

# *The President's Daily Brief*

2 May 1969

19

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*FOR THE PRESIDENT ONLY*

I. MAJOR PROBLEMS

SOVIET AFFAIRS

Brezhnev took a remarkably conciliatory line on major foreign policy issues in his May Day speech. In the key paragraph he specifically endorsed "the solution of international problems through talks." He then listed as the principal items in the Soviet program a restriction of the arms race, liquidation of the hotbeds of war in Europe, Southeast Asia, and the Middle East, and the easing of international tensions. There was no reference either to an ideological or a direct military threat from the West.

On Vietnam, Brezhnev said only that the "patriots" fighting there knew that they had the "sympathy and support of the Soviet people." He did not mention the US by name or call for "expulsion of the imperialists" as Grechko did last year. His statements on the Middle East and Europe were equally temperate, with no reference to the customary whipping boys--Israel, West Germany, and NATO.

The Soviet leadership probably had several reasons for choosing to show the world a more benevolent image. Today's position contrasts with the Chinese attitude, lessens the opprobrium of Soviet behavior in Czechoslovakia, and thereby strengthens Moscow's position at the forthcoming International Communist Conference.

It may also have been designed to further a US-Soviet dialogue.

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Elaborate security precautions in Prague prevented significant May Day protests against the new leadership of Gustav Husak. The police probably will remain on alert until after 9 May, the anniversary of the Soviet liberation.

In his May Day speech Husak attempted to break the country's mood of hopelessness, frustration, and uncertainty. He hinted that as a result of his talks with Soviet leaders at last week's CEMA summit the issue of Soviet troop withdrawal might be negotiable--which could win him some support from the "wait-and-see" group in the population.

#### EUROPE

Pompidou's lead in the presidential race has been widened by the decision of Valery Giscard d'Estaing and his Independent Republicans to support him. Giscard, who broke with the Gaullists over the referendum, was apparently promised an important cabinet post.

Giscard's support breaks into the loose and inchoate center elements from which Pompidou will need significant support. This apparently will also be forthcoming. Centrist leader Pierre Sudreau says that Jacques Duhamel, leader of the center

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parliamentary group, is virtually "on board the Pompidou train." Although other centrists are still looking around for a man of their own group, interim President Alain Poher, on whom they had pinned their hopes of rallying all center forces, may not run. Meanwhile, Pompidou on the right and moderate Socialist Gaston Defferre on the left are siphoning off center support.

The Defferre candidacy is a blow to the Communists who had hoped to unite with the non-Communist left in support of a single candidate. They are cool to Defferre, who is too close to the Center for them, but may back him in the end. Given the setbacks the Communists have suffered this past year--the crisis of last May and Czechoslovakia--the party wants to avoid political isolation which running its own candidate would imply.

#### MIDDLE EAST

It is becoming increasingly clear that Tuesday's Israeli commando raid on the upper Nile did not produce the results claimed for it in Tel Aviv.

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[redacted] newspapermen visiting the installations attacked by the Israelis report that nothing was seriously damaged. Even the Israelis are now saying that the raid's purpose was psychological rather than destructive.

The Israelis might feel compelled to try again in order to restore their credibility. They could even decide that something on a bigger scale is called for this time.

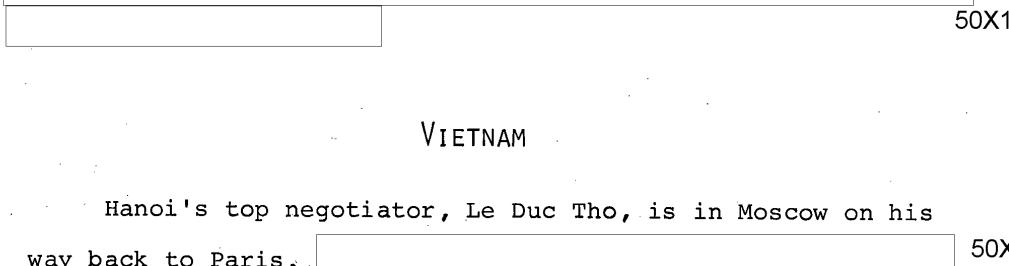
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VIETNAM

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Hanoi's top negotiator, Le Duc Tho, is in Moscow on his  
way back to Paris.

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Tho spent nearly eleven weeks in Hanoi this time--a period certainly long enough for the Politburo to have made an extensive review of the negotiations and to have assessed the spring offensive in South Vietnam. Tho's imminent return to Paris does not necessarily signal an early shift in the Communists' negotiating stance. It does suggest, however, that Hanoi expects new developments in the talks over the next few months and has dispatched Tho, armed with appropriate instructions.

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Senator Tran Van Don has told our Embassy in Saigon that he has been contacted by an intermediary, acting on behalf of a high-ranking member of the National Liberation Front, about

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**FOR THE PRESIDENT ONLY**

the formation of a coalition government. Don alleged that the Communists had asked him to "work with" General Duong Van "Big" Minh. Don, along with Minh, played a key role in the overthrow of Diem in 1963.

Don claimed he had sent word back to the Communists that coalition government is "impossible for the moment" and that it "depends on the results in Paris." He said he had been frequently contacted this way, describing his responses as "moderately negative." In relating all this to the embassy, Don may have been fishing for our reaction to the possibility of a Don-Minh government which might be able to work out a deal along the lines of the Communists' "peace cabinet" proposals.

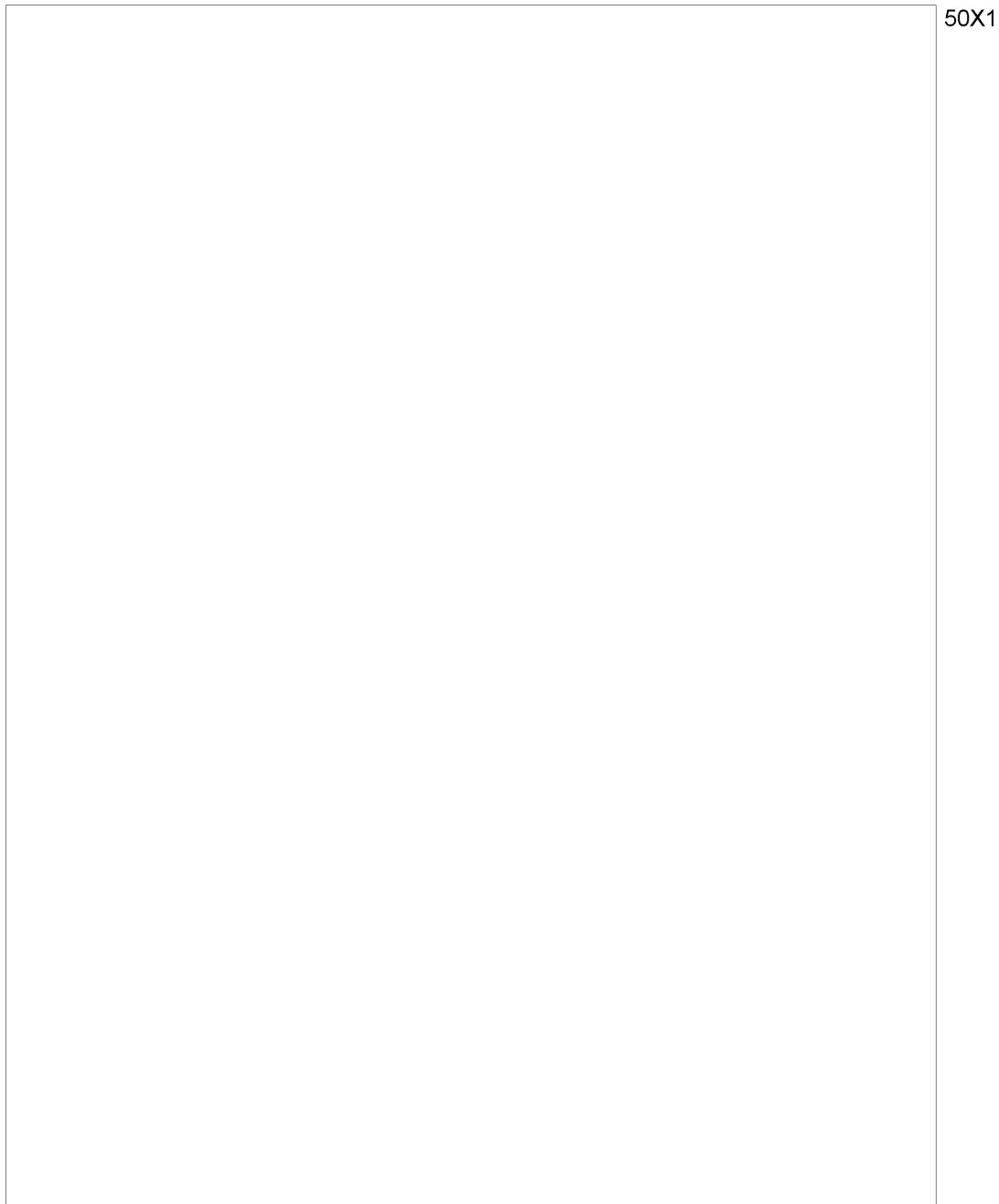
Don alleged--probably with a great deal of truth--that "everybody has such contacts." The hopes of a sizable number of politicians in Saigon that they might participate in a post-settlement government is an important vulnerability which we would expect the Communists to play on to the hilt. The obvious willingness of Don, and no doubt others, to keep their lines open to the Front certainly does nothing to dissuade the Communists from the belief that they are on the right track with their "peace cabinet" strategy.

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## II. OTHER IMPORTANT DEVELOPMENTS

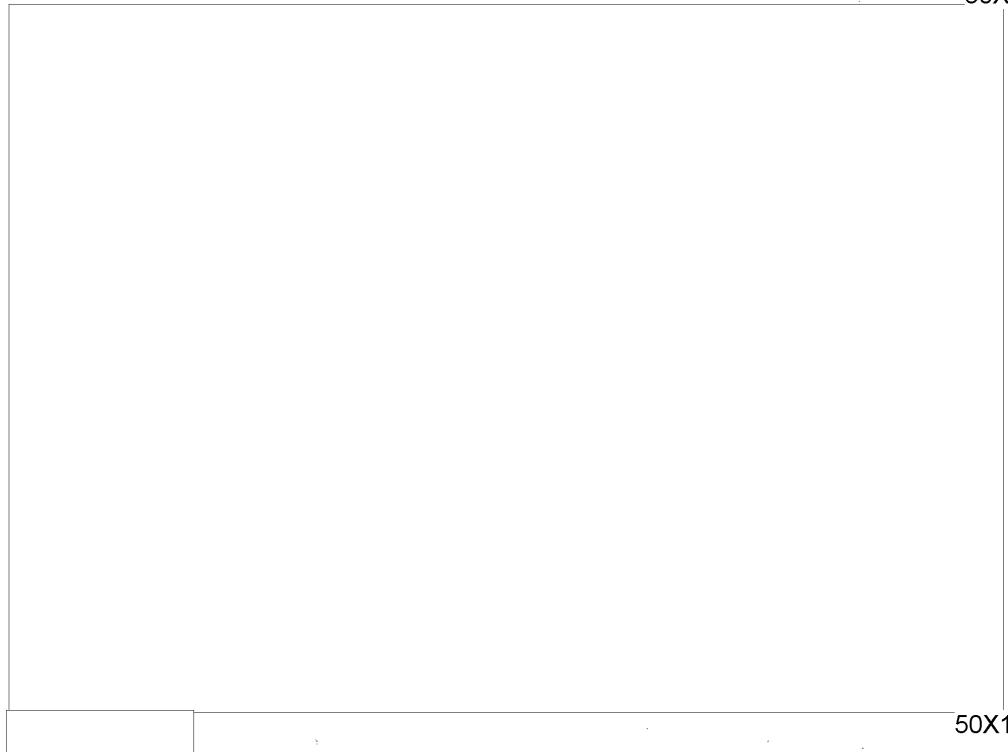
BOLIVIA

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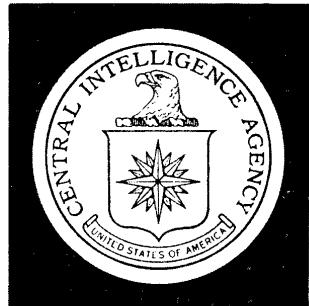
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**SOVIET UNION - CHINA**

Satellite photography in mid-April of Damansky/Chen Pao Island in the Ussuri River showed over a hundred craters on the part of the island nearest China and the adjacent river ice. These craters were probably caused by Soviet artillery fire during the heavy fighting on 15 March. Prepared artillery and antiaircraft positions could be seen on the Soviet side of the river, along with several tanks and over a hundred other vehicles and pieces of equipment. On the Chinese side, no comparable reinforcement was observed, but defensive positions seem to have been dug near the island.

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3 May 1969

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I. MAJOR PROBLEMS

VIETNAM

Some enemy units are preparing for renewed offensive activity in the near future.

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This probably will consist largely of widespread shellings. There are several areas, however, where significant ground fighting also appears likely.

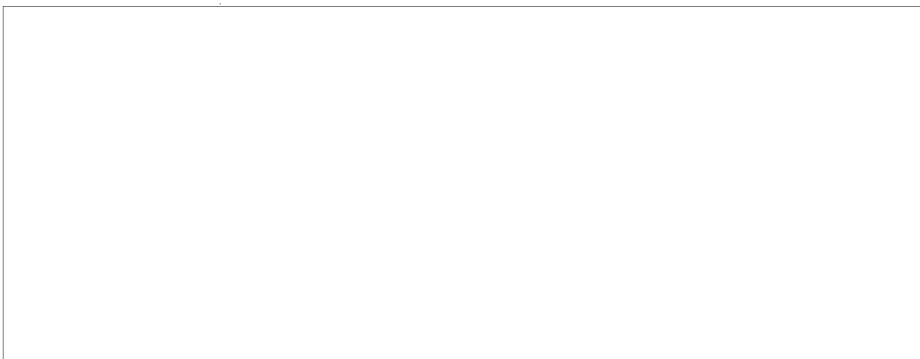
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Attacks over the past two weeks against heavily defended American bases northwest of Saigon presumably are a reflection of this decision on the part of the enemy. Recent intercepts indicate that further attacks in north-western III Corps are imminent. The enemy may also be preparing to step up sapper and terrorist attacks in the Saigon area. South Vietnamese forces recently captured 450 pounds of explosives from a Communist sapper unit on the outskirts of Bien Hoa.

In the central part of the country, Communist communications suggest plans for stepping up attacks in Kontum Province.

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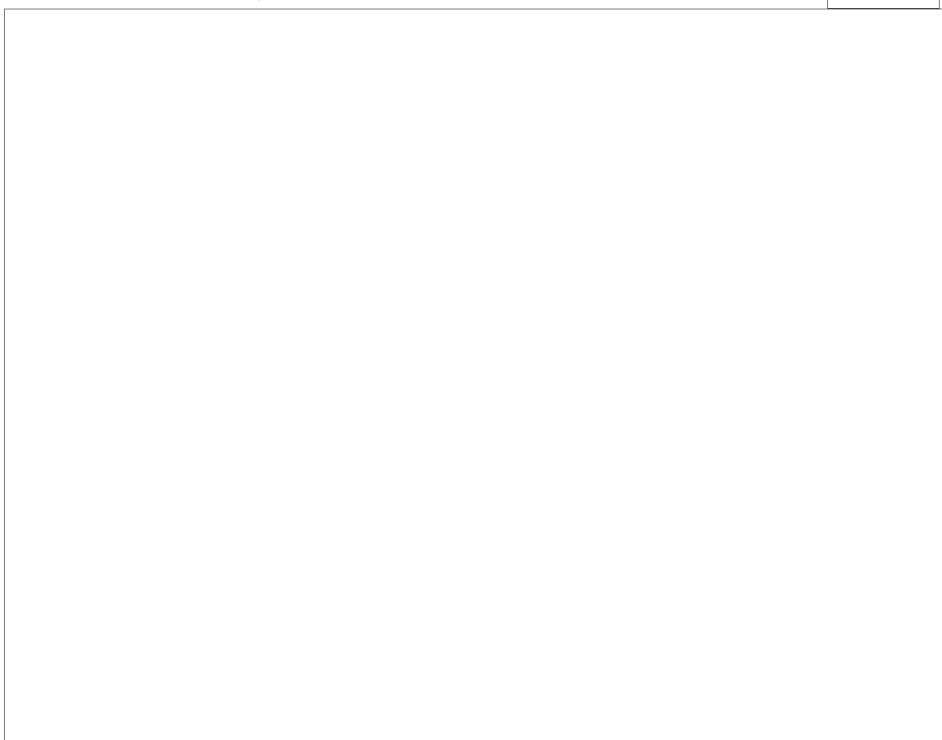
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The South Vietnamese want the upcoming SEATO conference  
in Bangkok to issue a clear statement of support for the  
allied war effort against the Communists in Vietnam. [redacted]

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*FOR THE PRESIDENT ONLY*

### Fedayeen Problem in South Lebanon Prompts Israeli Military Move



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Hanoi is now engaged in another wholesale recall of diplomatic personnel, presumably for briefings on the recent policy deliberations. Such general recalls have been the practice in the past. The present recall for the first time includes a large number of Liberation Front representatives.

### MIDDLE EAST

President Hilu has ordered the Lebanese Army to take whatever measures are necessary to control the fedayeen. He has not told other political leaders of this step, however, and it is highly questionable whether his new-found resolve would stand up in the face of their protests. Nor does the army--whose effectiveness is limited in the best of times and which at the moment mirrors the growing split between Christians and Muslims in the country as a whole--seem likely to take the kind of decisive action Hilu is demanding.

The Lebanese are also aware that the Israelis have moved troops by helicopter into the section of the Golan Heights which is adjacent to the terrorist infiltration route from Syria into Lebanon. They say that an Israeli operation against the terrorists in Lebanon would put the Lebanese Army in an impossible situation, but they would welcome any attempt to stop the fedayeen before they leave Syria.

**FOR THE PRESIDENT ONLY**

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Prime Minister Rifai told Ambassador Symmes yesterday that the fedayeen have agreed to keep their troops out of Amman. He said this word came from Yasir Arafat himself. Rifai, however, seemed skeptical that this agreement would be implemented, and we fully share his skepticism. The fedayeen have been working toward a major test of strength with the Jordanian Government for weeks.

## EUROPE

European foreign exchange market disorders triggered by De Gaulle's resignation continue. Yesterday saw a scramble for German marks (DM) by holders of francs, sterling and dollars. This followed West German Finance Minister Strauss' suggestion that under certain conditions the mark could be revalued. Since Strauss' remarks government spokesmen have twice denied that a revaluation was in the works, but this is unlikely to calm the market. With the DM exchange rate quickly approaching its ceiling, the Bundesbank took in close to \$800 million this week.

The heaviest foreign exchange speculation was against the British pound, Europe's most vulnerable currency. The Bank of England lost about \$200 million during the past week defending the pound, most of which slipped out during the latter half of the week. Britain's entire losses were absorbed by its reserve holdings because it did not use the remaining facilities available to it.

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The Bank of France, while permitting the exchange value of the franc to fall gradually to the lowest level permitted by international agreement, lost only about \$170 million in foreign exchange in support of the franc during the week. This outflow, financed primarily through swap arrangements with the US and other governments, was no greater on a daily average than the approximately \$400 million lost over the previous two weeks.

**SOVIET AFFAIRS**

There is nothing significant to report.

**II. OTHER IMPORTANT DEVELOPMENTS**

**BOLIVIA**

Peasant leaders made it clear during the burial services for Barrientos that they want President Siles out of office, but Siles is hanging on.

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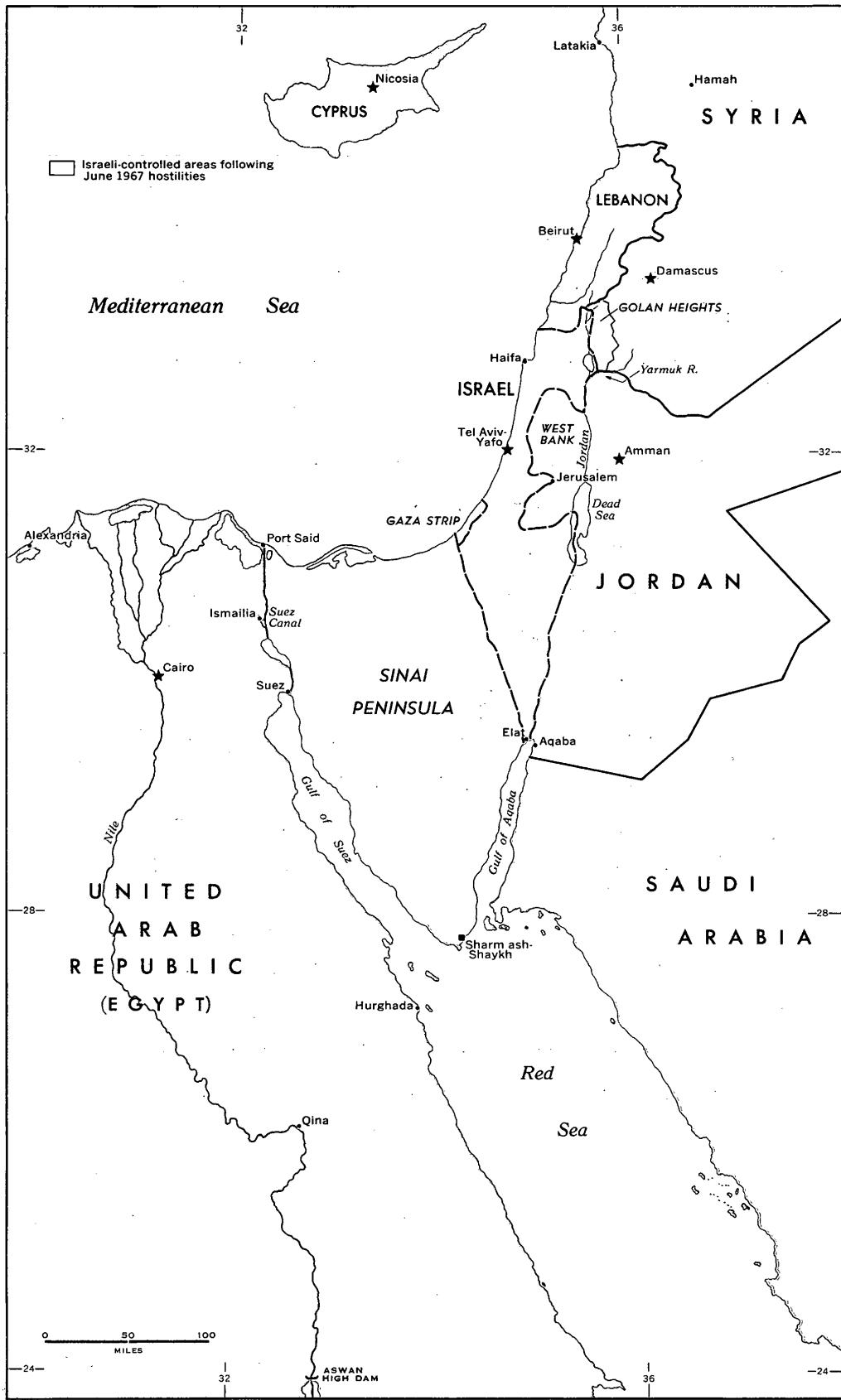
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## *The President's Daily Brief*

5 May 1969

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*FOR THE PRESIDENT ONLY*

I. MAJOR PROBLEMS

MIDDLE EAST

Embassy Beirut has provided further background on President Hilu's decision to take a hard line against the fedayeen. Hilu has told Ambassador Porter that he had no choice but to order the army to do whatever was necessary to control the terrorists and prevent any cross-border operations into Israel. Hilu said there was no other way to halt what he called the "Jordanization" of Lebanon--sharing or ceding power to the fedayeen.

