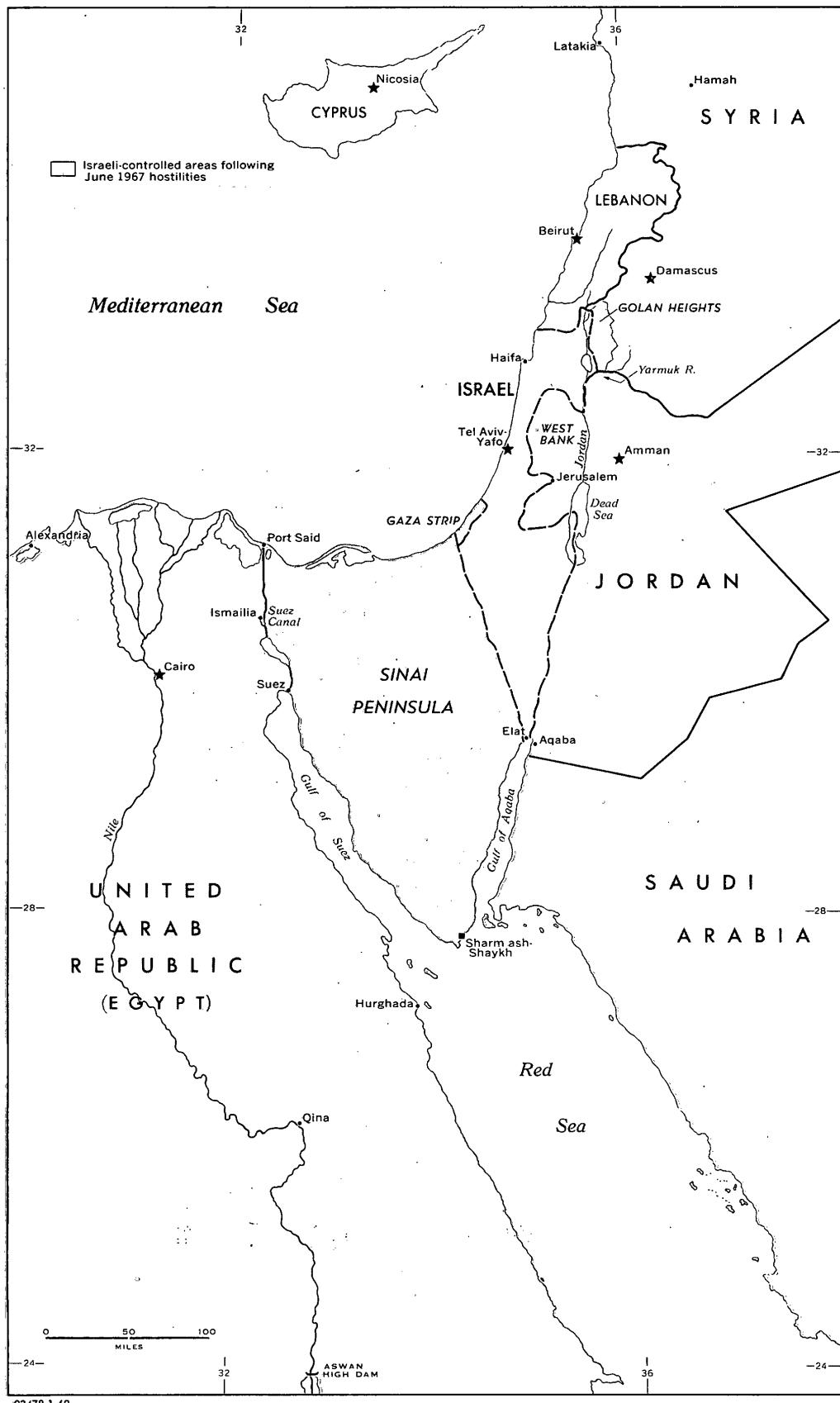
13 February 1969

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14 February 1969

LATE NOTES FOR THE PRESIDENT'S DAILY BRIEF OF  
13 FEBRUARY 1969

I. MAJOR PROBLEMS

MIDDLE EAST

Paris realizes that four-power talks in New York can only come to a useful stage after considerable bilateral exchange and perhaps only after President Nixon's return from Europe, according to a French Foreign Ministry official. This official pointed out "important differences" in the French and US positions on the talks. Where the US looks at the talks as support for the Jarring mission, France regards them as an end in themselves. The French hope that the result of the talks would be a "self-imposed" peace agreed to by the parties concerned through the direct intervention of the four powers and on the basis of an agreement by the four after consultation with the parties.

When asked if the Soviets had given any new indications of their positions in eventual negotiations, the French official said the Soviets had indicated they would only unveil their real positions on Jerusalem, Arab refugees, and other key matters in "general conversations" and when it appeared there was some give in the Israeli position. However, they had also indicated to the French that they were ready to be much more flexible on these matters and to press the Arabs much harder than it had so far appeared in public. [redacted]

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FOR THE PRESIDENT ONLY

**FOR THE PRESIDENT ONLY**

Soviet Ambassador Malik, in conversation with Ambassador Yost, expressed mild doubt whether it would be sufficient merely to give Jarring and the parties a general statement of encouragement. He stressed their lack of progress thus far and suggested the four powers might lay down some specific guidelines, such as direction to implement the Security Council resolution in all its parts. In his usual fashion, Malik attributed the absence of progress to Israeli "negativism" and "arrogance." He was particularly irked that they had so swiftly rejected the Soviet plan, which, he argued, went far to meet their interests.

[redacted] 50X1

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#### **EUROPE**

There is nothing significant to report.

#### **SOVIET AFFAIRS**

The Soviets and East Germans have confirmed that Marshal Yakubovsky, supreme commander of the Warsaw Pact, has been chairing a meeting in East Germany of the organization's chiefs of staff and deputy defense ministers. Yesterday's announcements did not give the precise location of the meeting, but it may have been at a training area west of Berlin where artillery and tactical air exercises have been noted. The Rumanian chief of staff was listed among the participants. Although the announcements of the meeting avoided any hint of its purpose, this is the time of year and the right level of military representation for planning 1969 maneuvers. (FBIS 39, 43, 13 Feb 69)

**FOR THE PRESIDENT ONLY**

VIETNAM

There is nothing significant to report.

II. OTHER IMPORTANT DEVELOPMENTS

INDIA

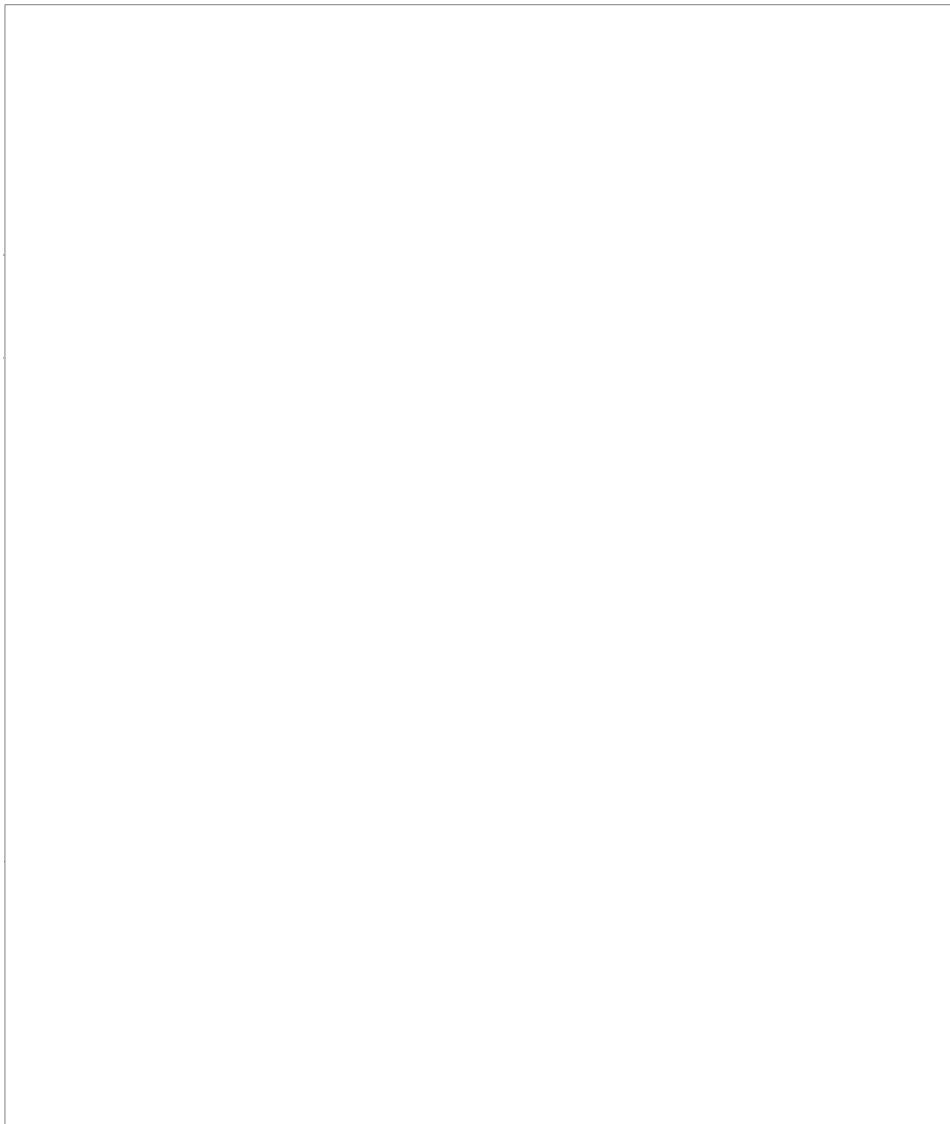
As part of a sudden cabinet reshuffle, Prime Minister Gandhi has appointed Commerce Minister Dinesh Singh as Minister of External Affairs. Singh, a confidant of Mrs. Gandhi, has a pro-Soviet reputation, and his opportunism has earned him widespread dislike among his colleagues. He has been generally critical of US policies and a difficult negotiator in his official dealings with Americans. (Various press, 13 Feb 69)

*FOR THE PRESIDENT ONLY*

I. MAJOR PROBLEMS

MIDDLE EAST

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EUROPE

The French, temporarily nonplussed at last week's Western European Union meeting, have begun to return to form.

*FOR THE PRESIDENT ONLY*

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They have let it be known that they will not attend the meeting of Western European ambassadors which the British have called to discuss the Middle East. They have also come out against the compulsory consultations to which the other WEU members agreed.

The question now is whether all the other five Community members will stand up to the French. The West Germans, as usual, occupy a pivotal position. With Kiesinger and De Gaulle scheduled to meet next month, the Germans will be particularly sensitive to storm signals from Paris.

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So far the Germans seem to be holding the line. The communiqué issued today after the talks between Wilson and Kiesinger is a forthright affirmation of the two leaders' devotion to the goal of a unified Europe which would include Britain.

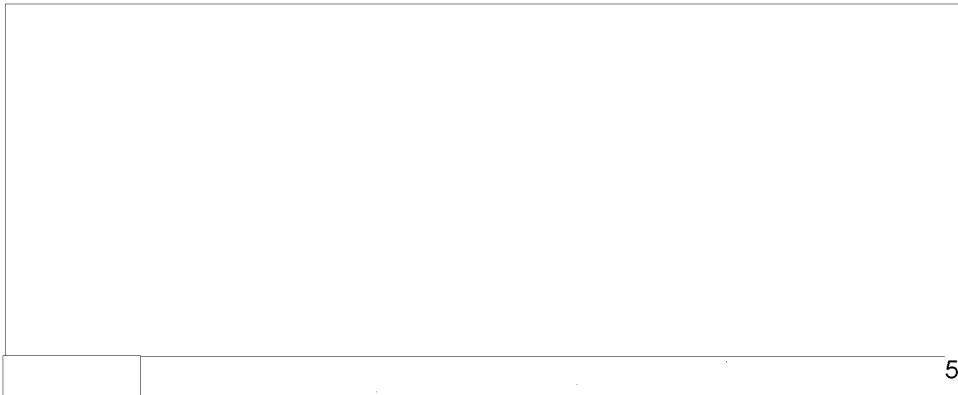
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SOVIET AFFAIRS

*FOR THE PRESIDENT ONLY*

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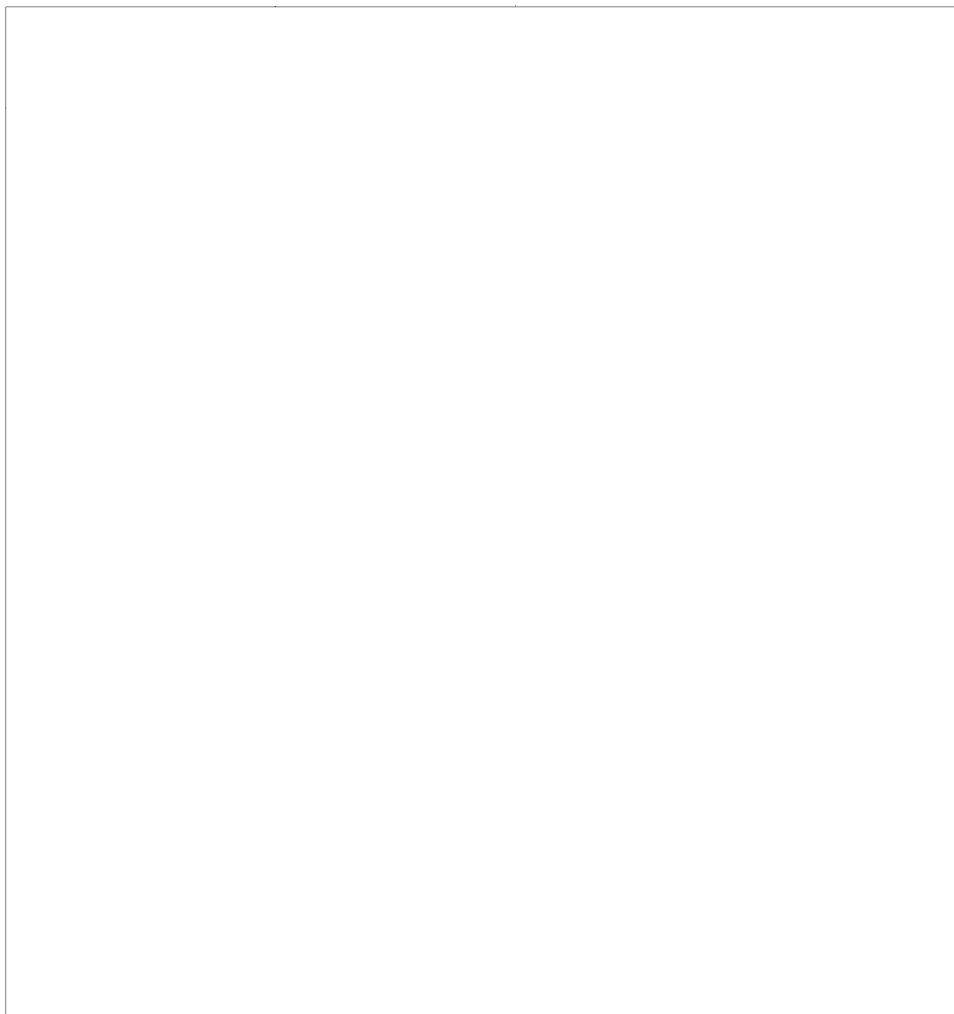
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VIETNAM

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*FOR THE PRESIDENT ONLY*

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The concept of the Communists operating as a legal political entity in South Vietnam seems to be gaining some acceptability among anti-Communists of long standing.

Spokesmen for a major faction of the Vietnam Nationalist Party (VNQDD), one of the few groups that can claim a national

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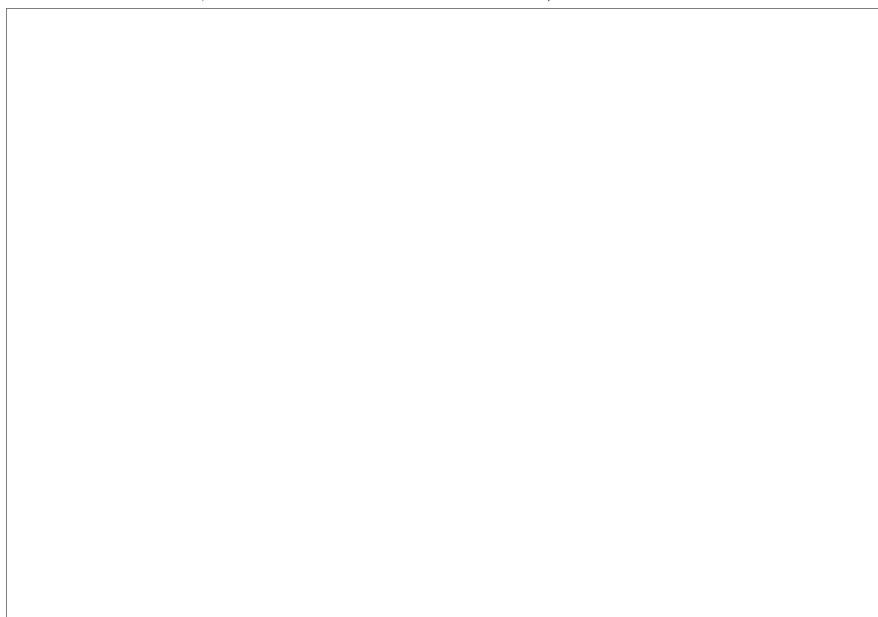
following in South Vietnam, have expressed their confidence that Vietnamese nationalists could accept "a political struggle" with the Communists. One leader went even further in implying that if coalition with the Communists "is the only way to restore peace," the nationalists would accept it. Coalition, the spokesman stated, is not something the nationalists have to fear. It remains to be seen whether other nationalist groups adopt a similar line or condemn it as playing into the hands of the enemy.

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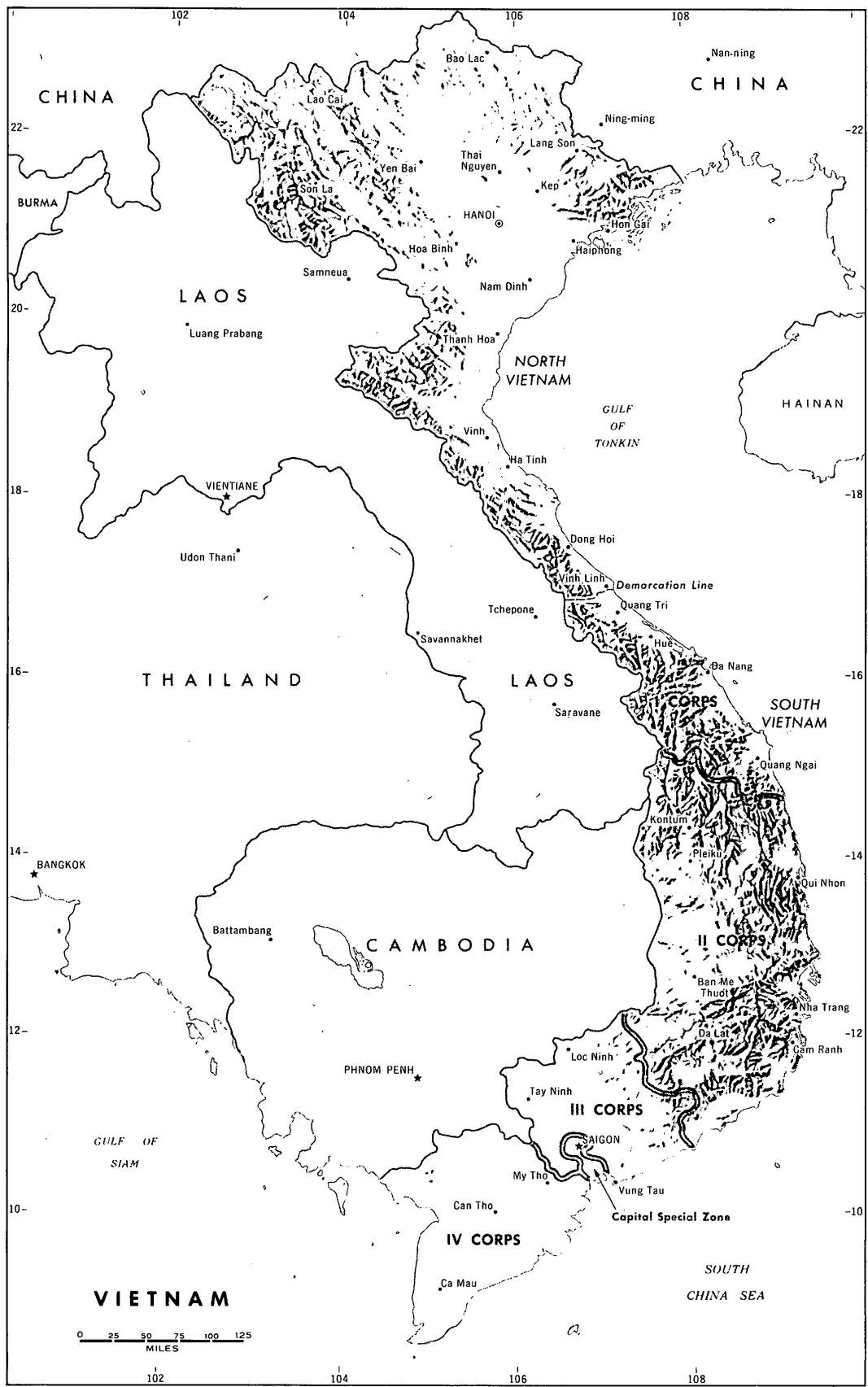
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the government is still sticking to its "national reconciliation" line, i.e., the Communists will be welcomed into the body politic only if they lay down their arms and renounce Communism.

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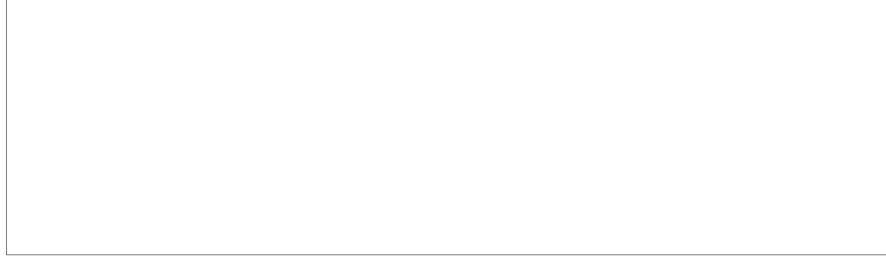
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\* \* \*

Ground action picked up somewhat yesterday as the Communists launched their first battalion-sized attack in several weeks, and allied forces caught several enemy units in unprepared positions. Enemy troops spotted setting up rockets some nine miles from the Bien Hoa Air Base 15 miles northwest of Saigon were hit by air and artillery.

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## II. OTHER IMPORTANT DEVELOPMENTS

### THAILAND

The government, as forecast, was embarrassed by this week's lower house elections. Its party won only about 35 percent of the seats country-wide and none in Bangkok. The military leadership, however, should have little trouble lining up enough independents to form a working majority in the lower house, whose powers are in any case severely limited by the constitution.

The election results may nonetheless influence both the future policies and the make-up of the military leadership. Opposition elements, although they will have to tread lightly, for the first time in over ten years have a legitimate forum to express political dissent. Without a clear mandate from the electorate, the leadership will be more solicitous of such views. Within the establishment, factual disputes will be worsened as attempts are made to lay the blame for the government party's poor showing.

### BELGIUM

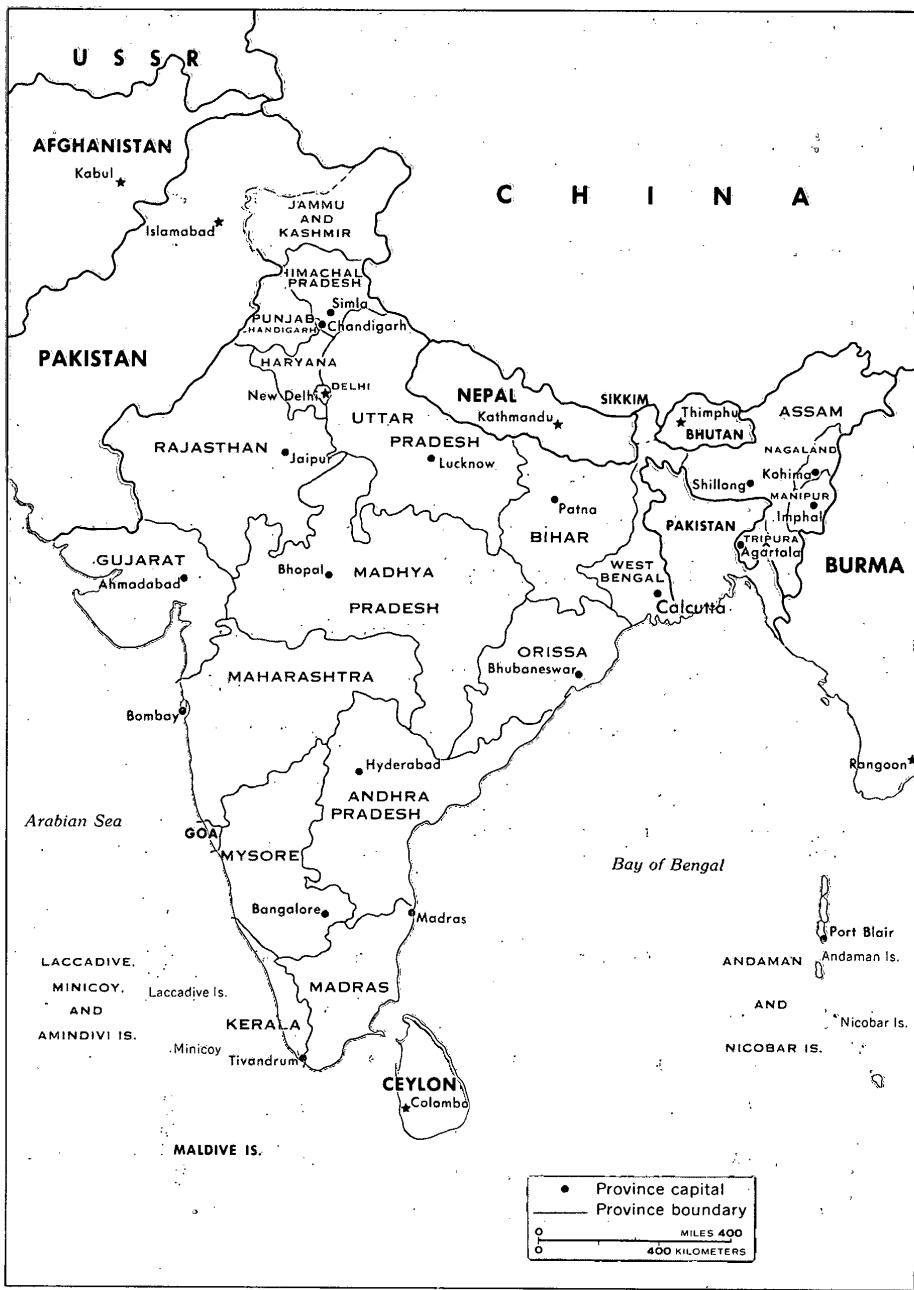
The Annex reviews major domestic pressures affecting the government of Belgium.

### INDIA

Returns from elections in four key states in north India are trickling in, and the Congress Party is in trouble. Perhaps the most ominous development is the landslide victory

*FOR THE PRESIDENT ONLY*

## INDIA



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*FOR THE PRESIDENT ONLY*

being won in West Bengal by a united front led by India's two Communist parties.

A leftist front similar to this ousted the Congress government in elections two years ago. It then proceeded to show broad tolerance toward labor unrest in Calcutta and a peasant revolt in the northern part of the state. The front eventually fell apart, turmoil increased, and Mrs. Gandhi's government was forced to impose direct rule from New Delhi last February. Some such chain of events is a distinct possibility this time as well, but Congress, whose hold on the country has slipped badly in the last two years, is less well equipped now to cope with trouble.

In addition to diminishing further the chances for stable government in the four affected states, the elections do not speak well for Congress's ability to win the next national election, which must be held sometime in the next three years. Northern India has traditionally given the party its strongest support. Even in the current parliament, Congress has only a slight majority.

