

The President's Daily Brief

~~Top Secret~~ 27 September 1967



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DAILY BRIEF
27 SEPTEMBER 1967

1. South Vietnam

Thieu assured Ambassador Bunker yesterday that both he and Ky were working to make sure the national assembly validates the election. Thieu said he had been talking to a number of politicians insisting on an impressive majority to underscore support for the election.

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2. Communist China

The latest CIA assessment on what the Cultural Revolution is doing to the Chinese economy says, in part:

--The disorders are gradually undermining the entire economy. The regime is not yet faced with a general crisis, but industrial output and foreign trade are beginning to decline.

--Agriculture has been only slightly affected, but disorders in transport and poor discipline in the countryside could well bring serious problems in food procurement this winter.

--Defense industries apparently are starting to feel at least the indirect effects; for example, the effects of interruptions to the supply of raw materials.

--There is also the possibility that the revolution will move to a higher stage either in which plant and equipment are destroyed or in which agriculture becomes a main target of revolutionary activity. In either case, a major economic crisis could be triggered.

--The revolution still has had no noticeable effect on shipments to North Vietnam.

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3. West Germany

Ambassador McGhee believes Chinese nuclear advances and our resultant anti-ballistic missile deployment will add to the reservations which Chancellor Kiesinger has about the nonproliferation treaty. Kiesinger is apparently prepared to prevent export of critical items to China, but his cabinet may limit him in this regard.

4. Rumania

Premier Maurer is apparently en route to Hanoi again. This will make four trips there in four years. Bucharest probably considers this a good time for an exchange of views--a Rumanian has just been elected president of the UN General Assembly and Maurer himself has had talks recently with President Johnson and General De Gaulle.

5. Guyana

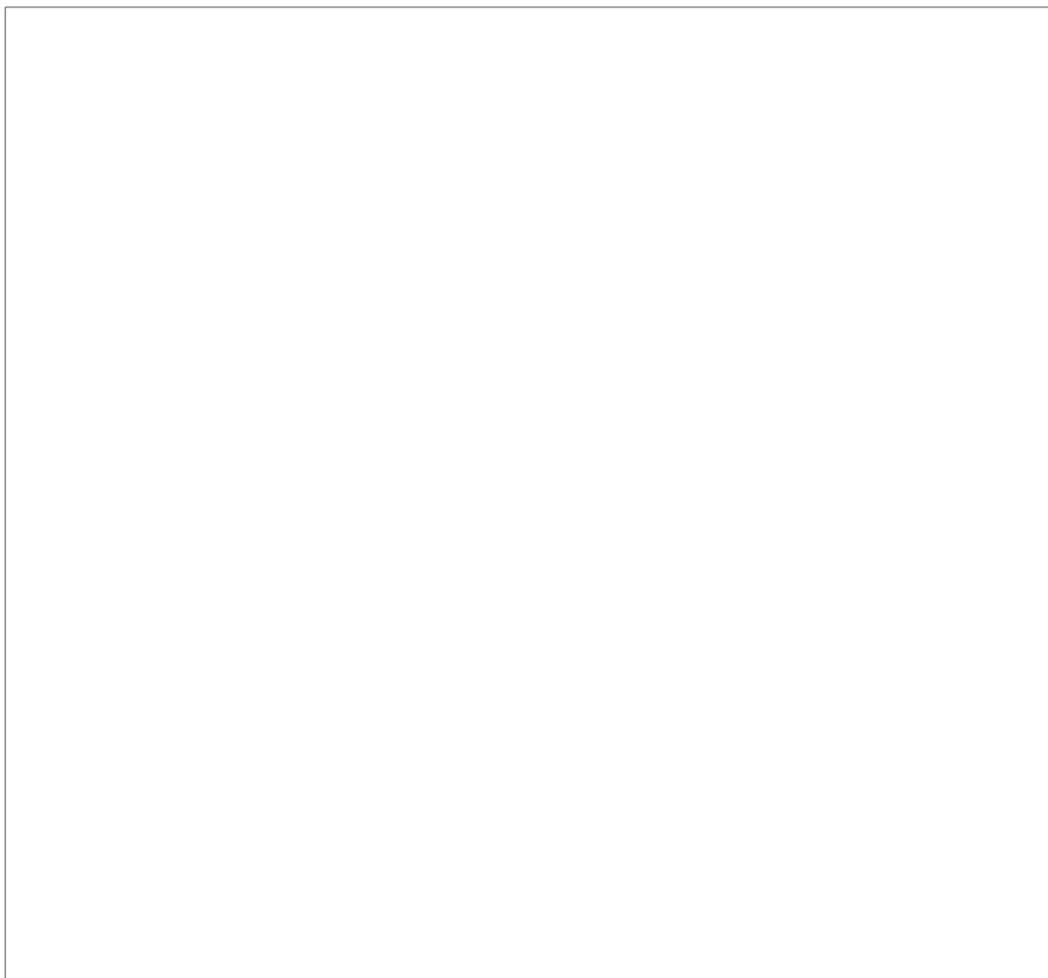
The United Force, the smaller party in the coalition, now plans to stay in the government even though its leader has resigned from the cabinet. We still believe that Prime Minister Burnham's coalition troubles are bound to increase.