Hilu claimed there were 1,600 fedayeen in southern Lebanon and more waiting on the Syrian side of the border. He said this amounted to a "Syrian-inspired invasion" whose objective was the takeover of all of southern Lebanon.

The army of course is the key to the success in confronting the fedayeen. Even though General Bustani, the army's chief, has agreed to carry out Hilu's policy, a source close to the president told Porter that the basic question was whether Bustani's patriotism will outweigh his desire to advance his presidential ambitions by currying favor with the Muslims.

Whatever the army's staying power over the long pull, Hilu's order already has had some effect. The army is reported to have fired on a group of fedayeen Saturday. [redacted]

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VIETNAM

Thieu is going to have his hands full trying to whip into line leaders of the major groups he hopes to bring into his new political movement. Although happy enough to pay lip-service to the need for a united front against the Communists, opposition politicians are making it increasingly clear that their primary objective in forthcoming negotiations with Thieu will be to ensure that the interests of their respective groups are fully protected.

These leaders, even though they have not yet agreed on which negotiating tactics to pursue, appear at least to be united on two points at this time; that the "major groups" must be given a position in Thieu's front commensurate with their relative importance, and that Thieu's abrasive political organizer, Nguyen Van Huong, must go. On the first point, the politicians have not yet settled on a particular formula to push, but they are clearly against Thieu's preliminary proposal that all of the political parties be equally represented in a consultative "presidium."

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**EUROPE**

Francois Mitterand announced yesterday that he was not a candidate for the French presidency. Mitterand's withdrawal came after he had consulted earlier in the day with the French Socialist party, presumably in a final attempt to assess prospects for the development of a united left coalition to back his candidacy. The Socialists early this morning nominated moderate Gaston Defferre to be their candidate after a motion to consult other parties of the left before voting on a candidate was finally defeated.

*FOR THE PRESIDENT ONLY*

ILLEGIB

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**SOVIET AFFAIRS**

There is nothing significant to report.

**II. OTHER IMPORTANT DEVELOPMENTS**

**LAOS**

Government guerrilla forces have moved into the former Pathet Lao base of Xieng Khouangville. In a related operation they have driven the enemy from positions to the east, capturing large amounts of supplies. The ease with which these enemy positions have fallen has led Meo leader Vang Pao to widen his sights. He has committed additional troops in order to hold ground already captured and to press deeper into enemy territory.

Vang Pao may be overextending his thinly-stretched guerrilla troops. There are large numbers of North Vietnamese troops who have not yet been committed to the fighting. One battalion, for example, seems to be moving into a position from which it could threaten Vang Pao's headquarters at Long Tieng. Furthermore, a North Vietnamese radio terminal--possibly serving a reconnaissance unit--has been in the Long Tieng area within the past week.

The Communists also are readying themselves for heavier action north of the Plaine des Jarres.

[redacted]  
[redacted] as many as five

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Pathet Lao and North Vietnamese battalions are being moved into position for an all-out assault on two government outposts.

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Vietnamese hope to take these positions in order to prevent government guerrillas from using them as a base for moving back into Samneua Province during the rainy season.

### BOLIVIA

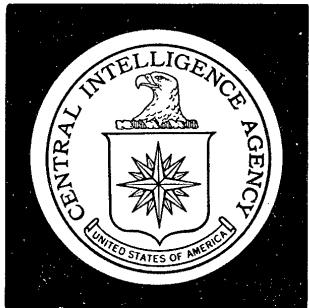
President Siles' chances for hanging on to his new office now look a little brighter. Army chief Ovando, doubtless influenced by international expressions of support for Siles' constitutional succession, seems to be having thoughts about an immediate bid for power. Ovando and Siles are now negotiating a new cabinet

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Ovando's course of action will be determined in the final analysis, however, by his judgment of whether he can safely bide his time until the regularly scheduled presidential elections next year, when he would be an almost certain winner.

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# *The President's Daily Brief*

6 May 1969

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*FOR THE PRESIDENT ONLY*

I. MAJOR PROBLEMS

EUROPE

Confidential polls taken late last week show Pompidou with a wide popular lead over any single opposition candidate for the presidency. In the first testing of French public opinion since the Gaullists closed ranks behind the former premier, 44 percent said that they would vote for him. The combined opposition to Pompidou also received a total of 44 percent, but it was divided among four different political leaders. Twelve percent were undecided.

While the position of moderate leftist Gaston Defferre has recently improved with Socialist Party endorsement and the withdrawal of two rivals, his most pressing problem is his relationship with the Communist Party. He cannot hope to win without Communist support on the second ballot, but he is reluctant to court the Communists because of conviction--he has a consistent anti-Communist record--and because any such action would inevitably alienate the centrists.

The Communist Party itself, which found none of the democratic left candidates acceptable, has decided to put forward its own man--old-line Stalinist Jacques Duclos. In parliamentary elections, the Communists usually capture about 20 percent of the vote, but the appeal of a Party candidate for President has never been tested in a popular election.

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VIETNAM

The treatment accorded Le Duc Tho in Peking and Moscow on his way back to Paris provides a good indicator that there has been no basic change in Hanoi's policy of seeking a negotiated settlement of the war. Peking's usual reception of him--without a word of publicity--suggested continued Chinese disapproval of Hanoi's policy. [redacted] in 50X1  
Peking [redacted] Tho was seen off at the airport by Deputy Foreign Minister Han Nien-lung, a very low-level official 50X1  
for a man of Tho's rank.

In contrast to the cold shoulder Tho got in China, the Soviets rolled out their customary red carpet for him. Kosygin received him and hosted a dinner in his honor. The communiqué issued at the conclusion of their meetings reflected the continued closeness of Hanoi and Moscow. Tho dropped a hint on his return to Paris that relations with Moscow might even be improving. In response to a question about Hanoi's possible attendance at the upcoming Moscow-sponsored conference of Communist parties, Tho said that Hanoi had not yet taken a position. From Moscow's point of view, this equivocation is an advance over Hanoi's former refusal to attend any of the preparatory meetings for this conference.

MIDDLE EAST

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Husayn is now making a protocol visit to Saudi Arabia  
and will return home on Wednesday.

SOVIET AFFAIRS

There is nothing significant to report.

II. OTHER IMPORTANT DEVELOPMENTS

INDIA

Within the next six months, India must choose a new president to succeed the late Zakir Husain, and we anticipate that the selection process will be difficult and acrimonious. The presidency, like the British Monarchy for which it originally was a surrogate, traditionally plays a largely ceremonial role, but the constitution gives the president considerable latent power. Among other things, he can dissolve parliament and suspend state governments, and he also serves as commander-in-chief of the armed forces. So far, he has acted only on the advice of the cabinet, but this is a convention inherited from the British rather than a formal requirement. If the Congress Party's hold on the country continues to slip--and especially if the party loses its majority in the parliamentary elections scheduled for 1972--the presidency is certain to take on much more importance.

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With these thoughts in mind, Indian politicians of all stripes have begun looking around for candidates favorable to their interests. The most serious effects of this search probably will be felt by the Congress Party itself, since the bitterness engendered in the process will give the party one more nudge downhill.

PERU

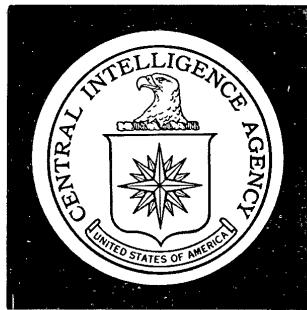
The Velasco government has recently renewed its "moralization" campaign, the goal of which seems to be the complete discrediting of normal political processes. This drift toward authoritarianism will be limited to some extent by the government's desire to maintain hemispheric support for Peru in its dispute with the US. Nevertheless, the campaign is being pressed with considerable vigor. The current emphasis is on alleged corruption among officials of the previous administration and even among dissident members of the current government. Interior Minister Artola, who seems to be the campaign's leader, has also denounced local governments for incompetence and has postponed municipal elections which were scheduled for later this year. [redacted]

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## *The President's Daily Brief*

7 May 1969

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**FOR THE PRESIDENT ONLY**

**I. MAJOR PROBLEMS**

**MIDDLE EAST**

The Saudi ambassador in Amman claims that King Faysal has decided to withdraw his support of the fedayeen "by degrees." [redacted]

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[redacted] it would be a severe blow to fedayeen finances if the ambassador is correct. Faysal will have to tread carefully, however; not only do the fedayeen retain their hold on the sympathies of Arabs in general, but a sharp break in Saudi policy could have an unsettling effect on Faysal's own hierarchy, which has Palestinians in many government positions.

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If Faysal believes he can withstand strains such as these, the mechanics of withdrawing his support should not be too difficult. [redacted]

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[redacted] Faysal could merely see to it that his money does in fact get spent for humanitarian causes.

Faysal could merely

We note that in their talks last Thursday with Assistant Secretary Sisco, Ambassador Rabin and Moshe Bitan of the Israeli foreign office claimed that the talks being held between the US and the Soviets pose no problem for Tel Aviv; what the Israelis object to is the four-power

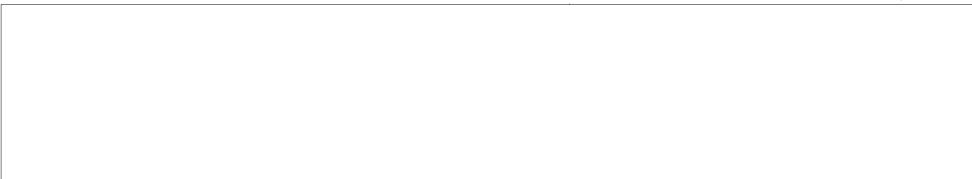
**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

mechanism. This, of course, is diametrically opposed to Mrs. Meir's assertion the same day to Ambassador Barbour that Israel was much more worried about a possible US-Soviet deal than about the four-power discussions. The fact that the usually circumspect Israelis have let slip such inconsistencies is a revealing measure of their nervousness over possible shifts in US policy.

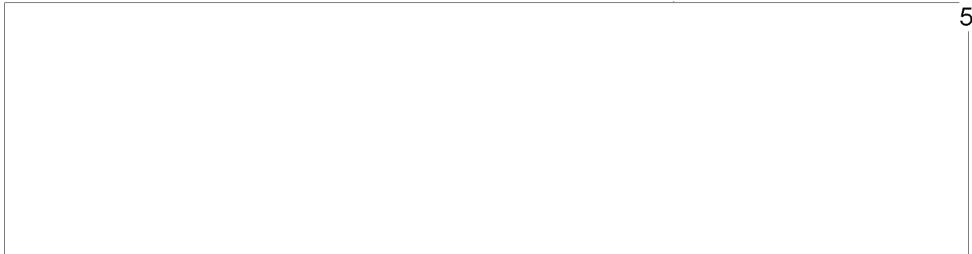
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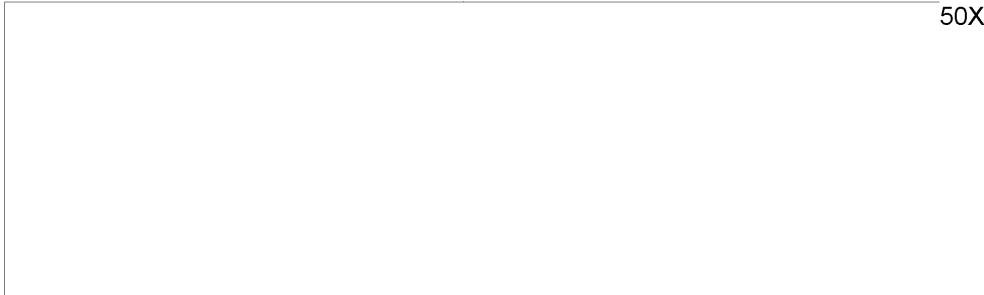


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EUROPE



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**FOR THE PRESIDENT ONLY**

VIETNAM

Hanoi has not yet broadcast any fuller text of Premier Pham Van Dong's May Day address. Only one radio account of the ceremonies has been issued--a broadcast of 2 May in which the premier's remarks were treated in a brief two paragraphs. This may be all we will get.

In this version, his remarks appear to reflect the usual Communist confidence in ultimate victory and contained no new policy initiatives. In the past, when a North Vietnamese leader has dropped a hint of a new line in a public statement, Hanoi has given it extensive additional coverage. There have been no further broadcasts of Pham Van Dong's May Day speech.

In making the comment that the US had already recognized that it had been defeated and had no choice but to "continue to de-escalate the war," Pham Van Dong was probably making the same kind of observation that he made in an interview with French journalist Broussine in early April. In this interview, the premier referred to the cessation of the bombing of the North as the beginning of US de-escalation. Communist propaganda has always treated the cessation of the bombing as a US admission of defeat. According to the Communist line, the US decided to stop the bombing because it had not accomplished its purpose and was too costly. This decision, Pham Van Dong told Broussine, was inevitable, irreversible, and would lead eventually to total US disengagement from Vietnam.

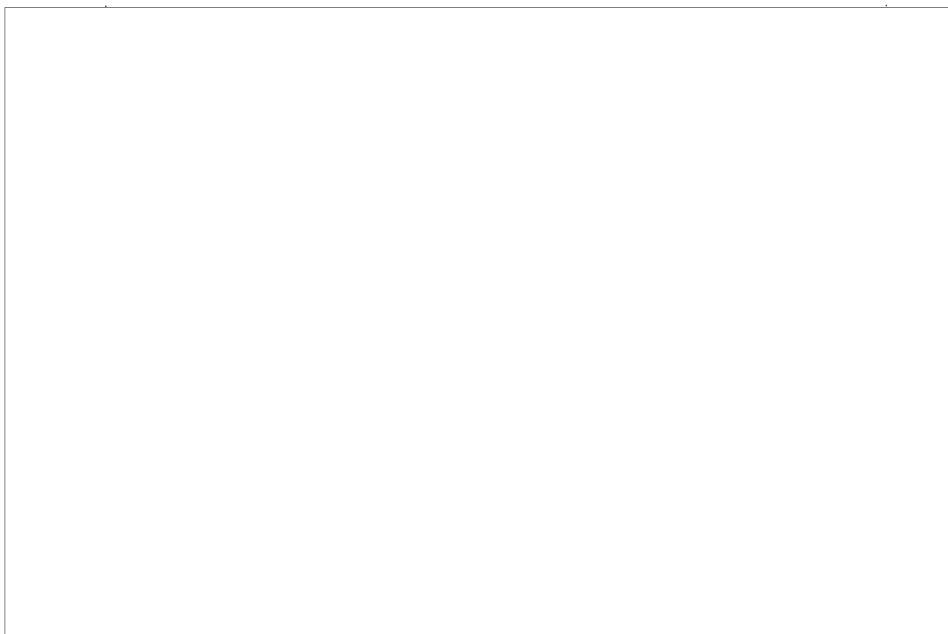
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As reported, the premier's remarks on May Day suggest that his reference to de-escalation was in this long-range context of North Vietnamese confidence in ultimate victory. There is no indication that he intended to contradict or recant on another current Communist propaganda theme: that the US is "escalating" the war in South Vietnam. This line is constructed on specific actions of the past few months in the South--the rate of B-52 strikes and the number of allied ground sweeps conducted since the new US administration took office on 20 January. It was used to justify the increase in Communist military activity in late February and to counter claims that the US is working seriously toward a political settlement.

SOVIET AFFAIRS

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II. OTHER IMPORTANT DEVELOPMENTS

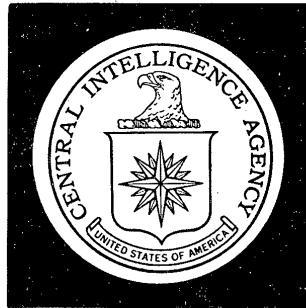
CHILE

Among President Frei's Christian Democrats, pressure for some kind of action against US-based copper companies is on the increase. This shift is occurring even though Frei's administration still supports the agreements it reached with the companies in 1967 which provide for government participation in the management. The issue is being emphasized among the Christian Democrats partly because it is one of the few on which they seem able to agree, but it is sure to come in for heavy treatment from all quarters as next year's presidential elections approach.

BOLIVIA

The Bolivian cabinet that was sworn in Monday reflects the accommodation recently worked out between Ovando and Siles. In general it seems competent, although it may prove a bit more conservative than its predecessor.

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## *The President's Daily Brief*

8 May 1969

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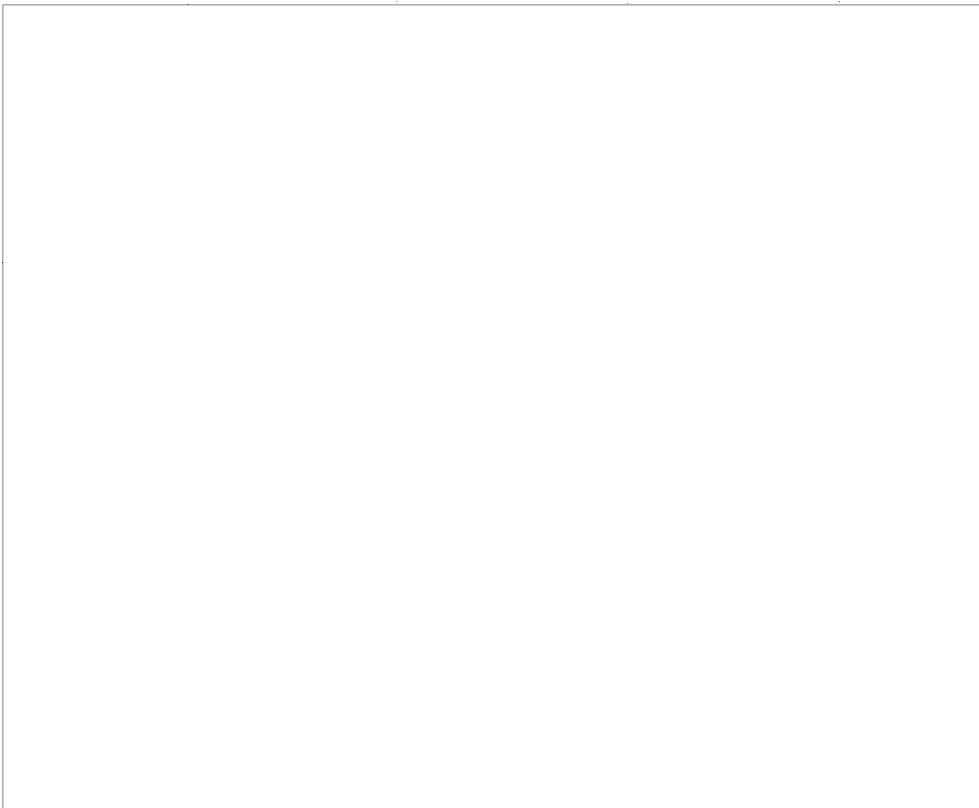
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I. MAJOR PROBLEMS

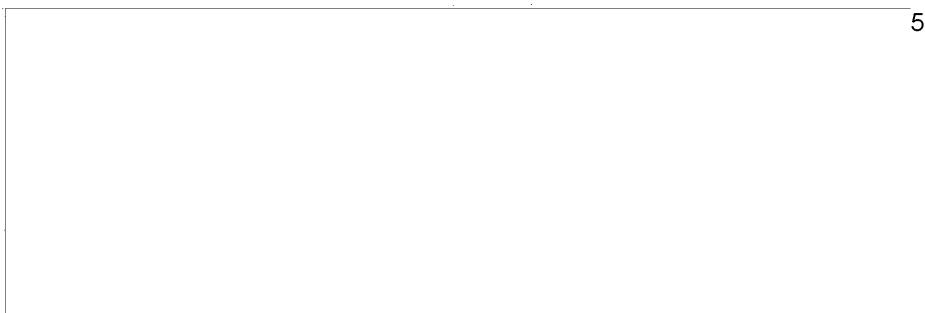
MIDDLE EAST

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### SOVIET AFFAIRS

Two Soviet intelligence collection ships have resumed close-in (2-6 miles) operations off the shores of Guam and Virginia, after a 15-month hiatus. This decision apparently reflects Moscow's feeling that the precautions it took after the Pueblo incident, when the ships were ordered to operate at least eight miles offshore, are no longer necessary.