**USSR-GHANA**

Soviet President Podgorny has asked Ghana for the immediate release of two Soviet trawlers and their crews. The trawlers were seized last October ostensibly for violating Ghana's territorial waters [redacted]

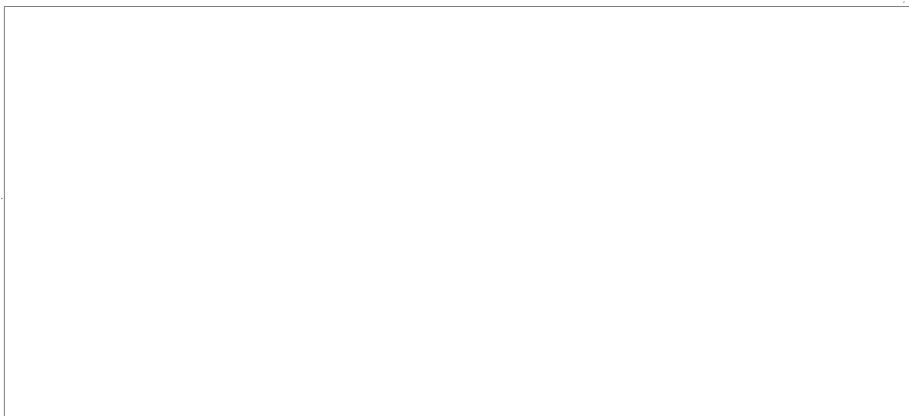
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[redacted] Podgorny's request, following a similar one by Acting Foreign Minister

*FOR THE PRESIDENT ONLY*

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Kuznetsov only three weeks ago, is evidence of Moscow's increasing impatience and may lead to further steps aimed at freeing the ships. One such, cancellation of a crude oil shipment to Accra, apparently has had no effect.



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BELGIUM\*

SIGNIFICANCE: Belgium's friendship for the United States, its advocacy of European integration, and its support of the Western Alliance have not wavered in the face of recurring crises and sixteen post-war changes in government. Through most of this century domestic political instability has been a direct outgrowth of the country's major ethnic division between the French-speaking Walloons, who traditionally dominated political and cultural life, and the now more numerous Dutch-speaking Flemings, whose language and culture were regarded as second rate. The survivability of the current coalition of Belgium's two largest parties, the moderate Social Christians and the Socialists, is now in considerable doubt, as Prime Minister Gaston Eyskens finds himself unable to muster the needed majorities in parliament for his basic program to ease ethnic tensions.

\* \* \*

The existence of three major political parties and a plethora of smaller ones, all based on regional as well as ideological differences of approach, make coalition governments the rule in Belgium. The sixty-three-year-old Eyskens is no stranger to the role of Prime Minister, having headed up three earlier governments. His present coalition came to power last June on a program of basic reforms, some of

*\*This is the first in a series of annexes dealing with domestic problems in the countries President Nixon is to visit.*

FOR THE PRESIDENT ONLY

**FOR THE PRESIDENT ONLY**

which require constitutional amendment, designed to lessen the country's ethnic antagonisms. The elections of March 1968 showed overwhelming support for increased autonomy of the two linguistic communities, but none of the political parties was able to get a majority for its program. In fact, the parties are not themselves agreed internally on their own programs, because each contains a Walloon and a Flemish wing.

The showdown on the government's program may come as soon as Easter. The coalition commands the majority vote in parliament needed to pass the economic decentralization measures by which the Walloons hope to revive their region's lagging economy, but the Flemish deputies in both coalition parties have said they will vote for these measures only as a part of a package which includes their cultural demands. These include regional control of education, communication and the arts, and, being incorporated in a constitutional amendment, must have the support of two-thirds of the deputies. The coalition does not control two-thirds of the vote, and may not even be able to bring either program to a vote due to the decision of the opposition Liberals to boycott the session and thus prevent a quorum.

Ethnic disputes are not limited to affairs of government. The projected construction of a new electric steel furnace in Flanders, for example, aroused strong opposition in Wallonia, historically Belgium's iron and coal-producing region. The Flemings, for their part, have protested the establishment of a nuclear institute in Wallonia. When Brussels was proposed as the site for the first

**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

European World Trade Center, the Flemings drew up impressive plans for a competing center in Antwerp. (This dispute has recently been settled through compromise.) A decision to promote equality between Flemish and Walloon officers in the Army through early retirement of several French-speaking officers led a prominent Francophone general to resign in protest.

As bitter and protracted as the ethnic animosities are, there is little likelihood that the country will break up. There is almost no sentiment in Wallonia favoring incorporation into France, and the largely Roman Catholic Flemings have a hoary dislike for the Protestant House of Orange in the Netherlands. The Belgian economy, furthermore, is basically healthy and the business-oriented Belgians have been careful not to let ethnic considerations interfere with their pursuit of profits.

A hopeful sign is the recent intervention of King Baudouin on the side of cooperation between the two communities. At the end of World War II, there was strong antimonarchical sentiment in Belgium, largely because of the unheroic decisions of Baudouin's father at the time of the German invasion in 1940 and his choice of a consort following the queen's death. Although the monarchy was preserved at the price of his father's abdication in 1951, Baudouin until recently has striven to remain as passive a leader as possible.

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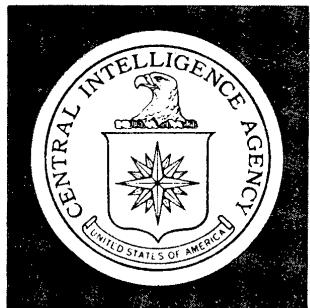
**FOR THE PRESIDENT ONLY**

We believe the outlook is for a continuation of the almost glacial separation of the two communities. This will mean continued governmental instability and an unwillingness (even an inability at times) to deal decisively with pressing domestic issues. The result is likely to be a projection of the current tendency to compromise on makeshift and ad hoc solutions, leaving definitive resolution to the future. There may also be an increasing duplication of institutions in both communities accompanied by a burgeoning bureaucracy and waste of resources.

**FOR THE PRESIDENT ONLY**

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## *The President's Daily Brief*

14 February 1969

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**TOP SECRET**

LATE NOTES FOR THE PRESIDENT'S DAILY BRIEF OF

14 FEBRUARY 1969

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**TOP SECRET**

15 February 1969

LATE NOTES FOR THE PRESIDENT'S DAILY BRIEF OF  
14 FEBRUARY 1969

I. MAJOR PROBLEMS

MIDDLE EAST

There is nothing significant to report.

EUROPE

The East German restriction on land travel to West Berlin by members of the presidential electoral college went into effect this morning. It was preceded by a period in which travelers passing through two checkpoints leading into West Germany were exposed to "more severe examinations than usual" by East German police. They were also handed propaganda leaflets warning of unspecified consequences if the elections are held. (Press, 15 Feb 69)

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FOR THE PRESIDENT ONLY

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A lecturer at the East German Institute of Marxism-Leninism told an officer of our mission in Berlin yesterday that there would be no harassment in the air corridors during the West German presidential election, that the autobahn would not be blocked, and that there would be no military maneuvers. To emphasize East German restraint, he said "we will not play cowboys and Indians as we did in 1965" (date of the last presidential election). He added that the recent note from the East German Government to Bonn, the restrictions on land travel scheduled to go into effect today, and the current propaganda campaign are to establish a "GDR case for future reference."

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FOR THE PRESIDENT ONLY

SOVIET AFFAIRS

There is nothing significant to report.

VIETNAM

Ambassador Sullivan in Vientiane notes that while the return to Hanoi of the North Vietnamese ambassador to Cambodia may be related to the Tet holidays, it is significant that he has usually been in Hanoi each time major decisions with respect to peace negotiations have been under discussion, and that these visits have coincided with those of Le Duc Tho, who arrived in Hanoi Thursday. [redacted]

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The Viet Cong Tet cease-fire began at 7:00 AM today local (6:00 PM Friday EST). All South Vietnamese troops are confined to barracks and on the alert against a repetition of last year. In the first few hours after the truce, the Viet Cong assassinated a hamlet chief in the central highlands and invaded the docks at Saigon to plant Viet Cong flags and take pot-shots at US guards, but they fled when chased. (Various press, 15 Feb 69)

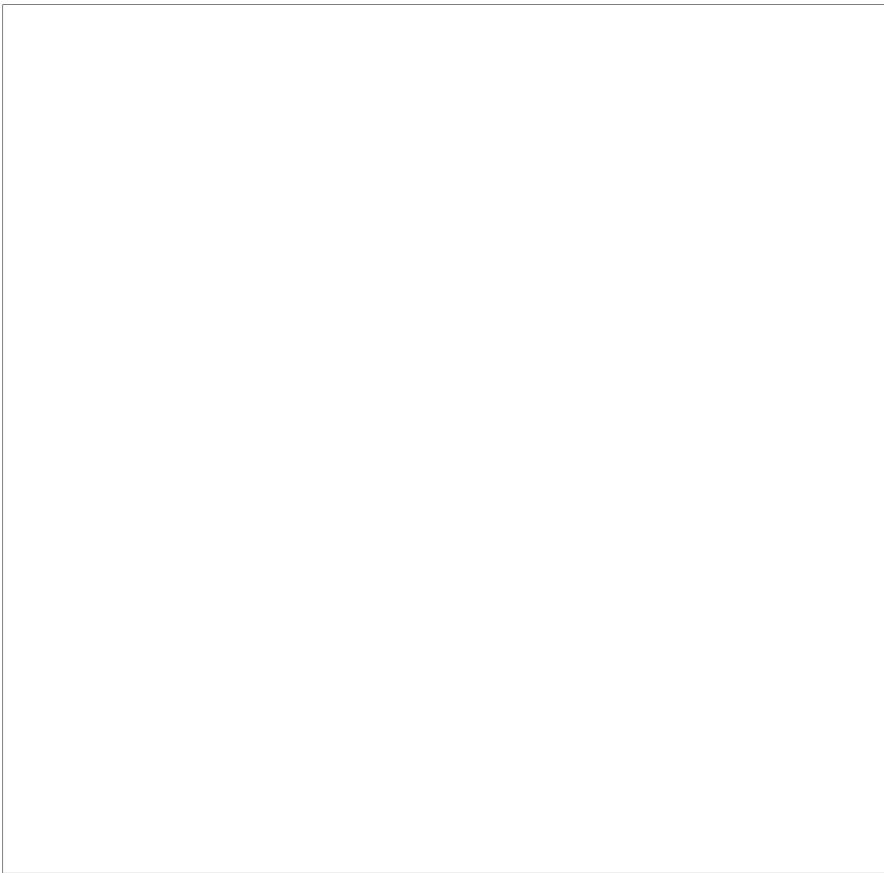
President Thieu has decided that Tet cease-fire for allied forces will be for only 24 hours from 6:00 PM Sunday local (5:00 AM Sunday EST) to 6:00 PM Monday local (5:00 AM Monday EST). This decision was made because Gen Tri, commander of the South Vietnamese III Corps, said 36 hours stand-down would mean no B-52 bombings for two nights, which he felt might be critical in his sector. [redacted]

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## II. OTHER IMPORTANT DEVELOPMENTS

USSR-GHANA

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## JAPAN - COMMUNIST CHINA

A seven-man Japanese trade delegation has left for Peking to negotiate a renewal of the one-year Sino-Japanese trade agreement which expired at the end of last year. Two Liberal-Democratic members of the Diet are in the delegation, and one press report out of Tokyo claims that Prime Minister Sato has asked them to sound out China's attitude on the possibility of ambassadorial-level talks in a third country aimed at breaking the deadlocked relations between the two countries.



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## I. MAJOR PROBLEMS

### MIDDLE EAST

There is nothing of significance to report.

### EUROPE

Britain's erratic trade picture improved markedly in January. January exports rose by \$53 million and imports dropped by \$29 million; the resulting merchandise trade deficit is the smallest for any month since devaluation. The improvement in the trade balance and predictably strong performances in certain other elements of the balance of payments may lead to a three-month (November-January) surplus on current account for the first time since early 1967.

The requirement that importers must deposit half of the value of certain imports before the goods clear customs seems not to have had much impact on January imports. If the deposit scheme, which has been in effect since November, does begin to exert a braking effect, the chances are good that there will be continued strong performance in trade statistics.

### SOVIET AFFAIRS

Moscow has extended assurances that Allied rights in Berlin will not be challenged, but appears to be giving East Germany more leeway to harass the West Germans.

A Soviet note delivered to Chancellor Kiesinger on 13 February used considerably harsher language than earlier

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

notes in protesting the decision to hold the presidential election in West Berlin. It implied that the East Germans might be given a relatively free hand to take action against land access to West Berlin and warned that the USSR would assume "only those responsibilities" specified in the quadripartite decisions, i.e., Allied travel only.

In Moscow the Soviets finally accepted a tripartite Allied protest note after having evaded acceptance on Wednesday. The delay had apparently been used to formulate a reply which was delivered to the Allied representatives immediately after receipt of their protest. The Soviet reply reiterated earlier charges against the West Germans and gave support for measures being taken by Pankow: presumably the restrictive measures which are to go into effect Saturday against land travel by West German officials.

As part of its campaign to heighten tensions, Moscow has also launched a spirited rumor campaign. Reports that Soviet and East German forces will begin maneuvers shortly to block land access routes to Berlin and that some action might be taken to impede air travel are totally unsubstantiated at this time.

Current military activity in the Berlin area seems to be limited to routine training. Warsaw Pact commander Marshal Yakubovsky and military representatives from each of the member countries, who had been meeting in East Germany since 10 February, returned home yesterday. Soviet air exercises west of Berlin, apparently held for the visiting Pact officials, terminated on 12 February

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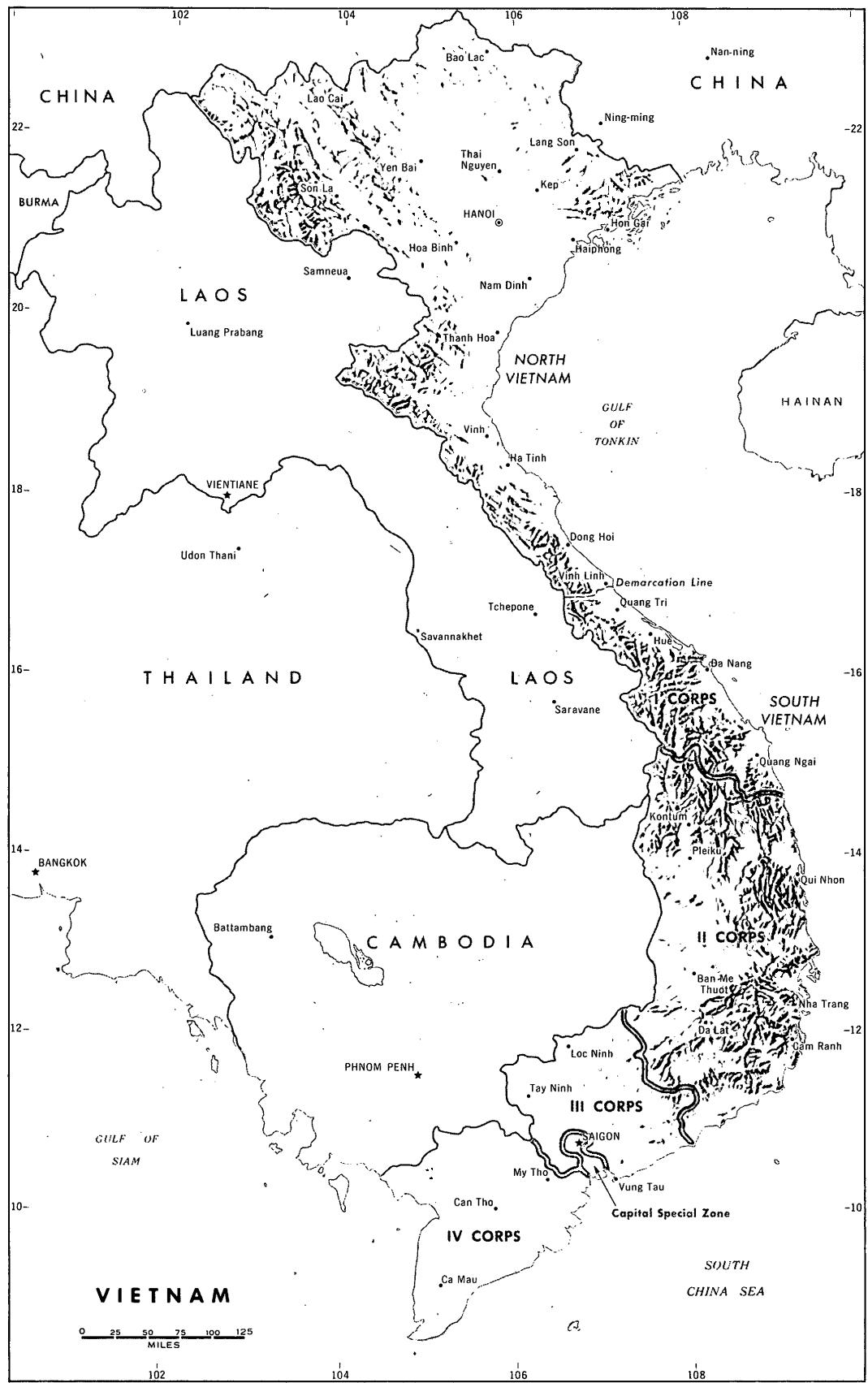
VIETNAM

No significant shifts of positions were discernible to us in yesterday's formal presentations by the Communist side or in the follow-up press conferences. Xuan Thuy and Tran Buu Kiem soft-pedaled their earlier emphasis on the priority of political issues in the same way they have done outside the talks. In effect, they stuck to their basic demand that military and political issues will have to be treated as a package. The Communists described the questions of troop withdrawals and military bases as "fundamental," thus suggesting they might be prepared to take up military questions first. The Communists may indeed be prepared to open substantive discussions with such military matters, but they have made it quite clear that no agreements will be reached on these issues without parallel understandings on broader political questions.

\* \* \*

President Thieu probably hopes that he has taken some of the wind out of Vice President Ky's sails by selecting Interior Minister General Khiem to supervise the pacification and revolutionary development programs. Ky has, at the least, made a major nuisance of himself recently by politicking for the replacement of Prime Minister Huong, whom Thieu installed last May to replace a Ky man. Thieu presumably expects that Ky will continue his campaign against Huong while he is back in South Vietnam for the Tet holidays, and he appears to have undercut Ky

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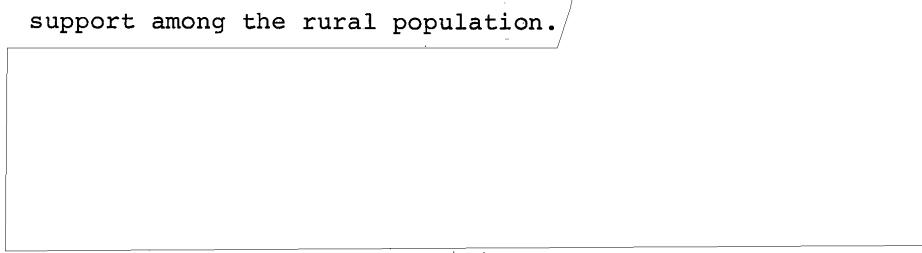
*FOR THE PRESIDENT ONLY*

by admitting that Huong is getting old and somewhat frail and needs help. The Khiem appointment is expected to take some of the load off Huong's staff, which should then be able to give him better support.

Thieu's principal motive for giving this additional assignment to Khiem, however, seems to be his desire to have a close associate run programs which will have a great deal to do with the government's political position in the countryside during any future political competition with the Communists. Khiem is one of the few top leaders who seems to have developed a fairly close relationship with the President.

The President also sees the government's land reform program as offering a major opportunity to develop support among the rural population.

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Thieu's recent refusal to make greater use of civilian politicians in top government posts, as suggested by Huong, partly reflects his low estimate of the political value of these men. There are only a handful of politicians in South Vietnam with whom even a significant fraction of the people identify, and the government is unlikely to acquire a broader political base merely by bringing some new faces into the cabinet. Thieu clearly

*FOR THE PRESIDENT ONLY*

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prefers the government to concentrate on extending its control over the people--and possibly building its popularity among them--through land reform, by improving pacification and revolutionary development, and by achieving a more impressive military record.

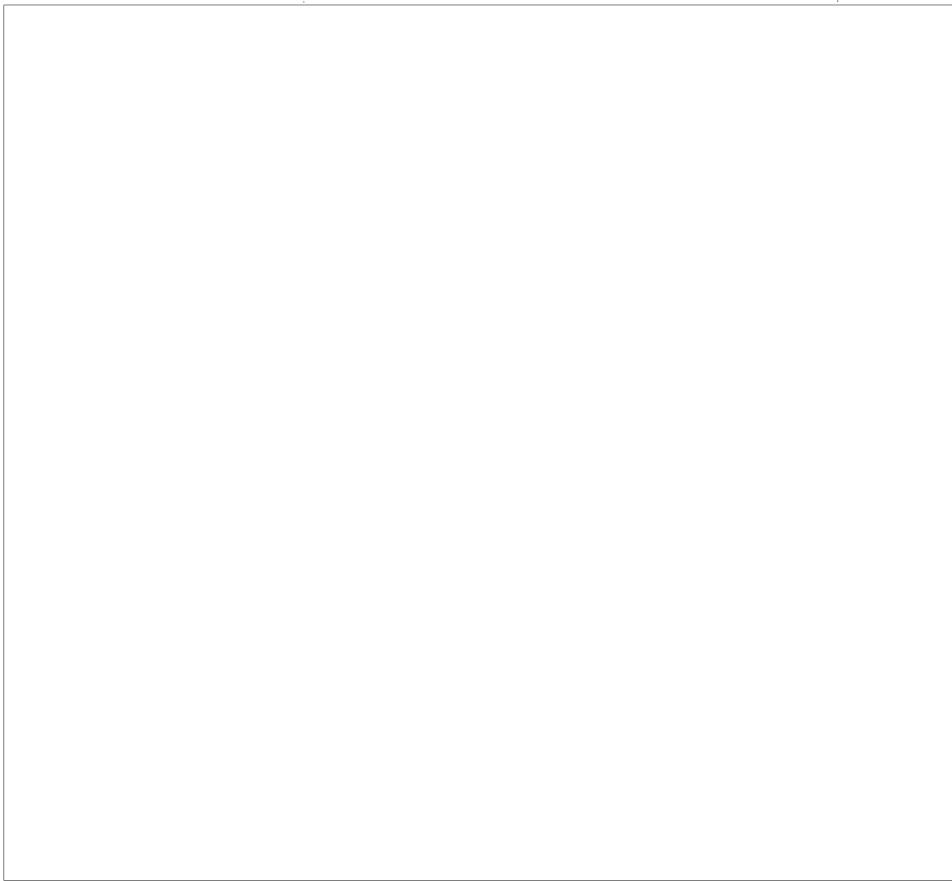
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II. OTHER IMPORTANT DEVELOPMENTS

PERU

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At Annex we discuss the background of the dispute with  
Peru.

INDONESIA

General Suharto

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has decided to seek Soviet economic and technical assistance

*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

for Indonesia's five-year development plan, which begins this April. This decision was taken partly out of concern that the Western consortium would not meet Djakarta's 500-million-dollar aid request for this year

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During the Sukarno regime the Soviets poured aid of all types into Indonesia to the tune of over one billion dollars. Most of this sum is still owed Moscow. The Soviets up to now have maintained that Indonesia must arrange to repay these substantial debts before aid can be discussed. They have agreed only to sell the Indonesians limited amounts of military spare parts on a hard cash basis.

**PAKISTAN**

The government's announcement that the three-year-old state of emergency will be lifted Monday is the latest in a number of steps Ayub has taken to improve the climate for the "dialogue" with opposition elements that he hopes to begin that day. Opposition leaders will give Ayub an answer on his offer of negotiations tomorrow.

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These talks may ease the situation, but the opposition, its appetite whetted by the concessions Ayub has already given, may increase its demands. Although Ayub may yet

*FOR THE PRESIDENT ONLY*

retrieve the situation, speculation in Pakistan is increasingly centering not on whether the President will go but when and how.

The opposition should be further emboldened by today's general strike. All reports so far suggest that it was extremely effective, bringing activity in most cities to a standstill.

*FOR THE PRESIDENT ONLY*

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## PERU AND THE UNITED STATES

SIGNIFICANCE: The serious impasse between the US and Peruvian governments over expropriation of the International Petroleum Company (IPC) is the culmination of nearly forty-five years of recurrent wrangling between the company and the Peruvian government. The IPC issue, however, has been only one, although the most serious of a number of irritants that have from time to time troubled generally friendly relations. Most incidents have involved either the threat or the actual suspension of US economic aid in response to actions taken by the Peruvian government. The basic issues have often been economic--a reflection of latent but very real resentment in Peru over the country's heavy dependence on the US economy. Peru's present military rulers are strong nationalists, apparently determined to set the country on the road toward greater political and economic independence of the US.

### Recent US-Peruvian Relations:

The rioting that greeted Mr. Nixon in Lima on 8 May 1958 was, for Peru, a rare outburst of open hostility against the US. Communist "students" were mainly responsible for that affair. There had been other destructive riots earlier that year which had not involved relations with the US. President Prado was trying to maintain a democratic government in a time of serious economic and political deterioration.

Except for a brief but bitter period later in 1958 when the US import quota for Peruvian lead and zinc was cut back,

FOR THE PRESIDENT ONLY

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relations with the US were friendly during Prado's tenure.

The military coup that overthrew him in 1962, however, prompted the US to suspend diplomatic relations and economic aid for one month. They were resumed after the US had secured guarantees that constitutional government would be restored within a reasonable time.

The military government did step down in June 1963, after Fernando Belaunde had been elected president. Belaunde's campaign had inflamed the IPC issue to a new intensity, but he failed to fulfill his campaign promise to solve the IPC problem within 90 days. He did, however, declare void an arbitration agreement of 1922 on which IPC's ownership of the La Brea y Parinas oilfields was based. He thus laid the basis for the present claim that the company had been operating illegally in Peru since it bought the fields in 1924.

The IPC issue bedeviled Belaunde throughout the five and a half years of his tenure. During late 1964 and early 1965, he seemed to be moving toward outright expropriation. A large part of the US aid program was held up, prompting charges that the US was using aid to coerce Peru into settling on IPC's terms. In 1966, US aid was substantially increased and these charges died down, but the IPC issue would not go away.

Problems of a different nature arose in 1967 which were especially galling to the Peruvian military. Peru's decision to upgrade its armed forces by buying French tanks and Mirage fighter planes--despite strong criticism from the US Congress--raised the prospect that amendments to the US Foreign Assistance

**FOR THE PRESIDENT ONLY**

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Act (the Symington and Conte-Long Amendments) would require a decrease or suspension of US aid. The Peruvian cries of "economic aggression" were quick and loud. No new US loans have been programmed for Peru since July 1967 and implementation of existing aid projects has been considerably slowed.

Another periodic irritant involves seizure of US fishing boats within the 200-mile territorial sea claimed by Peru. It appeared for a while in 1967 that this issue also might force application of US laws imposing economic sanctions.

The October 1968 Coup

The pretext for the coup was President Belaunde's "settlement" with the IPC in August 1968. The agreement provided for reversion of the disputed La Brea y Parinas oilfields to Peru in return for cancellation of the large debt which Peru claimed the company owed for "illegally" exploiting the fields for so long. The settlement was instantly attacked by a wide segment of Peruvians as a "sellout" for dropping the debt and not including the Talara refinery in the takeover. As the controversy wore on into the autumn, the President's own party split over the issue.

On 3 October, the army seized power in a quick, bloodless coup. Six days later the military government formally nationalized both the La Brea y Parinas oilfields and the refinery complex at Talara. Moreover, it reaffirmed that IPC still owed a multimillion-dollar debt for the "unjust profits" it made while "illegally" exploiting the oilfields since 1924.

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**FOR THE PRESIDENT ONLY**

***FOR THE PRESIDENT ONLY***

Factors other than the IPC issue played an equal if not greater role in bringing about the coup. For one thing, the split in Belaunde's party all but assured victory for Victor Raul Haya de la Torre in the presidential elections then scheduled for June 1969. Haya and the military have a history of bitter mutual animosity going back more than 35 years, and this was not the first time that the military had used force to keep him from power.

For all this, however, President Velasco and his closest military advisers are strong nationalists. Their prompt and decisive action against the IPC brought them general public acclaim and a greater degree of popularity than any previous military regime had enjoyed.

Velasco, however, is not well regarded by many of his military colleagues, some of whom have been pressing for a more moderate course. Velasco has thus far been able to outmaneuver his rivals by playing on the nationalism of the public and keeping the IPC issue in the forefront, but dissatisfaction with his leadership has been growing within the military during the past two weeks.

**Consequences**

The present military government in Peru is unlike anything in the country's past.

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[REDACTED] Their plans are still vague, but one thing

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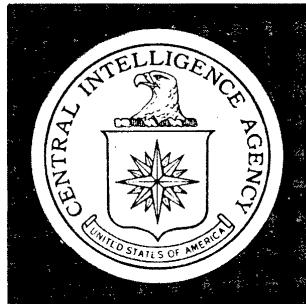
is clear: they are in no mood to be intimidated by the prospect of US economic sanctions. US aid, they feel, has too often in the past been used to interfere with sovereign Peruvian decisions.

The ranking generals are all strong nationalists, though they vary in the bluntness of the tactics they would use to assert Peru's "independence." Velasco may be replaced as President, perhaps soon, but his successors would be military men dedicated to the same goals.