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SPECIAL DAILY REPORT ON NORTH VIETNAM

FOR THE PRESIDENT'S EYES ONLY



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Special Daily Report on North Vietnam
for the President's Eyes Only

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Peking Sensitive on Negotiations: Sometimes the Chinese omit things from their propaganda bombast and, by such omissions, reveal certain sensitivities.

Last week, for example, there was no Chinese mention of the Ashmore-Bundy exchange. This exchange, by revealing there had been contacts between Americans and North Vietnamese on the subject of peace talks, also revealed that Hanoi might not always follow Peking's advice against such talks. For the Chinese, who see Vietnam as classic Mao-type guerrilla war to the bitter end, this is not the sort of stuff to be publicized.

Instead, the Chinese last week used Ambassador Goldberg's UN statement as the point of departure for a propaganda reminder to Hanoi of the dangers of peace talks.

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North Vietnamese Condemn UN Statement: Hanoi, too, has publicly dismissed the importance of Ambassador Goldberg's United Nations address and defiantly restated its own hardline terms for negotiations and a settlement of the Vietnam conflict.

In its first commentary on the ambassador's statement, the party daily Nhan Dan labeled it a "trick" aimed at "hoodwinking" world opinion. It closed with a promise to fight on no matter how much the US escalates or how long the US drags on the war.

Hanoi seized on Goldberg's question concerning meaningful discussions without disadvantage to either side as an unacceptable demand for "reciprocity and bargains." "The Vietnamese people have nothing to bargain," said the commentary, and meaningful talks depend on the US giving up its "aggressive policy." Nhan Dan repeated Premier Phan Van Dong's recent national day

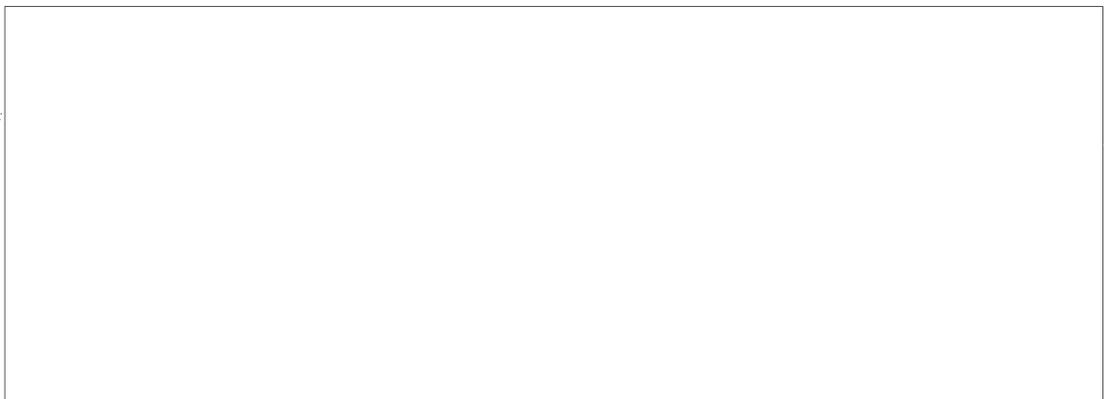
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statement that "if the US really wants to talk, it must first of all unconditionally stop the bombing."

Using virtually all of the toughest North Vietnamese formulations, Nhan Dan said that if the US sincerely respects the Geneva Agreements, it must recognize Hanoi's Four Points: stop its "aggression," withdraw its troops from South Vietnam, halt the bombing of the North "definitely and unconditionally," recognize the Liberation Front as the "sole genuine representative" of the South Vietnamese, and let the Vietnamese settle their own affairs themselves.

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Flooding: After an earlier drought, several provinces in central North Vietnam are now having trouble with floods.



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Economic Conditions in North Vietnam:



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sufficient supply of rice, vegetables, eggs, and poultry, but a shortage of meat and fish. (The latter are normally luxury items in many areas.) Ration coupons are necessary for rice, sugar, meat, clothing, shoes, soap, kerosene, and milk. Officials noted that an adequate rice ration is maintained because of its importance to people's morale.

Food rations are parceled out according to individual needs, with workers at the top of the list and children at the bottom. Monthly rations for sugar and for meat vary from about one to four pounds depending on individual priorities. The clothing ration is a little more than five yards of cloth a year; for soap, one pound a month. Individuals interviewed by the newsman in Hanoi estimated that around 25 percent of their monthly salaries was spent on basic necessities.

These comments are substantially in agreement with those from other observers. They add up to a situation in which the supply of many goods is tight, prices are often high, and individuals frequently are unable to obtain the quantities and types of food and other goods they want. Because of large-scale imports of foodstuffs and other essential products, however, the overall supply of consumer goods is certainly adequate for Hanoi's wartime situation and there is no sign of significant discontent as a result of shortages.

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