



CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF



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8 MARCH 1965

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1. Vietnam

Ambassador Bohlen says that the French seem "quite discouraged" by the lack of results from their soundings in Hanoi and Peiping about the Vietnam situation. Couve de Murville still seems to have some hope that a Soviet initiative may be forthcoming.

In Saigon, there has been no significant change in the political situation during the past twenty-four hours. Reports last week that the Buddhist high command is against Quang Lien's so-called "peace movement" have been confirmed. The monk has been ordered to give up his leadership of the movement, or lose his position in the Buddhist Institute. If this order sticks, one potentially disruptive influence will have been eliminated.

The Viet Cong is continuing intensive activity in the countryside. Fighting continued yesterday north and south of the US - South Vietnamese air base at Danang. In two days of fighting, 78 government soldiers have been killed or wounded, and 140 Viet Cong. The guerrilla force south of Danang is estimated at one thousand men.

2. Greece

Financiers and businessmen are increasingly alarmed over the bad effects of Prime Minister Papandreou's economic policies. Foreign assets fell by about \$50 million last year, and there was a big jump in the import bill. Various other indicators are similarly ominous.

The US Embassy in Athens points out, however, that there are elements of strength in the Greek economic situation. The embassy suggests that Papandreou's adroitness in deflecting attention from the ineptitude of his administration will probably bring him through again.

3. France

Paris plans an official protest against US efforts to prevent the Freuhauf-France firm from delivering some semi-trailers destined for Communist China. The French are using this case to dramatize their accusation that US subsidiaries in France are instruments of US "political domination." Freuhauf-France is 70 percent US owned.

4. West Germany

Chancellor Erhard's announcement on 7 March that West Germany will seek full diplomatic relations with Israel has caught Nasir by surprise and placed him under pressure to take retaliatory action, possibly including recognition of East Germany.

Some plan of action is likely to come out of the Arab League meeting in Cairo tomorrow, in which Nasir has said he hopes to get agreement on a unified approach.

Several other Arab governments are likely to follow Nasir's lead, including initially Yemen, Syria, and Iraq. Recognition of East Germany by Egypt would thus probably lead to a major diplomatic breakthrough for the Pankow regime.

The US Embassy in Cairo reports that some Egyptian officials appear to believe that West Germany's announcement was prompted by the US. This may set off a new wave of anti-US feeling in Cairo.

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