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## *The President's Daily Brief*

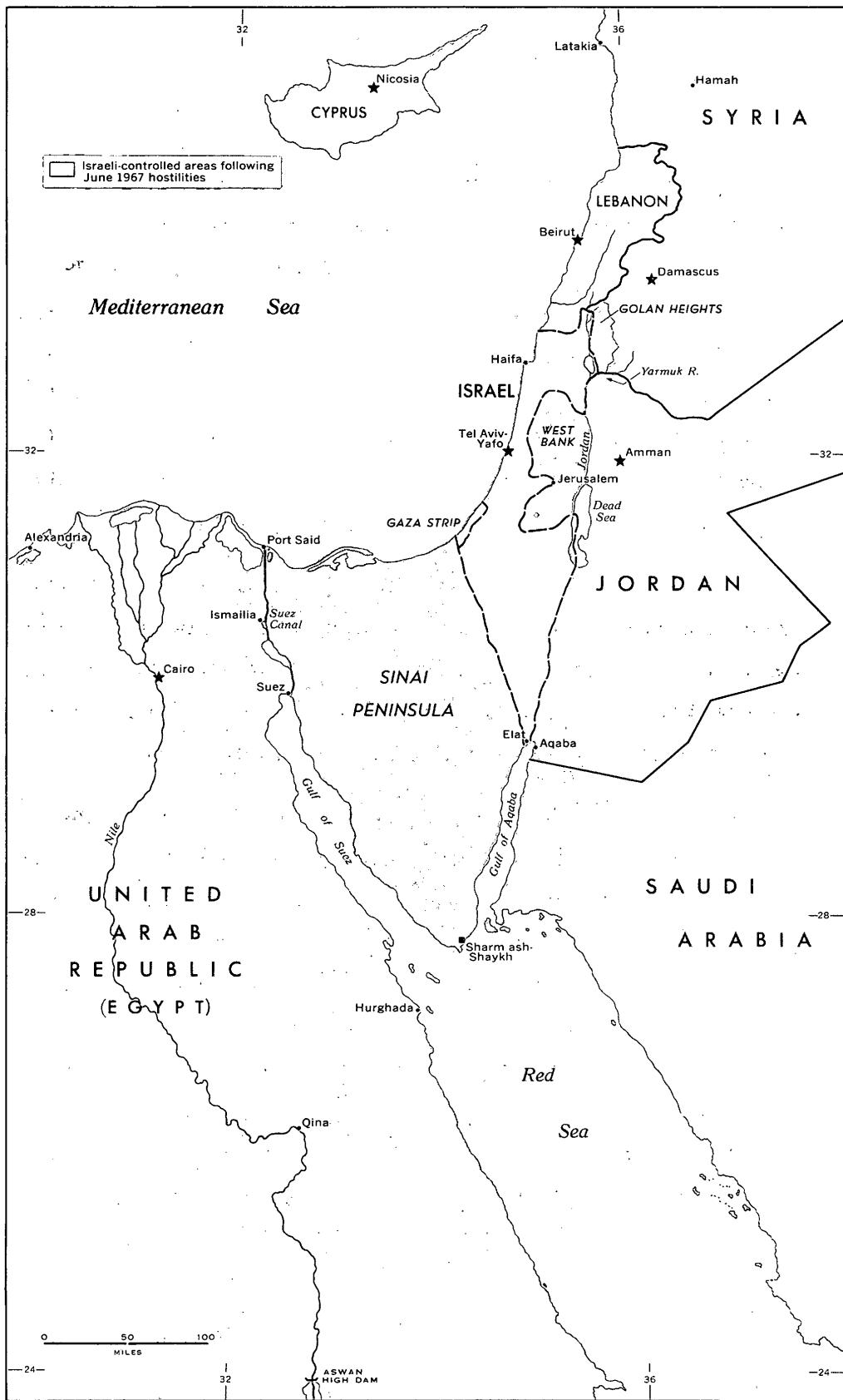
17 February 1969  
(Morning)

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*FOR THE PRESIDENT ONLY*

I. MAJOR PROBLEMS

MIDDLE EAST

Soviet diplomats are making it clear that Moscow wants substantive discussions of a political settlement early in the four-power talks. At the UN, Malik has suggested to Ambassador Yost that the four powers work up "guidelines" for carrying out the Security Council resolution of 1967. He said Jarring needed specific guidance more than a general statement of support for his mission. The Soviets' unfolding strategy seems to be to push for a four-power peace plan, which either Jarring or the Security Council would present to the Arabs and Israelis.

At the same time, as Dobrynin has indicated to Secretary Rogers, the Soviets seem anxious to search for the ingredients of a settlement in bilateral talks with the US. They have repeatedly told the Arabs that only a Soviet-US agreement could break the deadlock in the Middle East.

The French and the British are also telling Yost that they think Jarring should be given some substantive guidance by the four powers. For the French, this is yet another example of the similar views Paris and Moscow have on handling the Arab-Israeli issue. The Soviets have always taken a more hopeful line with France than with others on the chances for a settlement. They recently claimed to a French official that they were willing to press the Arabs to accept all aspects of a settlement even before an Israeli withdrawal began.

**FOR THE PRESIDENT ONLY****EUROPE**

Debré's threat to leave the Western European Union (WEU) is the latest sign that the French think Britain and its allies have gotten in some shrewd blows recently. Paris clearly is worried that unless a quick halt is called to the consultations between Britain and the Five, a disturbing precedent will have been established. There has not yet been time for much reaction to Debré's blast, but the British doubtless were somewhat encouraged by recent West German assurances that Bonn would go along with London's efforts as long as the rules of the WEU were strictly followed. (Our reading of the treaty is that the relevant passages are vague enough to permit any of several interpretations. Presumably this could give the Germans a way to back out on the British if they wanted one.)

There is certain to be more pushing and hauling on the issue in the next few weeks. The subject is sure to get heavy treatment both during President Nixon's visit to Europe and during the semiannual Franco-German summit in March.

\* \* \*

Last week's consultations in London are not likely to have too much effect on the four-power meetings on the Middle East. The British probably would carry a bit more weight if they were able to say they had a "Western European" brief. It is still not clear, however, whether they feel bound by what the Five told them in London.

**FOR THE PRESIDENT ONLY**

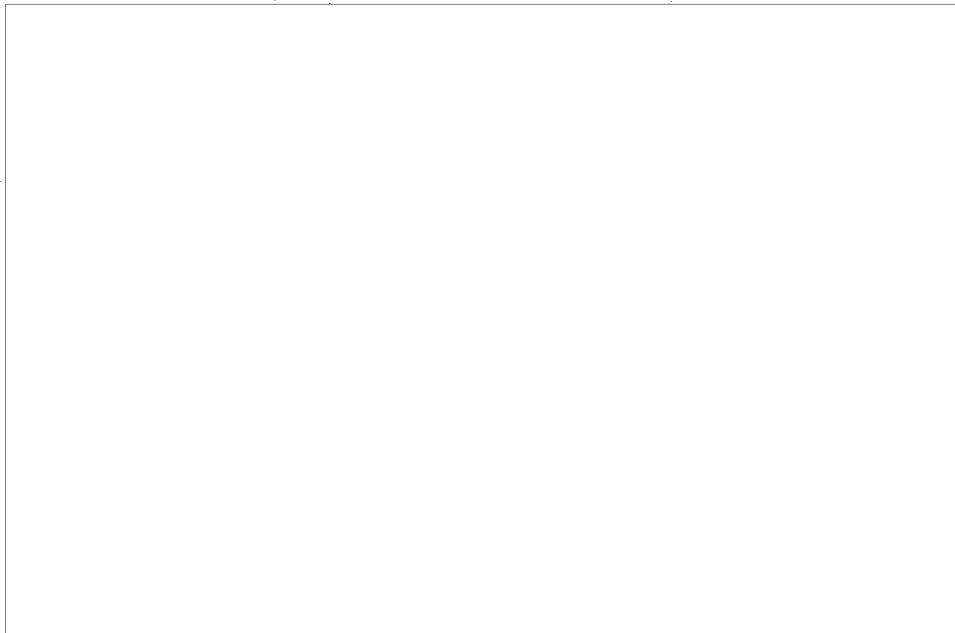
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At Annex today we discuss the situation in Britain.

SOVIET AFFAIRS

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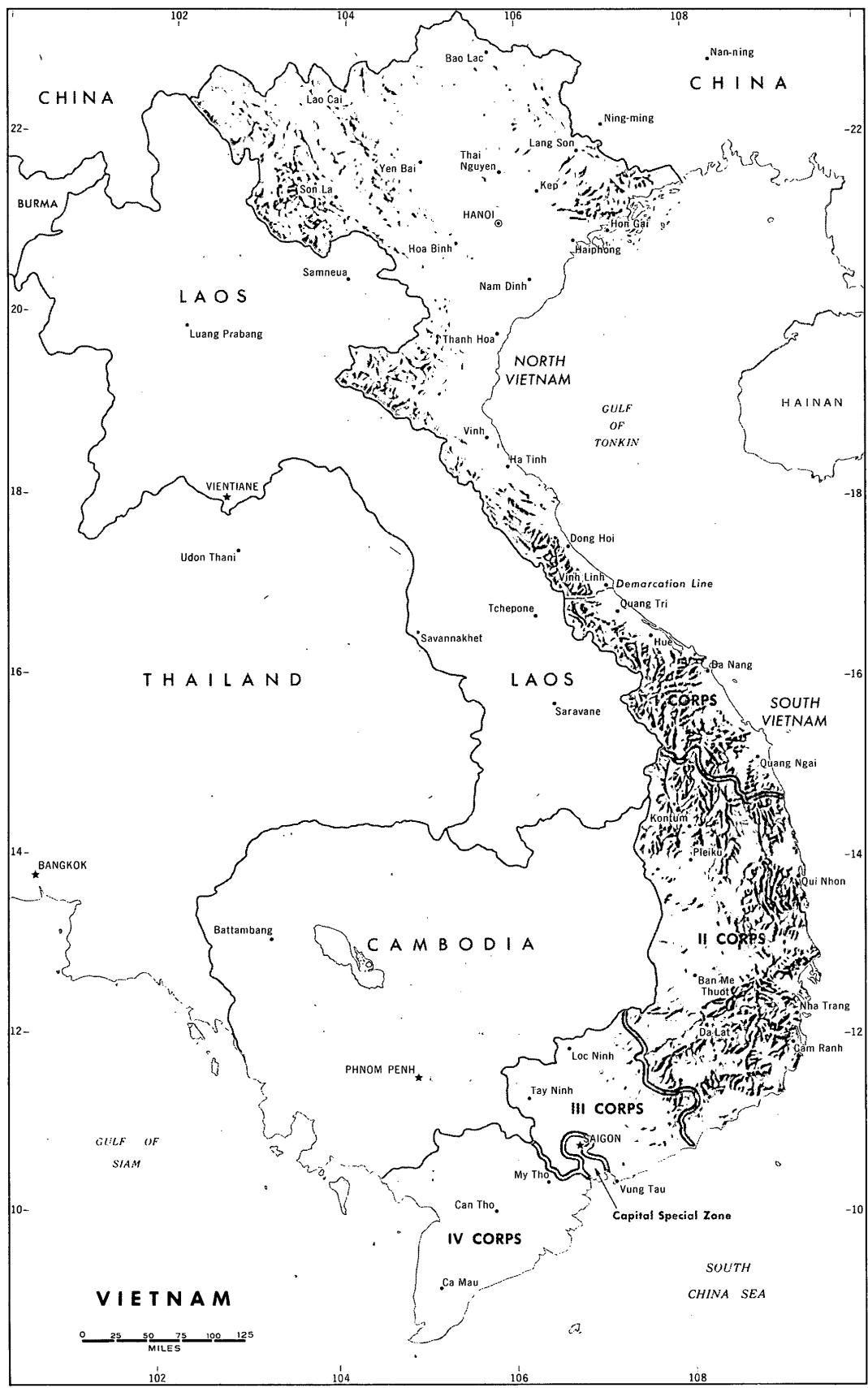


VIETNAM

Thieu, in a conversation with Ambassador Bunker Friday, showed considerable nervousness about the impending consultations between President Nixon and De Gaulle. The South Vietnamese are naturally suspicious of French motivations where Vietnam is concerned. This suspicion has recently been reinforced by the rumormongering of lower level French officials, apparently hoping to undermine US-Saigon relations.

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*FOR THE PRESIDENT ONLY*



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The hospitality shown  
the Communist delegations in Paris cannot, however, have es-  
caped the notice of the South Vietnamese. Saigon probably  
really fears that De Gaulle will use his talks with the Presi-  
dent to put Communist demands in their most attractive form.

\* \* \*

Military activity was light over the weekend as the Com-  
munists generally observed their Tet cease-fire. The enemy  
remains in a position, however, to launch widespread attacks  
at any time.

## II. OTHER IMPORTANT DEVELOPMENTS

PERU-CHILE

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

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**NIGERIA**

Nigeria has bought 30 million rounds (about \$2.3 million worth) of small arms ammunition from the USSR.

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[redacted] the ammunition will be shipped by sea. Five million rounds may be ready for shipment before 1 March. The Nigerians are also going to take a look at some Soviet antiaircraft guns which are for sale.

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The federal government's attempts to interdict Biafra's one operating airstrip are causing relief organizations increased concern. In one raid last week two relief aircraft were slightly damaged. Even if these raids do not close the airstrip, they could discourage pilots from making nightly arms and relief flights.

*FOR THE PRESIDENT ONLY*

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## INTERNAL PRESSURES ON THE BRITISH GOVERNMENT

SIGNIFICANCE: The severe economic problems which have bedeviled Wilson's Labor Government since it took office in 1964 have forced Britain to abandon many of its commitments throughout the world. With the battle to solve the balance of payments problem still not won and with massive international debts to repay, Britain will for many years have to tailor its foreign and defense policies to avoid large new expenditures. These policies will also become increasingly aimed at promoting cooperation with Europe, a goal which will probably begin to push Britain away from the close relationship that it has had with the US.

\* \* \*

Britain's economic troubles bid fair to bring the electoral defeat of the ruling Labor Party. In numerous by-elections for Parliament and in local elections during the past two years, the party has been badly beaten. The public opinion polls during that period have recorded the lowest standing for a prime minister and a governing party in the 30-year history of the polls. Many Britons, who once admired Wilson's mastery of the political arts, now consider him a political opportunist. At the same time, the polls have been very erratic and strongly influenced by specific developments. The political recovery of the Labor Party cannot, therefore, be ruled out. An election is not required until March 1971, leaving barely time enough for the Wilson government to demonstrate convincingly that it can manage the economy.

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**FOR THE PRESIDENT ONLY**

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Despite Labor's misfortunes, no permanent realignment of voter sentiment in favor of the Conservatives appears to have taken place. As an individual, Conservative leader Ted Heath has seldom topped Wilson's poor showing in the public opinion polls.

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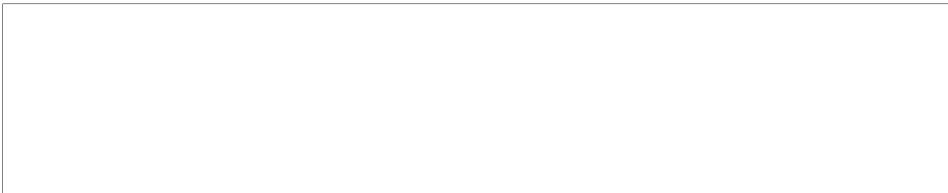
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Economic Problems

The political fortunes of the Labor Party are tied to the success of the devaluation of sterling (\$2.80 to \$2.40), which took place in November 1967. The underlying weakness of the pound stems from the UK's recurring balance-of-payments deficits and large international debts. In order to secure the maximum benefits to international payments and debt reduction from the devaluation, constraints have been placed on wage increases and credit. These constraints are intended to help protect the gains from the devaluation in price competitiveness and profits and to hold down demand for imports. The authority for certain of these measures lapses in late 1969. In the meantime, failure to achieve marked improvements in the balance of payments would only make public acceptance of a continuation of the present controls more difficult to obtain.



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London has focused its economic policy almost exclusively on correcting its international payments situation. Sustained improvement is vitally necessary to retire some \$7 billion in

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*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

debt accumulated in defense of sterling. The government had hoped that devaluation and related economic measures would cut the UK's balance of payments deficit sharply in 1968. Instead, it rose to about \$1.3 billion, compared with about \$900 million in 1967. The major factor in this setback was the continuation of a sizeable imbalance in Britain's foreign trade. Strong consumer demand brought an unexpectedly high level of imports which offset the gains from a rapid growth in exports. More measures were taken late in the year to stem the flow of imports.

In 1969 the British may achieve a surplus in international payments ranging from \$240 million to \$600 million. The December trade deficit was unexpectedly large, but the January trade deficit was the smallest since devaluation. This improvement should be maintained in early 1969 by the impact of the restrictions applied in November on credit for imports. The measures taken in 1968 to redirect production and investment toward the export industries will also continue to have an effect.

A number of developments, however, could alter this optimistic outlook. For example, a significant slowdown in the growth of world trade or the devaluation of the French franc would hinder British exports, but these external pressures are not likely to be felt within the first quarter of 1969.

Another crucial factor will be the government's ability to restrain excessive increases in wages, while avoiding the kinds of strikes that have been so damaging to the British economy in recent years. In 1968, the government was forced by strike threats to allow exceptions to its 3 1/2% ceiling on wage increases. These breaches were justified by reference

**FOR THE PRESIDENT ONLY**

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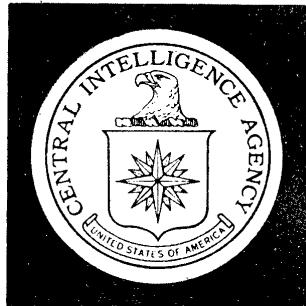
to high productivity or the long interval since the previous increases, but they have encouraged other unions to press exorbitant demands.

There were no strikes last year with the economic impact of the seamen's strike of 1966 or the dockworker's walkout of 1967, but British industry was nevertheless plagued by innumerable work stoppages, mostly wildcat strikes. In an effort to control labor disputes the government has proposed major reforms in British labor relations, including a 28-day cooling off period for wildcat strikes. These proposals may not be enacted into legislation until 1970.

The effort to improve the UK's balance of payments remains very much a race against time. Sterling is weak and extremely vulnerable to any upset in the international monetary system.

*FOR THE PRESIDENT ONLY*

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## *The President's Daily Brief*

18 February 1969

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19 February 1969

LATE NOTES FOR THE PRESIDENT'S DAILY BRIEF OF  
18 FEBRUARY 1969

I. MAJOR PROBLEMS

MIDDLE EAST

Three of the Arab guerrilla organizations, including Al Fatah, announced today formation of a joint military command. Notable for its absence from the combine, however, was the Popular Front for the Liberation of Palestine (PFLP) which quickly accepted responsibility for yesterday's attack on an El Al airliner in Zurich as well as the hijacking of an El Al plane last summer and the attack on an El Al craft in Athens in December. The PFLP reportedly stayed out because it did not want to give up independent political action. The announcement of the joint "armed struggle command" came after a two-day meeting of the Palestine Liberation Organization in Amman and "left the door open" for other organizations such as the PFLP to share in it. [redacted]

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EUROPE

There is nothing significant to report.

SOVIET AFFAIRS

The East Germans continued their harassment of Berlin traffic today but apparently switched their attention from the Babelsberg checkpoint at the Berlin end of the autobahn to the Marienborn checkpoint opposite the West German control stop at Helmstedt. The delay this time lasted only two hours (midnight to 2:00 AM) but backed up traffic, mainly trucks,

FOR THE PRESIDENT ONLY

for more than two miles. Border officials said the delay was to check identification papers. Yesterday traffic passed through this checkpoint normally. [redacted]

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### VIETNAM

There is nothing significant to report.

## II. OTHER IMPORTANT DEVELOPMENTS

### PAKISTAN

The meeting between Ayub and his opposition leaders, scheduled to begin today, has been postponed. The leader of the coalition group known as the Democratic Action Committee (DAC) said this decision was reached after a conference with his colleagues. They decided the opposition needed more time to confer among themselves and were planning another meeting for later today. Their action was largely based on the decision of the leader of the Awami League, largest and most important component of the DAC, not to attend unless the conspiracy case against him is withdrawn; Ayub had agreed to parole him to attend the talks but has not yet agreed to withdraw the case, and the prospects for holding a conference unless he does are bleak. Five other major leaders who do not belong to the DAC joined ex-foreign minister Bhutto in declining to attend the session. [redacted]

Press, 19 Feb 69)

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### USSR-GHANA

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FOR THE PRESIDENT ONLY

*FOR THE PRESIDENT ONLY*

I. MAJOR PROBLEMS

MIDDLE EAST

An Israeli response to the latest attack on its airline should be expected after the identity and place of origin of the attackers is established.

EUROPE

Demonstrating once again their disdain for the franc, Frenchmen pushed the Paris price of the 1-kilo ingot to a record \$46.32 (per-ounce, dollar equivalent) on 17 February, a rise of \$0.91 over the previous day's price. The rise in the Paris gold price was not matched outside France (the London price rose only \$0.15 to \$42.65). The fundamental reason for the sharp increase in the Paris price is the continuing weakness of the French franc. Frenchmen continue to flee from francs to goods, real property, and gold--access to other currencies having been made costly by the French exchange controls currently in force. The Paris gold price is one of the important barometers of the franc's health, and its erratic upward jump yesterday could be the first unsettling sign of renewed, serious troubles for the franc.

SOVIET AFFAIRS

Berlin traffic today returned to a more or less normal pace by early afternoon, after delays which lasted from midnight to noon. During that time, only ten trucks an hour were cleared through the checkpoints.

*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

compared to a normal rate of 40-50. Private cars and buses were held up leaving Berlin, but incoming vehicles were processed without delay. The US mission in Berlin comments that the delays appear deliberate. The East Germans have not given the heavy snow of last weekend as the reason for the slow-up; on other occasions recently they have been careful to pass the word if they anticipated an unavoidable delay.

**VIETNAM**

North Vietnamese infiltration activity has picked up markedly in the past few days.

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If the current rate is sustained this month's total will far exceed that of February 1968.

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**FOR THE PRESIDENT ONLY**



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An examination of military indicators throughout South Vietnam points toward a significant rise in enemy activity in the near future. Unlike the Tet period last year, however, there is no consistent pattern running throughout the country.

The most significant enemy threat exists in III Corps, where at least four and possibly five Communist divisions are now deployed, mainly to the north and northwest of Saigon. At the moment they pose a greater threat to outlying bases than to the capital itself. To the east of Saigon, regimental subordinates of the Viet Cong [redacted]

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[redacted] have been concentrating for early attacks on the Bien Hoa - Long Binh sector.

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In I Corps provinces, the danger of major enemy action is less immediate than at this time last year. There

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

There has, however, been some recent movement of enemy combat forces toward coastal urban centers such as Da Nang and Hue.

There has been some reshuffling of Communist forces in the central provinces, but the failure of major combat units to move toward likely targets suggests the enemy probably will not mount a major offensive in the immediate future. [redacted] prisoners, however, have al-  
luded to plans for increased action by local force units in the coastal areas of II Corps.

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In the delta provinces, Communist forces totaling some 32 battalions are nearing combat readiness. Some provincial capitals of IV Corps, including Can Tho and My Tho, as well as nearby allied military installations and airfields, are currently threatened by main force Viet Cong units.

*FOR THE PRESIDENT ONLY*

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II. OTHER IMPORTANT DEVELOPMENTS

USSR-GHANA

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PAKISTAN

Talks between Ayub and opposition leaders will finally get under way tomorrow. In addition to members of the moderate coalition of opposition parties, Ayub at the last minute invited such figures as ex-foreign minister Bhutto, an erratic but popular leftist only recently released from prison, and the widely respected former air force chief, Asghar Khan. Bhutto later today rejected the invitation.

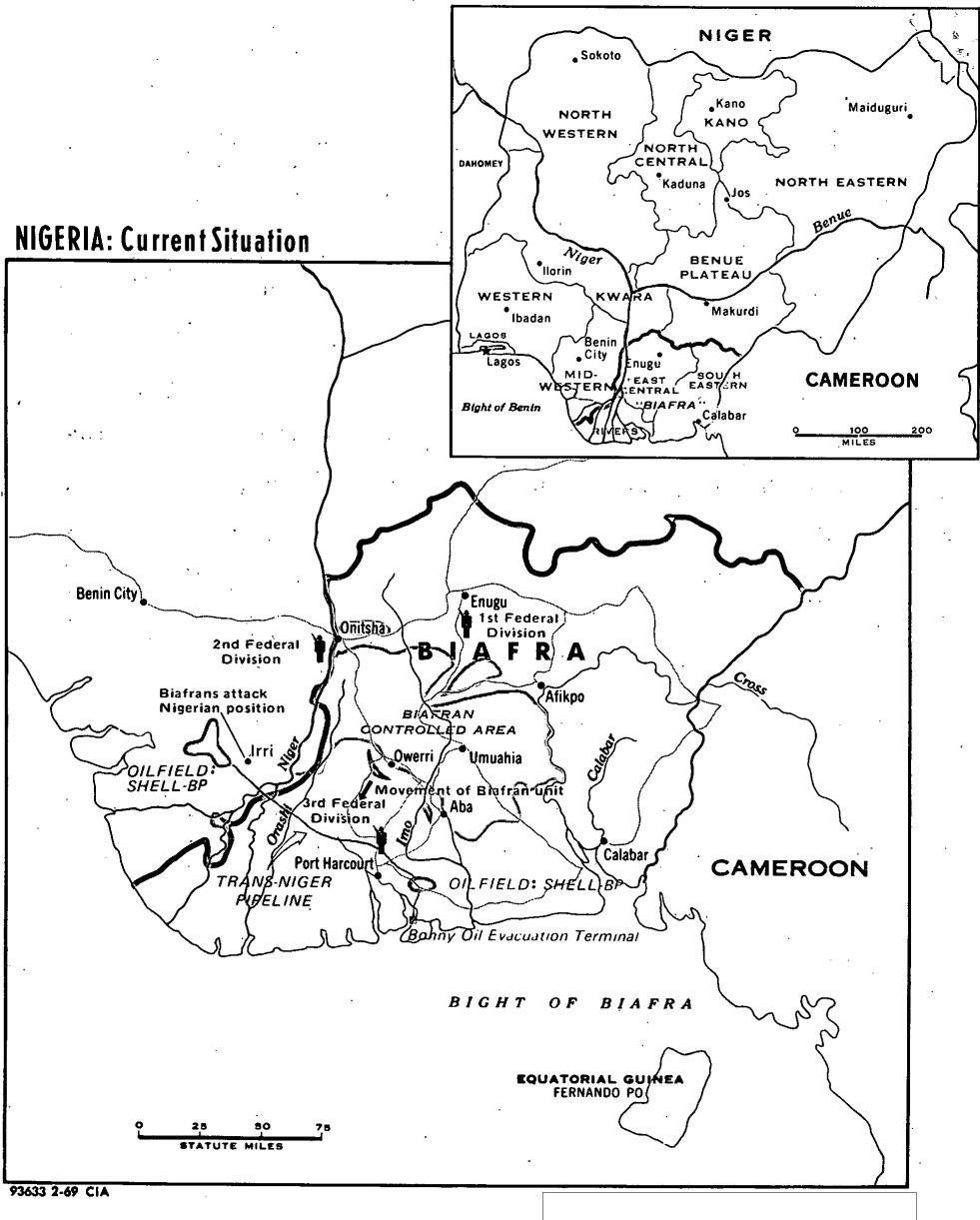
We doubt that the negotiations will accomplish much, but Ayub may be forthcoming enough on possible constitutional changes to split the opposition. [redacted]

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*FOR THE PRESIDENT ONLY*

**NIGERIA: Current Situation**



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**FOR THE PRESIDENT ONLY**

**ITALY**

The Annex discusses internal pressures on the Italian Government.

**NIGERIA**

Fighting is a little heavier. Biafran elements are threatening important oil installations in the south, including the pipeline that Shell - British Petroleum has been using to take out about half of the 300,000 barrels it produces daily. The Biafrans so far have not sabotaged the pipeline. They may intend to capture it intact.