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Moscow has announced that President Podgorny will visit North Korea later this month. He will doubtless seek to reassure the North Koreans that Moscow's actions at the time of the EC-121 shootdown were in their interest, but he will also probably try to discourage further such adventures. Podgorny will be the highest ranking Soviet official to go to Pyongyang since 1965.

### VIETNAM

Intercepts of 3 and 5 May show that at least two battalion-sized units have entered the infiltration pipeline in southern North Vietnam. They are headed for South Vietnam's II Corps and should arrive there in July. These are the first groups noted coming into the top of the pipeline since 22 March.

### EUROPE

Speculation that the German mark will be revalued soon gained momentum on the foreign exchanges yesterday and the

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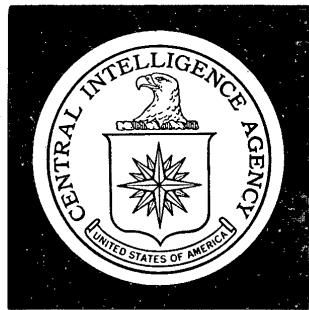
Bundesbank took in about \$650 million in foreign exchange. This was the heaviest day of trading since last November's currency crisis. The flow of foreign exchange into West Germany since De Gaulle's resignation has reached about \$2 billion. With the central bankers going to Basel this weekend for their regular monthly meeting, speculative fever can be expected to rise today and Friday.

## II. OTHER IMPORTANT DEVELOPMENTS

There is nothing significant to report.

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I. MAJOR PROBLEMS

EUROPE

One of France's most reliable polls this week shows that unless interim President Poher enters the race, Pompidou could win an absolute majority on the first ballot. But with Poher in the race, Pompidou would get only 42 percent and Poher 35 percent. Defferre, the Socialist, and Duclos, the Communist, would get about 12 percent each.

These findings could well impel Poher to enter the race before the deadline for filing on 13 May.

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Poher has been playing a careful waiting game, but pressures for him to run have been building, and there is even some chance that Defferre may pull out and swing Socialist support over to the interim President.

\* \* \*

The speculative flight to the Deutschemark continued yesterday, with the Bundesbank taking in about \$1,240 million worth of foreign exchange--almost twice as much as on Wednesday.

VIETNAM

As a package, the proposals put forth by the NLF yesterday are an attempt to retake the initiative from Thieu. The Communists probably consider that their

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proposals constitute a framework in which meaningful negotiations can begin. Fuller analysis will be provided later.

### SOVIET AFFAIRS

There is nothing significant to report.

### MIDDLE EAST

There is nothing significant to report.

## II. OTHER IMPORTANT DEVELOPMENTS

### IRAN-CONSORTIUM

The annual hassle over oil revenues between Iran and the Western consortium which produces most of its oil seems to be moving toward compromise.

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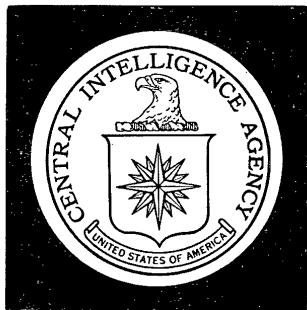
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[redacted] the annual confrontations over the next three years or so figure to get stickier. The crux of the problem is that the Shah is demanding annual production increases of 15-16 percent in a period when the oil companies estimate world-wide oil consumption will be increasing only about 6-7 percent a year.

**FOR THE PRESIDENT ONLY**

*Top Secret*



## *The President's Daily Brief*

*10 May 1969*

**19**



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*FOR THE PRESIDENT ONLY*

## I. MAJOR PROBLEMS

### VIETNAM

We offer some first thoughts on what may be behind the remarks of Tho and Thuy to Ambassador Lodge on Wednesday, a rationale that may also pertain to the new Front peace proposal. The Communists seem to be saying they believe US efforts to date have been aimed at buying time so that the war can be turned over, at least in part, to the South Vietnamese. They do not believe the US is genuinely interested in bringing the war to an early end.

Thuy said "the best thing would be to end the war, the sooner, the better," and Tho remarked that neither the US nor North Vietnam has any interest in protracting the war. In making the point that the war ought to be ended soon, Tho went on to admit that North Vietnam has lost men and resources, just as the US has.

These remarks strike us as further evidence that Hanoi is quite concerned that the US concept of Vietnamizing the war may buy the allies considerable time and thus stretch out the negotiations further than Hanoi had anticipated. The Communists may have decided to accelerate the pace of the negotiations in order to put pressure on the US to make some early concessions.

### SOVIET AFFAIRS

Czech party leader Husak, in an article in Pravda which was probably intended exclusively for Soviet readers,

*FOR THE PRESIDENT ONLY*

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charged that nonparty "anti-Socialist forces" had generated a crisis following the replacement of Novotny in order to overthrow the party leadership. This attack, which by implication includes the Dubcek regime for failing to curb the threat, is the strongest by any top leader since the intervention.

The fact that this article was not republished in Czechoslovakia underscores the weakness of Husak's position at home. To overcome this weakness, Husak is working toward an extensive personnel shakeup in party and government. This will not be easy.

\* \* \*

We do not see any political significance to the recent rash of deaths of Soviet generals announced in the Soviet press. Two of these generals, who were said to have perished "tragically"--a phrase usually denoting a violent death by accident--may have died in a single accident. Because of dissimilarities in the ages, status, and professional positions of the others, however, there is little reason to suppose their deaths were linked.

Since the first of the year, 46 generals have died, including the nine announced in the past two weeks, but few of the others were picked up by the Western press. Furthermore, this figure is not much higher than the 37 who had died by this time last year.

#### EUROPE

There is nothing significant to report.

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MIDDLE EAST

There is nothing significant to report.

II. OTHER IMPORTANT DEVELOPMENTS

COMMUNIST CHINA

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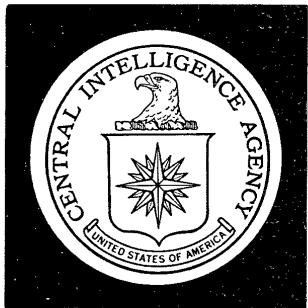
PERU

The government has asked International Telephone and Telegraph to reduce its holdings in the Peru Telephone Company from 67 to 49 percent. The government would pay for the shares in local currency; ITT would then be required to invest the money in Peru. The current contract states that the government must either buy out ITT by 12 August or permit it to retain its shares until 1971.

Earlier discussions aimed at the "Peruvianization" of the telephone company hinted at expropriation if an agreement is not worked out.

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*Top Secret*



## *The President's Daily Brief*

12 May 1969

**19**

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**FOR THE PRESIDENT ONLY**

## I. MAJOR PROBLEMS

### EUROPE

The question of whether to revalue the West German mark has had strong political overtones in Bonn. The cabinet, at its meeting Friday to discuss the monetary situation, split along party lines with all Social Democrats favoring revaluation and the Christian Democrats opposed to such a move. An economics sub-cabinet group was set up to work out alternative measures to revaluation but Economics Minister Schiller, a Social Democrat, apparently has refused to preside over the group.

The monetary crisis is particularly touchy at this time because all major leaders in Bonn have their eyes focused on the national elections next September. The Christian Democrats believe that if the government refuses to revalue it will increase their chances for victory--a recent poll showed 87 percent opposed to revaluation.

### SOVIET AFFAIRS

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[redacted] reported that the

Soviet central committee will convene today for the first time since December. The postponement of President Podgorny's departure for North Korea from today until Wednesday lends weight to the reports.

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[redacted] there will be two items on the agenda: the forthcoming international conference of

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Communist parties and the ways to improve the application of science and technology to the economy. Consideration of the documents related to the conference by the central committee prior to the "final" preparatory meeting scheduled for 23 May would be in line with the directive issued by the last preparatory session in March.

### MIDDLE EAST

There is nothing significant to report.

### VIETNAM

There is nothing significant to report.

## II. OTHER IMPORTANT DEVELOPMENTS

### NIGERIA

Federal leader Gowon has reshuffled his military command in an effort to get his forces back on the offensive. There has been no significant opposition to the changes because they seem directed at the most corrupt and incompetent of the high-level officers, and because Gowon paid due regard to tribal sensitivities by reassigning the officers to less important positions. In spite of this move, it will be some time before the new commanders can launch a successful offensive. The federal forces have been bogged down in the north by serious supply problems and they have been losing ground steadily on the southern front.

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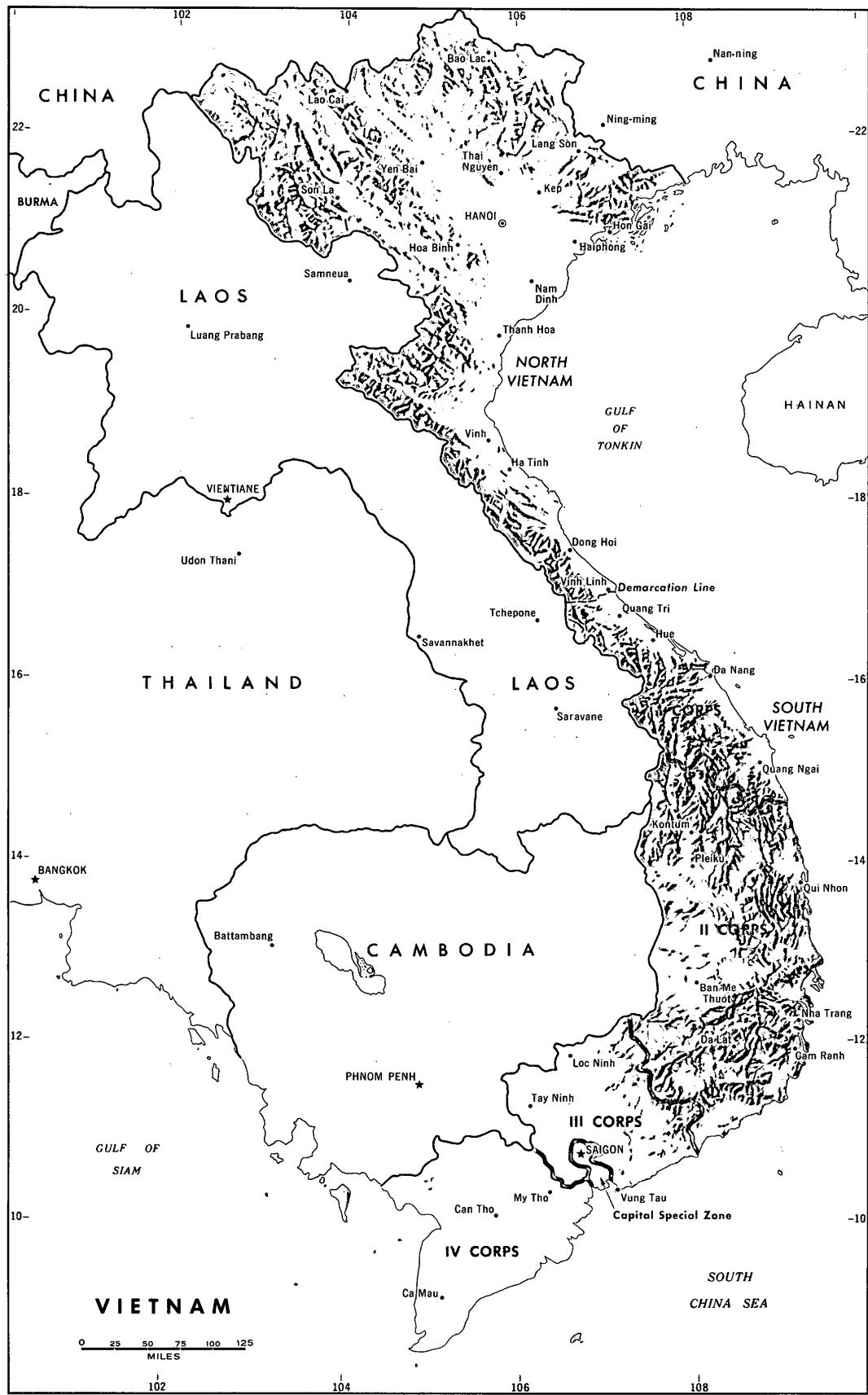
## *The President's Daily Brief*

13 May 1969

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**FOR THE PRESIDENT ONLY**

**I. MAJOR PROBLEMS**

**VIETNAM**

Communist harassing activity fell off sharply during the night. Five rocket rounds hit in the outskirts of Saigon, but caused no casualties and little damage. An increased number of terrorist attacks have been aimed primarily at police and government personnel and at public utilities.

\* \* \*

With the opening of the "May action phase" of their 1969 military campaign, the Communists have put into play the military part of their plan to prod the US into a negotiated settlement on Hanoi's terms. This round probably will be limited in scope and duration. The enemy will try to inflict heavy casualties on US units, hoping thereby to increase the level of domestic pressure in the US for an early end to the war. Judging by the first round of attacks, ARVN may also be hit hard this time.

Documents and prisoners say that the Communists intend to follow the May phase with a larger summer offensive, probably to begin in June or July. Hanoi may believe that by staging a continuing series of such offensives it can force the US to abandon any plan for "Vietnamizing" the war.

The Communists would like to convince the US that the only way out of the war is through a settlement which will give them a guaranteed and secure status in South Vietnam.

**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

They apparently believe that through a combination of diplomatic moves in Paris and military actions on the battlefield, the US can be brought to grant such guarantees. From what we have seen both on the battlefield and from intelligence assets, the enemy high command still believes it can keep enough forces in the field to accomplish its objectives. Thus far in May we have detected only two new infiltration groups entering the pipeline in North Vietnam. This suggests the enemy did not see a requirement for another transfusion of manpower before beginning the May action phase. We would expect to see an increase in the replacement flow very soon, however, if any larger summer campaign is contemplated.

The enemy threat is increasing again in northern I Corps. Intercepts indicate that the North Vietnamese 304th Division is moving south and east once again in the Laos panhandle, and that the two independent regiments may also be on their way south. These regiments were pulled back into North Vietnam from northern I Corps last fall.

MIDDLE EAST

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In Lebanon, President Hilu's three-day meeting with Patah leader Yasir Arafat has ended in a stalemate. Arafat threatened to turn out the Palestinian refugees living in Lebanon for large-scale demonstrations against the government. He demanded full freedom for fedayeen operations in Lebanon, including the right to maintain base camps without any control by the Lebanese military. Hilu had already refused a compromise solution which would have allowed the fedayeen to operate in clearly defined areas of southern Lebanon under agreed measures of Lebanese Army control.

Although he is still inclined to stand firm, Hilu's resolve may have been weakened by his doubt that General Bustani, the army commander, will give him the complete support he needs to act against the fedayeen. In addition, Hilu apparently can no longer hope for the support of Muslim Prime Minister Karami, who tends to temporize on the fedayeen issue.

\* \* \*

King Husayn's private secretary has told our embassy in Amman that Husayn got nowhere during his recent visit to Cairo, in moving Egypt to restore diplomatic relations with the US. Husayn had difficulty getting Nasir even to talk about the subject. When Nasir finally did, it was merely

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to say that his government had decided that a restoration of relations was not worthwhile at this time.

EUROPE

Some speculators have begun to run for cover, withdrawing funds hastily placed in Deutsche marks during last week's hectic trading. About \$565 million worth were withdrawn from the German central bank yesterday. Nevertheless, the foreign exchange markets are still highly uncertain.

SOVIET AFFAIRS

There is nothing significant to report.

II. OTHER IMPORTANT DEVELOPMENTS

COMMUNIST CHINA - SOVIET UNION

Peking has accepted Moscow's proposal to discuss navigation rights on the border rivers, the Amur and Ussuri, in Khabarovsk next month. Behind China's acceptance probably is the hope that these talks can be used to revive Chinese claims to the disputed islands in the Ussuri.

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**CHILE**

The government has proposed major revisions in the "Chileanization" agreements it signed with US copper companies in 1967.

The proposal involves a complex formula under which the government could lay a claim to "surplus profits" being earned under prevailing high market prices. One US company estimates that under the new arrangement its income would be less than half of what it now receives. If the companies do not agree to these changes, the Frei administration threatens to take unilateral action through the congress.

Frei may hope that by getting more money from the companies he will be able to head off increasing pressure for complete nationalization, an issue which appears more and more tempting to the Chilean left as the presidential campaign of 1970 approaches.

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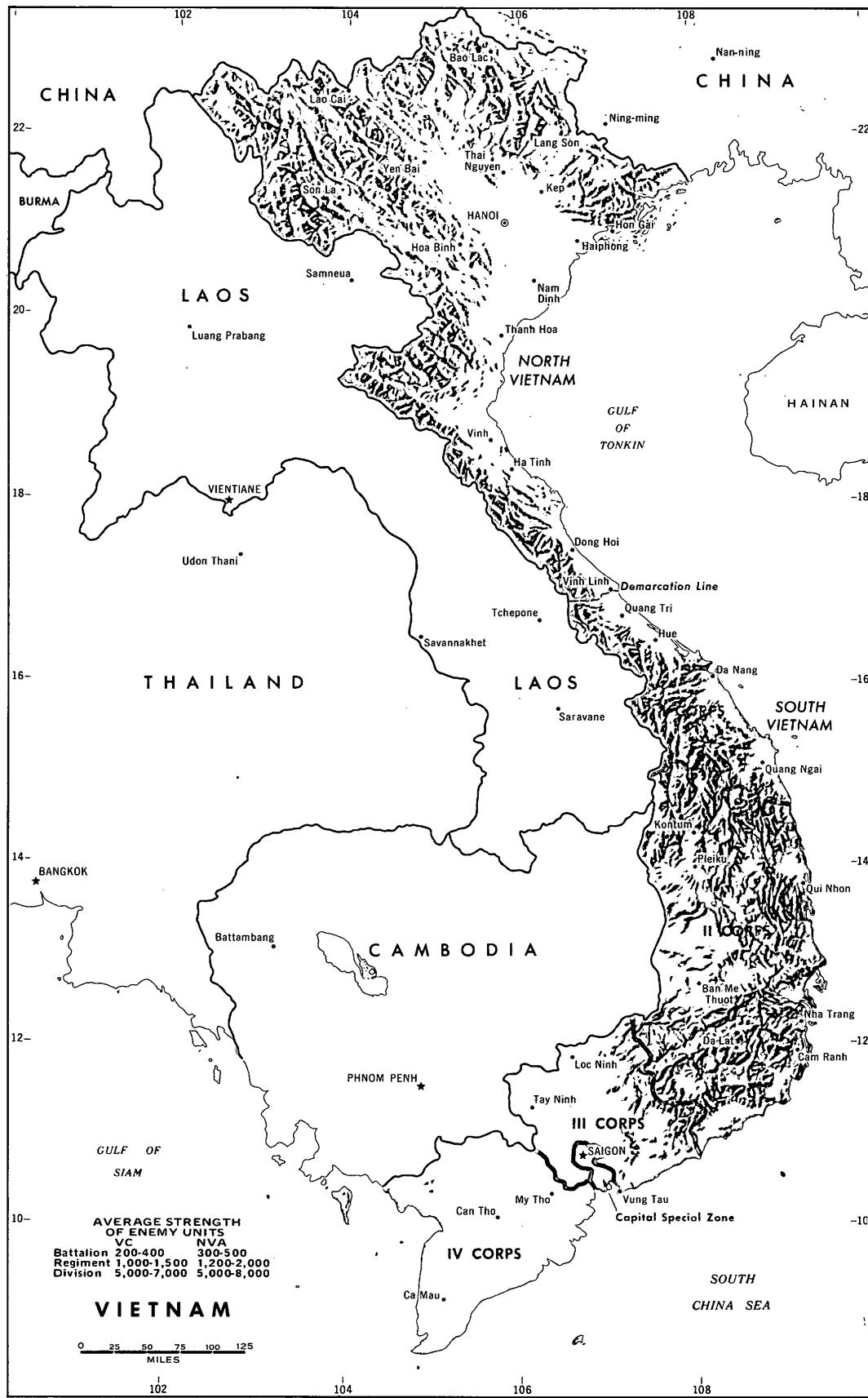
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14 May 1969

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*FOR THE PRESIDENT ONLY*

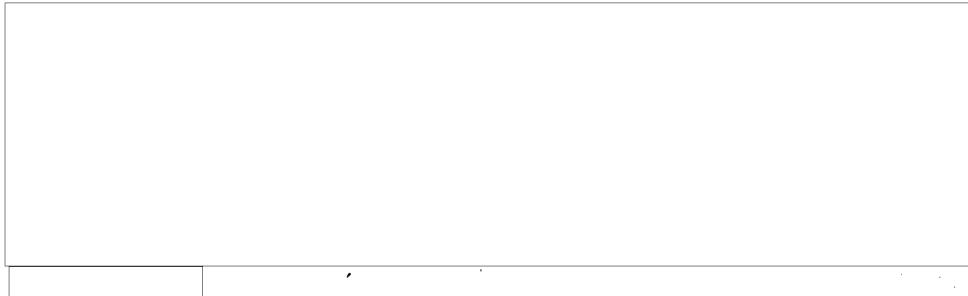
I. MAJOR PROBLEMS

VIETNAM

Da Nang was hit by heavy rocket fire last night. According to preliminary reports, one rocket landed in a civilian area, killing ten South Vietnamese and wounding 24. Nine other rockets struck military installations, causing apparently minor damage. Shelling attacks elsewhere in the country last night continued at a reduced level.