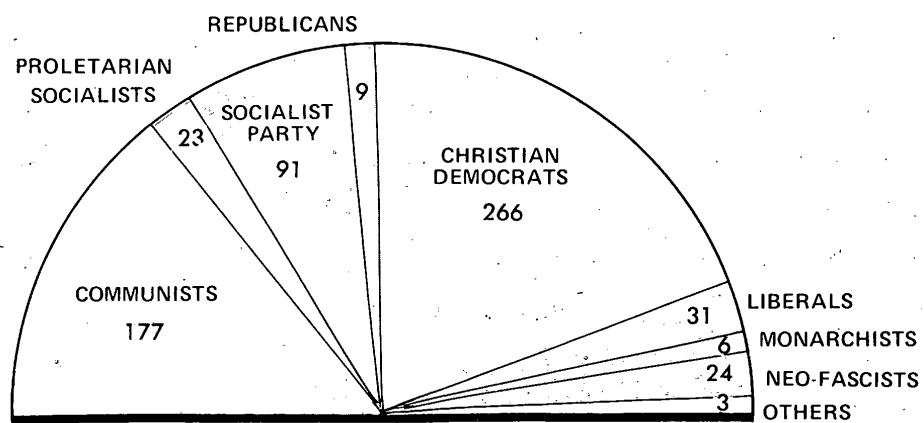
Elsewhere in the south, Biafran units have moved 20 miles below Owerri on the main road to Port Harcourt. The Biafrans seem to lack the firepower, however, for a serious attempt to take the town.

In the north, the federal forces seem to have the initiative. They have cut off a secessionist brigade northeast of Onitsha. Nigerian forces have also attacked south and southeast of Onitsha, but have met heavy Biafran resistance after advancing a few miles.

**FOR THE PRESIDENT ONLY**

## ITALY'S CHAMBER OF DEPUTIES

Elections of 19-20 May 1968



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## INTERNAL PRESSURES ON THE ITALIAN GOVERNMENT

The two-month-old government of Premier Mariano Rumor, like its most recent predecessors, is a vulnerable coalition. In addition to the competition between its major components, the Christian Democratic and Socialist parties, it is also subject to strains brought on by internal differences in these parties. From inside and outside the government come pressures for economic and social reforms, reinforced by growing popular expectation of a steadily rising standard of living. Most of the reforms will be accomplished slowly at best because of political rivalries and a cumbersome bureaucracy. The Italian Communist Party, which has wide electoral appeal and hopes some day to achieve participation in the government via the ballot box, is a constant critic of the failure to move faster. In addition, agitation and violent criticism of the government come from the extremist fringe of political and student circles.

\* \* \*

### The Coalition Parties

The installation of the Rumor government on 13 December 1968 ended a public estrangement of the Christian Democratic and Socialist parties which began with the parliamentary elections of May 1968. Losses by the Socialists in that election led them to withdraw from the governing center-left coalition pending determination of the party's future strategy.

FOR THE PRESIDENT ONLY

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The restoration of the center-left was thus a major achievement, but factional rivalries in the two parties undermine any assurance which Premier Rumor would otherwise have of remaining for a specific term in office. Each of the two principal parties is badly splintered, in part by differences over program but more by ideological bias and by personal rivalries. Christian Democrats, for instance, differ little among themselves in their attitudes toward proposed reforms, but are divided over possible cooperation with Communists. The major divisions, however, are caused by competition for important party and government posts. One of the plums now most hungrily sought after by Christian Democrats is President Saragat's job. His term runs out in 1971.

The Socialist Party is similarly splintered. Its leadership, for instance, was able to muster the support of a bare 53 percent of the delegates to the party's recent congress. Only the third member of the coalition, the very small Republican party, is united.

Reforms

The long overdue reforms are many and varied. Among the most important are those touching labor, education, tax structure, the economic disparity between northern and southern Italy, and the administration of justice.

The beginning of the year has been marked by a series of strikes affecting almost every part of the country and every segment of the economy. Labor's most important objectives were an increase in pensions and reform of the social

**FOR THE PRESIDENT ONLY**

security system, matters on which the three major labor confederations and the government reached agreement in mid-February. Other labor demands are expected to be heavy this year. Some 59 union contracts covering 5 million workers expire in 1969; there were 34 covering only 1.5 million in 1968.

Demands for reform of university and secondary school education are increasingly vociferous and have led to student demonstrations throughout the country. The increase in the student population at the university level during one year recently ran to a record 20 percent. Teaching staff and facilities, on the other hand, have expanded only slightly, and the curriculum has remained inflexible. Reform in this field now seems to have top priority.

Taxes in Italy are numerous, complicated, and overlapping. It has been estimated facetiously that if all taxes due annually were collected, the total revenue would amount to 110 percent of Italy's gross national product. Considerable preliminary legislative work on tax reform has already been done, but the opponents of reform are strong and the prospect of any early action is remote.

Many Italians have long considered the sharp disparity in living standards between the prosperous northern and the poor southern parts of the country a national scandal. The government has already made the decision to step up investments in the South by state controlled enterprises and has passed special incentive legislation to stimulate private investment in the area. While these actions may show some small immediate gain, complete elimination of the income gap remains far in the future.

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**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

The administration of Italian justice is arbitrary, slow, and expensive. At the formal opening of the court year in January, lawyers and judges who are critical of the system demonstrated outside Rome's Palace of Justice while President Saragat presided inside. Proposed reforms are designed to get rid of time-consuming trivia, bolster the rights of the defendant, and replace penal laws which were adopted under Mussolini.

Economic conditions are good now and will probably improve this year given the expansionary effects of increased spending for reforms. The elaboration of bureaucratic procedures and the intricacy of the parliamentary process are obstacles to progress, however. For example, it is estimated to take 500 days on the average from appropriation to expenditure. The government hopes to bypass these procedures by transferring responsibility for certain investment projects to autonomous agencies and state controlled enterprises. In the longer run, however, reform of the budgetary process is also necessary.

Communist and Extremist Pressures

The Italian Communist Party, which polled 26.9 percent of the electorate in the national elections last May, hopes to achieve power through parliamentary means. It points to the shortcomings of the center-left and stresses that it is not subservient to Moscow. To prove this point, the Italian Communists at their recent congress expressed support for Czechoslovak sovereignty despite Soviet threats to cut Moscow's

**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

subsidy of the party by some \$1.5 million unless the Czech issue was played down. The increasing acceptance of the Italian Communists as a quasi-democratic political party which might someday enter the government gives added force to Communist criticism of inertia on reforms.

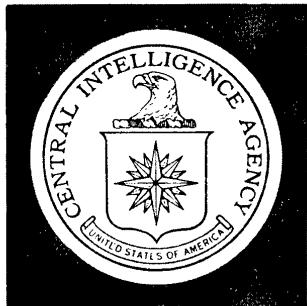
The extremist fringe includes the very small Chinese-financed Marxist-Leninist parties as well as much of the dissident Proletarian Socialist party. The latter polled almost five percent in the last elections. Both these political groups have fomented agitation among a small minority of students.

**Near-term Prospects**

The prospect for Italy is uncertain politically but bright economically. The tensions within and between the coalition parties are such that the government always faces some risk of parliamentary ouster. In addition, the leaders of the Christian Democrats are likely to spend much of the next several months in political maneuver preparatory to the Christian Democratic congress in June. The parliamentary program is likely to suffer from this activity and from similar Socialist preoccupations; the coalition will thus be additionally vulnerable to attack. On the economic side, on the other hand, the rate of growth is expected to continue high for the next year or so, barring any radical change in government, and consumption by those on the lower economic levels is likely to expand.

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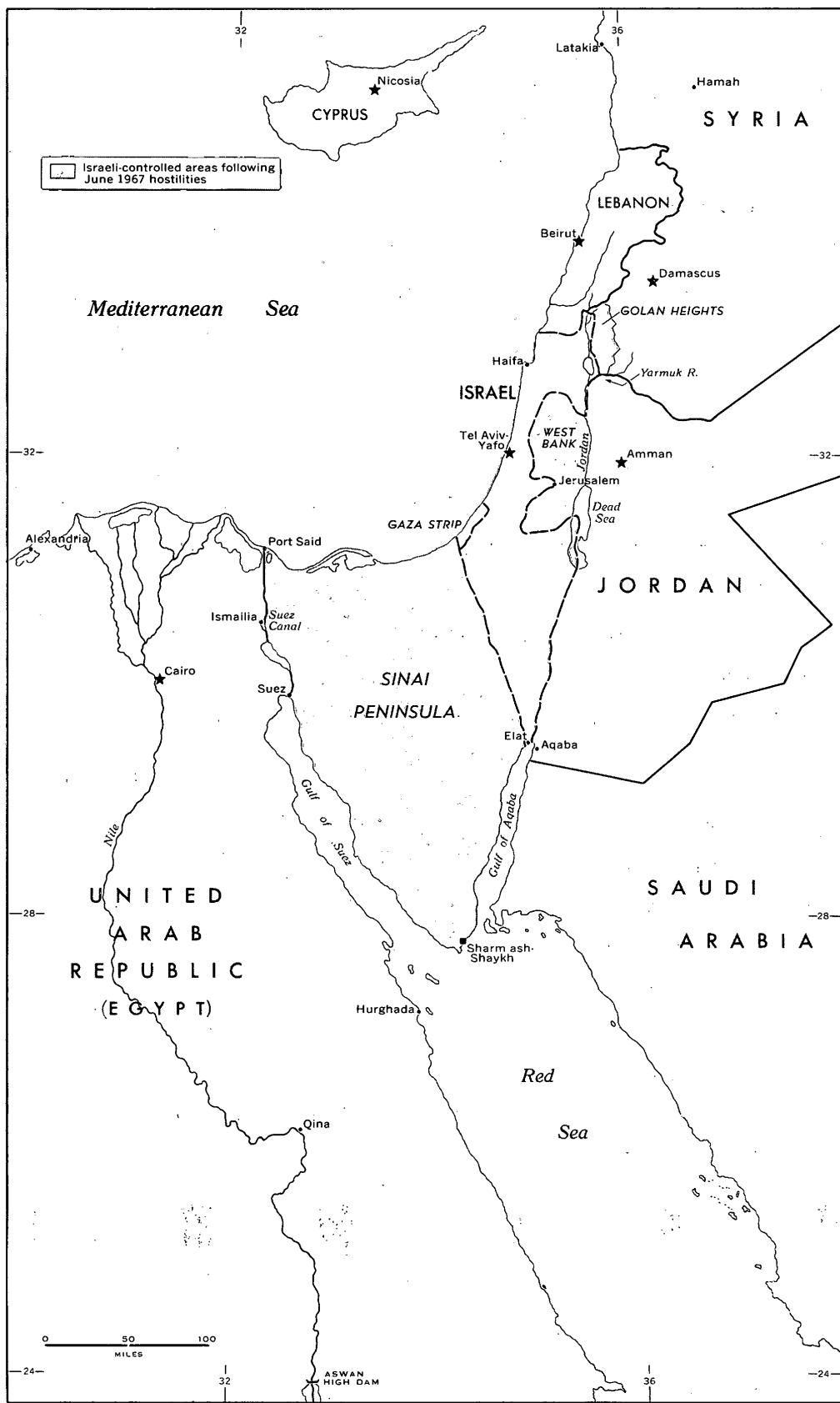


# *The President's Daily Brief*

19 February 1969

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20 February 1969

LATE NOTES FOR THE PRESIDENT'S DAILY BRIEF OF  
19 FEBRUARY 1969

I. MAJOR PROBLEMS

MIDDLE EAST

Cairo's semi-official newspaper Al Ahram declared in an editorial today that Arab commandos would mount attacks on Israeli targets anywhere regardless of reprisal raids. It asserted that Palestinian Arab resistance would not lessen despite any countermoves by Israel. (Reuters, 20 Feb 69)

\* \* \*

Iraq today executed seven more men accused of spying for Israel. None apparently was Jewish. (Reuters, 20 Feb 69)

EUROPE

The US Embassy in Bonn reports that there were in fact two West German statements on the WEU controversy Tuesday. The first, presumably issued shortly after French Ambassador Seydoux met with Kiesinger, stated that Bonn believed that except in "exceptional cases," meetings of the WEU Council "may only be convened by unanimous vote." The German Foreign Ministry took umbrage at this, however, and succeeded in forcing the issuance of a "corrective statement" which asserted that Council meetings which take place by turns "do not need prior unanimous consent." Last Friday's meeting, the statement said, was such a meeting.

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SOVIET AFFAIRS

There is nothing significant to report.

FOR THE PRESIDENT ONLY

VIETNAM

We share the US delegation's view that the French, by telling us of their tete-a-tete with Le Duc Tho before he left Paris, are trying to convey an impression that they have a special relationship with the North Vietnamese. This also may be part of a buildup for De Gaulle to approach President Nixon with some ideas on the war which the French can pass off as coming directly from the North Vietnamese. The French have not been at all forthcoming concerning their contacts with the Communists in the past few months. We cannot be certain, but we strongly suspect that Hanoi would not put much trust in France as a channel to the US at the moment, especially when our contacts through the Soviets are so well established. Regardless of what case the French try to make, the Communists probably regard their talks with the French as just one more way to put pressure on the US to adopt such ideas as the need for a "peace cabinet" in Saigon.

[redacted] 50X1

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II. OTHER IMPORTANT DEVELOPMENTS

There is nothing significant to report.

FOR THE PRESIDENT ONLY

*FOR THE PRESIDENT ONLY*

I. MAJOR PROBLEMS

MIDDLE EAST

Eshkol today convened his ministerial committee for security affairs to ponder the attack on the El Al plane at Zurich. Israeli spokesmen have dropped contradictory hints as to the possible target (or targets) of any retaliatory strike. Transport Minister Carmel pointed a finger at Lebanon, but he widened the range of possibilities when he told the press, "the responsibility for such acts is not only with the perpetrators, but with the Arab states in which these acts are being planned and where the terrorists are being equipped."

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The French, who earlier had been anxious to get started right away on four-power discussions, now want to delay them until De Gaulle has met with President Nixon. Paris also seems at this point to have rejected the US bid to convene the four powers for the limited purpose of giving Jarring a new lease on life. The decision appears to have been made

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

by De Gaulle, who is said to be "not at all pleased" at what he considers American hesitancy to enter substantive discussions.

The spectre of a peace "imposed" by the great powers has, however, stimulated a more forthcoming Israeli attitude toward the Jarring mission. They have hinted that they are now willing to offer concessions to him if he renews contacts with the Middle East parties free of great power influence.

**EUROPE**

The only surprise about the French statement issued today on the WEU crisis was that it did not do more than threaten a boycott of WEU meetings. Several of the other WEU members, including Britain, had not excluded the possibility of some threats from Paris against the European Communities. France may realize there is not much it can do publicly in the present crisis. It may be concentrating instead on diplomatic arm twisting. The French ambassador in Paris was scheduled to see Kiesinger today, and Debré summoned the Luxembourg foreign minister to Paris.

Embassy reporting from The Hague suggests that the British, Dutch, and Italians still have the bit in their teeth. The Dutch reportedly have suggested that another WEU Council be called to discuss Greece's membership in the Council of Europe, and the British are said to have suggested a whole list of initiatives, including the transfer of WEU headquarters to Brussels and the appointment of full-time representatives. One Dutch official, however, said he expected Brussels and Bonn to make propitiating gestures toward Paris soon.

***FOR THE PRESIDENT ONLY***

Bonn's position seems ambiguous at the moment. Kiesinger's office issued a statement last night which according to the press lends support to France's argument that last week's WEU meeting on the Middle East was "illegal." (The text of the statement itself is not yet available, however.) On the other hand, a ranking foreign office official in Bonn today told the US Embassy that Kiesinger himself had approved the German decision to attend the meeting on the Middle East. The official reiterated that Germany strongly supports the use of WEU for political consultation between the British and the Five (as long as WEU rules are not broken), even if the French do not want to attend. In fact, he said, it has been France's own actions in the past which have weakened the WEU structure and regulations.

\* \* \*

Following the sharp increase in the Paris price of gold on Monday, reports from Paris now suggest that the French--in anticipation of the President's visit--are working overtime to get De Gaulle's views on monetary questions into the best light. Their line, as stated particularly by the influential financial writer of Le Monde, is that the new US administration is basically in sympathy with De Gaulle's international monetary views. He and other writers claim to see the new Nixon administration progressively excluding from consideration all monetary reform proposals except the well-known French ones--an increase in the official price of gold and a movement toward an international monetary system based on a pure gold standard. A corollary of this

***FOR THE PRESIDENT ONLY***

**FOR THE PRESIDENT ONLY**

is that the US and France must share the same leaky boat, the repair of which involves joint devaluation through an increase in the price of gold.

**SOVIET AFFAIRS**

There have been no further harassments of Berlin traffic since the two-hour tie-up early this morning.

**Vietnam**

We are unable to make very much of the private conversations Mr. Jorden and Ambassador Vance recently held with their North Vietnamese counterparts. With Jorden, Nguyen Thanh Le used the familiar technique of promising good (but unspecified) results if the US would agree to withdraw its forces from Vietnam. His statement that the Communists have "rejected" the Manila formulation on troop withdrawals is the usual hyperbole and should not be taken at face value.

Ha Van Lau's remarks to Vance constitute the most direct invitation yet to the US to open substantive discussions on specific issues. His suggestion that we take up the Front's standard "five points" as a beginning is undoubtedly the way the Communists would like to proceed. His request for a statement of the Nixon administration's objectives in Vietnam is a much more straightforward approach than the North Vietnamese usually employ, but it has long been clear that Hanoi wants to get a clearer idea how the US views the shape of a final settlement.

**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

Despite Hanoi's emphasis on the importance of settling political matters in Paris, the Communists probably are willing to tackle withdrawal of forces as one of the first issues. As on other substantive matters, the Communists have not tipped their hand to any significant extent on this issue. Nonetheless, there is considerable evidence of Communist thinking about withdrawal of forces. Based on a review of this evidence, we see the present Communist position roughly as follows:

--The Communists want a clear US commitment to the principle of complete withdrawal of all US military forces from Vietnam within a specified time. They will be seeking such a commitment early on in private talks, but they eventually will want it made public in negotiated agreements.

--They clearly are interested in the withdrawal formulations used in the 1966 Manila Declaration, as given to them repeatedly by Ambassadors Harriman and Vance. They doubtless wonder at present if the substance of the Manila formulations remains US policy.

--The Communists are not likely to accept, much less carry out, any agreements resolving this military problem or any others without some parallel understandings on broader political questions.

--Their demands for "unconditional" withdrawal of US forces are propaganda and clearly intended for openers only. They expect to bargain on this issue, and they know that they will eventually have to pull out substantial forces of their own. They are unlikely to agree

*FOR THE PRESIDENT ONLY*

to any kind of solid inspection and verification arrangements to monitor withdrawals, however.

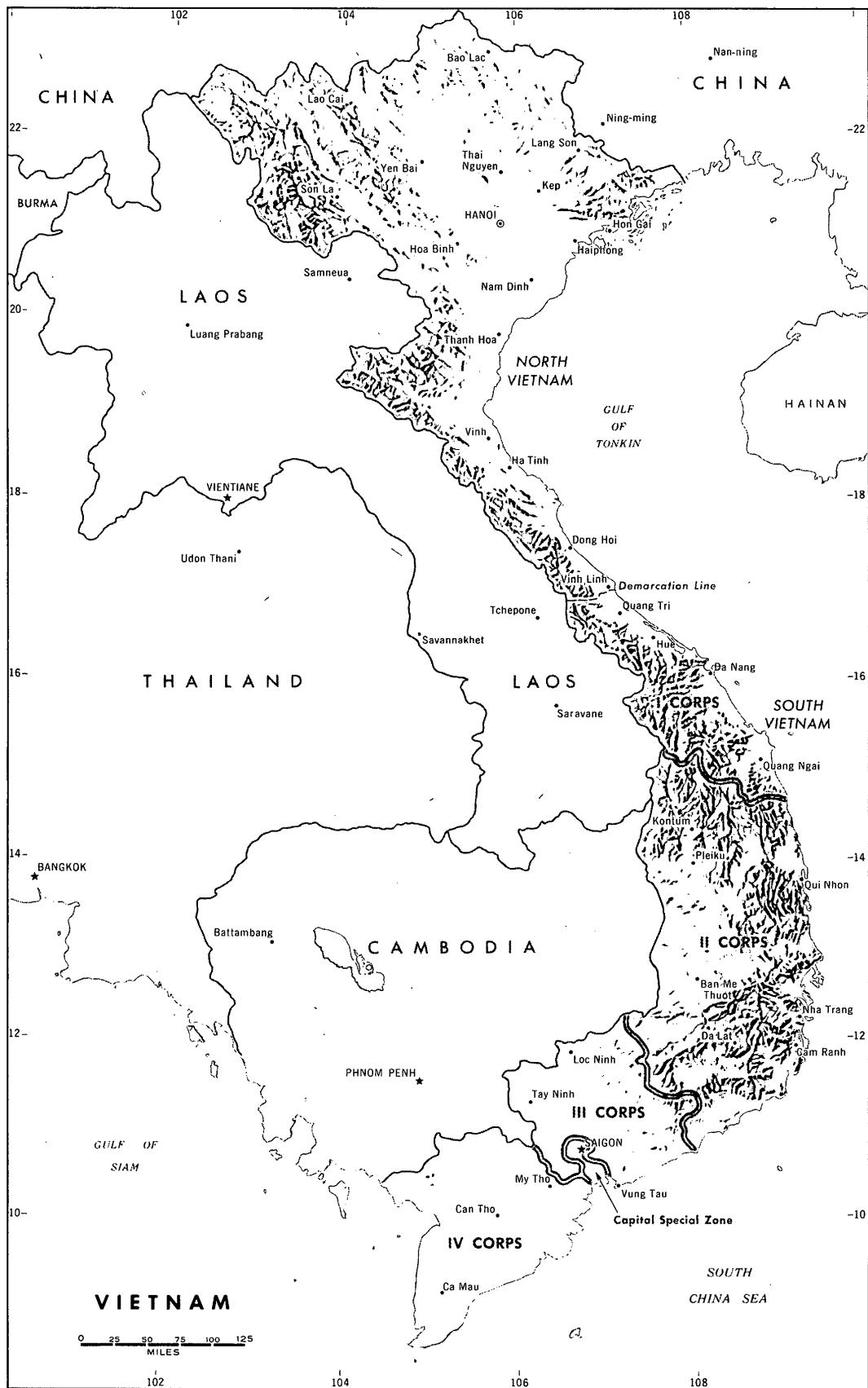
--The Communists anticipate that the withdrawal of US forces will be gradual, perhaps requiring several years. There have been hints that they expect the US to maintain military bases in Vietnam for some time after a settlement.

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There is new evidence which adds to persistent indications that the Communists are planning attacks in



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**FOR THE PRESIDENT ONLY**

Saigon soon.

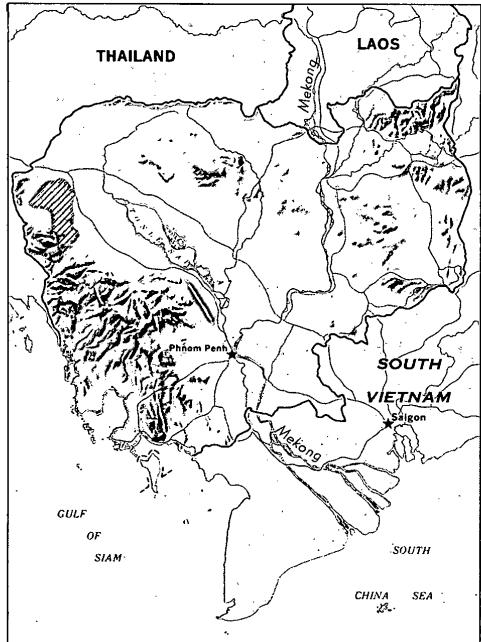
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Several recently captured Communist soldiers have  
mentioned plans for early action against selected tar-  
gets in and around the capital.

General Kerwin of II Field force believes an at-  
tack in the III Corps area will come this weekend.

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**FOR THE PRESIDENT ONLY**

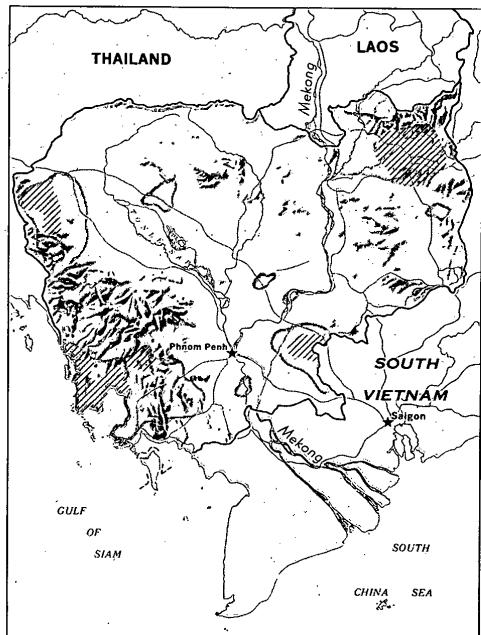


## CAMBODIA Dissident Activity

- [Hatched square] Sustained guerrilla activity
- [Unfilled square] Sporadic guerrilla activity

0 100 MILES

1967



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*FOR THE PRESIDENT ONLY*

## II. OTHER IMPORTANT DEVELOPMENTS

### CAMBODIA

[redacted] 50X1

[redacted] a sharp rise in insurgent ambushes, harassments of villages, and propaganda activities. Armed clashes have been almost as frequent as last year; much of the fighting this time, however, has apparently been at the government's initiative.

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Most of the action is centered in the northeast, where army units have destroyed several tribal insurgent camps and large rice caches, and in the western provinces, where the dissidence first appeared two years ago. Smaller scale rebel activities continue, however, in almost every other province.

[redacted] 50X1

### PERU

[redacted] 50X1

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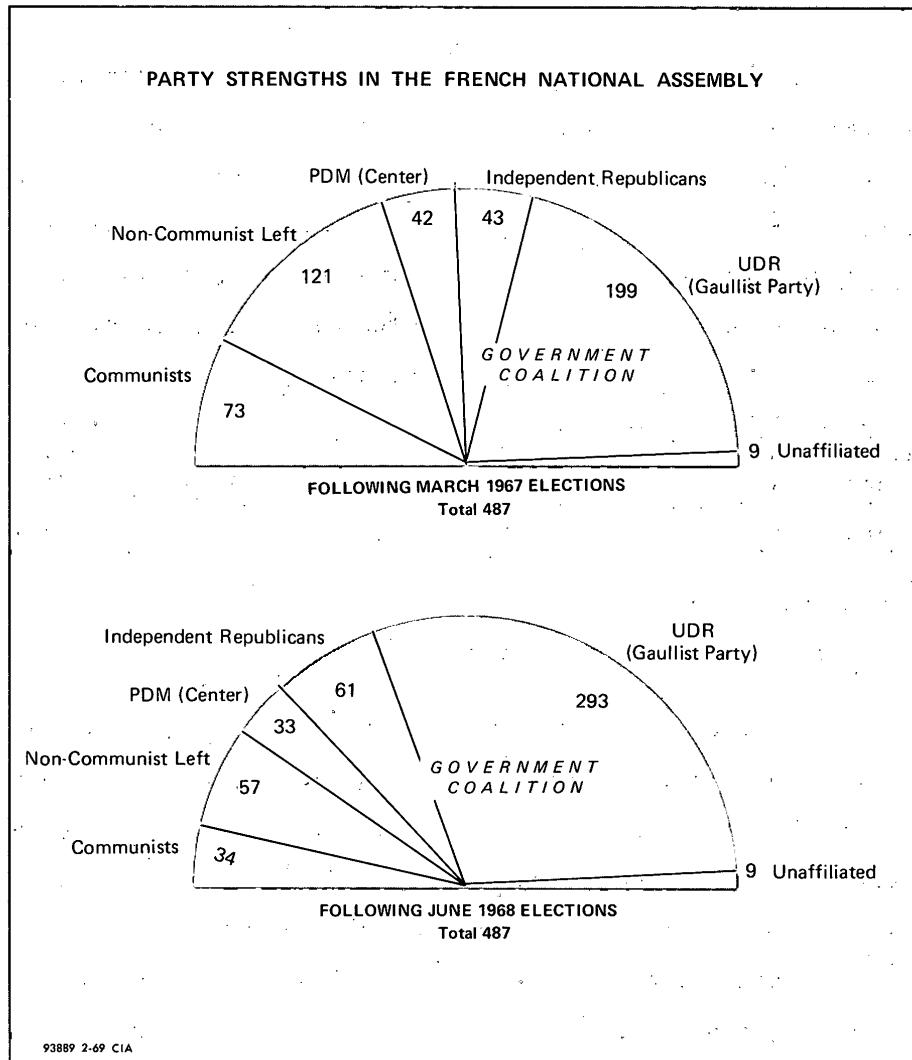
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FRANCE

At Annex is the discussion of internal problems affecting the French Government.

*FOR THE PRESIDENT ONLY*



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## INTERNAL PRESSURES ON THE FRENCH GOVERNMENT

SIGNIFICANCE: The setbacks of 1968 bruised France somewhat but did not weaken De Gaulle's grip on the country and the people. He remains firmly in the saddle. Underlying his present strong position is the continued support of a majority of the French population, a massive Gaullist majority in the National Assembly, and the loyal support of his Prime Minister and cabinet. Nevertheless, his government faces a constellation of interrelated domestic political problems arising from continued student and labor unrest and pressure on the franc.