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\* \* \*

In recent days several of the enemy main force regiments that pulled back into base areas in late March have begun returning toward urban centers. It seems likely that these cities will be prime targets for shelling and probing attacks during the current offensive phase. In I Corps two regiments have moved into the lowlands just south of Da Nang, and another regiment has been detected in the immediate vicinity of Quang Ngai city. Northeast of Saigon, one Communist regiment has moved close to Xuan Loc, and in the delta a Viet Cong regiment has shifted to the outskirts of My Tho.

*FOR THE PRESIDENT ONLY*

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**SOVIET AFFAIRS**

We have no solid information to confirm press reports of  
clashes on the western segment of the Sino-Soviet border  
earlier this month. [redacted]

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[redacted] Military trans-  
port activity was also at a high level between 3 and 10 May.  
These developments could be related to border difficulties;  
they could also simply reflect a military exercise.

If anything happened, we don't believe the incidents  
were major. [redacted]

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[redacted] No alert procedures for  
Soviet forces have been noted, for example, and there has been  
no evidence of an increase in border reconnaissance flights.

Both the Soviet Ministry of Defense and the Chinese Em-  
bassy in Moscow have denied knowledge of border clashes.

\* \* \*

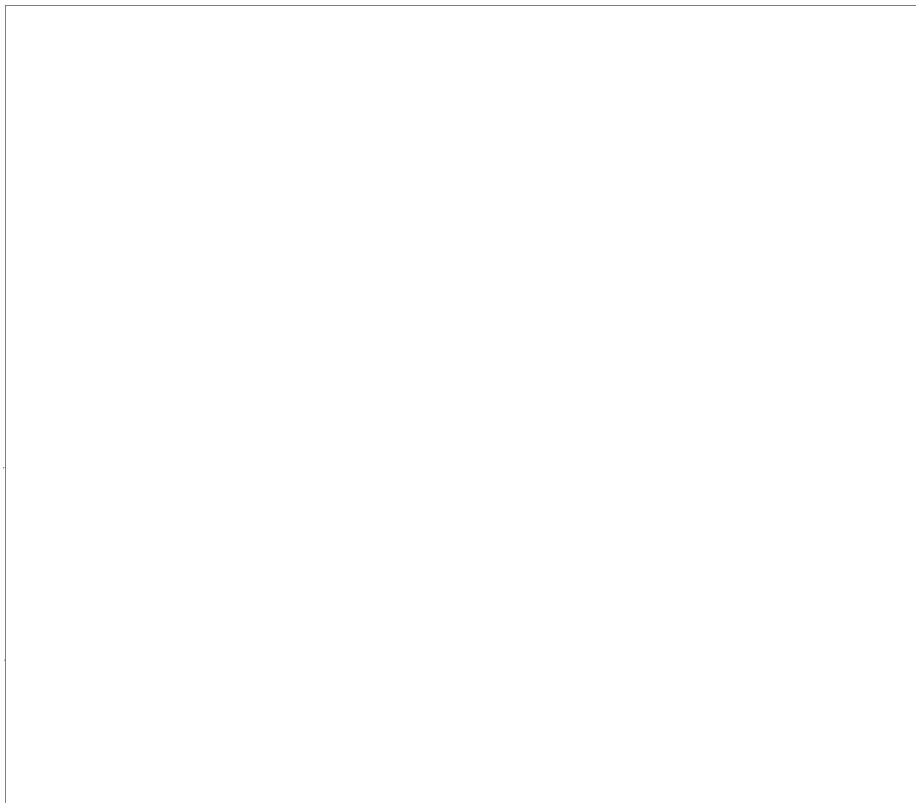
Early scan of the latest satellite photography shows the  
start of two new groups of SS-9 ICBM launchers at two of the  
six complexes for this missile system. Two other complexes  
were fully photographed but no new silos were seen. The two  
new groups, with six silos each, will bring the total number  
of operational SS-9 launchers in the force to 246 by early  
1971. Analysis of other photography from this satellite mission  
is continuing.

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EUROPE

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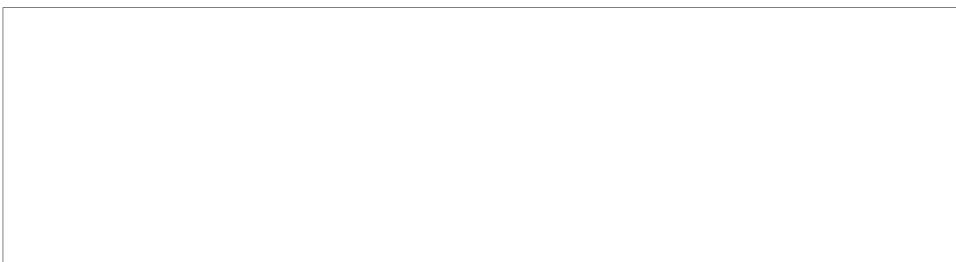
MIDDLE EAST

There is nothing significant to report.

**II. OTHER IMPORTANT DEVELOPMENTS**

HAITI

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**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

MALAYSIA

Tension between the Malay and Chinese communities--never far from the surface--has boiled over again in the wake of last weekend's general elections. Although the Alliance, composed of Malay, Chinese and Indian parties, retained its parliamentary majority, it received a severe setback. The greatest gains were made by another Chinese organization that patterns itself after Lee Kuan Yew's energetic Singapore party.

The moribund Chinese component of the Alliance, which took the heaviest losses, yesterday announced it will not participate in the cabinet, and the small Indian party may follow suit. This raises the possibility of an all-Malay cabinet, which can only feed Chinese resentment.

A curfew, imposed after yesterday's severe communal rioting, is now in effect in Kuala Lumpur, and precautionary measures have been taken in other parts of the country. It is not yet clear what spark ignited the violence, but Chinese reaction to Malay election celebrations probably was a factor. Although disturbances had lessened at last report, the situation is characterized by a senior police official as still "very grave."

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## *The President's Daily Brief*

*15 May 1969*

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*Top Secret*

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*FOR THE PRESIDENT ONLY*

I. MAJOR PROBLEMS

MIDDLE EAST

The Israeli raid late last month deep into Egyptian territory did not achieve much in terms of physical damage, but it apparently drove Nasir once again into a state of depression. He was already unhappy for a number of reasons: the duels on the Suez Canal were damaging the Egyptians far more than the Israelis, reports of Israeli nuclear developments were again surfacing in the world press, the four-power talks seemed to be making very little progress, and in Nasir's eyes at least, the policy of the new US administration did not seem all that different from its predecessor. On top of this, the Israeli raid rubbed Nasir's nose in one aspect of his country's very discouraging military situation: the vulnerability of Upper Egypt.

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[Redacted]

What this means for Egypt's foreign policy is hard to predict.

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[Redacted]

We still believe he is not inclined to mount any offensive action against the Israelis, since he almost certainly knows such action would be repulsed. (In this connection we note that there have been no Egyptian commando raids across the canal since the Naja Hamadi action.) He obviously is hoping that someone--the US or the four powers, for instance--will save his neck. He remains in a tight spot, however, and he shares the deep streak of fatalism common to most Arabs. A time could come when he decides that "he must do what he must do," regardless of the consequences.

#### EUROPE

Interim President Alain Poher's decision to run for the presidency in the 1 June election will offer a sharp challenge to Pompidou. A recent poll by the reputable Institute of Public Opinion, taken before Poher's announcement Monday, gave him 45 percent against Pompidou's 36 percent on a second runoff ballot. Nineteen percent expressed no opinion. Poher has become the front-runner, not only by rallying most of the left and center, but also by cutting into the Gaullist segment of the electorate.

**FOR THE PRESIDENT ONLY**

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Pompidou's advisers claim that they doubt the poll's accuracy [redacted]

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[redacted] Not the least of the Pompidou camp's worries is that Poher is proving a difficult target to hit. He had no national following when he took over as interim president, but his careful political tactics in office have paid off in gaining him support as an acceptable alternative to Pompidou. He also represents the kind of "normalcy" for which many Frenchmen yearn after 11 years of De Gaulle.

The final list of official candidates, to be published today, will also include Socialist Deferre, Communist Duclos, and at least two other minor leftists. The campaign itself opens tomorrow.

### VIETNAM

The tempo of enemy-initiated action has tapered off throughout South Vietnam, but there are new signs of impending attacks, especially in I Corps. The Communists have been moving in large quantities of arms and supplies in preparation for this effort. [redacted]

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\* \* \*

The initial reaction among officials in Saigon to President Nixon's speech was overwhelmingly favorable, according to press reports.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

### SOVIET AFFAIRS

There is nothing significant to report.

## II. OTHER IMPORTANT DEVELOPMENTS

### MALAYSIA

Serious rioting by Malay and Chinese mobs continued today in Kuala Lumpur. At last report Malay youths and government troops were engaged in a pitched battle in the city's university section, according to the press. Casualties apparently are high.

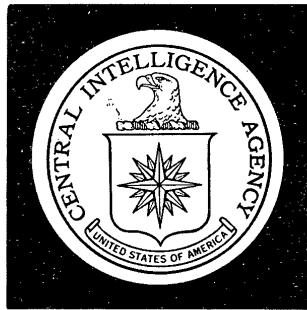
The Indian component of the triparty government Alliance has implied that, unlike its Chinese counterpart, it will remain in the cabinet. The Indian group is the smallest of the three Alliance parties. Prime Minister Rahman doubtless welcomes its support, but the Indian stand is far from adequate compensation for the departure of the Chinese from the Alliance.

### LAOS

Communist forces in the northeast have been the object of heavy air strikes, but there are fresh signs that the enemy is preparing to move against certain government positions there. There are only a few weeks left, however, before heavy rains begin to make ground operations difficult. It thus seems doubtful that the Communists at this late date intend to undertake major and wide-scale offensive action.

*FOR THE PRESIDENT ONLY*

*Top Secret*



## *The President's Daily Brief*

16 May 1969

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*FOR THE PRESIDENT ONLY*

I. MAJOR PROBLEMS

VIETNAM

The Vietnamese Communists are being cautious in their initial reaction to the President's speech. A pro forma denunciation of the proposal for a mutual troop withdrawal was made by a Liberation Front spokesman in Paris but this was apparently intended to buy time while the entire package was studied in Hanoi. Radio Hanoi did not comment in the first 24 hours and the head of the North Vietnamese delegation in Paris cancelled a scheduled public appearance in Sweden, probably to participate in consideration of the content and format of the official response. First reactions from the rest of the Communist world have been perfunctory and limited to the press; more authoritative reaction will await further study and a cue from Hanoi. Predictably there has been no reaction from Peking.

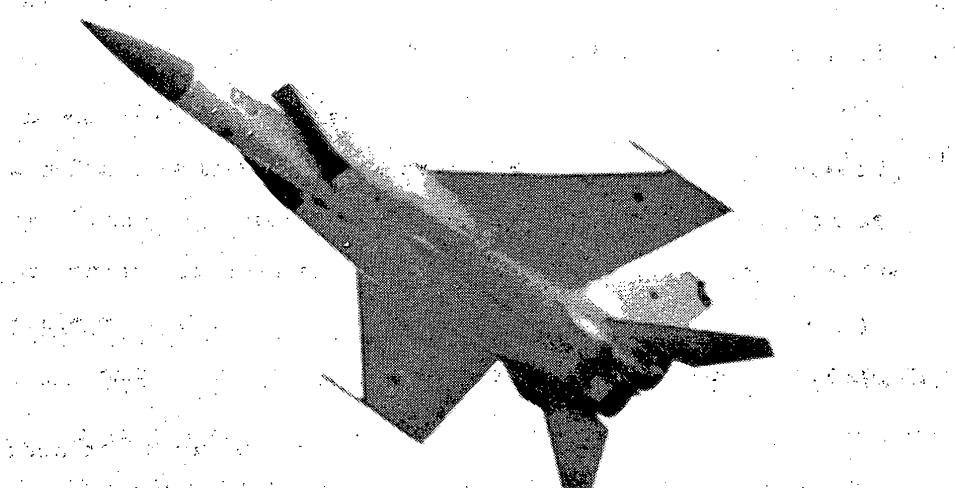
Most South Vietnamese political figures echoed President Thieu's prompt endorsement of the speech and the proposal for mutual troop withdrawals was received enthusiastically. The press in Western and uncommitted countries, as well as the governments, has been studying the speech and editorial comment is still sparse.

\* \* \*

The tempo of enemy-initiated military activity continued to decline and was at a lower level today than yesterday.

*FOR THE PRESIDENT ONLY*

## Soviet FOXBAT Interceptor Believed in Limited Production



~~TOP SECRET~~

50X1

Length	65 feet
Span	44 feet
Gross weight	65,000 pounds
Combat radius	420-800 nm*
Maximum speed	1700 knots
Combat altitude ceiling	75,000 feet
Armament	13,200 pounds

\*Range varies with armament, speed, and altitude. External fuel tanks may add 160 to 300 more miles.

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*FOR THE PRESIDENT ONLY*

EUROPE

An early resumption of the run on the mark is a strong possibility. Although Bonn's proposed measures to counter speculation are virtually certain to be approved by the Bundestag, failure to present a more credible package reflects a deep division in the governing coalition. The relatively small outflow of foreign funds this week suggests that big speculators remain convinced that Bonn will have to revalue eventually.

The anemic domestic restraints announced by the government are not likely to slow down the rapidly developing domestic boom. More severe deflationary measures, however, would inevitably increase the already excessive foreign trade surplus and choke off some of the exports of long-term capital that have thus far balanced the foreign accounts. It is thus probably only a question of time before the authorities will have to resort to revaluation as the sole remaining alternative to severe domestic inflation, a prospect even more distasteful to the population than revaluation.

SOVIET AFFAIRS

Eight "Foxbat" fighters were seen in satellite photography of a week ago at the airframe plant in Gorkiy. This would indicate that the aircraft is now in limited production--not unexpected in view of the extensive testing which took place during the past year.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

The Foxbat, one of the largest fighters the Soviets have developed, holds world records for speed and altitude. It probably will be used as an interceptor, tactical strike and reconnaissance plane. It is the most expensive fighter that the Soviets have produced and may be delivered to operational units more slowly than other models.

### MIDDLE EAST

U Thant is considering setting up a special three-man team to study the refugee question, as a companion effort to the four-power search for the outlines of a peace settlement. He mentioned Robert McNamara as a possible US member. Thant thinks a resettlement plan might be built around a long-range economic development program which keys development to absorption of refugees. In any event, he believes it would be unrealistic to expect Israel to take back all the refugees.

## II. OTHER IMPORTANT DEVELOPMENTS

### MALAYSIA

Despite heavily reinforced security forces, the situation in Kuala Lumpur and vicinity remained tense today. Numerous large fires were seen as of noon (local time) and new ones were being reported at the rate of several an hour. There was also scattered gunfire and a tear gas barrage. Prime Minister Rahman is said to have left for the State of Malacca, where a continuous curfew has been imposed but there is no information of a worsening situation.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

Yesterday, Rahman, blaming Peking for much of the trouble, announced plans for a "national defense force" and invited youth to join "the forces to defend the country against the terrorists." This scarcely veiled call for Malay vigilantism will cause new apprehension among the Chinese, who know that to the Malays, "terrorist" means Chinese.

Furthermore, the suspension of the elections in East Malaysia (Borneo) raises the possibility of disorders spreading to that area. Their outcome would not in any event have affected the government party's majority in parliament, and their postponement will merely fan already strong sentiments for autonomy, particularly in Sarawak.

#### IRAN-CONSORTIUM

Iran has accepted the consortium's package proposal of about \$930 million in oil revenue and about \$80 million in an interest-free advance payment. This adds up to a little more than the \$1 billion the Shah had demanded for the year which began on 21 March. The advance payment is to be repaid next year, but the consortium has agreed to consider similar advance payments for each of the three years left in Iran's five-year development plan. Despite this, we expect increasingly hard bargaining in the years to come, as the gap between Iranian demands and consortium production estimates widens.

The settlement will doubtless inspire Arab oil states to push for matching hikes in revenues and benefits.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

CHILE

Although presidential elections are sixteen months away, precampaign politicking is seriously dividing President Frei's Christian Democratic Party. A number of leftist leaders and the leaders of the youth group resigned from the party last week because the party assembly voted to run its own presidential candidate rather than join with the Communists and Socialists behind a "popular unity" candidate.

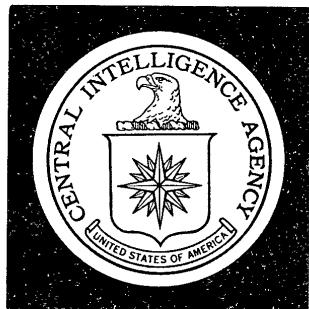
The Christian Democratic candidate will be named this summer. His major task will be to unite the left--the Christian Democrats and all others--particularly on the problems of economic and social development. Radomiro Tomic, former ambassador to the US, remains a possibility. He has stated that he would not run without Communist and Socialist support, however, and both those parties have repudiated him.

Thus far, only one issue has been surfaced that all leftists seem to agree on--the nationalization of the US copper companies. Frei has been trying to avoid such drastic action, offering instead a complicated formula giving the government a greater share of the companies' revenues. The exigencies of politics, however, may force him to accept legislation that goes beyond the limits his plan sets.

Whoever the Christian Democratic candidate is, he probably will face formidable opponents in conservative ex-president Alessandri and pro-Castro Socialist Senator Allende. The Radical Party has not yet decided whether to field its own candidate, and probably will wait to see who the Christian Democrats pick.

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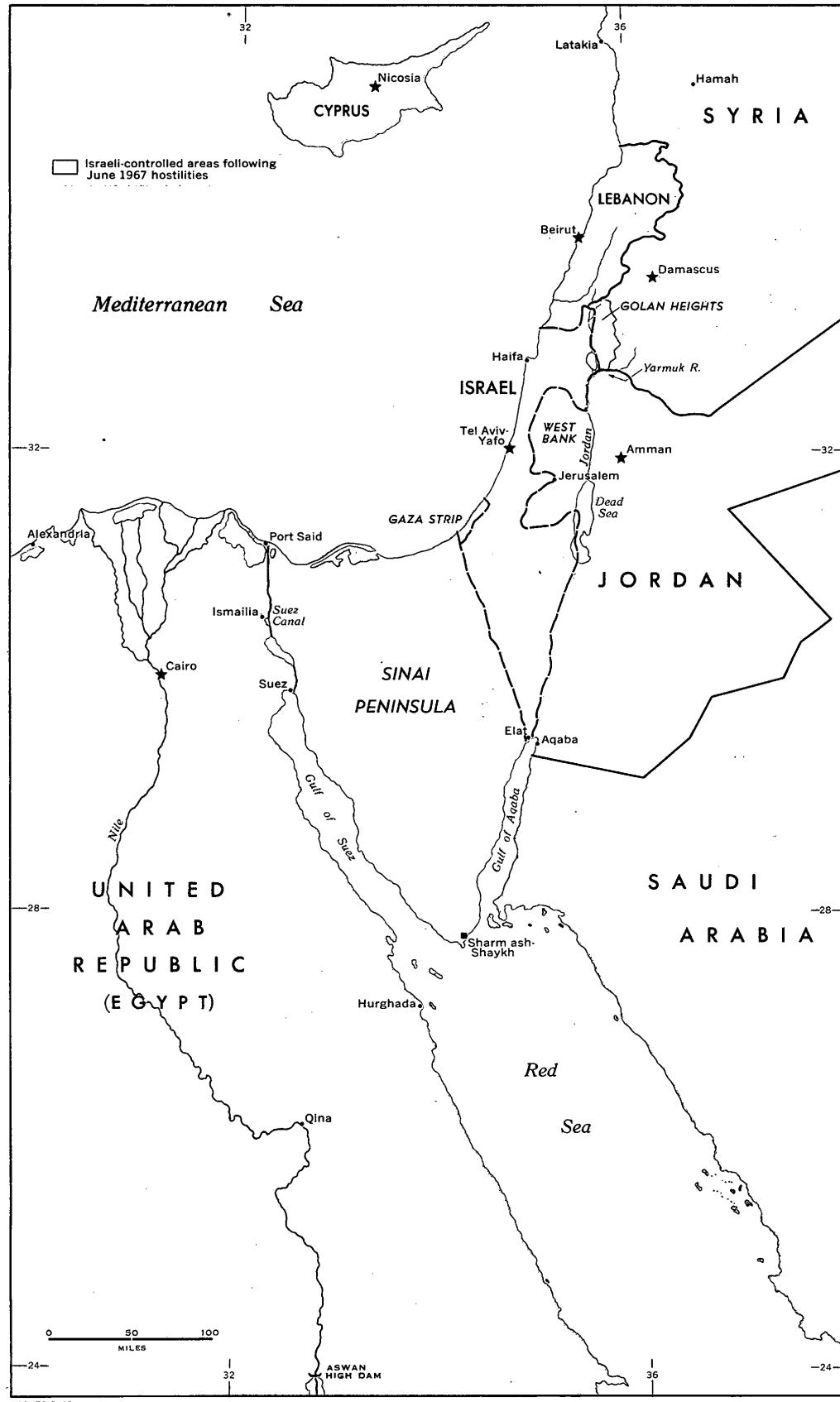


# *The President's Daily Brief*

*17 May 1969*

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**FOR THE PRESIDENT ONLY**

## I. MAJOR DEVELOPMENTS

### MIDDLE EAST

The Israelis have asked General Bull to inform Cairo that the situation along the Suez Canal is "no longer acceptable" and that Israel "will now take steps to correct it."

Tel Aviv has long been making it known in public and private that the duels across the canal are causing unacceptable numbers of Israeli casualties. Barring a significant and highly visible de-escalation by the Egyptians, retaliation of some sort probably is to be expected. The Israelis face a real dilemma, however, in deciding on the form of retaliation. A cross-canal operation to silence the Egyptian guns, for instance, would produce a painfully long Israeli casualty list. Moreover, one of the main Israeli arguments against the four-power talks is that the Middle East crisis shows no sign of getting out of hand, and they probably are reluctant to call this assertion into question by mounting a large-scale strike.