\* \* \*

The government is not now, and is not likely to be over the next few months, under significant pressure from organized and traditional political forces in France. Last June's elections reduced to less than 25% the parliamentary representation of all the opposition parties combined. In addition, there is considerable--and continuing--antagonism within the opposition. De Gaulle's own party now holds such a massive majority in the Assembly that it no longer requires support from its allies, the Independent Republicans. Although the Gaullist party is heterogeneous and often restive, it is unlikely to oppose De Gaulle on any major issue, much less attempt to replace him. Parliamentary elections are not due for five years, and De Gaulle's presidential term runs until 1972. Thus, any serious challenge to the Gaullist regime in the near future will come from outside the established electoral and parliamentary system.

FOR THE PRESIDENT ONLY

*FOR THE PRESIDENT ONLY*

Potential sources of such a challenge reside in the two groups which precipitated last May's crisis--students and workers. Student unrest continues to be one of France's major political problems, despite a full-scale government effort to deal with the defects in the educational establishment after last May's crisis. Minister of Education Edgar Faure, with the full backing of the general, is trying to sap the strength of the minority left wing of the student movement by inducing the student majority to give academic reforms a fair test. De Gaulle is hedging bets, however, and has also encouraged the Minister of Interior to beef up security forces for use in the event that the radicals get out of hand.

To date Faure's efforts have failed to win widespread support in the student milieu. Radicals remain in control of the student movement--in part because of the failure of moderate elements to organize effectively--and can still stir up minor campus disorders such as have occurred over the past two months. Nevertheless, radical student leaders are acutely aware of their political isolation, and are urging their followers to avoid the "trap" of another major confrontation with police. More importantly, the radicals have had no luck in enlisting workers to their cause; an isolated student rebellion without mass worker support would pose no serious threat to the regime. Such support is unlikely unless workers are made gravely dissatisfied by the outcome of scheduled wage negotiations this March.

The enactment of the landmark trade union rights law in December 1968 put the unions in a much stronger bargaining

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

position than a year ago. As a consequence, union leaders are anxious to avoid a recurrence of the May disorders. They calculate that they can gain more by moderate approaches to their goals than by militant tactics which risk plunging the economy into turmoil once again. The mood of the rank and file is more difficult to determine, but the slim worker response to last week's "day of action" suggests that, if something close to their salary goals is achieved in March negotiations with management, labor unrest is not likely to reach crisis proportions.

Even if, as we expect, serious labor unrest is avoided in March, the government still faces difficult problems. Mainly because of restrictive monetary policies adopted to shore up the franc, there will probably be an economic slowdown in late spring which could cause at least a temporary rise in unemployment. While these policies also have the beneficial effect of reducing the trade deficit, the French international financial position nevertheless remains precarious. Factors not subject to government control such as major strikes, student disturbances, monetary crises in other major countries, or even a temporary increase in the trade gap, could increase already shaky confidence in the franc and trigger another wave of speculation. Present exchange controls, although relatively effective to date, would probably not hold up in a crisis situation.

If in that case external financial aid or other limited measures failed to reduce pressure on the franc, De Gaulle would be confronted with the choice of imposing further austerity

*FOR THE PRESIDENT ONLY*

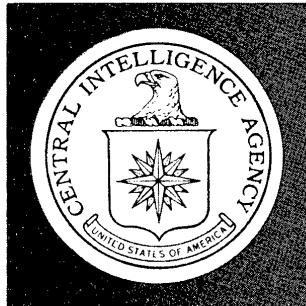
measures or devaluation. Given his desire to avoid domestic unrest, he would probably opt for devaluation, thus attempting to export his problems--with all the implications this could have for the international monetary community.

The outlook for France, then, is for various degrees of social and economic instability ranging from sporadic labor unrest and student disturbances to a renewed attack on the franc and possibly its devaluation. It is unlikely, however, that unrest will reach a level of intensity comparable to that of last May or great enough to overthrow De Gaulle.

Neither last May's crisis nor the November franc crisis forced a change in De Gaulle's foreign policy and defense views. Nor are the problems which he will face over the next few months likely to prompt him to alter significantly French policy on NATO, nuclear strategy, the enlargement of the European community, East-West relations, the reform of the international monetary system, or France's mission to chart a separate course in world politics. On such matters, he remains convinced of the rightness of his conceptions and impervious to any contrary advice from his colleagues.

*FOR THE PRESIDENT ONLY*

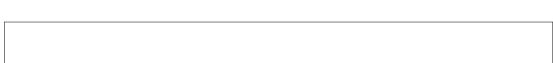
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## *The President's Daily Brief*

*20 February 1969*

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**FOR THE PRESIDENT ONLY**

21 February 1969

LATE NOTES FOR THE PRESIDENT'S DAILY BRIEF OF  
20 FEBRUARY 1969

I. MAJOR PROBLEMS

MIDDLE EAST

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French UN delegate Berard yesterday confirmed to Ambassador Yost that Paris was opposed to using the four-power talks merely as a device to revitalize the Jarring mission. He said the French believe that the four powers should get into substance, that "public opinion" would conclude the talks were not worthwhile if they were confined to a restatement of previous positions. Berard also said Paris attached great importance to President Nixon's upcoming talks with De Gaulle, which will offer a further opportunity to clear up "misconceptions" about the French attitude.

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EUROPE

In Bonn's initial reaction to Moscow's announcement of the military exercises to be staged in East Germany in

**FOR THE PRESIDENT ONLY**

early March, a spokesman confined himself to a terse statement that West Germany "is not surprised." [redacted]

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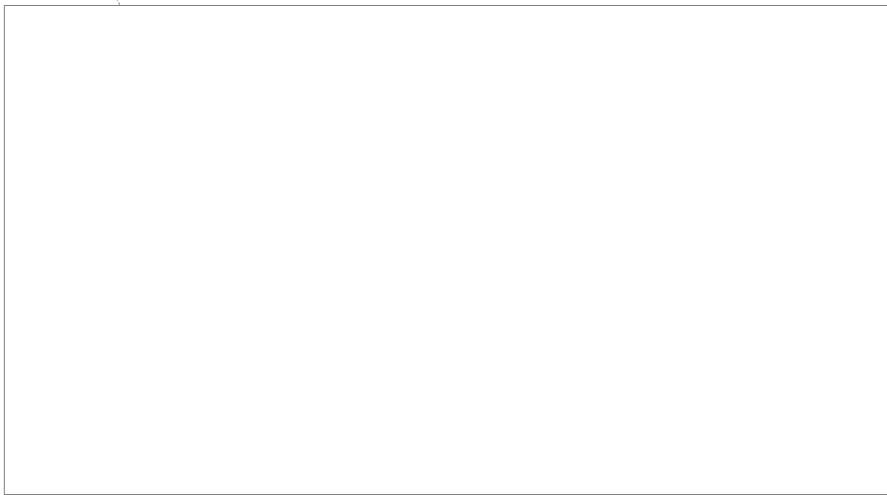
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### SOVIET AFFAIRS

There is nothing significant to report.

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### VIETNAM

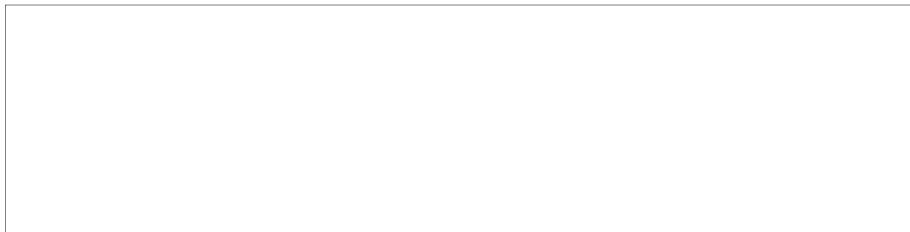


## II. OTHER IMPORTANT DEVELOPMENTS

### COMMUNIST CHINA

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The embassy in Warsaw suspects that, barring the development of a critical new situation which the Chinese might feel calls for special contact, there will be a prolonged suspension of the Warsaw meetings. The Chinese told a British correspondent Thursday that they had no present plans for resuming the talks. [redacted]



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FOR THE PRESIDENT ONLY

*FOR THE PRESIDENT ONLY*

I. MAJOR PROBLEMS

MIDDLE EAST

There is nothing of significance to report.

EUROPE

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Herve Alphand told Ambassador Shriver on Tuesday that the British wanted to "paint the French into a corner and isolate them within Europe" and admitted that London had succeeded.

French statements following the cabinet meeting on Wednesday suggest that De Gaulle principally wants to prevent any further coalescence around the British and does not at this point wish to let the crisis develop

*FOR THE PRESIDENT ONLY*



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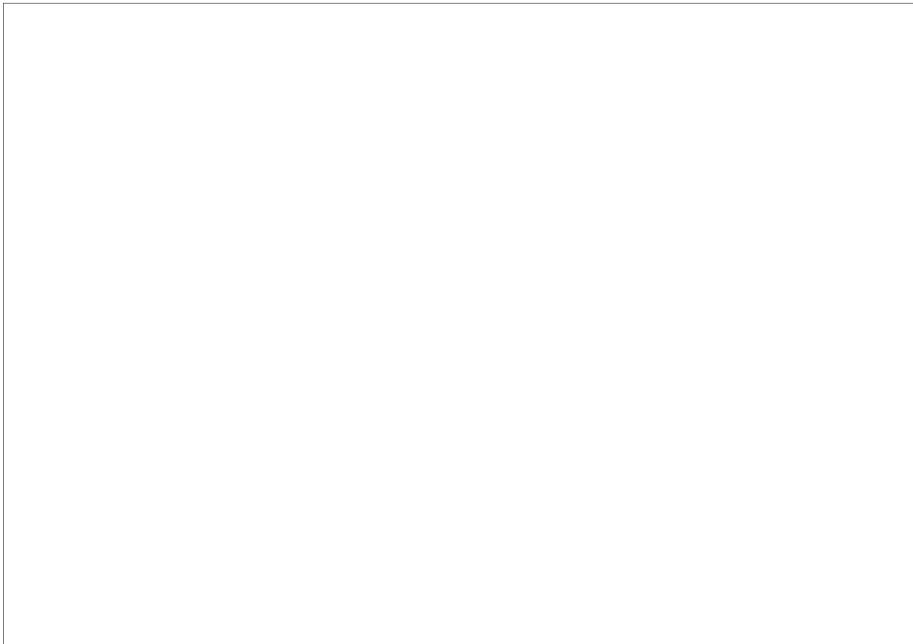


*FOR THE PRESIDENT ONLY*

further. At the same time, in confirming France's boycott of WEU Council sessions. Paris has taken a hard position from which it may be difficult to retreat. The French say they will stay away until all WEU members agree to institute political consultations only on the basis of unanimity.

\* \* \*

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The Annex today deals with the European Communities and European unity.

**SOVIET AFFAIRS**

The Berlin scene remained quiet today except for another temporary slowdown in traffic early in the day.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

The Eastern Europeans, through various nongovernment contacts, are continuing their efforts to reassure us that no Berlin "crisis" is imminent and that Moscow will not tolerate any "nonsense" from the East Germans.

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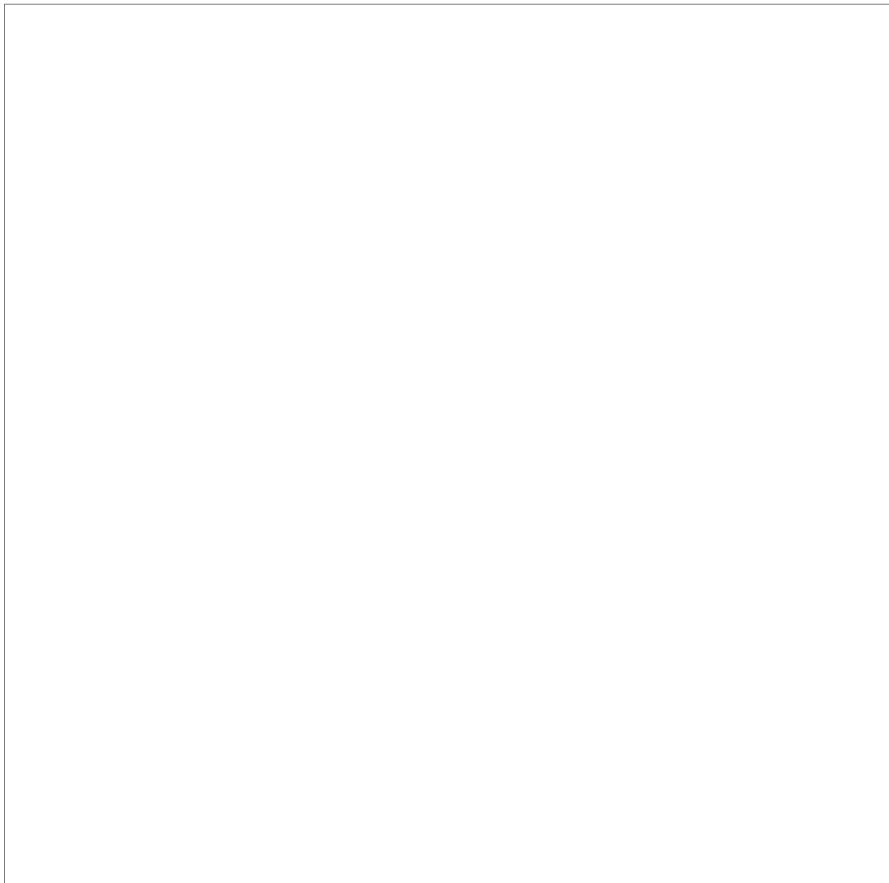
VIETNAM



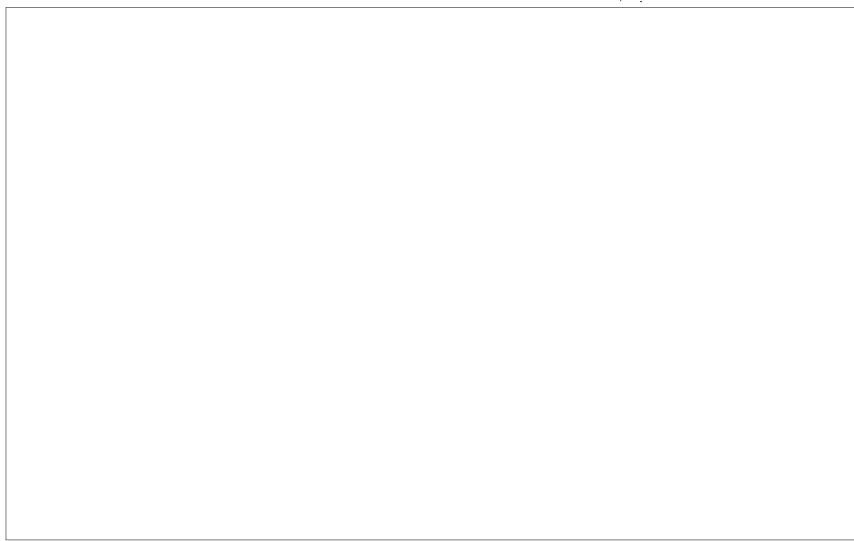
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*FOR THE PRESIDENT ONLY*

## II. OTHER IMPORTANT DEVELOPMENTS

### NIGERIA

Federal leader Gowon has made his first visit to a front line divisional command headquarters, probably to try to ensure some coordination by Lagos of the three federal divisions and to shore up sinking morale among the troops. The division

[redacted] that the

50X1

federal failure to launch a coordinated attack on the Biafrans resulted from a lack of direction from Lagos.

[redacted] morale has seriously

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deteriorated among federal forces and desertions and self-inflicted wounds are on the increase. There is also evidently some dissension among the three division commanders.

### USSR-PERU

The recent Soviet-Peruvian trade agreement fails to live up to Lima's expectations in that it does not include any specific trade goals. The Soviet delegation told the Peruvians that it was not authorized to discuss any significant expansion of trade or conclude any agreements for technical assistance or for commercial credits. This strongly suggests that while Moscow is willing to lay the groundwork for closer economic relations, it still wants a better idea of the Velasco government's policies before undertaking any major commitments.

*FOR THE PRESIDENT ONLY*

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## THE EUROPEAN COMMUNITIES AND EUROPEAN UNITY

The European Communities--the European Economic Community (EEC), the Coal-Steel Community (ECSC), and the European Atomic Energy Community (EURATOM)--are still in the throes of becoming a full-fledged economic union. They are a long way from realizing their original intention of evolving into a political union. The progress made so far has given the six members a strong vested interest in continuing the integration process. If they are blocked at the present stage of development and membership, however, the Communities would hold little promise of evolving into a valid "partner" of the US. Moreover, unless effective "European" institutions emerge, the member states will be tempted either to "go their own ways," or the stronger among them--France or West Germany--will seek to dominate the grouping.

\* \* \*

Over the past decade, the Community has made remarkable economic progress, as a 56 percent growth in GNP between 1958 and 1967 indicates. (The comparable figures for the US and the UK were 51 percent and 35 percent, respectively.) The Community has experienced a decade of expanding industrial output and generally high employment. Farm output, moreover, is 29 percent greater than in 1958, the unit size of farms is increasing, and 500,000 persons are leaving agriculture every year. In 1968 the customs union was completed--18 months earlier than provided for in the Rome Treaty; the free movement of workers, with social security benefits and protection, was assured; agreements were reached benefiting

FOR THE PRESIDENT ONLY

**FOR THE PRESIDENT ONLY**

transport and agricultural workers; and the Community advanced toward the goal of a common commercial policy at the end of the transition period in 1970.

These achievements seem less impressive when compared with the remaining obstacles to full realization of economic and political union. Despite the basically favorable farm trends noted above, the EEC's farm policy poses serious difficulties for world agricultural trade and continues to confront the Community with its gravest internal problem. Support prices--set at high levels in large part because of pressure from German farm interests--have led to mounting surpluses in grain, dairy products, fruits and sugar. These surpluses generate pressures for increased protection against imports and subsidies for exports. The enormous burden of financing and marketing these surpluses has led to increasing friction among the members, especially France and West Germany. Paris, more and more frequently, is recalling that the initial "bargain" underlying the Common Market--expansion of the market for German industry in return for guaranteed outlets for French agriculture--will be jeopardized should Bonn balk at making continued high payments to the common farm fund. Ironically, however, it is France which, because of the political implications, resists giving the community sufficient tax resources to finance the fund; Paris knows the other five would insist that the European Parliament be given real powers over the management and disposition of these "European" revenues.

In 1969 the Community will have to negotiate a new financing arrangement for the post-1970 era. The disputes

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**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

will be stormy. Since "constitutional" questions are involved, the outcome will have implications for the Community's political development going far beyond the issues of agricultural policy. The financing question is already bound up with the Commission's proposals for land reform, which aims at radically fewer farmers and bigger farms. The Commission argues that such a reform is the only escape from the exorbitant burden imposed by the present agricultural policy. Commissioner Mansholt--perhaps the most ardent "European" in the Commission as well as its agricultural czar--wants to bring Community agriculture into equilibrium by 1980. The proposed reforms would involve dangers for US exports, but Mansholt is seeking US understanding for his proposals, contending that without them, the US and other outside suppliers of the Community will eventually have even more problems in selling in the Community market.

The same strains which are evident in the debate over agricultural policy pervade almost all areas of Community activity. The competition between national and Community solutions to common problems runs through discussions of economic and financial policy coordination, nuclear and technological development, commercial policy, and social affairs. Opposition by the French to community solutions is reflected in their dislike of a strong Commission, their scorn for the principle of majority voting, and their resistance to any meaningful role for the European Parliament. They are not alone, however, in seeking national solutions and insisting on getting a fair return for the money they contribute. The work currently being done on technological

**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

cooperation among the Six, for example, does not point toward an integrated approach.

The Commission in its recent annual report assigned prime responsibility for the Community's malaise to the failure to open negotiations with Britain and the other candidates for membership, noting that "one member" blocked these negotiations. This is not the first time the Commission has pointed a finger at France, and it has taken action against Paris when infractions of community regulations were clear. On balance, however, the Commission's performance under President Jean Rey has been an uninspired and cautious one. This is in large part a result of the 1965 crisis when France sought by boycotting the Community's institutions to reduce the Commission's powers to those of a secretariat. In consequence the Commission--with the notable and vocal exception of Mansholt--is doubly eager to avert another great crisis which might destroy the Community as the focus of European unity.

Other and equally convinced Europeanists believe, however, that a flanking strategy is necessary in order to uphold the larger goal of political unity during this period when Britain's exclusion has in any event slowed the Community's development. Hence the various Benelux and Italian plans to maintain and expand contacts with Britain--with or without French participation. With the German proposals for "commercial arrangements" between Britain and the community coming to nothing, the British have eagerly backed Italian Foreign Minister Nenni's proposal for using the

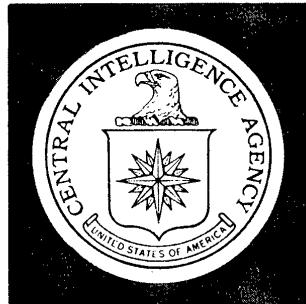
*FOR THE PRESIDENT ONLY*

Western European Union (WEU) as a point of increased contact between Britain and the Continent. London has also seized on the opportunity provided by the Italian proposal to call for political talks on a subject--the Middle East--in which London has a natural leadership role. France's boycott of WEU until further notice is basically a reaction to London's success in thus acquiring some European credentials, rather than to the alleged illegality of the WEU meetings. Should the French be unable to prevent continuation of these discussions, another Community crisis may be in the offing.

An all-important difference, however, between the present situation and 1965 is the active presence of the British in the game. A repetition of overt French attacks on the Community might well encourage just the kind of solidarity between the Five and the British which Paris seeks to avoid. As always, the important swing vote belongs to the Germans, and Kiesinger has up to now refused to cast it against De Gaulle.

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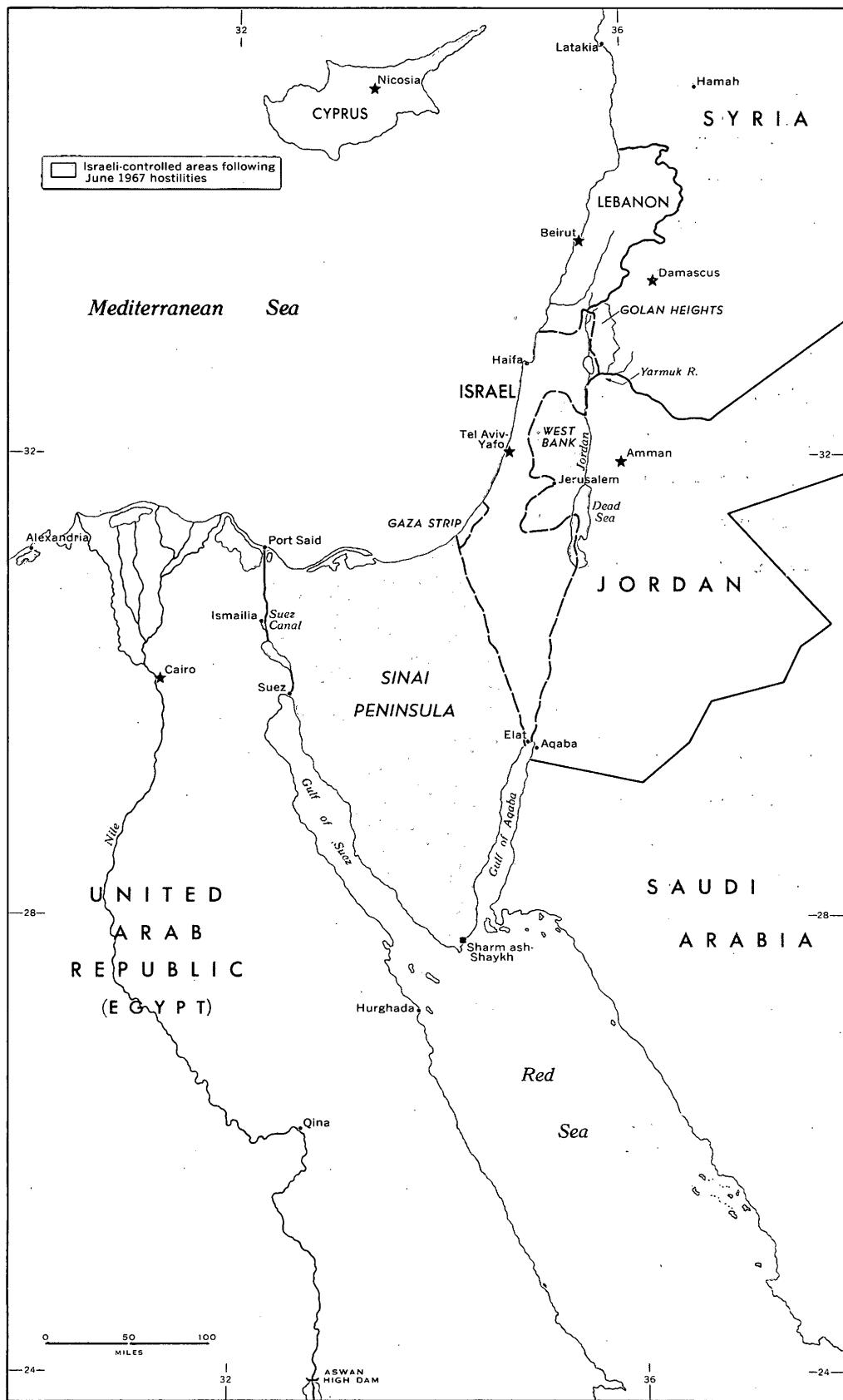
# *The President's Daily Brief*

*21 February 1969*

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22 February 1969

LATE NOTES FOR THE PRESIDENT'S DAILY BRIEF OF  
21 FEBRUARY 1969

I. MAJOR PROBLEMS

MIDDLE EAST

There is nothing significant to report.

EUROPE

Ambassador Bruce says the British believe that the French are intransigent on WEU partly because London passed the substance of a conversation on 4 February between De Gaulle and British Ambassador Soames to other members of the Common Market. London claims that in this conversation De Gaulle implied a threat to break up the Market. The extensive press coverage that has now been given the conflicting versions of the De Gaulle - Soames conversation is certain to exacerbate the WEU crisis. [redacted]

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[redacted]  
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SOVIET AFFAIRS

We have seen nothing overnight to change our assessment of Soviet and East German intentions toward Berlin [redacted]

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VIETNAM

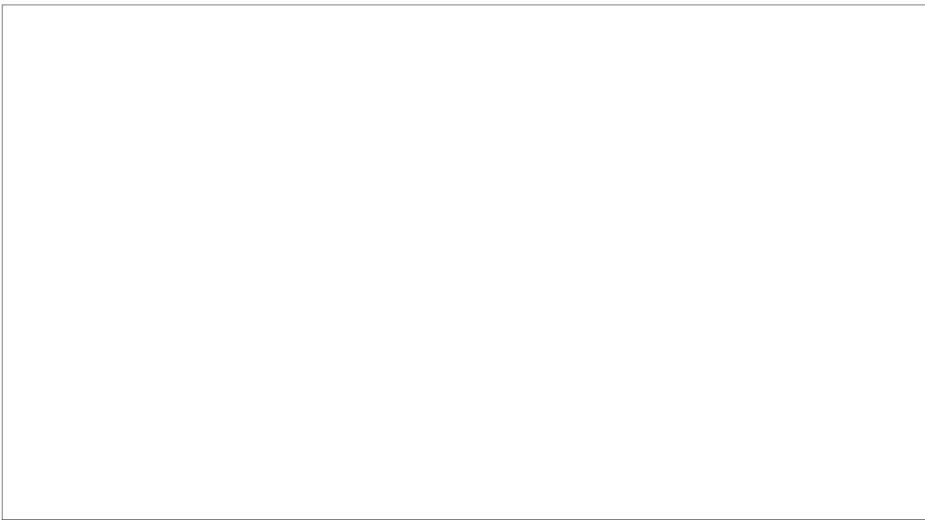
Phan Rang Air Base in coastal Ninh Thuan Province received 74 rounds of 82-mm. mortar fire yesterday, damaging nine aircraft and wounding six personnel. Enemy forces also attacked a base camp of the 101st Airborne Division 97 miles east of Saigon. Spokesmen said the attackers were driven off, suffering eight dead. US casualties were two killed and 11 wounded. [redacted] (press reporting) 50X1

FOR THE PRESIDENT ONLY

## II. OTHER IMPORTANT DEVELOPMENTS

GUATEMALA

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PAKISTAN

Sheikh Mujibur Rehmen, the popular East Pakistan opposition leader, and 33 others detained on charges of plotting East Pakistan's secession, have been freed, it was officially announced in Dacca today. [redacted]

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*FOR THE PRESIDENT ONLY*

I. MAJOR PROBLEMS

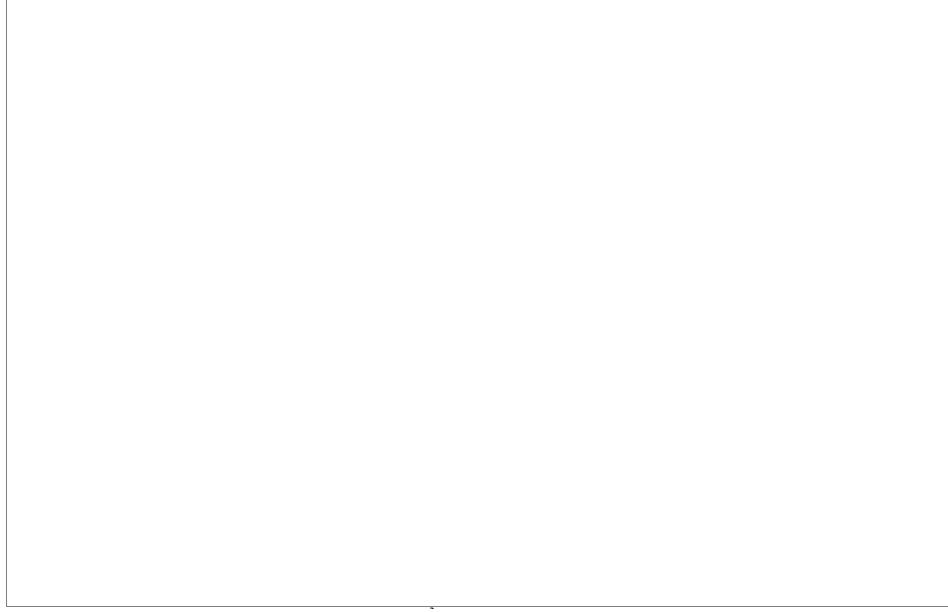
MIDDLE EAST

Israel is likely to hit fedayeen bases in Jordan in retaliation for the explosions in Jerusalem today.