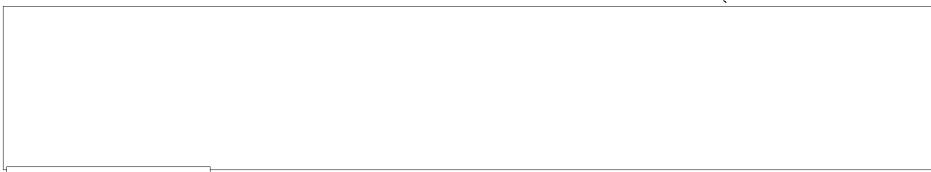
Another commando raid into the Egyptian heartland is perhaps a better possibility. Here the problem for the Israelis would be to make sure that the raid caused more damage than the one late last month.

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VIETNAM

Communist military activity again tapered off last night, with only minor and scattered shellings reported.

Another surge is expected shortly in many areas, however. A wide variety of reports [redacted] have mentioned

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attacks in connection with Ho Chi Minh's birthday on Monday the 19th. We anticipate this round to follow the familiar pattern of widespread shellings and limited ground assaults which has marked Communist activity over the past few months.

\* \* \*

South Vietnam's Foreign Minister Thanh clearly has major reservations about some points in the President's speech.

This attitude apparently is shared by others in Thieu's entourage, judging from the cautiously worded endorsement issued by Thieu's office. By noting that the eight points "are compatible with" Thieu's six points and by stating that the GVN will "study" the eight points, the GVN has demonstrated its reserve.

Thanh has already asked Secretary Rogers whether the elections contemplated in the President's address would take place under the present constitution or whether "exceptional" elections which would be somewhat closer to the idea contained

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

in the NLF's ten points were contemplated. The same issue evoked statements of concern from several members of the National Assembly who see their positions threatened in any arrangement which calls for new national elections to form a new government or constitution.

Thanh also raised a question about "designated base areas," into which North Vietnamese troops would be grouped. Thanh wanted to know whether these areas would be in populated regions which thus would be removed from GVN control or whether they would be in unpopulated areas. The foreign minister went on to voice his concern that if substantial numbers of North Vietnamese troops remained in the country at the time of elections, they would have a great influence through agents, friends, and relatives.

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**SOVIET AFFAIRS**

The Husak leadership in Czechoslovakia has banned two prominent liberal publications, suspended three more, and forced the replacement of the editors of several others for not heeding previously imposed restrictions. The crackdown was announced while Husak was in Budapest--probably a deliberate bit of timing to underscore the growing effectiveness of his domestic controls.

As a further nod to Moscow, the regime has reshuffled personnel in the Ministry of Interior's party committees in order to tighten control over the security and police apparatus.

Husak will be looking for an opportunity to wangle concessions from the Soviets. Withdrawal of some troops or a

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*FOR THE PRESIDENT ONLY*

hard currency loan would make his regime more palatable to the public. Husak's chance may come soon if Grechko and Deputy Premier Baibakov soon visit Prague, as reported.

\* \* \*

The Soviets may soon conduct more long-range tests of the SS-9 carrying multiple re-entry vehicles. Four Soviet missile range instrumentation ships are moving into the north Pacific impact area where two similar tests were carried out last month.

#### **EUROPE**

There is nothing significant to report.

### **II. OTHER IMPORTANT DEVELOPMENTS**

#### **NORTH VIETNAM - LAOS**

North Vietnamese Ambassador Hien, in an unusual departure from Hanoi's long-standing policy of avoiding official contact with the Souvanna government, called on Souvanna on 14 May. Although from what we have learned of the session, Hien does not seem to have broken any new ground, the meeting itself may be a sign that Hanoi is maneuvering toward a Laos settlement.

The North Vietnamese may be thinking in terms of first steps toward a settlement among the Laotian factions, outside the venue of the Paris negotiations. In doing so, the

*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

Communists would be undercutting the US position that the problem of North Vietnamese troops in Laos must figure prominently in any settlement on Vietnam.

**MALAYSIA**

The Malaysian Chinese Association, which withdrew from Prime Minister Rahman's cabinet on Tuesday, now says it will rejoin the government. This may help to ease the situation somewhat, but the association is weaker, both in the legislature and within the Chinese community, than it was before the elections last Saturday. It is not clear what role, if any, the association will play in the government's efforts to restore order.

Rahman and his colleagues have given the strong impression that they have ruled out an accommodation with any Chinese. This certainly seems true with regard to the Chinese opposition parties, which did so well in the elections and are more in tune with the average Chinese in Malaysia than the upper class Malaysian Chinese Association. These parties have appealed publicly for an end to the violence but claim the government has shown no interest in enlisting their help.

Unless the gap between the Malay leaders of the government and leaders of the Chinese community can be rebridged, Malaysia's outlook will be bleak.

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## *The President's Daily Brief*

19 May 1969  
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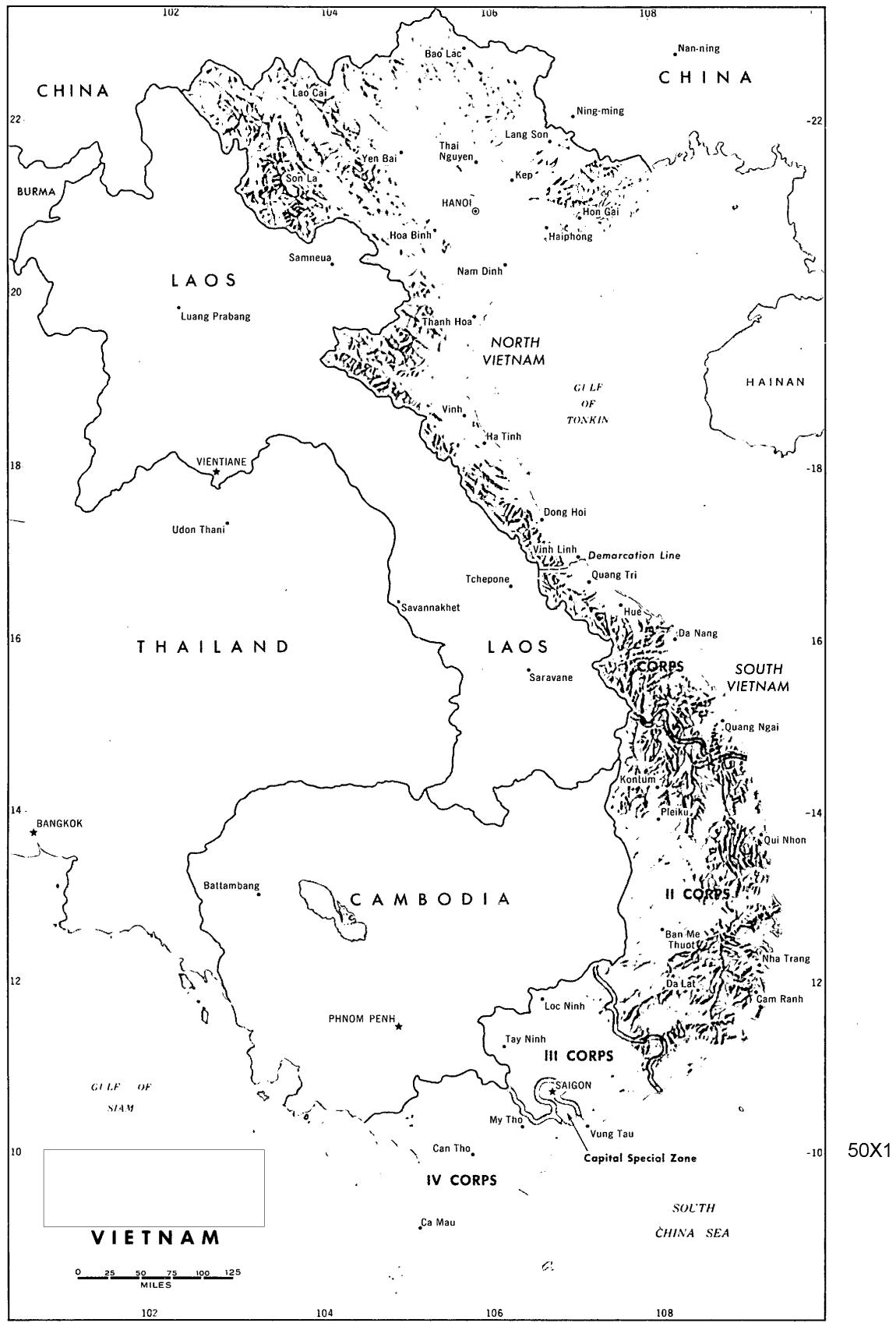
I. MAJOR PROBLEMS

VIETNAM

Hanoi's first authoritative and substantive response to President Nixon's Vietnam address was issued Saturday in a lengthy commentary in Nhan Dan, the party daily. Although it is predictably negative in tone, the commentary, like Communist statements in Paris, does not reject outright any of the President's proposals. In fact, it appears to invite further dialogue by highlighting what Hanoi considers are the central issues and pointing out which features of the US package the Communists object to and why.

The statement focuses on the issues of future political arrangements in South Vietnam and troop withdrawals. As in the Front's ten points, the burden of Hanoi's argument is that the US, as the interloper in South Vietnam, must withdraw completely so that the Vietnamese can organize themselves free from outside coercion and interference. Once this realistic point is made, Hanoi goes on to voice doubts about the US proposal for eventual movement of American troops into designated areas. The statement expresses Hanoi's fear that these troops will continue the "military occupation" of South Vietnam as part of the American plan for a political solution.

Hanoi clearly finds Washington's formulations on general elections the most unacceptable of the eight points. The commentary contends that not only did the President ignore the idea of a coalition government, but, in demanding that any



*FOR THE PRESIDENT ONLY*

future participants in the political process in South Vietnam renounce the use of force, he in effect called for a unilateral Communist disarmament while American troops remain in the South and the South Vietnamese Army continues intact. This, Hanoi charges, is tantamount to a Communist surrender to Saigon. On the other hand, the North Vietnamese may have attempted to inject a note of moderation into their handling of the President's declaration that the US has ruled out a military solution in Vietnam. The President's declaration is pointedly acknowledged early in the commentary, which thereafter refrains from repeating the standard propaganda line that the US is intensifying the war.

The Liberation Front's statement, issued a few hours after the Nhan Dan article, is by contrast more strident and polemical. It flatly asserts that the President's initiative is not a "suitable answer" to the NLF's ten points, that it contains nothing constructive, and that it demonstrates a lack of good will. But, like Hanoi, the Front avoids an outright rejection of the US proposals. The NLF clearly is in the role of propagandist while Hanoi is the interlocutor, at least in this first round of Communist responses.

\* \* \*

The level of violence increased over much of South Vietnam during the weekend. The Communists launched a heavy ground attack on the capital of Long Khanh Province, and several small but sharp fights flared in I Corps, where Communist regulars seem to be getting ready to step up the tempo of action even further.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

### MIDDLE EAST

Ex-Premier Karami and President Hili apparently have reached an understanding on the fedayeen. This should clear the way for an attempt by Karami to form a new government. We assume the understanding is based on the proposals Hili was planning to make to Karami late last week, under which the fedayeen would be allowed to stay in southeastern Lebanon but would agree not to mount operations against Israel from there. Lebanese troops would have secret orders to take action against any terrorists who get out of line.

This arrangement obviously would be extremely fragile. It is not even certain that the Lebanese Muslim community would stick behind Karami once the restraints to be placed on the fedayeen became widely known. Moreover, even if the Muslims held firm, Karami's delicate position would be undermined if the fedayeen became so recalcitrant as to force the army to move against them. The agreement thus depends ultimately on the willingness of the fedayeen to keep out of trouble with the army, and this kind of self-restraint has always been in short supply among them.

### EUROPE

The latest poll by the French Institute of Public Opinion shows that on the first ballot Pompidou is down 2 percent (to 41 percent) and Poher up 3 percent (to 37 percent). In addition to indicating a further swing to Poher, this result implies that in the run-off Poher would win by a considerable margin.

*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

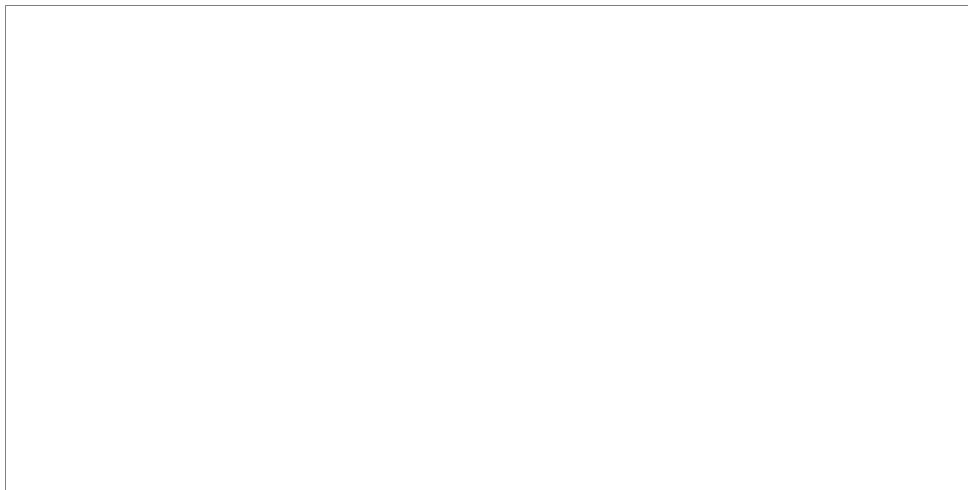
**SOVIET AFFAIRS**

President Kekkonen and Premier Kosygin are scheduled to meet in Leningrad today. Their primary topic is expected to be a European Security Conference. The idea for such a conference was first proposed at the Budapest meeting of the Communist parties of Eastern Europe and the USSR in March. Recently Finland took it up (whether at Soviet or Finnish initiative is not clear) and sent out a memorandum suggesting Helsinki as the site, participation of the US and both Germanies, with the "German question" a prime subject of discussion. No date was mentioned and, while Kosygin will undoubtedly encourage the Finns to persist in their efforts on behalf of the conference, it is unlikely that Moscow desires to push now for a specific time.

**II. OTHER IMPORTANT DEVELOPMENTS**

**MALAYSIA**

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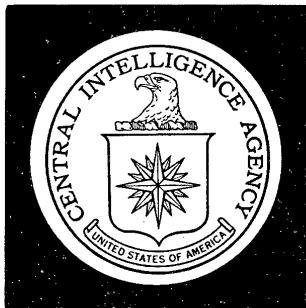
*FOR THE PRESIDENT ONLY*

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Although the disturbances in Kuala Lumpur have quieted, scattered incidents of looting and arson are still occurring. The government is still not showing much interest in healing the breach between the communities. It has now set up armed vigilante groups--most of them Malay--to supplement the police and the army.

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## *The President's Daily Brief*

*20 May 1969*

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*FOR THE PRESIDENT ONLY*

## I. MAJOR PROBLEMS

### VIETNAM

Enemy-initiated activity was generally light over the past 24 hours, but Communist forces in many parts of the country continue to prepare for attacks. Although there are no significant new indications bearing on the timing of the enemy's next offensive phase, the possibility of another flare-up like the one on 12-13 May remains high.

### EUROPE

German tongues are loosening up as elections come closer and the difficulty of living together until that date begins to tell on the grand coalition.

Chargeé Fessenden talked separately last week with Helmut Schmidt, SPD leader in the Bundestag, and his CDU counterpart, Rainer Barzel. Barzel commented inter alia that coalition relations had been strained both by the bitter debate on revaluation and over the attitude Bonn should take toward Cambodia's recognition of East Germany. From his talk with Schmidt, Fessenden gained the impression that indeed the coalition had been strained, primarily because the SPD does not feel the CDU substitute measures for revaluation will be effective. Schmidt felt, however, that the issue would not cause a crisis between the coalition partners.

On the subject of European integration, Schmidt expressed the opinion that the two parties are on the same "basic wave

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length" and De Gaulle's departure makes it less of an election campaign issue. Barzel agreed that integration should not play a part in the campaign, but he expressed the fear that Brandt might take an initiative designed to inject it into the election. Both men continue to favor UK entry into the Common Market but neither expects it to happen quickly or easily.

Despite these strains in the coalition, the member parties will probably hang together until the elections, even though the government will be able to accomplish little of significance.

#### MIDDLE EAST

There is nothing significant to report.

#### SOVIET AFFAIRS

There is nothing significant to report.

### II. OTHER IMPORTANT DEVELOPMENTS

#### TURKEY

The military is exerting strong pressure to prevent passage today of a constitutional amendment restoring full political rights to those ousted by the military coup nine years ago. [redacted] 50X1  
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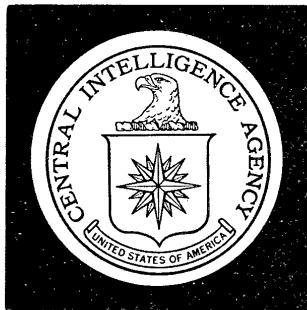
*FOR THE PRESIDENT ONLY*

The beneficiaries of the amendment would be the faction led by former President Bayar in Prime Minister Demirel's Justice Party. (Bayar and his associates, while now permitted to belong to a political party, are still proscribed from running for office.) Demirel had been dragging his feet on introducing the bill, advocated not unnaturally by the Bayar faction, until opposition leader Inonu forced his hand by coming out for it ten days ago.

The odds are that the military's muscle flexing will be enough to persuade the Senate either to shelve the bill or defeat it. The military would probably much prefer to remain in the background, serving as the final arbiter on crucial decisions, but allowing the Demirel civilian government to continue doing most of the country's official business.

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## *The President's Daily Brief*

*21 May 1969*

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**FOR THE PRESIDENT ONLY**

## I. MAJOR PROBLEMS

### VIETNAM

As we suspected, there was more to the recent conversation between Prime Minister Souvanna and North Vietnamese Ambassador Hien than Souvanna passed on to his cabinet.

Under some prodding from Chargé Hurwitch, Souvanna admitted he told Hien that US bombing in Laos would cease if North Vietnamese troops pulled back to border areas--not necessarily into North Vietnam itself. When Hurwitch noted that infiltration routes to South Vietnam run through such border areas, Souvanna stated that the US could continue to bomb the trails. The prime minister "smiled enigmatically" when Hurwitch tried to pin him down further.

Souvanna also said he expected to see Hien again before the ambassador returns to Hanoi next week, and implied that Hien might before then have some response from Hanoi to Souvanna's proposals.

Hurwitch believes that Souvanna still has not revealed all that transpired with Hien, and that the prime minister's negotiating position is a good deal more flexible than his public one, which calls for a complete withdrawal of North Vietnamese troops from Laotian soil as a precondition for a Lao settlement.

### MIDDLE EAST

The Christian and Muslim communities in Lebanon, further polarized over the fedayeen issue, are arming themselves.

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Already well supplied with small arms, they are now seeking heavier weapons. In the current atmosphere of mutual antagonism, it would not take much of an incident to set things going. The US Embassy estimates that the Muslims, along with the fedayeen and Palestinian refugees, may have the preponderance of arms, but in the event of civil war the Christians would be better organized and might have greater access to army weapons.

### EUROPE

A communiqué issued last Friday was the first indication that a group of 30 "democratic socialist and other leftist" European politicians from the Common Market six, plus Britain, had met earlier this month in the Netherlands to discuss formation of a European political party. The conference was held at the initiative of one Vredeling, a Dutch Labor Party member of parliament, with the support of some West German SPD members. This was the first serious discussion in recent years of the need for a supra-national party base for the European integration movement. Vredeling referred to the increasing number of "European" issues which require political action--direct election of the European parliament, enlargement of the communities, and suspension of Greece from the Council of Europe. A working group of three was set up to prepare for a second meeting in October.

### SOVIET AFFAIRS

There is nothing significant to report.

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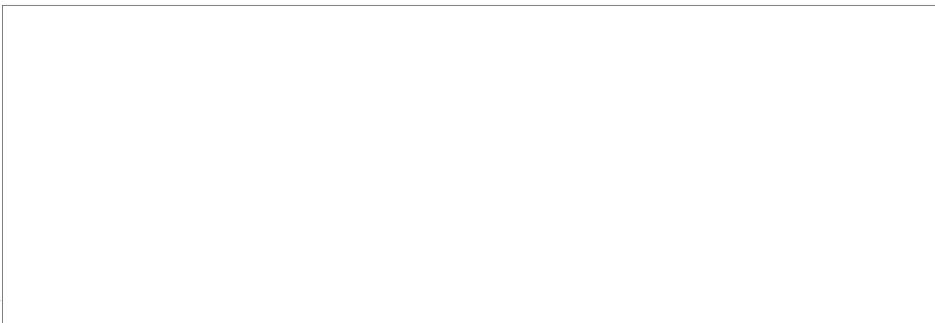
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## II. OTHER IMPORTANT DEVELOPMENTS

### MALAYSIA-SINGAPORE

The emergency cabinet announced yesterday in Kuala Lumpur will play little more than an advisory role to the Malay-dominated Operations Council, which has assumed all governmental power. Nonetheless, the nation's Chinese will not miss the message of its composition--all portfolios but two went to Malays, and the exceptions were Indians. Four Chinese, two of whom previously held cabinet posts, were named to "special functions" in the cabinet, not further identified.

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With the lessening of incidents, curfews are gradually being relaxed. The official count of 152 killed in the week-long rioting appears to be running far behind the actual number.

In Singapore, security forces have been put on alert after scattered clashes between Chinese and Malays there. While criminal elements may have been largely responsible for these incidents, the troubles in Kuala Lumpur have undoubtedly sharpened racial tensions in Singapore as well.