Israeli aircraft have been reconnoitering areas in Jordan during the past few days, [redacted] 50X1  
[redacted] 50X1  
Frequent ceasefire violations and incidents along the Israel-Jordan ceasefire line and in Israeli-occupied Jordan during the past week have raised tension higher than it has been for some months. Anti-Israeli demonstrations in West Bank towns have increased considerably and have taken on a more violent aspect than in the past.

EUROPE

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*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

**SOVIET AFFAIRS**

We have re-examined the evidence pertaining to Soviet and East German intentions vis-a-vis Berlin in the context of the President's scheduled visit and the West German presidential election there. This review has taken into account the announcement on 20 February that the Soviets and East Germans will conduct joint military exercises in early March in an area of East Germany which will put them in a position to harass or disrupt access to Berlin from West Germany. Our conclusion is that the main judgements [redacted]

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[redacted] remain valid. These essentially are that Moscow will seek to avoid a major East-West confrontation over Berlin at this time. The Communists have, however, been making military preparations for greater harassment of access to Berlin.

Authoritative Soviet and other East European officials have given numerous [redacted] assurances that the Communists do not wish to jeopardize East-West relations at this time by challenging Allied rights of access to Berlin. Given our assessment of Moscow's present political posture, these assurances can, we believe, be given some weight, especially in regard to any serious disruption of air access. The Soviets have not, at the same time, ruled out actions, beyond those already instituted by the East Germans, designed to demonstrate the Communists' ability to disrupt the movement of people and goods between West Germany and West Berlin. Indeed, they have implied

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**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

that some such actions will be taken. These could in fact hamper Allied access, particularly on the ground, for short periods.

The military indications we have observed are consistent with Communist plans to impede traffic to Berlin in the same way as in 1965 when there were disruptions of travel in the autobahn and buzzing of Western aircraft in the air corridors. Some variations on the 1965 pattern are possible. If, however, the Soviets and East Germans are contemplating extreme actions, such as imposing a blockade of some duration on the land routes or forcing a suspension of air traffic, we believe that they could have made, or will soon make, detectable military preparations beyond those already observed.

The range of action available to the Communists short of a direct challenge to the West is considerable. They are determined to teach the West Germans a lesson. In so doing, they might create an incident going beyond the harassments of 1961 and 1965, designed to underscore their intent that this will be the last such election in Berlin. Such an incident, however, would be isolated and carefully controlled by the Soviets.

Any important moves will probably not be taken until after the President leaves Berlin on 27 February. Moscow will try to ensure its control of the situation. Nevertheless, Berlin is such a sensitive issue that the President will probably return to the United States in an atmosphere of heightened tension over the city.

**FOR THE PRESIDENT ONLY**



*FOR THE PRESIDENT ONLY*

VIETNAM

There are continued signs in interrogations, [redacted] 50X1  
[redacted] and intercepts of an enemy intent to launch wide- 50X1  
spread offensive action shortly. The most probable tim-  
ing appears to be this weekend. General Abrams notes that  
while 22 or 23 February seem the most likely dates for  
the start of an enemy offensive, allied operations could,  
as on previous occasions, force a delay.

II. OTHER IMPORTANT DEVELOPMENTS

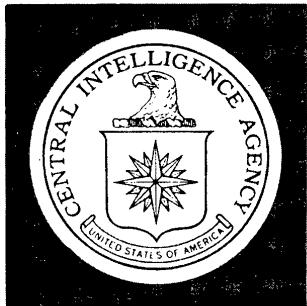
PAKISTAN

President Ayub, faced with a virtually unmanageable situation, has bowed to the opposition in deciding not to run for re-election next year. With this goal accomplished, the opposition is likely to lose its temporary cohesion and quickly revert to the several small parties based on ideological and personality grounds. Nevertheless, leaders of the opposition parties may be willing to meet with Ayub to work out basic constitutional changes.

Ayub apparently hopes for an orderly transition, but he now has little power to control events. No single opponent now has enough nationwide support to emerge as his obvious successor; many, however, will be tempted to show what support they have by promoting popular demonstrations. Continued chaos would raise the possibility of army intervention, as the military remains one of the few stable elements in the country.

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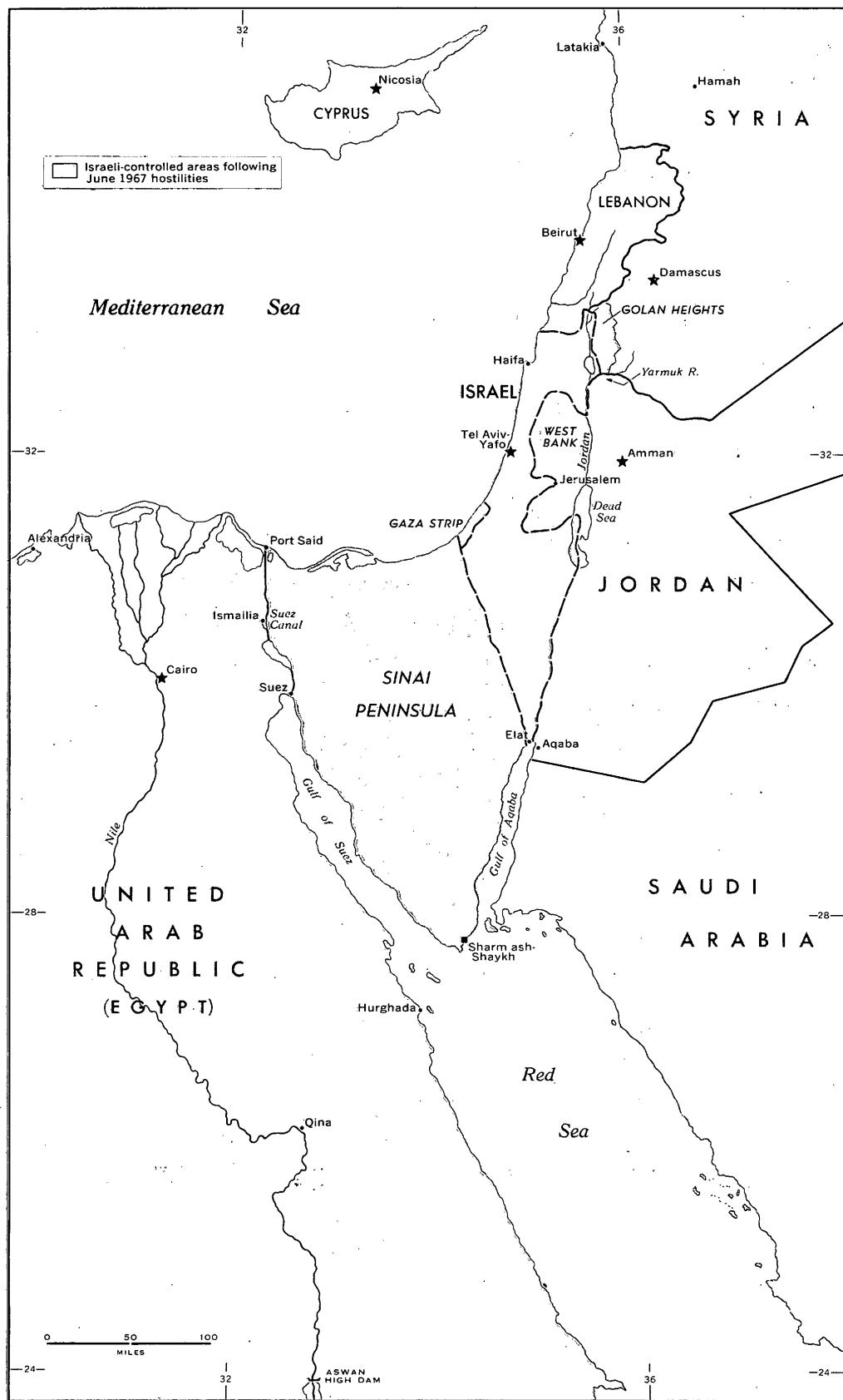
## *The President's Daily Brief*

24 February 1969  
(Morning)

21

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*FOR THE PRESIDENT ONLY*

I. MAJOR PROBLEMS

MIDDLE EAST

Israel today carried out limited military operations within Jordanian territory south of the Dead Sea. Farther north, there apparently also was extensive Israeli air activity over Jordan. Israel claims its forces in the south were in hot pursuit of a band of Arab guerrillas when the ground action occurred. Further border clashes can be expected.

EUROPE

Neither the source nor implication of the dispute between Paris and London over the De Gaulle - Soames conversation of 4 February is yet entirely clear, but it has had a major impact on the prospects for greater European cohesion. From the earlier account of the meeting provided by the US Embassy in London by the British, De Gaulle took his usual line with Soames, saying that time was not yet ripe for Britain to enter the Common Market, that British entry would completely change the character of the Market, and that in the long run, the Market would in any case evolve into a simple trading area. When asked by Soames what the British should then do, De Gaulle was reported to have said that Britain should become more independent of the Americans, after which the Europeans could get together to deal with the "two hegemonies." 50X1

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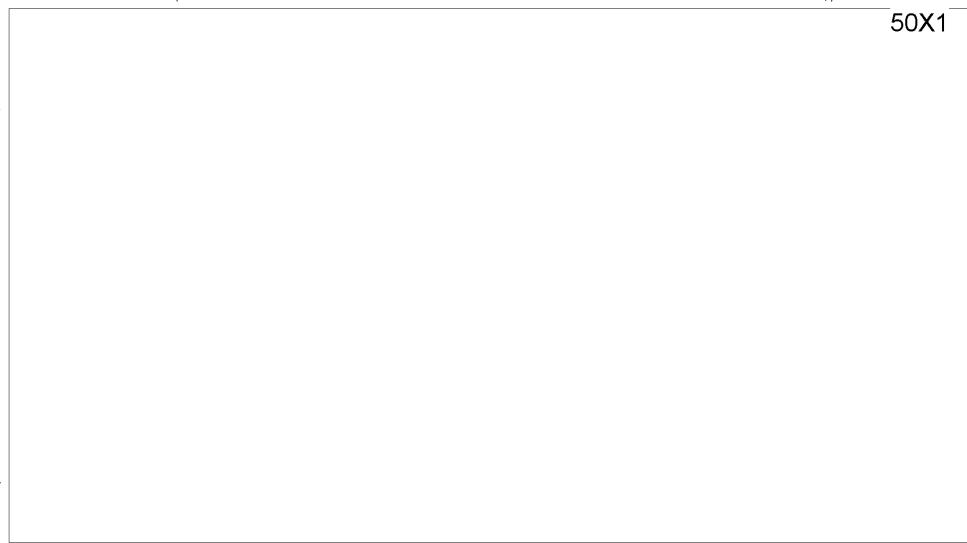
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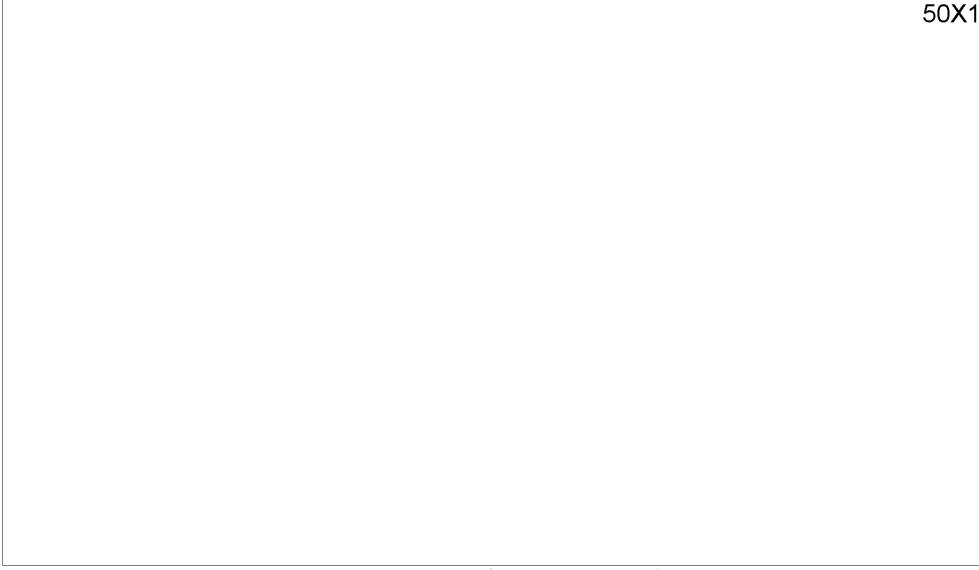
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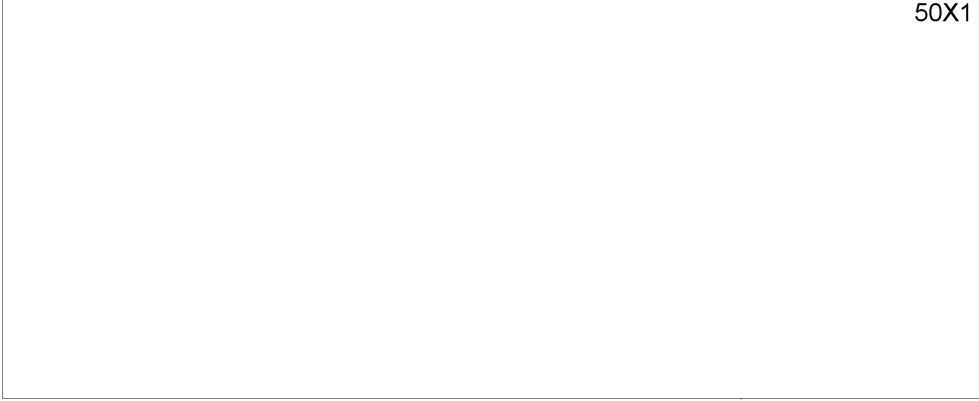
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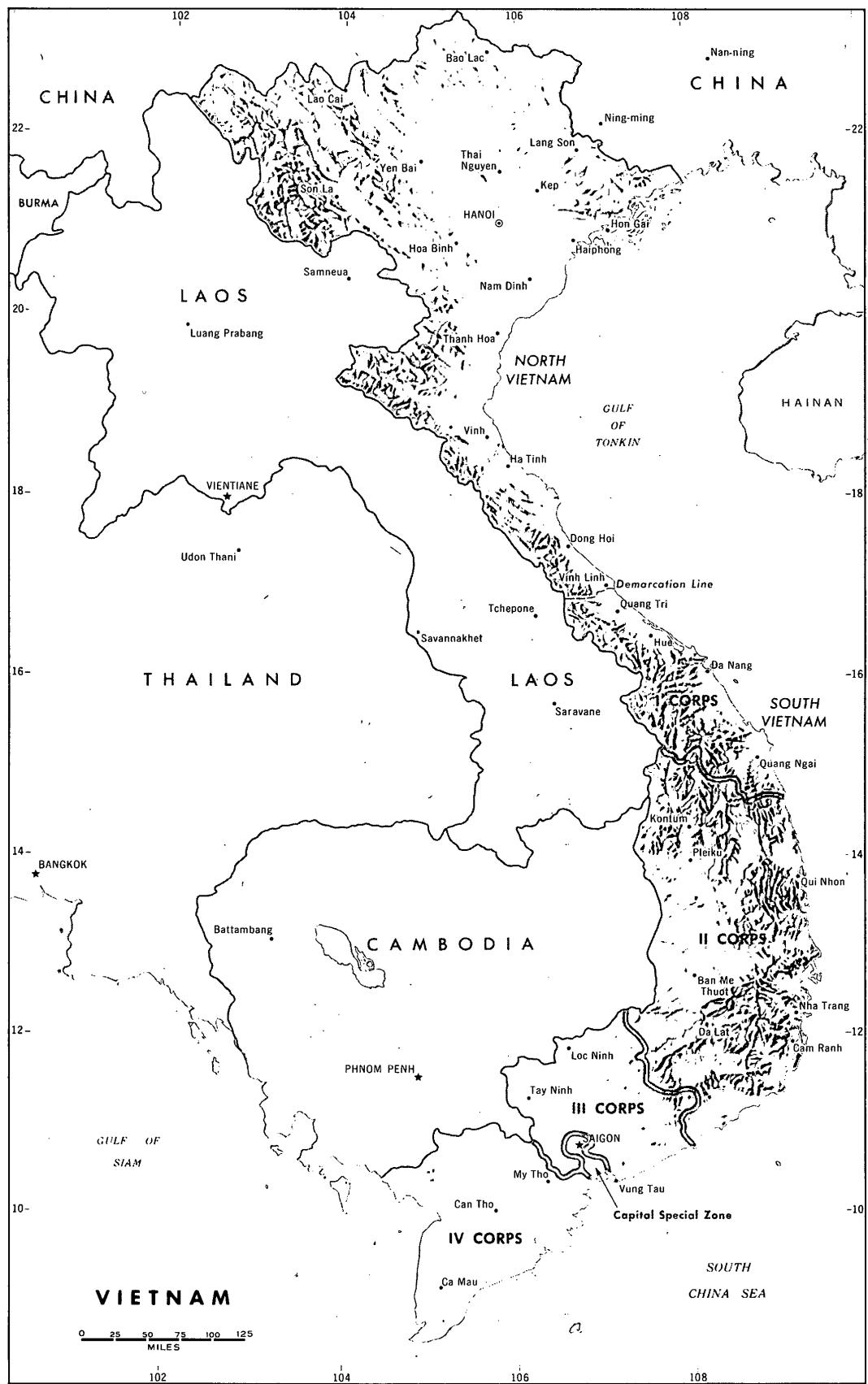
**SOVIET AFFAIRS**

There have been some clear signs over the weekend that the Communists may be trying to defuse the possibility of a crisis over the holding of the West German presidential election in West Berlin on 5 March. Soviet Ambassador Tsarapkin met with Chancellor Kiesinger on both Saturday and Sunday. On Friday East German Party boss Walter Ulbricht sent a letter to the West German Social Democratic Party proposing that the East Germans issue passes for West Berliners to visit relatives on the other side of the wall at Eastertime in return for a change of venue for the election and on Saturday the chief of the West Berlin Communist Party said he was "convinced" the East Germans would react positively if the election were shifted to a West German city.

Meanwhile the two Soviet divisions which moved out of their garrisons last week returned to their home stations Saturday. Apparently the purpose of their move was a routine training exercise and there are no firm indications of major troop moves which could be connected with the joint Soviet/East German exercises around Berlin announced for early March.

Moscow would certainly encourage any diplomatic moves which would enable Bonn to change its mind about holding the

*FOR THE PRESIDENT ONLY*



93465 1-69

*FOR THE PRESIDENT ONLY*

election in Berlin and Tsarapkin reportedly backed Ulbricht's initiative in his second talk with Kiesinger. For its part, the West German Government, faced with an election campaign next September, can ill afford to appear to be yielding to Communist pressure. In Bonn's view a compromise at this stage must provide for substantial benefits for West Berlin probably including passes for all major holidays and no implementation of the prohibition on travel of West German officials to Berlin.

To sweeten their part of the deal, the East Germans may be willing to negotiate with the West Berlin Senat about more permanent pass arrangements. The Senat met Sunday to consider a reply to Ulbricht's letter and exploratory talks reportedly will be held between the two parties in the next few days.

In any event, the Chancellor almost certainly will bring this question up when he meets the President on Wednesday.

*VIETNAM*

While attacks early this morning (Saigon time) included several new shellings of allied military installations and South Vietnamese towns, there was nothing approaching Sunday's widespread action.

Immediate enemy intentions are not clear at this point, but we believe the Communists will be trying to mount some strong follow-on action. The current effort is largely an attempt to reverse the appearance, if not the fact, of allied progress in South Vietnam in recent months. The Communists probably realize that a one-shot countrywide effort is unlikely.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

to have the kind of lasting impact on South Vietnam and on the United States which they are hoping to achieve. Most indications suggest that Communist forces will be trying to sustain a period of offensive action in the next few weeks.

In this connection, we note that the bulk of the 60,000 or so North Vietnamese infiltrators detected moving south in the past three months seem to be headed for the III Corps provinces around Saigon. This strongly suggests that the Communists anticipate taking high casualties in that area, presumably because of current offensive plans.

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II. OTHER IMPORTANT DEVELOPMENTS

LAOS

The Communists are still threatening government positions in widely separated areas of the country, but so far there are few signs that a major push is in the works. Although they have not launched any ground assaults in recent weeks, North Vietnamese are still dug in around the government base at Thateng in the south. Government efforts to relieve the pressure against the garrison have met with some early success, although the tactical situation there is basically unchanged. The government defenders, whose numbers have been substantially reduced through casualties and withdrawals, are getting increasingly restive over their plight.

The Communists are still maintaining pressure against other government positions in the Bolovens Plateau area, including the provincial capitals of Attopeu and Saravane. Recent enemy troop movements suggest that the base at Paksong, some 15 miles southwest of Thateng, may be the Communists' next major target in this area.

Except for the exchange of a few minor government guerrilla bases, the military situation in northern Laos continues to be quiet.

*FOR THE PRESIDENT ONLY*

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PAKISTAN

The enthusiasm generated by President Ayub's decision to step down after presiding over constitutional reforms and new elections is tempered by the opposition's realization that it must now share responsibility with Ayub. Opposition leaders such as former foreign minister Bhutto and former air force commander Asghar Khan have issued statements designed to improve their position especially in East Pakistan. The popular East Pakistani leader Mujibar Rahman has been unconditionally freed from his conspiracy charges and is expected to arrive in West Pakistan shortly to meet with other opposition leaders.

Dacca has been celebrating Ayub's promised departure and the release of Rahman but violence from separatist elements erupted again over the weekend there and in smaller cities in East Pakistan. Now that Ayub as the symbol of West Pakistani authority has been beaten, it is likely that increasing clashes between moderates and radicals in East Pakistan will occur.

PERU

The rally held annually to celebrate opposition party leader Haya de la Torre's birthday went off without incident although the crowd was somewhat smaller than expected. Haya's speech was moderate and obviously designed to avoid provoking the government.

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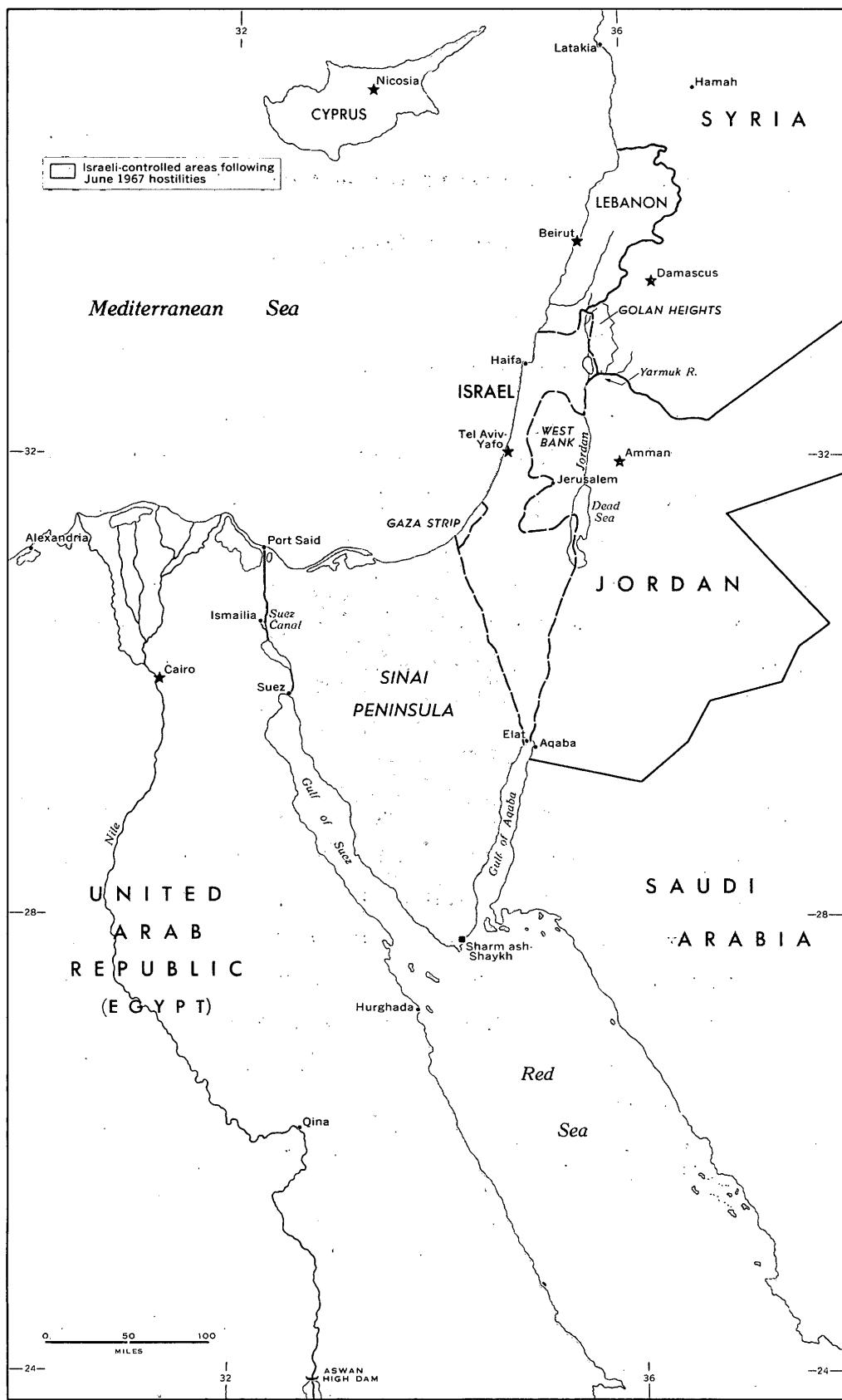
## *The President's Daily Brief*

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25 February 1969

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*FOR THE PRESIDENT ONLY*

## I. MAJOR PROBLEMS

### MIDDLE EAST

The Arab states are bracing themselves for further Israeli retaliatory attacks. There is still little solid information on yesterday's air raids, in which the Israelis attacked what they claim to be two terrorist bases in Syria on the road between Damascus and Beirut. Tel Aviv may have calculated that attacks on Syrian targets would have the least likelihood of stimulating a strong international reaction. Moreover, by hitting close to the Lebanese border, the Israelis may have hoped to jolt the Beirut government, which already has a bad case of the jitters.

### EUROPE

All sides in the current imbroglio are sticking to their positions. The British have succeeded in keeping the Germans committed to the idea of WEU talks without the French, although Bonn may still want to postpone the next meeting from 26 February to 5 March. Paris, to judge by Ambassador Seydoux's demarche in Bonn, still refuses to have anything to do with WEU until the Germans accept the French interpretations of the WEU treaty. More public and private recriminations can be expected.

### SOVIET AFFAIRS

Chances for removing the Bundesversammlung from Berlin remain uncertain.

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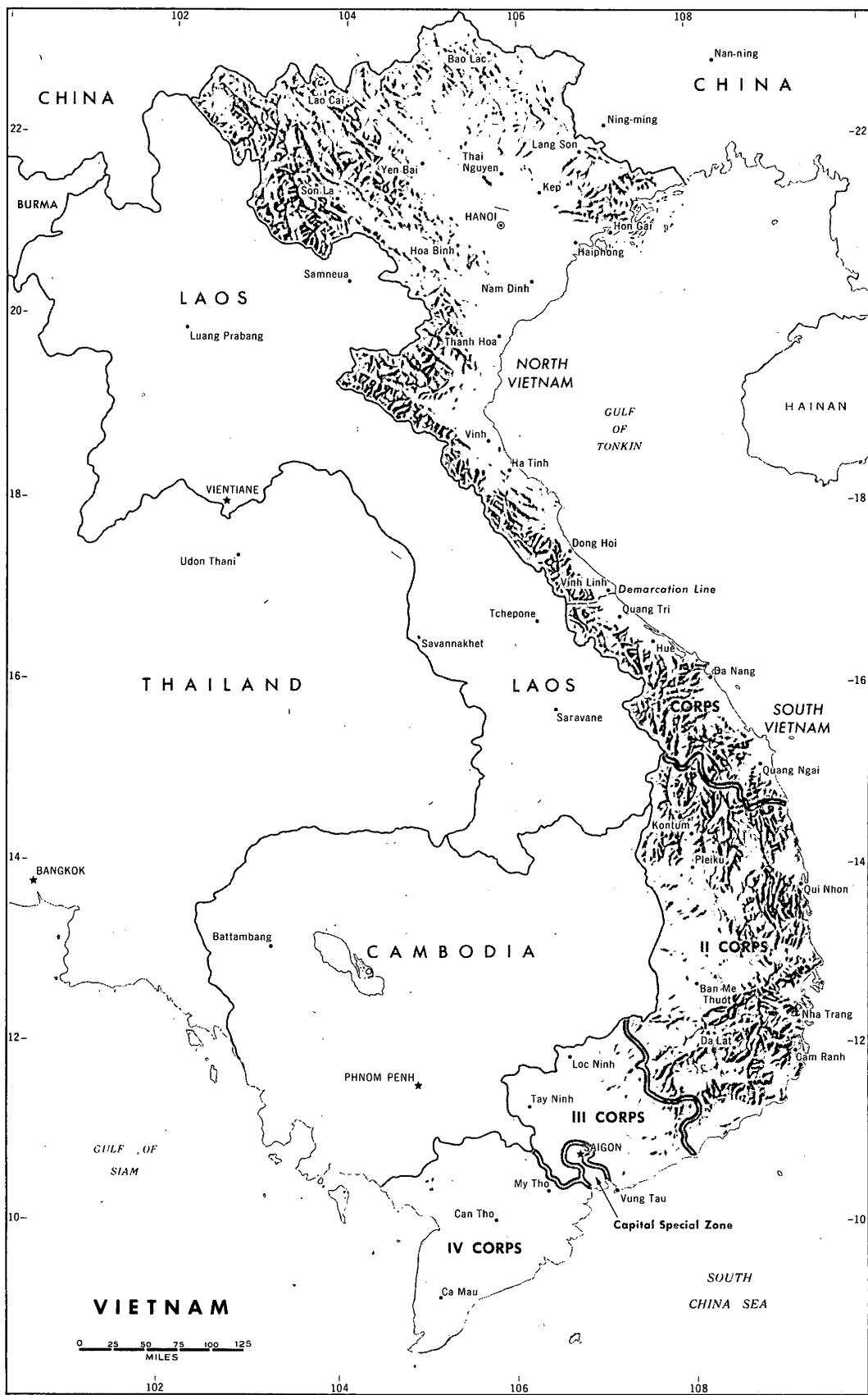
Soviet Ambassador Tsarapkin, in his meeting with Chancellor Kiesinger on 23 February, apparently encouraged the West Germans to believe that the East Germans might go beyond the concessions suggested by Ulbricht in his letter of 21 February. In that letter, Ulbricht said "positive consideration" would be given to the possibility of opening the Berlin Wall for visits this Easter if Bonn would relocate the election scheduled for 5 March.

Mayor Schuetz has indicated that he and Chancellor Kiesinger are agreed that any pass agreement must last for at least a year, and presumably cover all major holiday periods, not just Easter. They also require that an agreement on passes be firm prior to switching the venue of the Bundesversammlung. The East Germans offered to negotiate a pass agreement following the announcement of a change of site.

Schuetz has been authorized by the Chancellor to sound out the East German authorities, but thus far there has been no reported contact between the two sides. Schuetz has told Western Allied officials that he has until 28 February to inform Bonn whether a decision is still to be made not to hold the Bundesversammlung in Berlin. A Bonn official spokesman has also emphasized that speed is essential to the successful conclusion of a deal.

The Mayor said he expects the pros and cons of the proposed deal to be hotly debated in West Berlin political circles. The bulk of West Berliners would probably be willing to sacrifice the presidential election and its emphasis on Bonn-Berlin ties for the chance to see their relatives and friends in East Berlin.

**FOR THE PRESIDENT ONLY**



93465 1-69

***FOR THE PRESIDENT ONLY***

Soviet military forces in East Germany have been engaged in routine activity over the last three days. There have been no reports of significant East German harassment of West German travel to Berlin.

**VIETNAM**

Shelling of major target areas continued on the night of 24-25 February, but on a scale below yesterday's and far below the peak reached on the first night of the Communist offensive. Sharp ground fighting is under way near several provincial capitals in southern I Corps. In the III Corps - Saigon area, there is fresh evidence of Communist plans for renewed attacks against the III Corps headquarters complex at Bien Hoa - Long Binh and against Song Be, the capital of Phuoc Long Province.

With few exceptions the enemy's main forces have not been committed. This situation cannot be expected to continue for long, however, as a number of Communist prisoners captured as they probed allied positions on 23 February claim that they were ordered to open up approach corridors for other enemy units which would soon follow. They say that the main enemy blows are yet to come.

This enemy tactic has been reported by low-level prisoners in Southern I Corps; near Saigon and Long Binh in III Corps; and near My Tho in the delta. [redacted] 50X1  
[redacted] 50X1

[redacted] The fact that the Communists have sizable main force units available near each of these objectives also gives substance to the prisoner's claims. 50X1

*FOR THE PRESIDENT ONLY*

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Enemy documents captured just prior to the current offensive suggest that local force and guerrilla units intend to maintain a relatively high level of activity over an extended period, rather than to engage in an all-out attack. They emphasize that the action planned by these units is primarily of a harassing or terrorist nature designed to disrupt the pacification program, interdict lines of communication, and support political agitation leading to popular demonstrations.

\* \* \*

Most of Saigon's newspapers, in their initial reaction to the Communists' offensive, emphasized the enemy's indiscriminate shelling of civilian population centers. Various editorials suggested responses ranging from a cautious approach to breaking off the peace talks. Some papers felt the Communists shelled Saigon out of inability to match the 1968 Tet offensive.

Official reaction was characterized by President Thieu's remark that these were the actions of an "enemy in a confused and weakened position." Ky, in usual form, told the press that "if they continue to shell our cities, we will bomb theirs."

During the first rocket attack on Saigon in the early hours of 23 February, the government acted quickly to head off what it claimed might develop into a coordinated Viet Cong - militant Buddhist conspiracy. The National Police raided and closed down the An Quang Buddhist Youth Center and arrested some 50 students, most of whom are said to have had Viet Cong leaflets in their possession. Also seized was Thien Minh, the

*FOR THE PRESIDENT ONLY*

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militant Buddhist priest recently given an "official" warning for delivering an antigovernment sermon.

II. OTHER IMPORTANT DEVELOPMENTS

COMMUNIST CHINA

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KOREA

According to first reports, a North Korean ship of the type used to infiltrate guerrilla teams or agents exchanged fire with a South Korean patrol vessel off South Korea's west coast yesterday. The North Korean ship was first observed some miles off the port of Inchon, west of Seoul, and withdrew to North Korean waters after apparently being hit.

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PERU

Most Latin American governments recognize that the US-Peruvian impasse could have unsettling repercussions in the hemisphere. Almost all governments are now reluctant openly to take sides in the dispute, however, and clearly hope that

*FOR THE PRESIDENT ONLY*

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somewhat the problem will be settled without a US-Peruvian showdown--and without their having to take sides.

If it comes to a showdown, many Latin American governments will be under pressure of public opinion to side with Peru. This is partly because of their habitual tendency to sympathize with a fellow Latin American "David" in his struggles with the US "Goliath." Also, the Latin American press has seldom presented a balanced picture of the US-Peruvian dispute, which is almost tailor-made for the simplistic explanations Latin Americans are ready to accept when it comes to "imperialist" pressures by the US against Latin America.

Argentina is currently playing a special role.

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The Argentines have accompanied their quiet approach to Peru with a noisy public expression of "solidarity" and the "widest collaboration" with Peru. This, they say, is to make it easier for Peru to accept Argentine mediation if it should come to this.

PANAMA

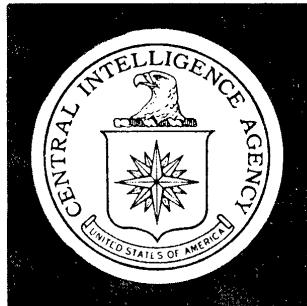
Colonel Martinez, who was arrested and deported to the US yesterday, had given both the junta and the civilian oligarchs ample reason to want his removal. The highhandedness he showed as military chief of staff doubtless alienated his fellow officers, and the oligarchy probably saw his hand in

*FOR THE PRESIDENT ONLY*

recent pronouncements by the junta which abolished political parties and promised important land reform measures.

National Guard Commander Torrijos has clearly emerged as the country's strong man. Torrijos has always been more willing than Martinez to cater to the interests of the oligarchs.

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## *The President's Daily Brief*

26 February 1969

19



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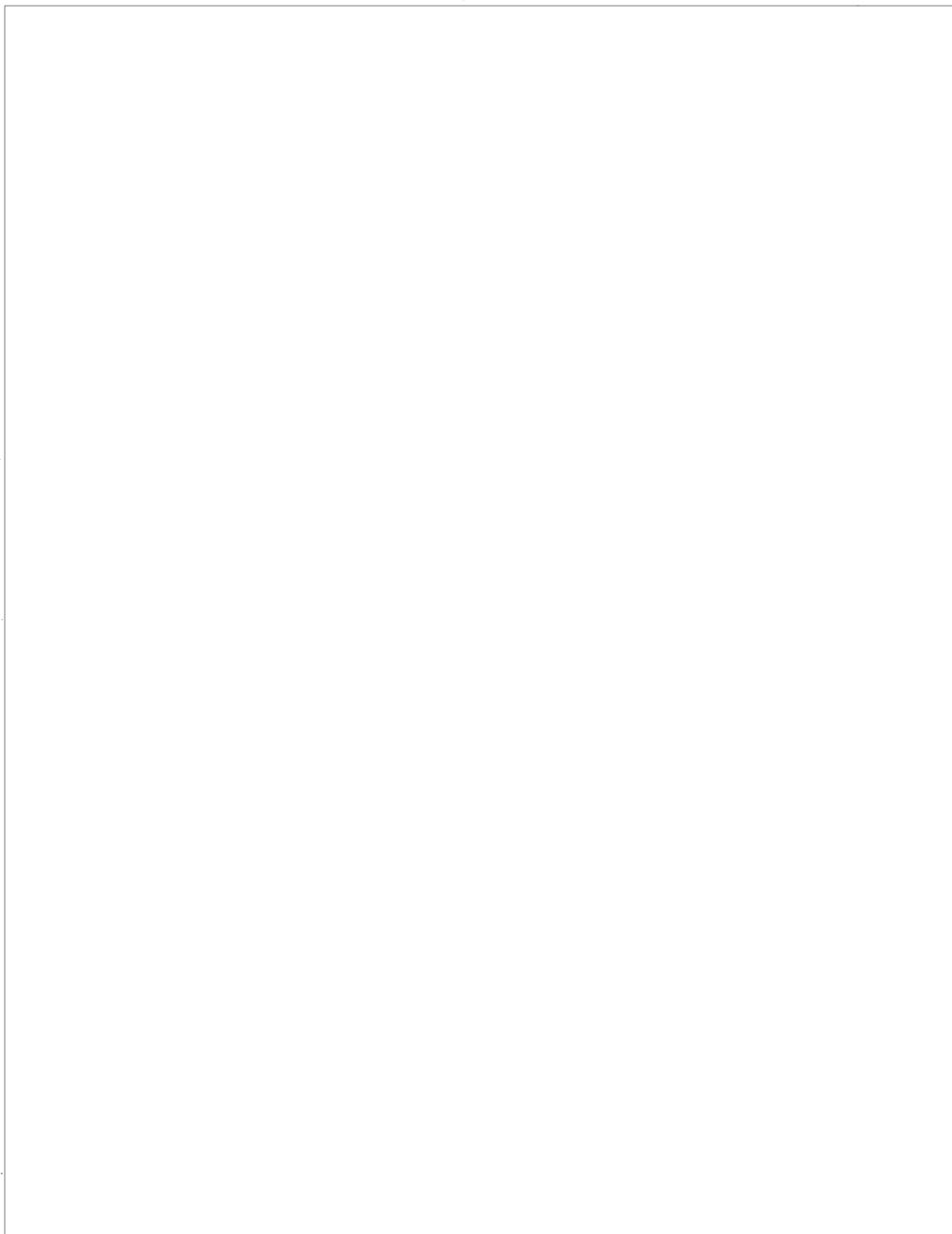
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*FOR THE PRESIDENT ONLY*

I. MAJOR PROBLEMS

MIDDLE EAST

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**EUROPE**

Luxembourg Foreign Minister Thorn, who has been seeing a lot of the French recently, has his own ideas about the genesis of the "Soames affair." Thorn says both Debr  and State Secretary Lipkowski had been trying for months to persuade De Gaulle that unless he made some new initiative, the British would be in the Common Market "on their own terms" in 1974. The two allegedly urged the General to make a proposition which would be aimed at attaching the British to one of several "trading communities" while preserving their exclusion from the Common Market. Thorn sees De Gaulle's pitch to Soames as a sign that the French President accepted this advice.

This is not necessarily inconsistent with Ambassador Shriver's view that concern about West German resurgence is what

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

motivated De Gaulle. What seems clear is that for a combination of reasons--including recent trends in the European Communities as well as the French decline vis-a-vis West Germany--De Gaulle felt he was losing the initiative and was becoming increasingly isolated.

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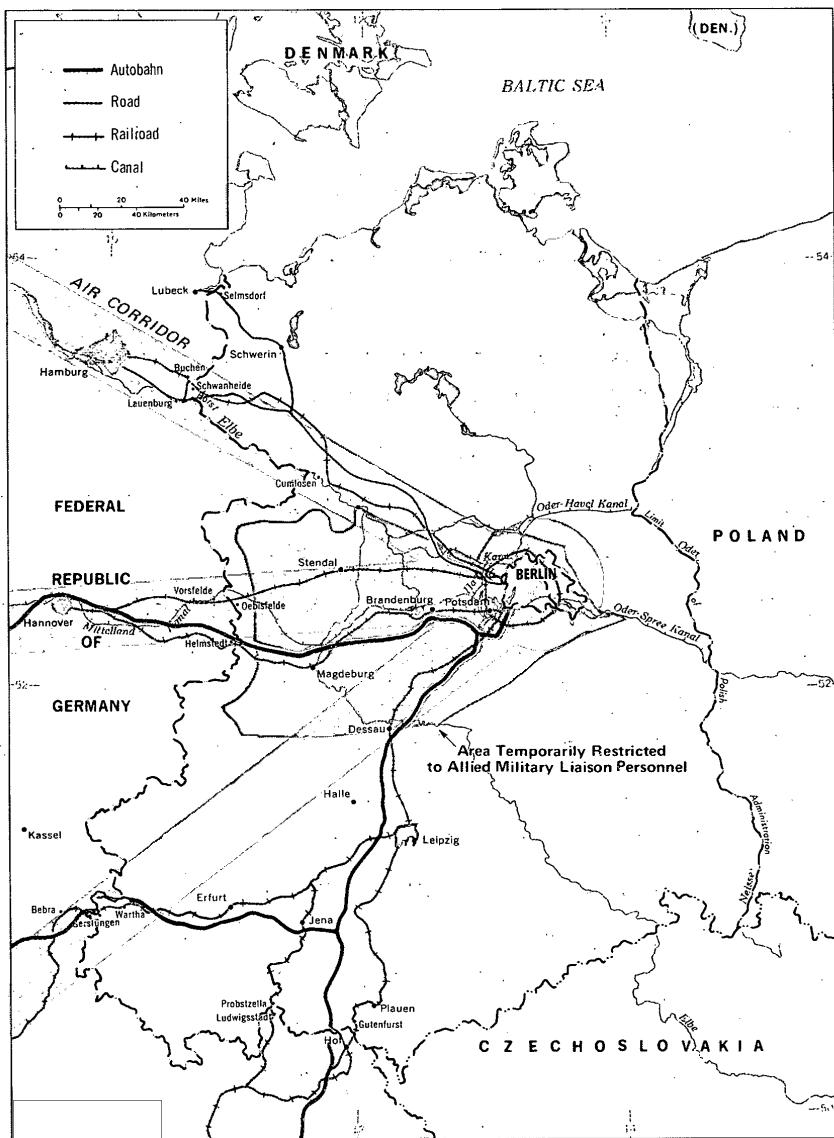
A German foreign official tried a new tack last weekend in discussing the nonproliferation treaty with US officials. The conversation apparently reflected a West German effort to develop an interpretation of the treaty which preserves the possibility of a European nuclear force. To do this the Germans have to get around Article 1, which binds the signatories not to transfer nuclear weapons to other countries.

The official made it clear that the Germans had no intention of proposing a European nuclear defense system, but he observed that Bonn does not consider such a system inconsistent with the treaty, Article 1 notwithstanding. He suggested that Article 10, which recognizes that the signatories may in "extraordinary circumstances affecting their security" take actions otherwise prohibited by the treaty, might be used to justify a collective deterrent even under present circumstances.

The Germans do not expect US approval of this position during President Nixon's visit, but they are certain to bring the subject up.

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### ACCESS ROUTES TO BERLIN



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SOVIET AFFAIRS

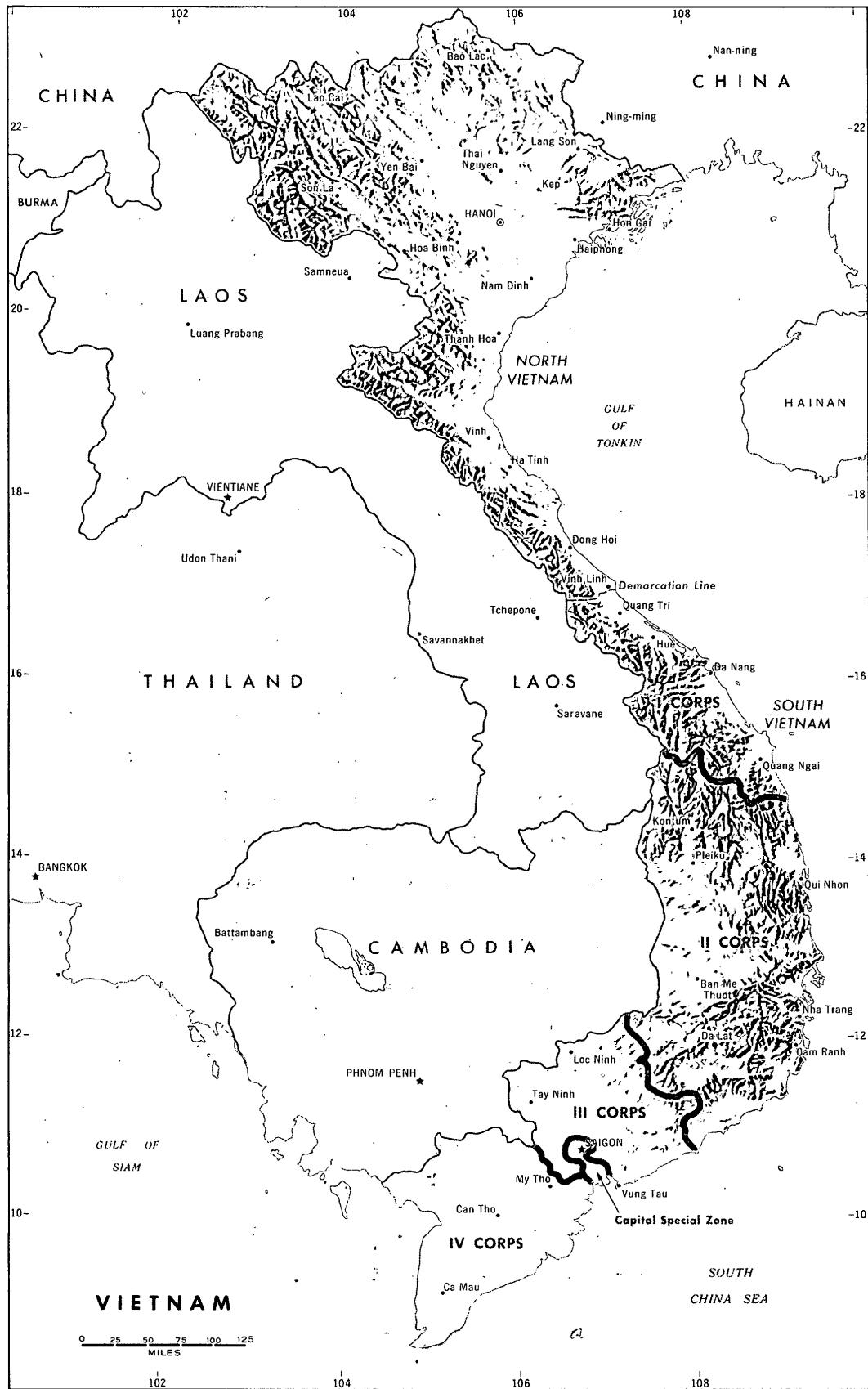
West Berlin and East German authorities have agreed to meet on 26 February in East Berlin to discuss the question of the presidential election. At the same time, East Germany has publicly reiterated its position that it is willing to negotiate an Easter pass agreement only if the West Germans find a new site for their presidential election. A prominent West Berlin Senat official has told the US mission that if the East Germans are not prepared to go beyond the offer of wall passes at Easter, there can be no basis for serious negotiations.

Meanwhile the commander-in-chief of Soviet forces in East Germany has imposed temporary restrictions on the travel of Allied military mission observers during the period 24 February - 10 March. The restrictions apply to the area north, south and west of Berlin extending to the West German border. The Berlin-Helmstedt autobahn normally used by Allied personnel in West Germany when traveling to Berlin is not included in the ban. The restrictions are probably intended to cover the announced Warsaw Pact exercise and to provide an opportunity for harassing tactics if the election is held as scheduled.

\* \* \*

The young man who set himself on fire in Prague's Wenceslaus Square yesterday may have been trying to dramatize the anniversary of the 1948 Communist coup in Czechoslovakia. The suicide, however, is likely neither to generate public disturbances nor to precipitate a political crisis as the population has been more or less numbed by over 30 self-immolation attempts since Jan Palach burned himself last month.

*FOR THE PRESIDENT ONLY*



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*FOR THE PRESIDENT ONLY*

VIETNAM

The shape of the enemy's current offensive remains basically unchanged after more than three days of action, although its pace has slackened somewhat. The Communists are continuing to emphasize widespread but generally light rocket and mortar attacks--occasionally accompanied by limited ground probes--against province and district capitals and allied military bases.

Saigon and its environs remained free of enemy activity during 24-25 February; the same was true of Hue. At Da Nang, however, there has been some ground fighting on the outskirts, and the infiltration of weapons and sappers into the city is reported to be continuing.

\* \* \*

Thieu's assessment of Communist plans and capabilities as given to Ambassador Bunker on 24 February was that we can expect more shellings, harassment, and probably some ground attacks in a few areas. He said that the pacification effort in the country had been checked only in a limited way so far. He admitted, however, that with his military commanders pre-occupied with the enemy offensive, there would be some loss of momentum in the pacification effort.

In general, Thieu was in a buoyant mood and pleased with the way his forces and the people of South Vietnam were responding to the Communist attacks. He said there has been no rushing back into the urban centers by the people as happened last year. It was Thieu's impression that the Communists are

*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

having trouble coordinating their offensive and that our spoiling operations and the uncovering of large caches of material had neutralized the enemy's ability to move large units into action.

Thieu's preliminary assessment may be somewhat optimistic, however. Although it is correct that the enemy has scored few tactical successes so far, he has demonstrated again the continued viability of the Communist military machine throughout South Vietnam. Moreover, the generally limited nature of the offensive to date has left the Communists with a number of options, including the commitment of regular combat forces which have thus far been held in reserve. In addition, the extent of Communist gains in rural areas cannot yet be assessed; in one instance, somewhat at variance with Thieu's statements, continued pressure has forced the relocation of more than 5,000 persons to the provincial capital of Song Be in III Corps.

\* \* \*

Thieu also told Ambassador Bunker that he had instructed Ky to take along Ambassador Lam when Ky meets with President Nixon in Paris. Thieu is under no illusions about Ky's ambitions, and he probably is aware of Ky's current campaign to convince the US that Prime Minister Huong and other cabinet members ought to be replaced with "strong" people, i.e., Ky and his supporters. Thieu probably believes that as long as his appointee, Ambassador Lam, sticks close to Ky, the vice president will be somewhat restrained from broaching the subject of a cabinet change with President Nixon.

**FOR THE PRESIDENT ONLY**

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**II. OTHER MAJOR DEVELOPMENTS**

**CUBA**

[redacted] the Cubans 3.3(b)(1)

are preparing a "comprehensive" policy to discourage hijackers.

Preliminary agreement has been reached with Mexico on a bi-lateral hijacking treaty, [redacted] 3.3(b)(1)

[redacted] the Cubans will soon issue a declaration which might be used as the basis for other bilateral agreements.

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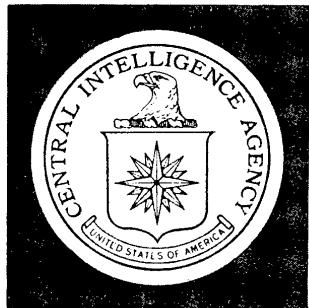
Havana is still unwilling to work out an agreement with the US except on its own terms.

**PANAMA**

Colonel Torrijos lost no time in assuring Ambassador Adair that relations between Panama and the US will be much smoother now that Colonel Martinez is out of the way. He also says he plans to release most of the political prisoners now in Panamanian jails--with the possible exception of the Communists.

Martinez and his three associates, meanwhile, arrived in Miami two nights ago. They show no sign so far that they intend to take up their posts on the Inter-American Defense Board, and we understand they are thinking about chartering a plane back to Panama.

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# *The President's Daily Brief*

27 February 1969

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*FOR THE PRESIDENT ONLY*

## I. MAJOR DEVELOPMENTS

### MIDDLE EAST

Eshkol's death removes a balance wheel from the complicated machinery of government in Tel Aviv. Basic Israeli policy will probably not be much affected, but with Eshkol no longer on the scene there may follow a period of divided counsels and more erratic performance. In any event a struggle for succession within the ruling Labor Party can be expected.

General Allon's selection as Acting Prime Minister is clearly a stop-gap measure, although he may be able to use the office to recoup his recently declining political fortunes. Allon, a leader in the 1948 war, had been named deputy prime minister last June by Eshkol as a counter to Defense Minister Dayan. In the past few months, Allon had not been in the good graces of the Labor Party old guard, and Eshkol had been grooming Secretary-General Pinas Sapir as his heir apparent.

Sapir is a tough, hard-working member of the old guard, but is rather colorless. Another strike against him is his reputation for being relatively soft on the peace settlement issue. The old guard would probably like to stay with Sapir, but it may find itself compelled to turn to a younger, more popular man to lead the party to victory this fall.

This could be Allon, if he can work his passage back, but it would more likely be Dayan, who is unquestionably the most

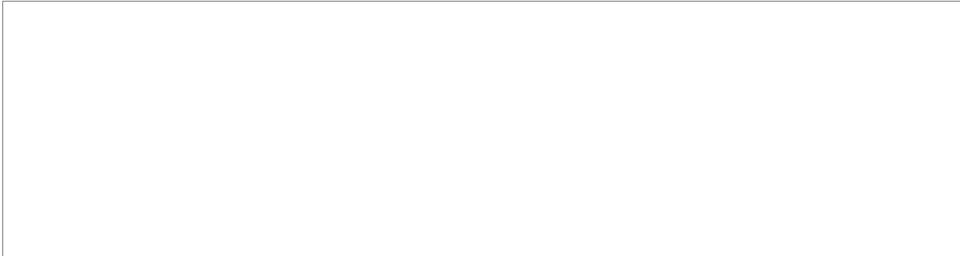
*FOR THE PRESIDENT ONLY*

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popular man in Israel today. He is probably the only figure who could lead Israel into a compromise settlement without a major political upheaval.