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PERU

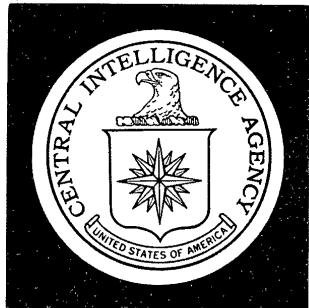
The government issued a communiqué last night calling for withdrawal of US military missions from the country and stating that the scheduled visit of Governor Rockefeller on 30-31 May would be "inopportune." The communiqué was released after a cabinet meeting called to discuss the suspension of US military sales, made public following seizure of a US fishing boat last week. The public disclosure of the suspension has apparently enabled those in the Peruvian armed forces who want to replace US military missions with French advisers to prevail over those opposed to such a move. Four admirals who had been invited to a farewell dinner honoring the US naval attaché declined the invitation without explanation an hour before the communiqué was issued. Ambassador Jones had been giving serious consideration to recommending cancellation of the Rockefeller visit, in any event, on the basis of the problem of providing adequate security.

TURKEY

The Senate met for some two hours yesterday but never reached the question of the constitutional amendment opposed by the army. On finding that a quorum no longer existed after a discussion of minor agenda items, it adjourned. It is uncertain whether another session will be held today but until the issue is resolved or abandoned, the political situation will remain unsettled.

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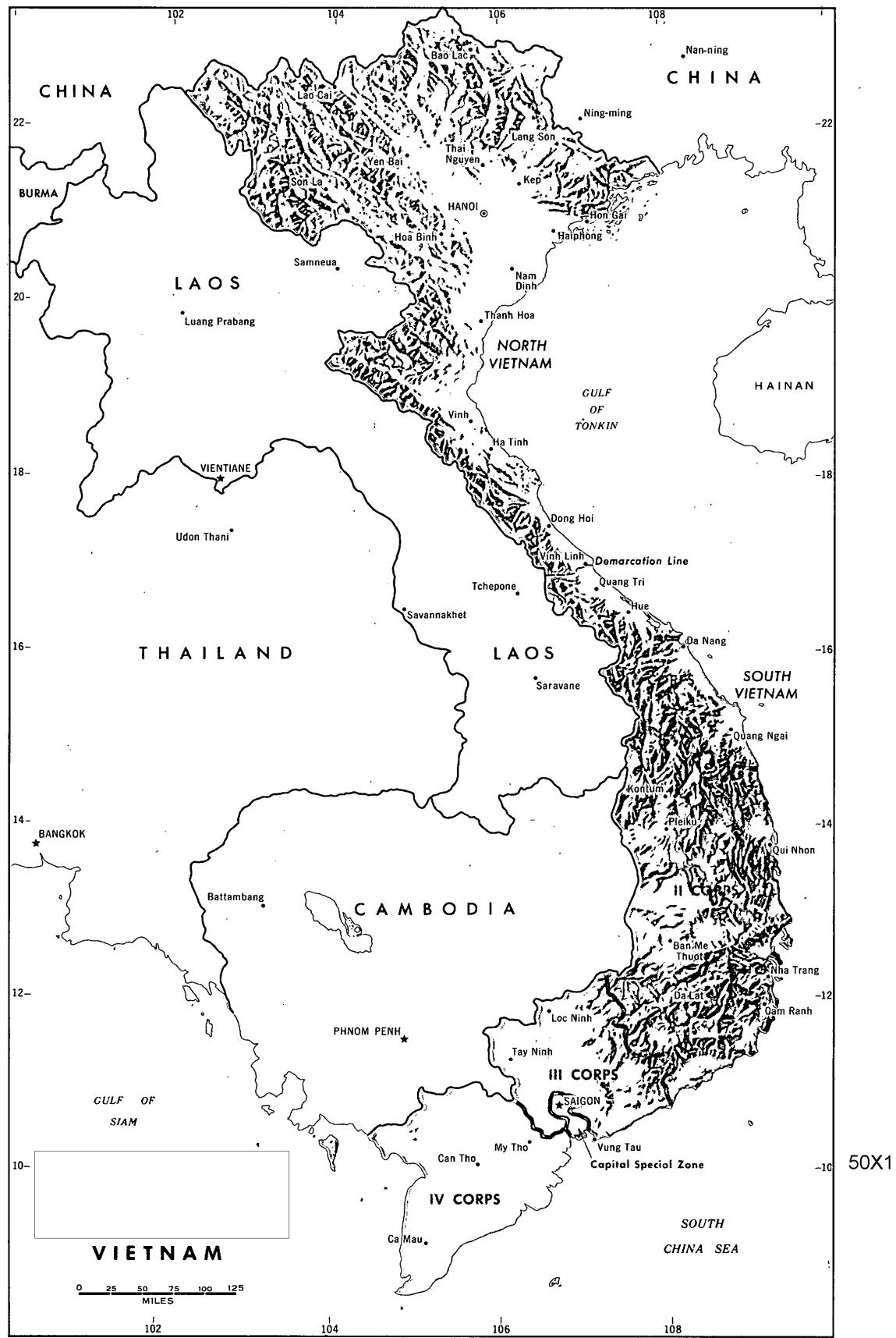
## *The President's Daily Brief*

*22 May 1969*

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*FOR THE PRESIDENT ONLY*

I. MAJOR PROBLEMS

VIETNAM



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In a backgrounder for the American press corps on 17 May, President Thieu put forward a flexible line on the key issue of Communist participation in elections and in the government. He ruled out any interim or coalition government prior to free national elections, but he opened the door to discussions with the Communists on the modalities of arranging such elections.

Thieu also stated publicly for the first time his willingness to abide by any decision made by the voters, even if they chose a coalition government or a pro-Communist government. He pointed out to the press corps that such a government could amend or change the constitution and follow a policy of neutrality or any other policy it might choose.

*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

Thieu probably calculates that by expressing a willingness to go along with a coalition or pro-Communist government he will reduce American press criticism of his attitude toward the talks. At the same time since he feels the Communists will not quickly accept any arrangements he might propose for holding elections, he probably thinks this maneuver will win him more time to prepare a political organization to compete with the Communists.

#### MIDDLE EAST

The Israelis used a large number of aircraft and tanks in yesterday's attack against a terrorist base in Jordan. They always use a striking force that is big enough to do the job with minimal losses, but this time they may have been especially interested in reminding the Arabs of Israeli muscle. We suspect they chose a target of only moderate importance in order to minimize the risk of escalation.

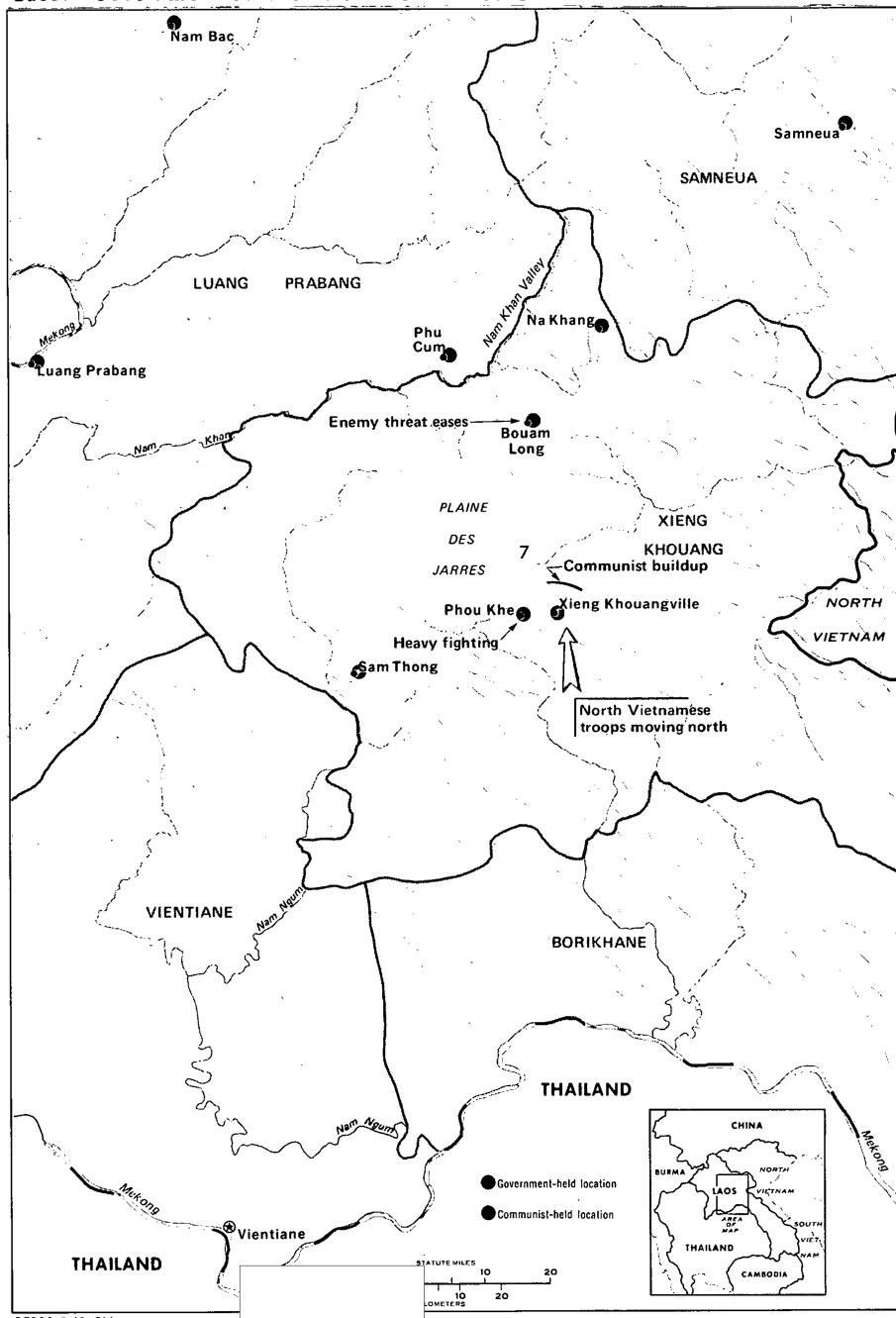
The Israelis have shown a willingness in recent weeks to engage in harsher reprisals, and further serious clashes are sure to occur.

#### SOVIET AFFAIRS

Late yesterday the Soviets conducted their third extended-range flight test of an SS-9 ICBM carrying multiple re-entry vehicles. As in the two previous tests in April, three re-entry vehicles were carried by the ICBM some 5,100 miles from Tyuratam to a Pacific impact area. Four Soviet

**FOR THE PRESIDENT ONLY**

## Laos: Government Counteroffensive Blunted South of Plaine des Jarres



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missile range instrumentation ships, which we noted earlier were moving to the impact area, monitored the re-entry phase of the test.

**EUROPE**

There is nothing significant to report.

**II. OTHER IMPORTANT DEVELOPMENTS**

**LAOS**

The Communists seem to have begun a major effort to regain positions south of the Plaine des Jarres lost during the government's current counteroffensive. North Vietnamese troops have overrun a number of positions on Phou Khe, a highpoint overlooking the Xieng Khouangville area captured by government guerrillas in April. Two North Vietnamese battalions were recently deployed into the Phou Khe - Xieng Khouangville vicinity, and villagers report that additional reinforcements have moved in from the north. The Communists apparently hope to redress their situation before monsoon rains make the going more difficult.

The Communist threat may force Meo leader Vang Pao to curtail his ambitious plans to capture the southern half of the Plaine des Jarres. Government guerrillas last week captured a number of Communist positions along the southern edge of the Plaine and almost 1,000 troops are to be moved into position to harass Communist logistic movements along Route 7.

*FOR THE PRESIDENT ONLY*

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North of the Plaine, the threat against a number of government guerrilla outposts appears to have eased in recent days.

**PERU**

The government is now likely to speed up moves already under way to strengthen military ties with West European countries. A high-level military mission left a few days ago for France and other European countries. This visit was scheduled before the public disclosure of the suspension of US military sales to Peru. [redacted]

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**TURKEY**

As we suspected it would, the Turkish Senate yesterday yielded to the army's bluster. The constitutional amendment which would have restored political rights to certain politicians who were anathema to the military has now been shelved indefinitely.

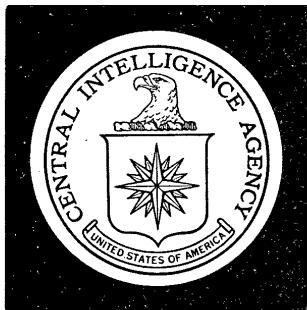
**NORTH KOREA**

Satellite photography [redacted] shows that the Pueblo is probably no longer at Najin, near the Soviet border, where it has been since shortly after capture and at least until early this month. The North Koreans may either have moved the Pueblo to a port or naval base elsewhere on the east coast or-- less likely--turned the ship over to the Soviet Union.

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23 May 1969

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I. MAJOR PROBLEMS

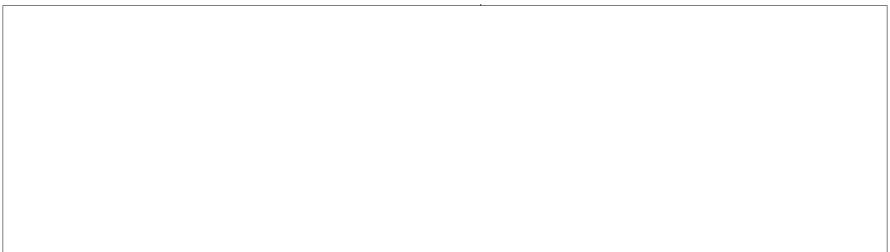
SOVIET AFFAIRS

Satellite photography over the period [redacted] shows [redacted] 50X1  
no new ICBM groups in the Soviet Union.

This mission, plus its predecessor [redacted], has 50X1  
provided extensive photographic coverage of all six SS-9  
complexes. [redacted] 50X1



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The Soviets are working hard to narrow areas of difference with other Communist parties as 5 June, the day the world conference of Communist parties is supposed to begin, approaches. Representatives from some 70 parties are now gathering in Moscow for a final preparatory session. Several parties--most notably the Rumanian--still have strong reservations about some of the documents which

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are to be approved at the June meeting. Nevertheless, differences among the parties will probably be papered over enough to permit the conference to open on schedule.

**EUROPE**

Franz-Josef Strauss has staked out his position on the question of Europe's organization in the post - De Gaulle era. During his visit to London this week he advocated immediate steps toward European federation. He urged that negotiations to admit Britain to the European Communities be started right after the French elections, and he topped this by asserting that moves toward political union should not have to wait until full British membership in the Communities is achieved. Strauss also proposed that the French and British nuclear weapons arsenals be pooled as a first step toward a European nuclear force.

The British Government and press, not surprisingly, have welcomed these comments, although Prime Minister Wilson did react negatively to Strauss' proposal for the pooling of French and British nuclear weapons.

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The Pompidou forces are hammering away at one of the few chinks they have found in Poher's armor: they are trying to persuade the election-weary French populace that

**FOR THE PRESIDENT ONLY**

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a Poher victory would inevitably lead to the dissolution of the Gaullist-dominated Assembly and yet another round of elections. They are also trying to plant the thought that a vote for Poher is a vote for the instability of the Fourth Republic. They may be having some luck; the latest polls show that Poher's first-ballot support has dropped 7 percent.

It is true that Poher might be forced to dissolve the Assembly; he could not govern with centrist support alone. There are some signs, however, that he is working toward a broad coalition which would be acceptable to many Gaullists, particularly those who would rather cooperate with the government than risk their seats in new elections.

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MIDDLE EAST

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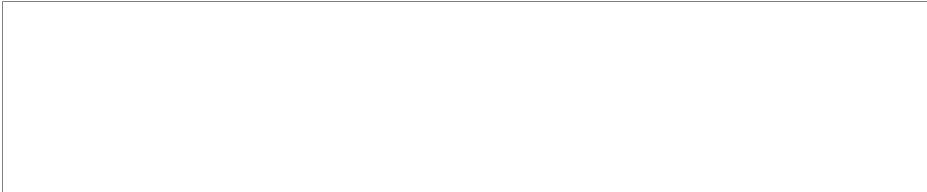


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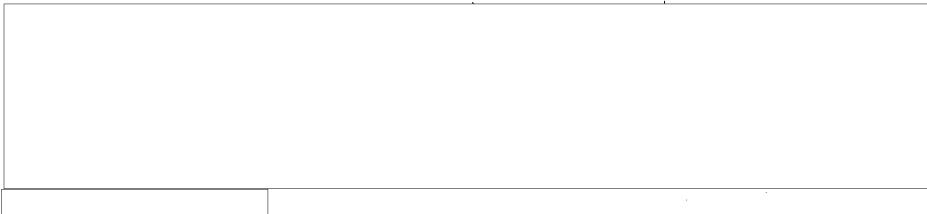


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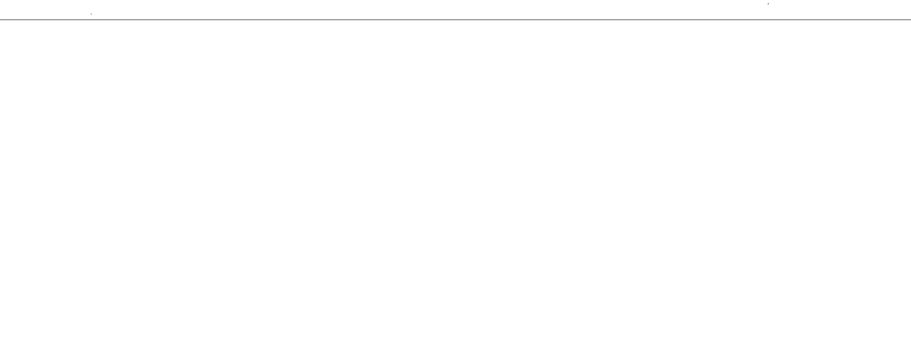


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VIETNAM



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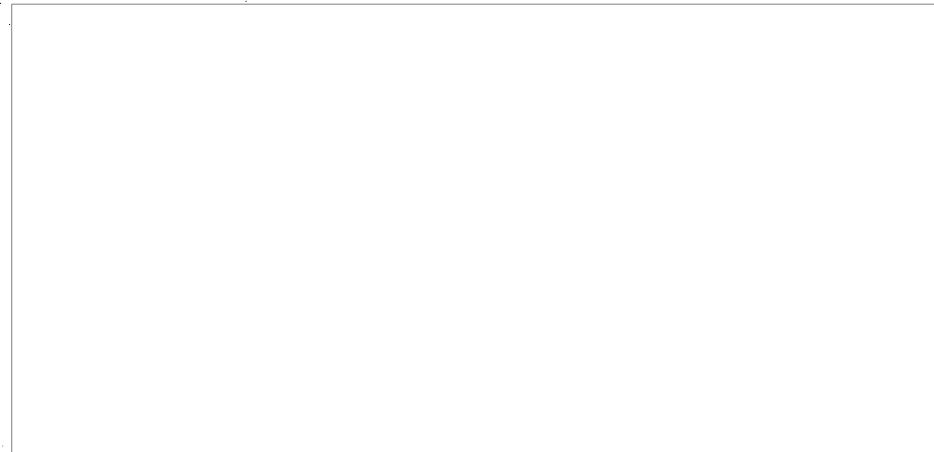
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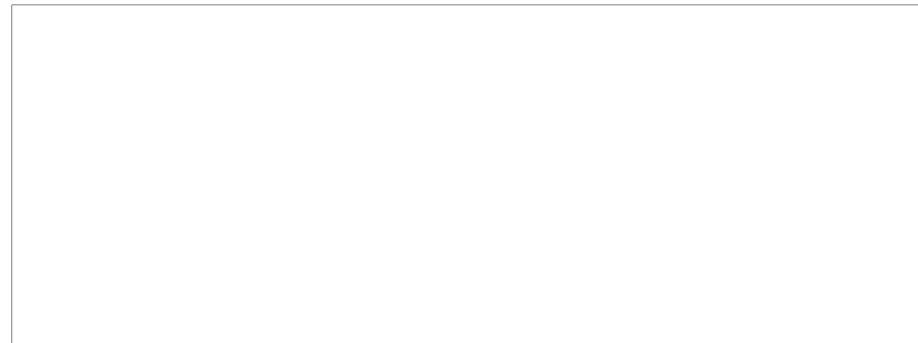
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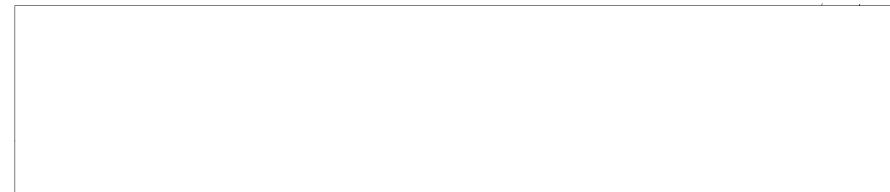
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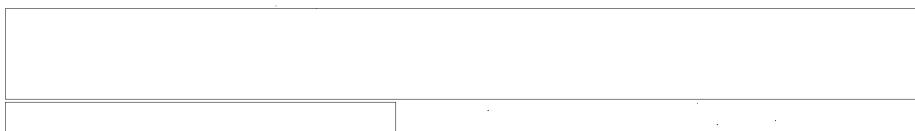


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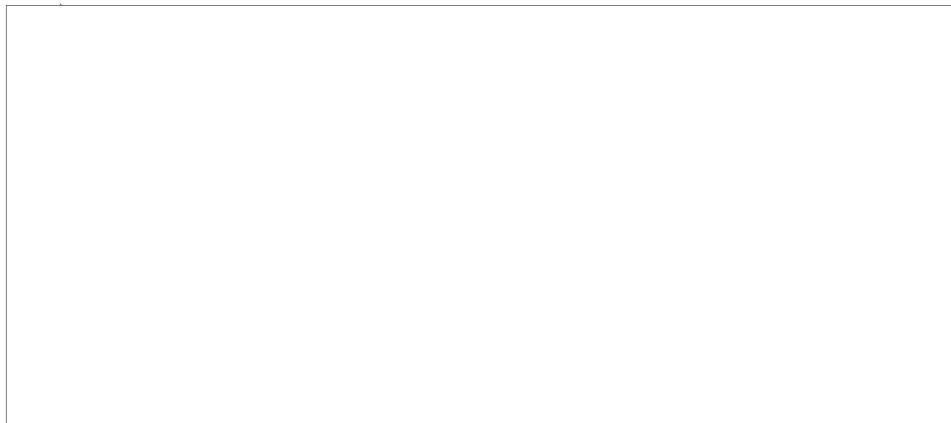
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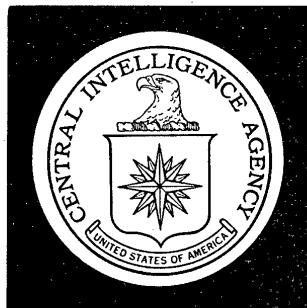
## II. OTHER IMPORTANT DEVELOPMENTS

### SOUTH KOREA

Prime Minister Chong Il-kwon yesterday asked that President Pak be invited to Midway for a brief meeting with President Nixon after the President meets with Thieu on 8 June. Chong told Ambassador Porter that Pak would be interested in discussing two subjects: South Korean security problems in the light of his recent letter to the President; and Vietnam. If Hawaii is more convenient than Midway, Pak would be willing to fly there.

*FOR THE PRESIDENT ONLY*

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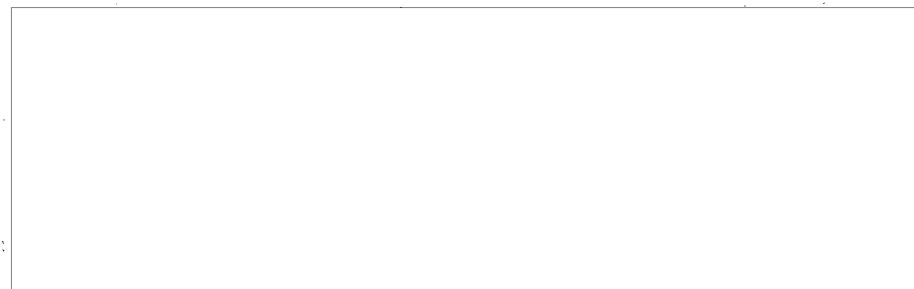
*FOR THE PRESIDENT ONLY*

I. MAJOR PROBLEMS

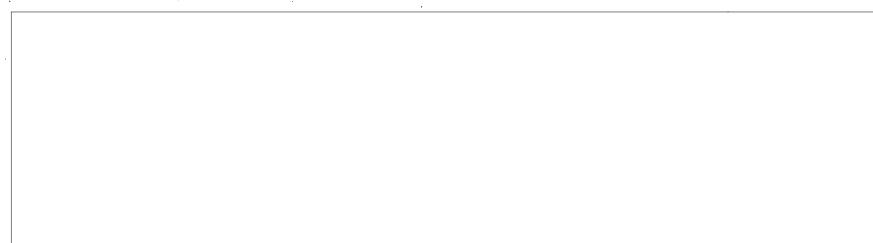
VIETNAM



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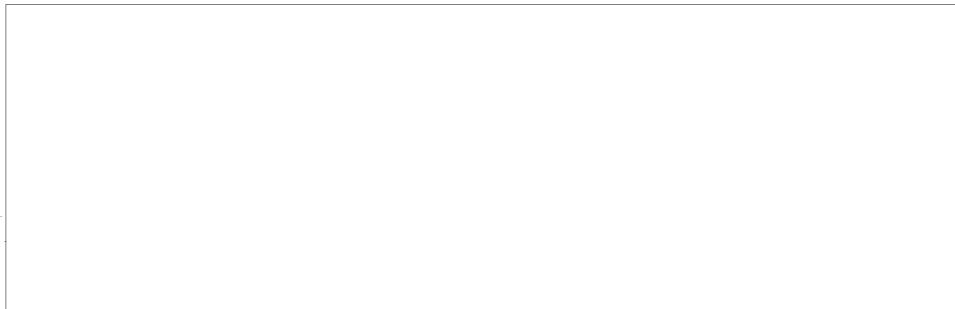


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Under the bombast of the presentations at Paris on Thursday by both Liberation Front and North Vietnamese delegates were rather forthright attempts to spell out problems the Communists have with the US eight-point proposal.

Tran Buu Kiem stated that "according to the US," the war would be continued during both the 12-month period when mutual withdrawal would be taking place and during the period when regroupment within South Vietnam of the remaining non - South Vietnamese forces takes place. In Kiem's view, this proposal is aimed at giving the US enough time to strengthen the South Vietnamese army and government.

Kiem's statement reinforces the basic Communist objection that allied proposals to date do not provide them adequate security to insure even the survival of the Communist apparatus, much less what the Communists regard as their right

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to establish a legitimate political power base. Kiem made this point when he said that US proposals for mutual withdrawal would leave Communist forces at the mercy of South Vietnamese military operations, and again when he rejected elections conducted under the aegis of the present Saigon government.

Kiem emphasized one of the Front's ten points that "neither party shall impose its political regime" on the South during an interim period between a cease-fire and general elections. He also raised again the Front's proposal for a "provisional coalition government" in this period which would, among other things, organize and supervise elections. Kiem clearly left room for bargaining on this key point, however. He did not insist that the Front's proposal was the only way to tackle the problem of interim political authority, but only that the situation required a "provisional administration" to attend to "necessary work following the restoration of peace."

Xuan Thuy in effect watered down the Communist demand for an "unconditional" US troop withdrawal by acknowledging that this was a "problem to be discussed." More importantly, Xuan Thuy obliquely suggested that the method used to get around the bombing halt impasse last year (the so-called "understanding") might also be suitable to resolve the troop withdrawal issue. He did this by comparing what he called the US demand for reciprocity from the Communists on troop withdrawals to the previous administration's demand on the bombing issue. Like all other Communist statements on this

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subject, Xuan Thuy flatly ruled out Hanoi's acceptance of the concept of reciprocity or "mutual" withdrawal.

\* \* \*

Xuan Thuy's appearance at the talks Thursday was apparently his last for awhile; he leaves Paris today for his first trip back to Hanoi since the talks started on 13 May 1968. The trip was probably prompted by a need to take stock in the wake of President Nixon's peace initiatives and to devise new tactics to cope with them. The President's speech of 14 May came just after the top North Vietnamese official in Paris, Le Duc Tho, had returned from nearly three months of consultations in Hanoi and to have sent him back would have conveyed an impression of disarray in the North Vietnamese camp, especially with his politburo standing.

#### MIDDLE EAST

A [redacted] official, while convinced that 50X1 bilateral talks between Washington and Moscow offer the best hope for reaching an agreed Middle East settlement, is pessimistic about the prospects of the two countries compromising their differences.

If the bilateral talks break down, the officer, [redacted] 50X1 believes the four- 50X1 [redacted] power exercise will become meaningless. Before this happens, however, London plans to present--hopefully in conjunction with the French--its full position on a settlement and, if

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there is still no agreement, to publicize this position in  
order to marshal world opinion behind efforts to reach a  
settlement.

[Redacted] 50X1

\* \* \*

[Redacted] 50X1

[Redacted] 50X1

#### SOVIET AFFAIRS

The Rumanian party central committee held a one-day  
meeting Wednesday at which party boss Ceausescu was chosen  
to head the delegation to the 5 June international Communist

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conference. He received a "mandate" to work toward improving the language of the conference document--that is to get approval for insertion of changes he unsuccessfully sponsored in recent visits to Moscow and Warsaw.

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Moscow

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[redacted], probably intended to influence their attitude 50X1

toward China on the eve of the conference, charging that Chinese troops have occupied six square kilometers of Soviet territory as the result of events on 2 May. Other evidence suggests that the Sinkiang-Kazakhstan border was the scene of some sort of incident in early May; the Soviets leaked this version to Western newsmen at the time but how closely the present Soviet version accords with the facts cannot be determined from evidence currently available. Moscow claims that so far it has only protested the Chinese occupation and is seeking the advice of fraternal parties. Some of these--

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most notably the Italian--criticized both sides over the Ussuri River clashes in March and the Soviets are apparently trying to gain maximum backing against the Chinese by proclaiming a policy of restraint.

\* \* \*

Moscow has concluded the extended range test series of the SS-9 ICBM carrying multiple re-entry vehicles, and announced yesterday that the closed area in the north Pacific was again open to ships and aircraft. The three tests conducted during the series were generally successful although there appeared to be minor problems on one of them. This multiple re-entry vehicle system could be operational by the end of the year.

#### **EUROPE**

There is nothing significant to report.

#### **II. OTHER IMPORTANT DEVELOPMENTS**

#### **LATIN AMERICA**

Demonstrations are quite likely in most, and perhaps violence in some, of the countries to be visited by Governor Rockefeller on the second phase of his Latin American mission beginning next Tuesday.

In Colombia, the first stop, several youth and student groups apparently are organizing demonstrations designed

**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

to embarrass the governor. Colombian security officials are mainly concerned lest undisciplined and extremist students try something rash.

In Ecuador, student disturbances have been going on for over a month, and it is possible there could be some violence designed primarily to embarrass the government. Ecuadorean officials believe they will be able to control limited demonstrations, but are considering transporting the governor from the Quito airport to the palace downtown by helicopter if they appear to be getting out of hand.

Bolivian student leaders are reported to have agreed to hold demonstrations in La Paz. The students also hope to get workers and peasants into the streets on the day of Rockefeller's arrival.

Finally, Venezuelan authorities are concerned over the security situation, primarily because of growing anti-US student agitation and violence. Concern over the governor's safety has led to a recommendation that he stay at the Caracas military officers' club rather than a hotel.

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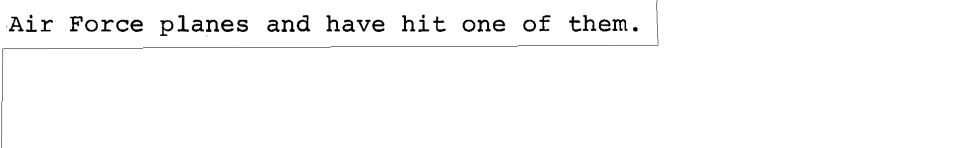
## I. MAJOR PROBLEMS

### MIDDLE EAST

The tenuous agreement between Lebanese President Hilu and Rashid Karami has come unstuck, and the chances have dimmed that Karami will form a new cabinet. Karami now says he will not accept Hilu's proposed restrictions on the fedayeen unless the fedayeen, acting through Egyptian intermediaries, also agree to accept them. Hilu plans to sound out other Muslim politicians for the premiership if he cannot get Karami to change his mind again in the next week or so.

All this is happening amid signs that the period of relative inactivity among the fedayeen in southern Lebanon is coming to an end. The terrorists have begun firing on Lebanese Air Force planes and have hit one of them.

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### SOVIET AFFAIRS

The Czechoslovak central committee plenum scheduled for 29 May is shaping up as an important encounter in the struggle between conservatives and moderates for control of the party. National party first secretary Husak--in office for little more than a month--is fighting to gain control of the party and to point it along an internally moderate and pro-Soviet course. He is being challenged by conservatives, led by Czech first secretary Strougal, who are now on the offensive.

*FOR THE PRESIDENT ONLY*

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The Soviets, by denying Husak public support, are not making it any easier for him. Moscow, for example, is said to have rejected Husak's bid for a visit before the plenum. His one-day visit to Poland on Saturday, his earlier consultations with Hungarian leader Janos Kadar, and a planned meeting with East German leader Walter Ulbricht on 26 May probably are attempts to drum up support.

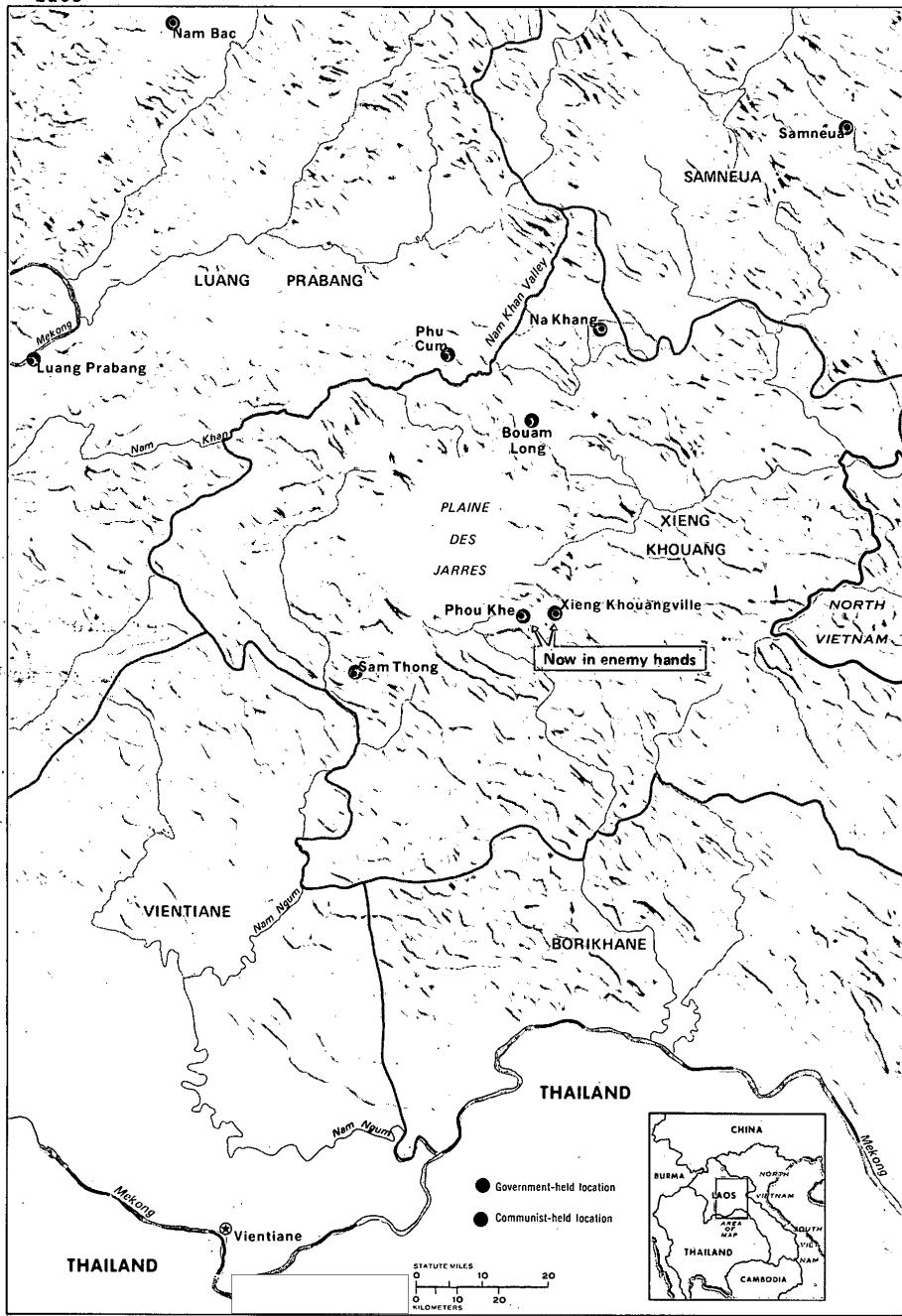
VIETNAM

Thieu successfully launched his National Social Democratic Front yesterday before an audience of some 2,000 members of the six political parties making up the new front. In his address to them, Thieu emphasized that the front is not designed to monopolize patriotism or to seek dictatorial power. The door is open, Thieu said, for others to join or to form opposition groupings, and he called for those who wished to participate in the anti-Communist struggle but who differed with the policies of the front to organize themselves.

There is still a long way to go before the front becomes a functioning national political organization. Thieu may even doubt that it will ever amount to much more than a vehicle to give various political factions some sense of participation in the government process. A hint of what Thieu probably sees as the basic organizations for the struggle against the Communists came in his reference to "other important anti-Communist elements" such as the army, the civil service and the government administration. He noted that the new front "will cooperate" with these forces in the fight against the Communists.

*FOR THE PRESIDENT ONLY*

Laos



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**FOR THE PRESIDENT ONLY**

EUROPE

There is nothing of significance to report.

**II. OTHER IMPORTANT DEVELOPMENTS**

SUDAN

Many of those involved in yesterday's coup in Khartoum are pro-Egyptian or are connected with the Sudanese Communist Party. Colonel Numayri, the leader of the ten-man Revolutionary Council, is a suspected Communist. Eleven of the 21 members of the new cabinet are suspected or known members of the Communist Party, and five of these 11 are members of the party central committee. The remaining new cabinet members have leftist links [redacted]

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We still cannot tell how secure the new ruling group's hold is. The army as a whole has long been conservative; about a third of its members belong to the Ansar religious sect which forms the backbone of the conservative Umma Party.

[redacted] 50X1

LAOS

The government's counteroffensive south of the Plaine des Jarres has been dealt further setbacks. The remaining positions at Phou Khe have fallen to North Vietnamese attacks. Government troops also have withdrawn from Xieng Khouangville in the face of numerically superior enemy forces.

**FOR THE PRESIDENT ONLY**

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Meo leader Vang Pao, with Souvanna's backing, nevertheless plans to continue his efforts to keep strong pressure on the Communists. Government guerrillas yesterday were regrouping near Phou Khe for a counterattack.

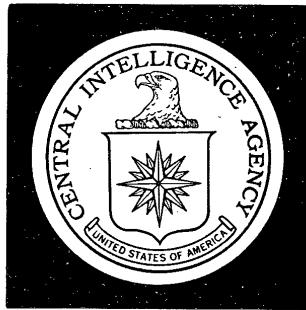
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SOVIET UNION - PAKISTAN



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I. MAJOR PROBLEMS

MIDDLE EAST

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EUROPE

As advertised, Canadian Defense Minister Cadieux yesterday came up with the cabinet's plan, which he labeled "non-negotiable," for Ottawa's phased cutback in forces committed to NATO. The total manpower reduction will be from 10,000 at present to 3,500 by 1972. Furthermore, the Canadians plan to remove all their combat aircraft except for reconnaissance planes and helicopters. Ambassador Cleveland plans to encourage our European allies to be "volute in their protestations."

\* \* \*

Chancellor Kiesinger is likely to press hard for a complete break with Cambodia over Phnom Penh's recognition of East Germany, even though this would put the CDU on a collision course with its coalition partner. Foreign Minister Brandt strongly opposes such a move because he thinks Bonn will have to reconcile itself to third-country recognition of Pankow. The SPD succeeded in stalling cabinet action on the issue two weeks ago. Kiesinger, however, is irked by the Cambodian ambassador's failure to answer a request for an explanation of his government's action and by Sihanouk's reported remark that he refused to send his representative to Bonn.

[redacted] 50X1

\* \* \*

France's first nuclear-powered ballistic-missile submarine began sea trials last week. The submarine was launched in March 1967, received its nuclear reactor in February, and is scheduled to become operational in 1971. Plans call for the construction of three or four more of these submarines.

\* \* \*

There is nothing significant to report on Soviet Affairs or Vietnam.

FOR THE PRESIDENT ONLY

## II. OTHER IMPORTANT DEVELOPMENTS

### LATIN AMERICA

We currently consider demonstrations a virtual certainty and violence a possibility in four of the five countries on Governor Rockefeller's forthcoming trip. Trinidad-Tobago is the single exception. The situations in Bolivia and Venezuela are particularly touchy.

### SUDAN

The new government seems to be settling in.

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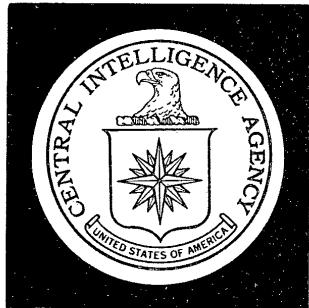
The conservative Ansar sect appears to be intimidated.

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In a talk yesterday to the diplomatic corps, Prime Minister Awadalla worked hard to convey an impression of nonaligned "socialist" respectability. He did make it clear that the new regime will be more militant than its predecessors on Arab-Israeli issues.