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**EUROPE**

The embassy in Rome reports that the Italians are strongly behind the British in the current imbroglio with the French. Alone of the Five, they do not think London is pushing the issue too hard. They even take the position that WEU can take decisions if the French are not present, and they expect that an opportunity to do so will come up before long.

**SOVIET AFFAIRS**

According to the West Berlin representative who attended the meeting in East Berlin with the East Germans yesterday, no specific progress was made but the atmosphere was friendly and both sides expressed an interest in remaining in touch.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

The West Berliners plan to suggest a continuation of the talks in West Berlin this afternoon. In essence the feeling in West Berlin is that this meeting was "a good beginning."

Yesterday's meeting opened with the East Germans asking for a statement that the West German presidential election would not be held in Berlin. This, of course, the West Berliners were not prepared to give. It was apparent that the East German negotiator had no leeway to go beyond this initial assertion, and last night he implied that unless this precondition is met he will not discuss matters with the West Berliners further. The West Berlin negotiator, however, apparently expects a more acceptable offer will eventually be forthcoming from the East Germans, after which Mayor Schuetz would inform Chancellor Kiesinger.

**VIETNAM**

Communist forces continued to press their offensive throughout South Vietnam on 26 February, with the major focus once again shifting to the III Corps provinces ringing Saigon. Economy-of-force tactics continued to dominate enemy actions as local force, guerrilla, and sapper units carried the burden of combat, while main force units for the most part remained uncommitted.

No enemy actions were reported in Saigon, Hue, or Da Nang. Some clue as to the planned duration of the current

*FOR THE PRESIDENT ONLY*

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offensive has been provided by a document captured on 24 February in Long An Province, southwest of Saigon. The document--a letter dated 23 February--called for countrywide attacks to commence on 22-23 February and continue for some 34 days.

The Communists continued to maintain strong pressure against major allied military bases and some urban centers in the outlying provinces of III Corps. Allied forces at the Bien Hoa - Long Binh military complex northeast of Saigon and at Song Be, the capital of Phuoc Long Province, continued to be the most seriously threatened, as growing enemy troop concentrations were reported within easy striking distance of these objectives. In I Corps, sharp ground fighting continued on the approaches to the province capitals of Tam Ky and Quang Ngai City; however, pressure against allied strongpoints along the Demilitarized Zone eased considerably. No significant ground actions occurred in II Corps, although enemy forces continued to shell allied special forces camps in the highlands and sabotage lines of communication along the coast. Viet Cong forces in the Delta shelled a large number of targets, including at least four provincial capitals; the situation around Chau Doc City--where more than 150 enemy were killed in heavy fighting on 25 February--is being closely watched.

\* \* \*

We see nothing new on the Communist side concerning the talks, but it is increasingly clear that Hanoi is putting

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

many chips on the current offensive. The enemy obviously wants to redress the appearance of Communist passivity during the last few months, when allied programs have gained momentum. The Communists also want to demonstrate that they remain militarily strong and that only a political solution to the war offers prospects for reducing the US commitment.

One of the best indicators that Hanoi intends to keep up its offensive over a fairly long period is the continued high rate of infiltration from the North. Preliminary reports say that more than 18,000 new infiltrators have been spotted on the move so far in February, more already than last month. Since early December the total number of infiltrators detected in communications is in excess of 65,000. No matter how Communist loss rates in the South are manipulated, it is clear that the enemy's manpower input in recent months exceeds his losses. This almost certainly means that Hanoi anticipates a high level of violence in the coming months. Moreover, present trends indicate the Communists will have enough men in place to sustain a level of fighting generally comparable to the first half of last year. Even if they take heavy casualties in the current offensive, the Communists will apparently be back up to present strength levels by early summer.

It is not clear to what degree the DRV is prepared to risk resumption of US bombing as a result of the offensive. Newly available intercepts show that North Vietnam took at least some limited steps both before and after the offensive began to guard against the chance of renewed US air attacks.

*FOR THE PRESIDENT ONLY*

We believe, however, that the North Vietnamese do not expect a large-scale or prolonged period of bombing and that they have proceeded with the offensive on the assumption that they can get away with some bending of the "understanding" on the bombing halt. The light rocket attacks on Saigon of 23 February have not been repeated. At this point we do not believe they were meant as a real test on this issue.

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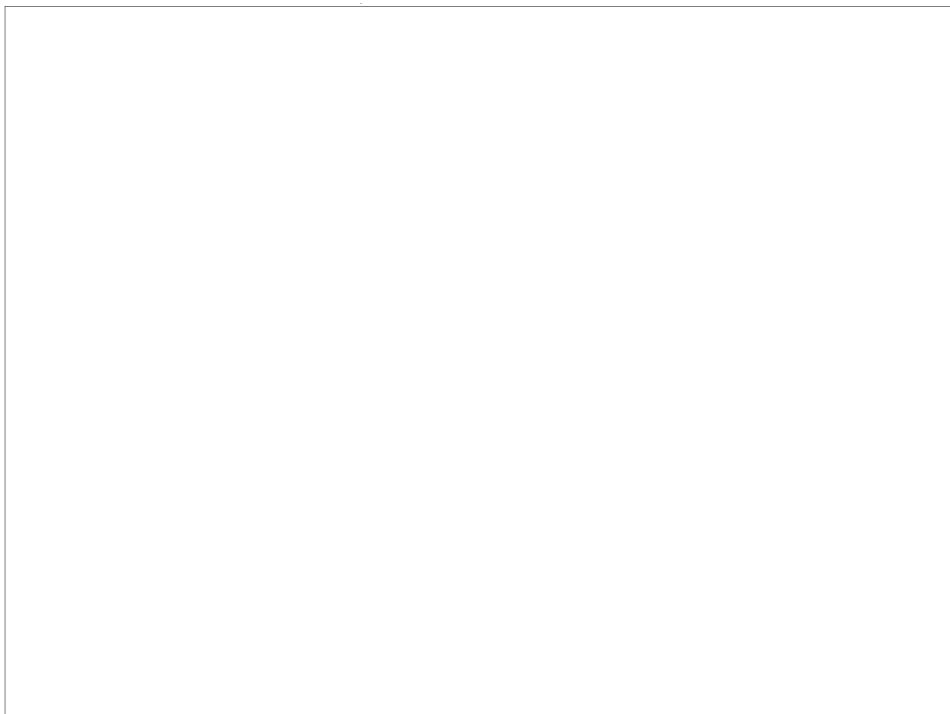
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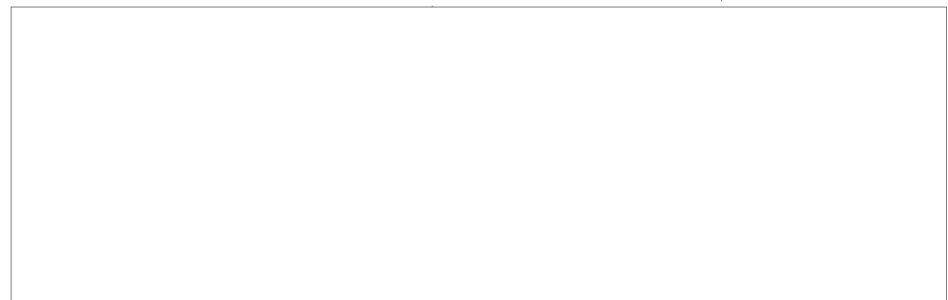
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## II. OTHER IMPORTANT DEVELOPMENTS

### CAMBODIA

There has been relatively mild reaction among Cambodia's neighbors to President Nixon's overture to Sihanouk and the possibility that the US will declare its recognition of Cambodia's borders. The toughest line was taken by Thai Foreign

*FOR THE PRESIDENT ONLY*

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Minister Thanat, who was skeptical that a rapprochement would help solve the problem of Vietnamese Communist use of Cambodian territory. In Vientiane, the Lao are themselves moving to reach a border agreement with Cambodia.

Reaction in Saigon, which has a number of border disputes with Phnom Penh still outstanding, was surprisingly low-keyed. The South Vietnamese response may have been tempered, however, by preoccupation with other problems. [redacted] 50X1

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**ITALY - COMMUNIST CHINA**

[redacted] 50X1  
[redacted] 50X1

the Italians were hoping for some reaction to Nenni's announcement last month that Italy was interested in establishing relations. It would not be surprising if the Chinese made their usual demands, [redacted]

[redacted] that Peking be recognized as 50X1  
the "sole and lawful government of the Chinese people," that 50X1  
relations be broken with Taiwan, and that Peking be restored to its "rightful place" in the UN. The Italians would not be

*FOR THE PRESIDENT ONLY*

particularly fazed by such a reaction, however, and we believe they would continue to edge in the direction of recognition.

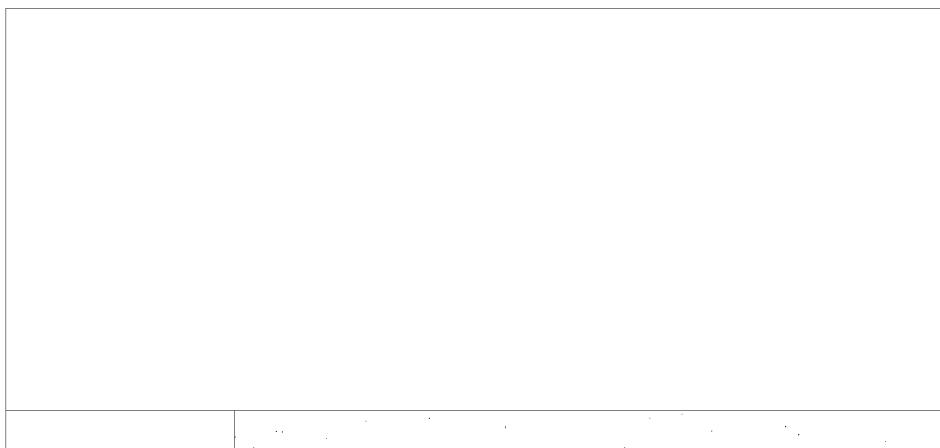
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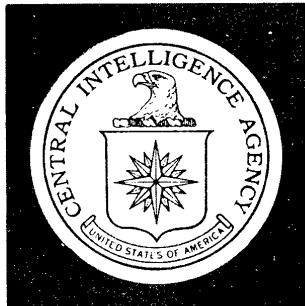
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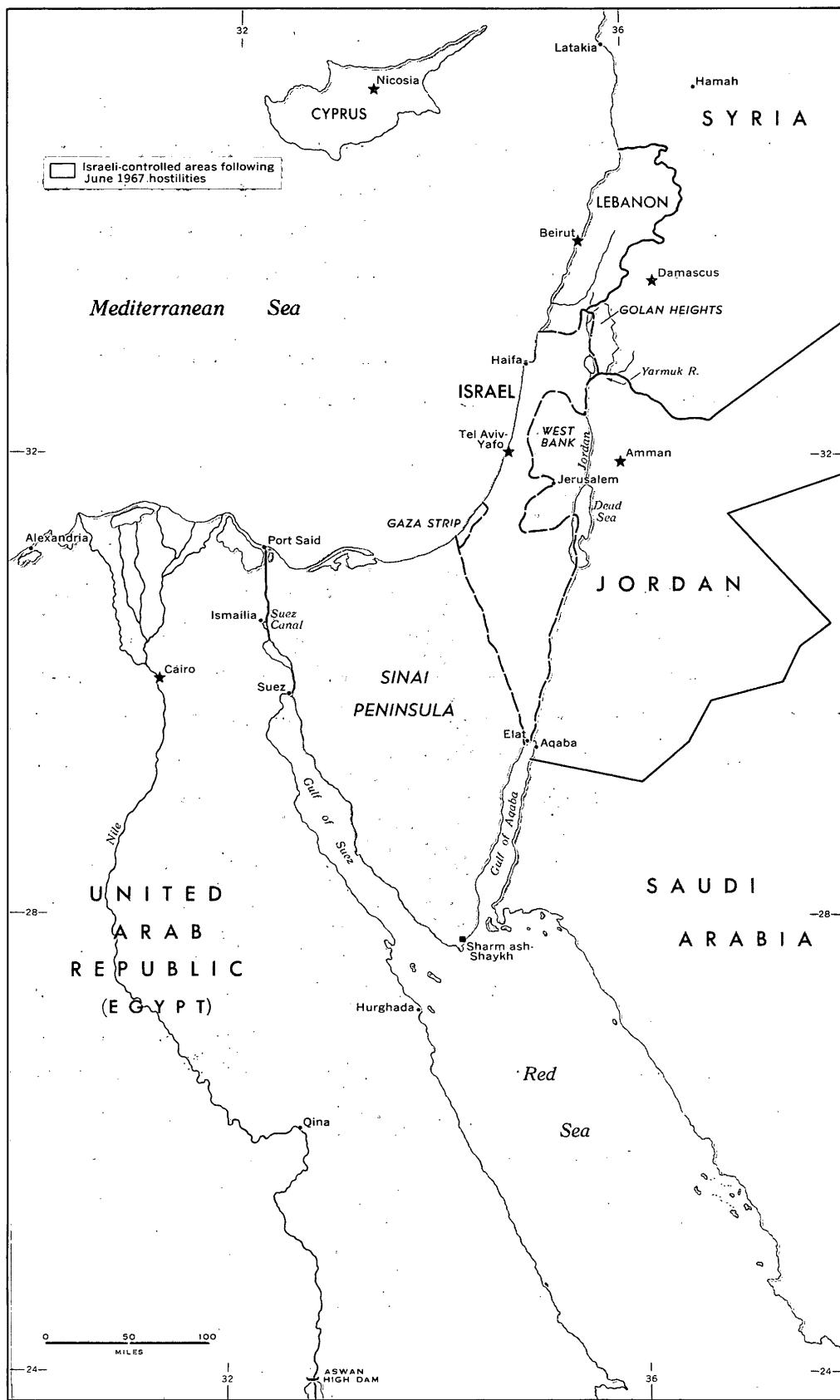
## *The President's Daily Brief*

28 February 1969

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## I. MAJOR DEVELOPMENTS

### MIDDLE EAST

Old guard Labor Party leaders, looking for ways to block an early power bid by Moshe Dayan, are now considering putting forward Mrs. Golda Meir as the head of a caretaker government until parliamentary elections are held. These leaders, who control the party machinery, are said to believe that Mrs. Meir, 70 and not in good health, would be less likely to provoke an immediate move by the Dayan forces than would be the case if Allon were left in the job. (Dayan at this point probably considers Allon his principal rival.)

Dayan has not yet tipped his hand. Embassy Tel Aviv thinks there are many factors arguing against Dayan's making his move now, but reports he is under strong pressure from his followers to go for broke. One of Dayan's big problems, if he wants to become prime minister under the powerful Labor Party's banner, is his lack of voting strength in the party itself.

### EUROPE

The small, "guerrilla-type" demonstrations which extremists in Paris were planning for President Nixon's visit could mushroom into something much bigger in the wake of yesterday's shooting of a student. The security forces are better organized than they were last spring, however

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We believe

they will be able to keep any disturbances away from the US party.

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[redacted] President Nixon's stop

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in West Berlin was enormously successful. The crowd of several hundred thousand which lined the motorcade route was as large as that which turned out for President Kennedy's visit in 1963 and much larger than any which welcomed any visiting dignitary since then. There were no significant anti-US demonstrations; in some cases would-be demonstrators were set upon by irate civilian bystanders. Newspapermen say the President came across as a "sympathisch," friendly American.

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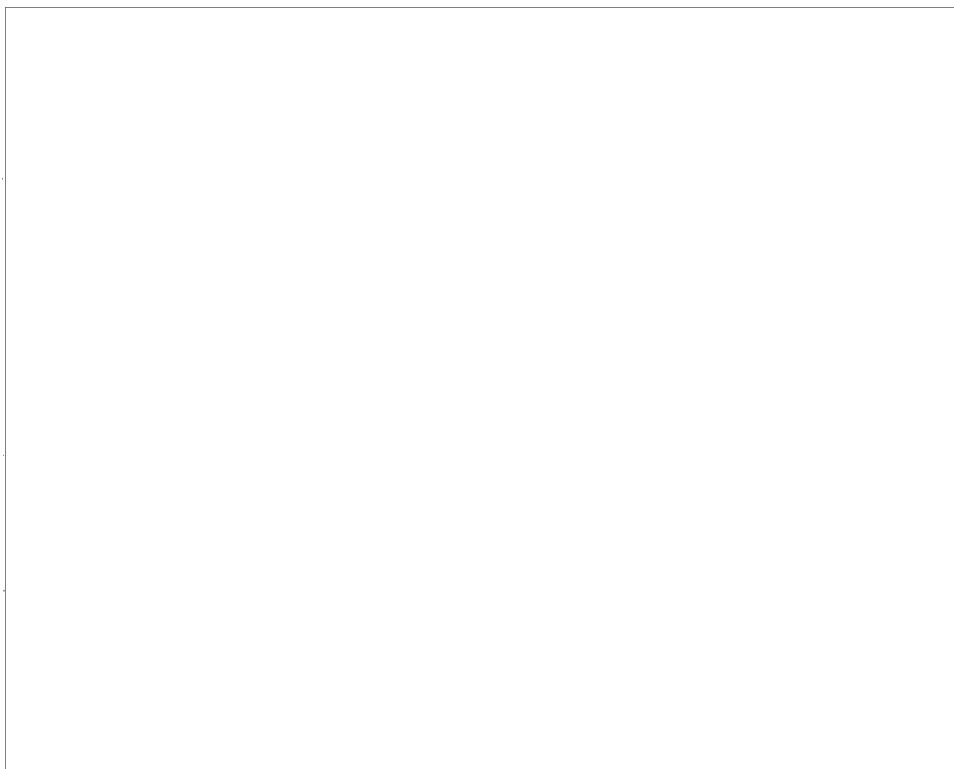
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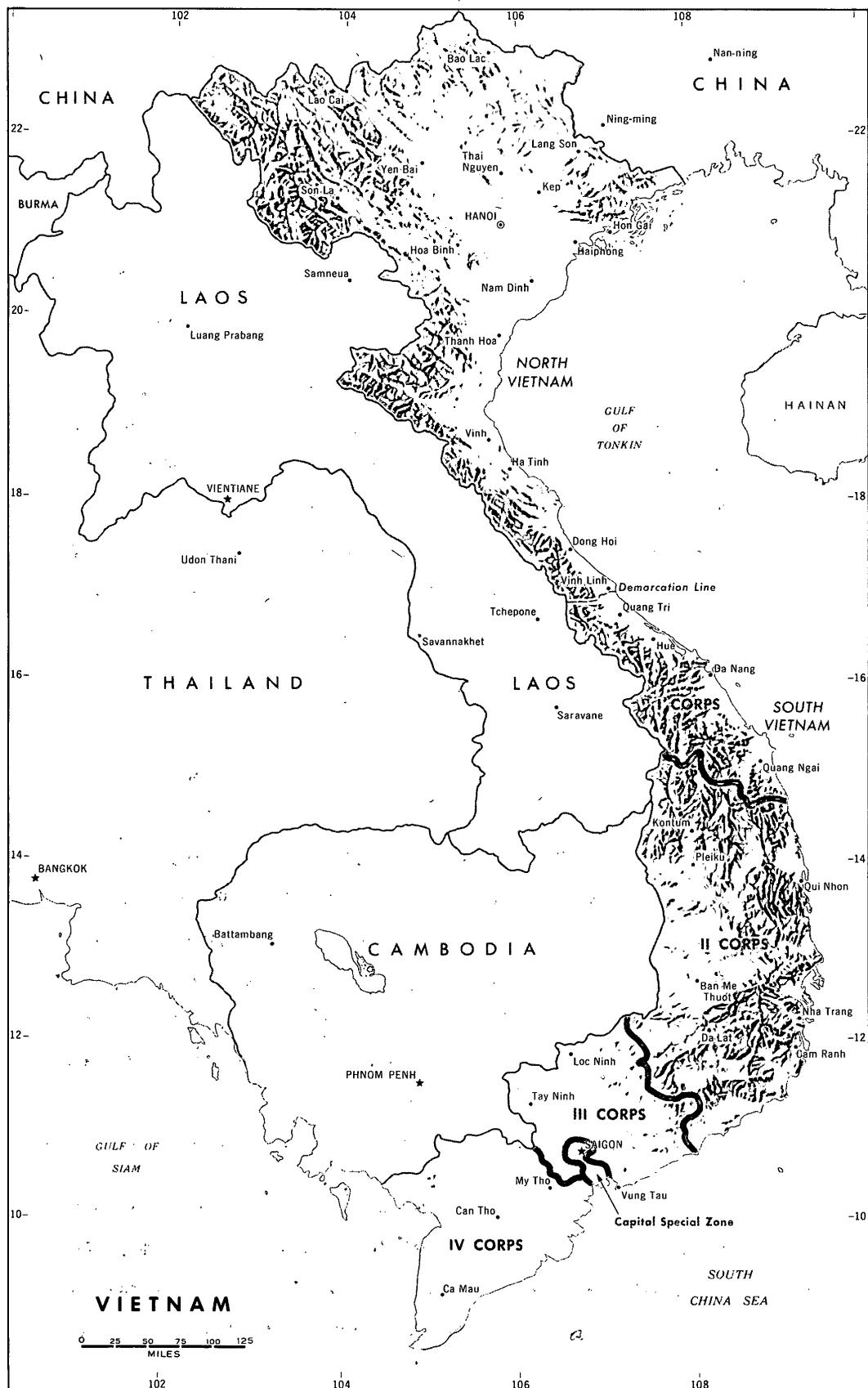


**SOVIET AFFAIRS**

The West Berlin representative in the talks with the East Germans was a trifle optimistic in his report of the first meeting when he said Pankow would be willing to meet again. In answer to his message proposing another meeting yesterday, the East German representative replied that no further talks would be held unless the West German presidential election was switched to another city.

Despite this hardening of the East German position, a representative of the Foreign Office in Bonn reports that Chancellor Kiesinger will make one more approach to Soviet

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Ambassador Tsarapkin, possibly offering a three-step contingency plan. This would move the election site in return for a joint Soviet - West German statement and a unilateral East German statement that passes will be issued for certain holidays beginning with Easter. Short of major Soviet concessions, however, it appears likely that the election will be held as scheduled in West Berlin next Wednesday.

Pravda stepped up the pressure in an editorial yesterday. The editorial states that the West German presidential elections "must not take place" and that "this cannot be linked with any conditions whatsoever."

**VIETNAM**

The tempo of enemy activity slowed considerably on 27 February. Communist initiated actions consisted almost entirely of light mortar and rocket attacks against military bases. Anticipated enemy ground assaults against the main Bien Hoa base failed to materialize, as the Communists continued reluctant to accept heavy losses to their main force troops. Bien Hoa remains a critical spot, however, and there are strong indications that the enemy plans more attacks against a number of other major targets throughout the country.

Saigon and Hue remain quiet; no terrorist incidents were reported during the past 24 hours. South Vietnamese police are reported to have apprehended 43 Viet Cong terrorists in Saigon since the current offensive began. Some of them say they had orders to instigate a "general uprising" in Saigon's

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southwestern 6th Precinct, an area of numerous refugees and slums. Five rockets hit Da Nang. One blew up an ammunition barge at the docking area causing further explosions and fire.

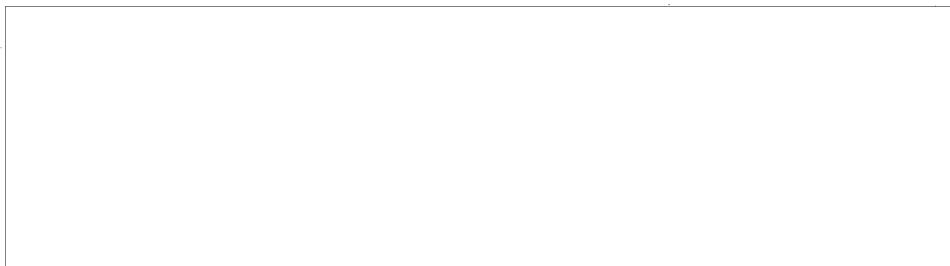
Elsewhere in I Corps, light enemy shellings struck Tam Ky and Quang Ngai cities, and small unit clashes continued at several points in the southern corps zone. II Corps action was limited to sporadic Communist shelling in the highlands and ground skirmishes in Binh Dinh and Phu Yen along the coast. The III Corps provinces around Saigon were generally quiet, with the remnants of a Communist battalion that was engaged against Bien Hoa on 26 February reported pulling back. In the delta, the enemy shelled several towns and ports; there were no significant ground attacks.

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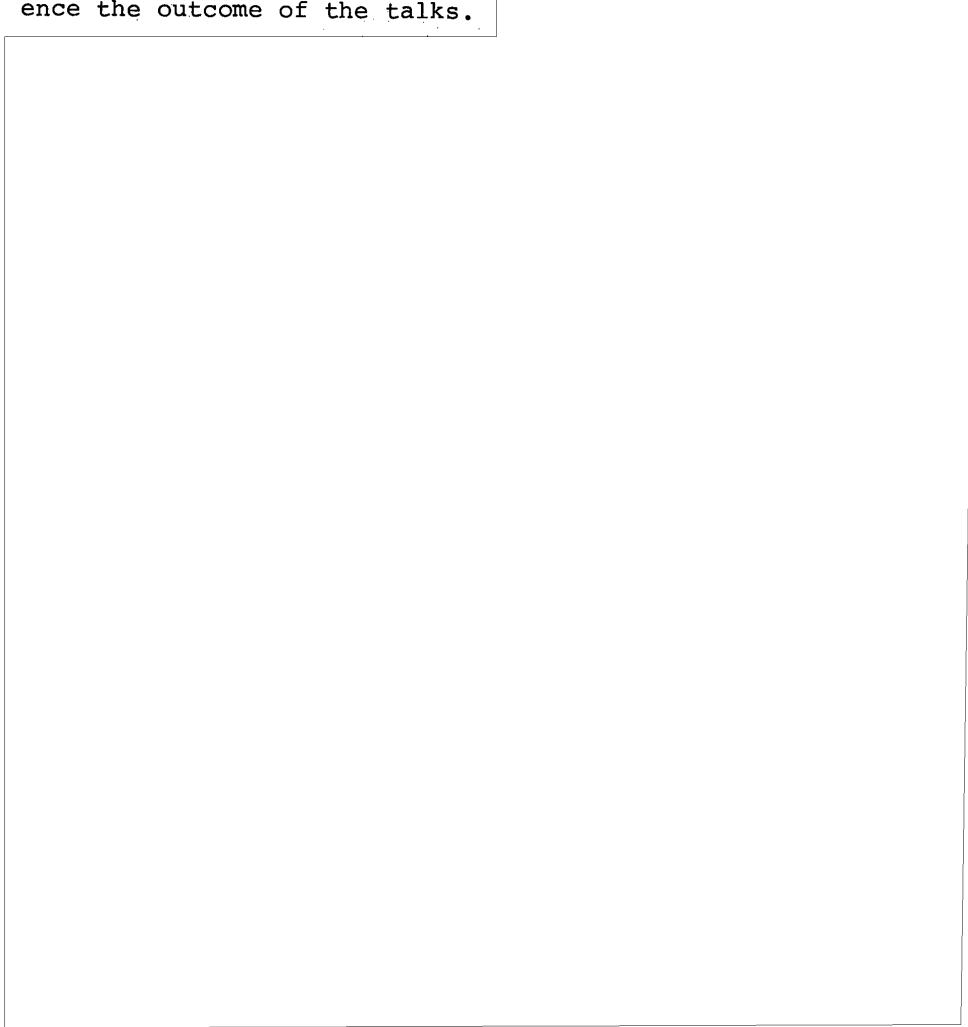
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The French appear to be as interested as ever in thrusting themselves into the Vietnam situation in order to influence the outcome of the talks.



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Manac'h on 25 February volunteered to an officer of the US Embassy that he had drafted several papers on Vietnam for the Nixon - De Gaulle and Rogers - Debré meetings.

The main points made by Manac'h were:

--The French believe that as a result of the Paris talks, Vietnam will remain divided for a number of years.

--The French are willing to contribute both financially and with manpower to the reconstruction of South Vietnam so that it can effectively compete with North Vietnam for the allegiance of the people.

--To strengthen the South Vietnam "emerging from the talks," the French believe South Vietnam should be linked to Cambodia and Laos through a series of agreements. In the French view the common links between these three countries are the limitations imposed by the Geneva Agreements such as no foreign military bases and no foreign troops except those stipulated in the agreement (i.e., French).

--Finally, the French are convinced that no durable solution can exist without the acquiescence of Communist China; the French would not want to be associated with any solution worked out against China's will.

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## II. OTHER IMPORTANT DEVELOPMENTS

### LAOS

Prime Minister Souvanna Phouma is planning a diplomatic offensive aimed at stopping the fighting in Laos. The idea for a fresh Lao initiative apparently was triggered by the Soviet ambassador's recent trip to Hanoi and Pathet Lao headquarters.

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