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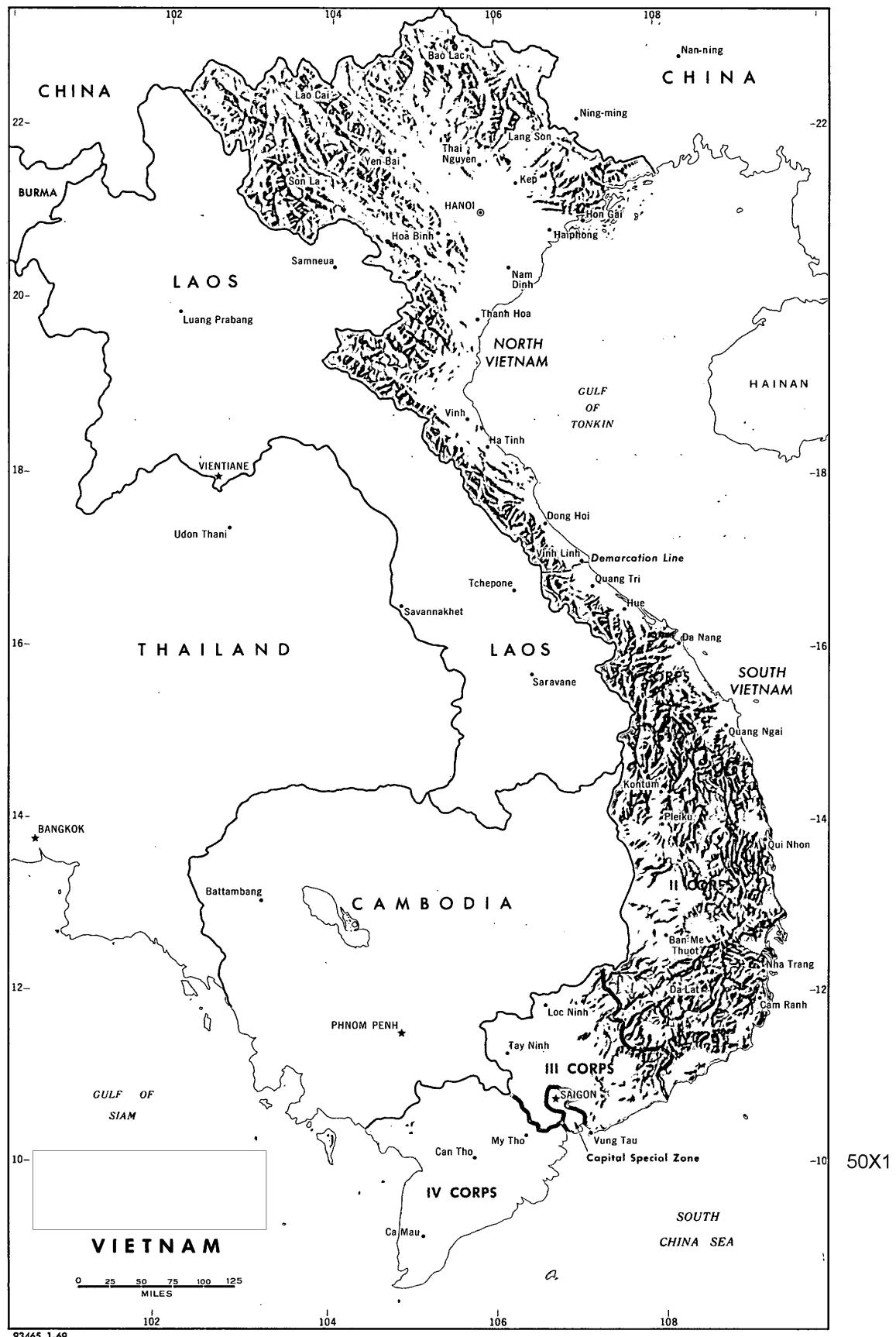
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I. MAJOR PROBLEMS

VIETNAM

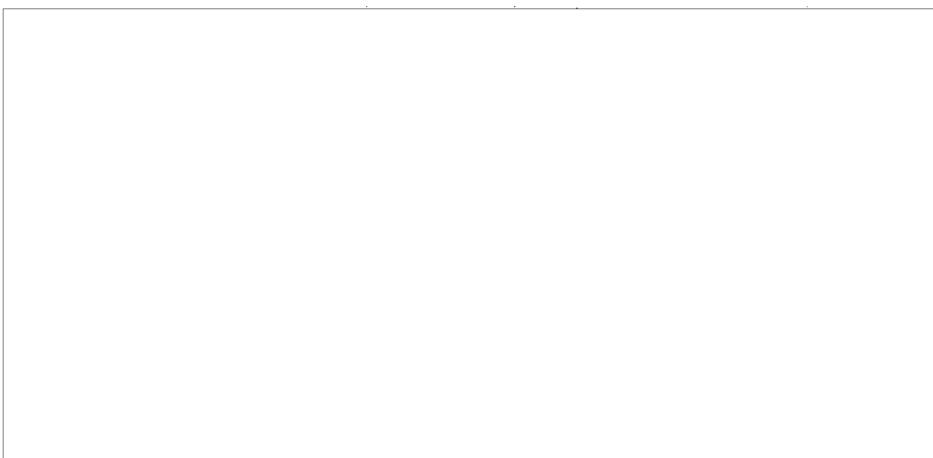
Stepped-up Communist shellings were reported yesterday in the northernmost provinces for the second day in a row. These forces could play a much greater role in any upcoming summer offensive than in the spring campaign in late February and early March. Elements of the North Vietnamese 325th Division have recently become more active in the DMZ area and two independent regiments are moving south in the Laos panhandle toward the I Corps area.

\* \* \*

President Thieu was "welcomed" on his state visit to South Korea by North Korean gunfire along the DMZ, a standard procedure according to the Defense Ministry in Seoul. It was the eighth small battle along the buffer zone this month.

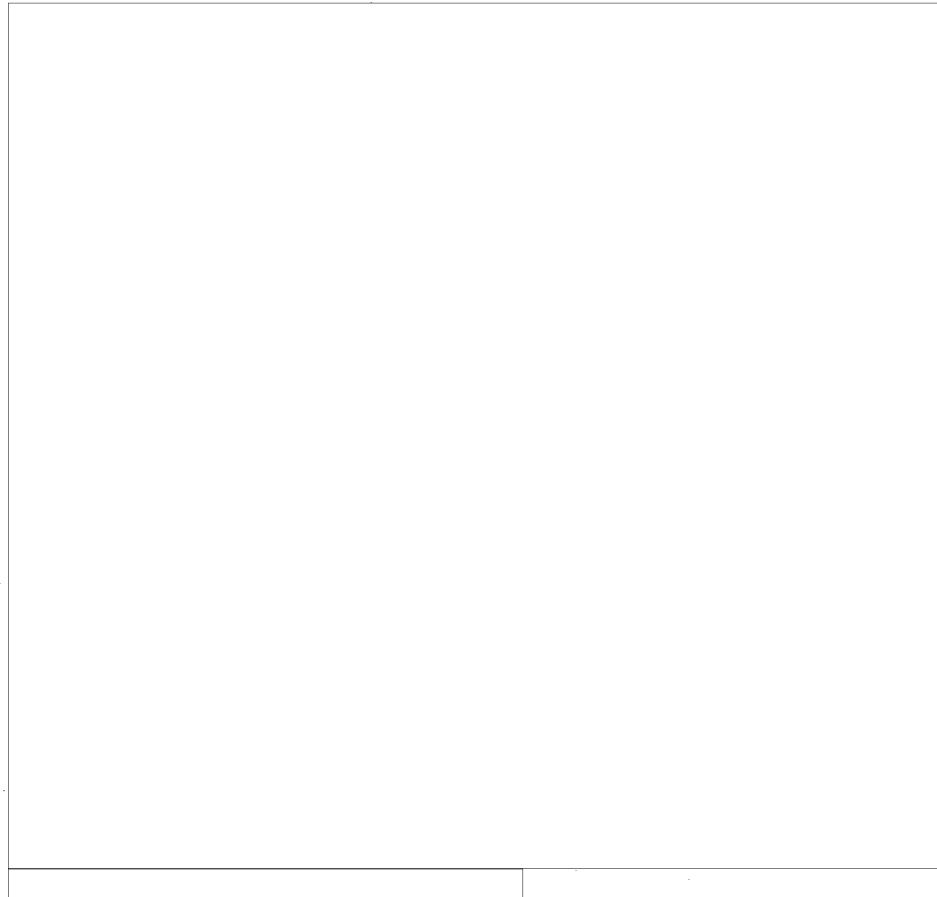
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*FOR THE PRESIDENT ONLY*

EUROPE



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\* \* \*

Chancellor Kiesinger, during his visit to Japan last week, told Premier Sato that Bonn would certainly not sign the NPT before the national elections in September. Although other German leaders have said as much, this is the first time that Kiesinger himself has been quoted, from an authoritative source, on the subject.

*FOR THE PRESIDENT ONLY*

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### MIDDLE EAST

An extended exchange of gunfire took place yesterday along the normally peaceful Syrian-Israeli cease-fire line. Rockets were also fired by the Jordanians at Israeli points along the border, including the city of Jericho last night. The Suez Canal area remained relatively quiet. Although small-arms fire continues, the heavy artillery duels of the last few weeks along this area have ceased--at least temporarily.

\* \* \*

There is nothing significant to report on Soviet Affairs.

### II. OTHER IMPORTANT DEVELOPMENTS

#### COLOMBIA

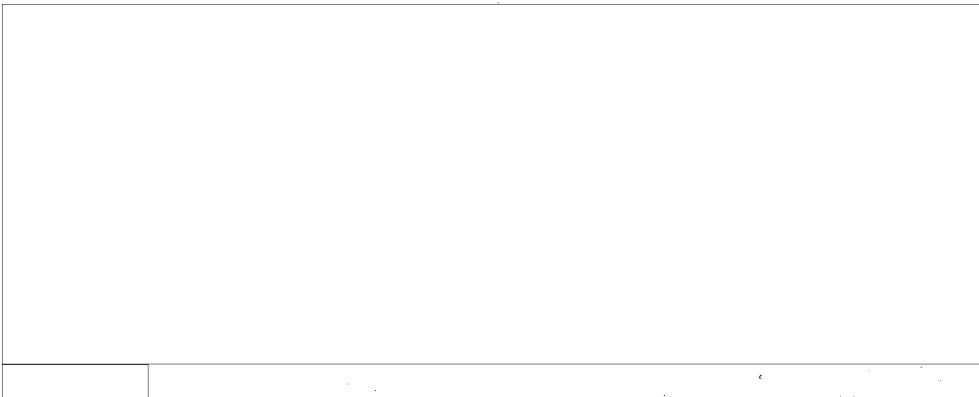
Tight security measures prevented any untoward incident at Governor Rockefeller's arrival in Bogota. The crowd at the airport was of respectable size and basically friendly but there were few onlookers along the pre-selected route to the presidential palace. Last night he participated in a working dinner with President Lleras Restrepo. Meanwhile, there were student demonstrations in Bogota, Barranquilla, and other parts of Colombia but none got out of hand and none got near Rockefeller. These demonstrations are expected to continue today.

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SUDAN



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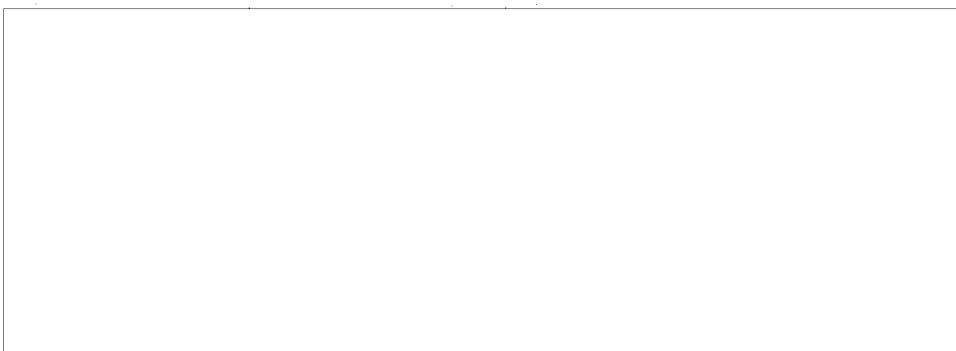


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PAKISTAN-USSR



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Soviet aid will certainly be one of the subjects discussed when Premier Kosygin pays a three day visit to Rawalpindi, beginning tomorrow, on his way home from Afghanistan. This visit was announced in today's Pakistan Times, which stated that Kosygin was coming because he could not accept an earlier invitation after his visit to New Delhi.

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I. MAJOR PROBLEMS

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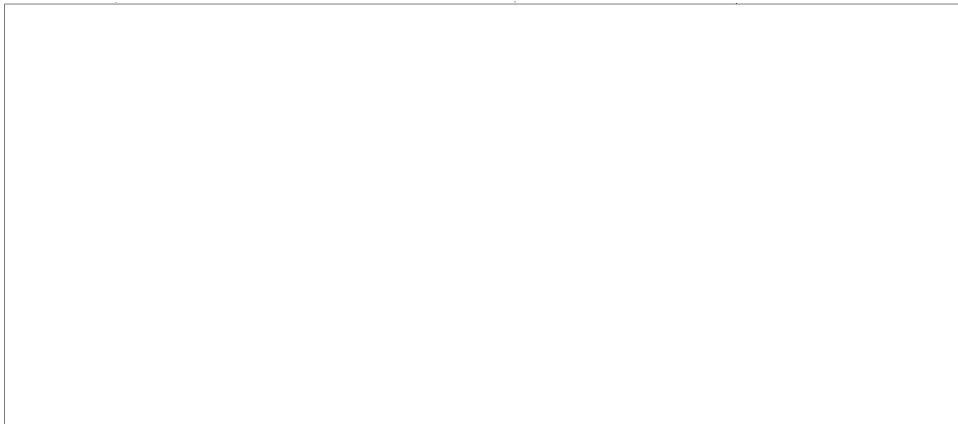


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**EUROPE**

Poher is slipping at the polls, but this reflects gains for leftist candidates rather than for Pompidou. The latest tallies of the reputable French Institute of Public Opinion show Pompidou holding at 41 percent, Poher down to 27 percent, Duclos rising to 16 percent and Defferre with 8 percent. A run-off on 15 June between Pompidou and Poher remains almost certain. Poher still looks like the winner on this second ballot unless the Gaullists can scare enough centrist votes away from Poher by raising the spectre of Communist strength on the Left, but the odds are evening up.

\* \* \*

There is nothing significant to report on the Middle East and Soviet Affairs.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

## II. OTHER IMPORTANT DEVELOPMENTS

### SUDAN

The new regime is making a clean sweep of virtually all persons holding important posts under the former government. Nearly all senior army officers have been retired and most members of the previous cabinet are under house arrest. Moreover, Major General al-Numayri, who heads the new revolutionary council, has hinted that nationalization of banks, factories and other economic enterprises may be in the offing. These measures will further alienate the important Ansar and Khatmiyya sects, whose followers comprise some two-thirds of the army. The head of the Umma Party, the political arm of the Ansars, is reported to have fled from Khartoum to a traditional Ansar stronghold upcountry, presumably to rally opposition to the new regime.

### CAMBODIA

Sihanouk, upset by the increasing use of Cambodian territory by Vietnamese Communist forces, is mounting a greater effort to limit their activities. Cambodian military messages now reflect almost daily clashes in nearly every border province--most of them begun by the Cambodians. In addition to public protests against Communist border violations, Sihanouk has ordered representations made to Vietnamese Communist diplomats in Phnom Penh.

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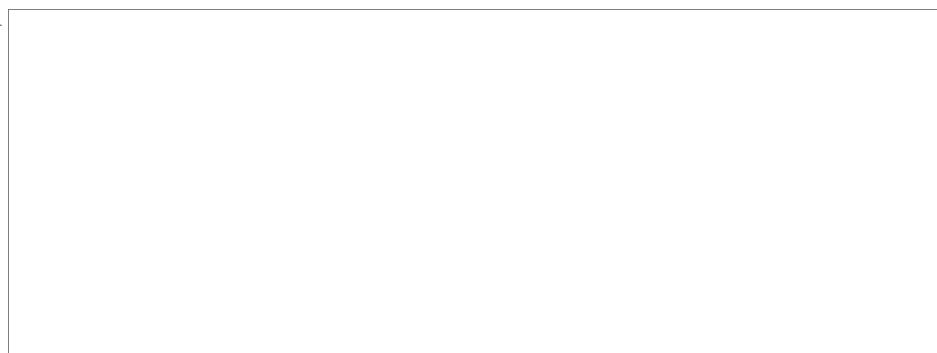
Sihanouk has also taken pains to make it clear he is willing to meet the Communists half-way. Several recent steps, such as the raising of the NLF's representative in Phnom Penh to ambassadorial status, seem aimed at reassuring Hanoi that Cambodia's sympathy for its effort in South Vietnam has not changed.

BOLIVIA

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I. MAJOR PROBLEMS

VIETNAM

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**MIDDLE EAST**

Over the past few days the embassy in Paris has picked up bits and pieces which shed some light on the direction of France's post - De Gaulle arms supply policy in the Middle East. The embassy reports that:

--Both the Quai and the Israeli embassy expect the embargo on arms supply to Israel to be relaxed whether Poher or Pompidou is elected. Poher, it is agreed, is likely to be more forthcoming than Pompidou.

--The relaxation of the embargo on Israel will be accompanied by a campaign for a general embargo on all arms to the Middle East. The success of this campaign, along with developments in the four-power talks, will help determine whether France resumes delivery of the Mirage fighter-bombers it has been keeping out of Israeli hands.

--Defense Minister Messmer apparently has succeeded in blocking a government decision to provide arms and ammunition to Lebanon. Instead, the French seem to have picked up President Hilu's requests for demonstrations of international support and are pushing for a four-power declaration backing Lebanese independence and integrity.

\* \* \*

The Israelis are pushing the Jordanian button this week. They claim the Jordanian Army is initiating artillery bombardments and that Iraqi forces in Jordan are showing new aggressiveness. We cannot tell what the Israelis plan to do about

**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

all this, but one Israeli officer recently said publicly,  
"We've been treating the Jordanians with kid gloves so far."

\* \* \*

There is nothing significant to report on Europe or So-  
viet Affairs.

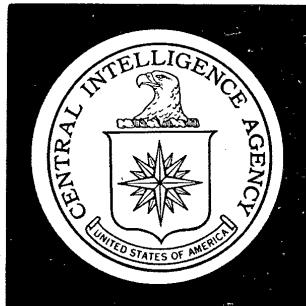
## II. OTHER IMPORTANT DEVELOPMENTS

### ECUADOR

There were no incidents at Quito airport as Governor Rockefeller arrived yesterday. Later, however, numerous bands of students roamed the streets of the capital, attacking stores, buildings and automobiles. Quito Radio reported many injuries among the demonstrators as police and army troops, using tear gas, attempted to restore order. Security forces maintained a heavy guard around the Presidential Palace while Governor Rockefeller conferred there.

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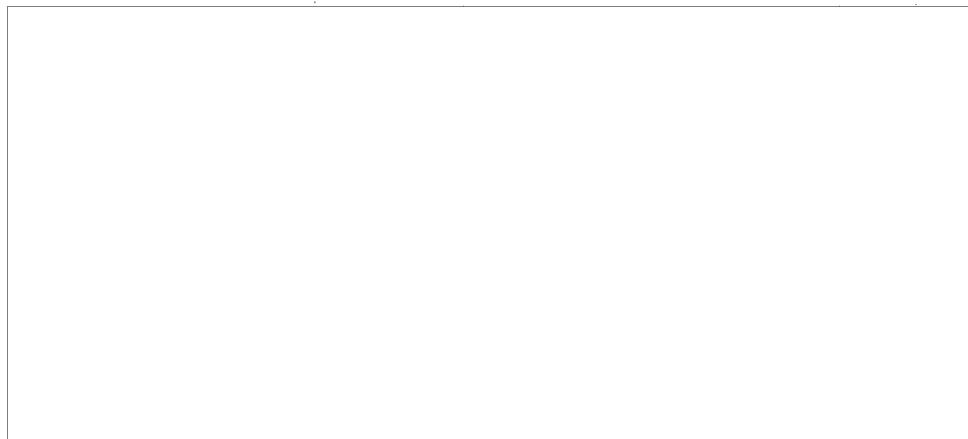
I. MAJOR PROBLEMS

MIDDLE EAST

Saboteurs, presumably fedayeen, last night blew up the US-owned pipeline that carries oil from Saudi Arabia to the Mediterranean. The damage occurred in Israeli-occupied Syria not far from Israel's largest irrigated area. The broken line apparently was shut down within a few hours, but it is too early to tell the extent to which the Israeli water supply has been polluted.

The political and diplomatic repercussions of the incident could be far-reaching. Israel may feel now that it has a good excuse to cut the flow of premium Arab oil to the Mediterranean, especially since its own pipeline bypassing the Suez Canal is scheduled for completion late this year. Moreover, the sabotage may cause Saudi Arabia and Kuwait to consider cutting back on their aid to the fedayeen.

EUROPE



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**VIETNAM**

Presidents Thieu and Pak used their joint communiqué on Thieu's visit to South Korea as a vehicle for expressing concern not just with the Paris negotiations, but also with the prospect of US steps to "Vietnamize" the war. We note in particular the communiqué's assertion that "any withdrawal" of allied forces should be subject to full consultation, as well as the flat statement that in the absence of a Communist withdrawal, unilateral withdrawal "of even a part of allied troops" would prejudice the security of the remaining forces.

**SOVIET AFFAIRS**

There is nothing significant to report.

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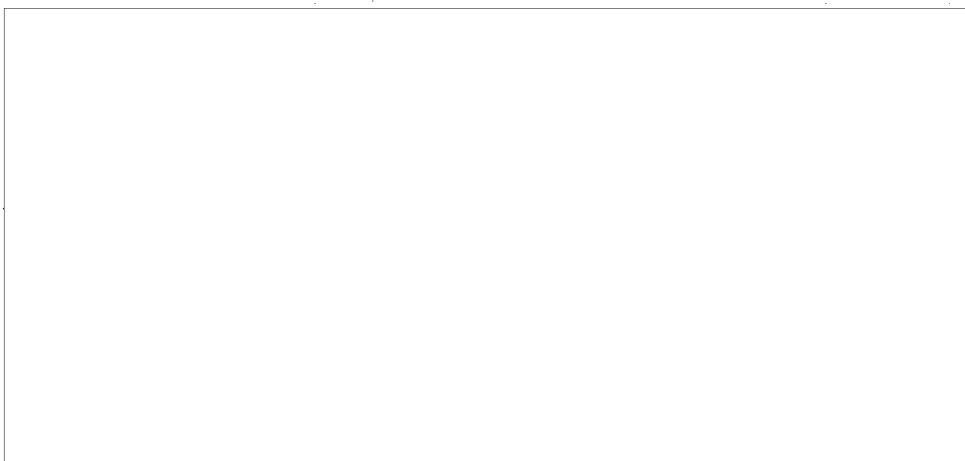
**II. OTHER IMPORTANT DEVELOPMENTS**

**CURACAO**

We have had no word so far today on the disturbances in Curacao. US-owned firms came in for their share of damage in yesterday's rioting, but no US citizens seem to have been harmed.

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**BOLIVIA**



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