



The President's Daily Brief

~~*Top Secret*~~ 29 February 1968



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DAILY BRIEF
29 FEBRUARY 1968

1. South Vietnam

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[redacted] the security situation in rural areas of several provinces show that the government position has deteriorated substantially.

In Tuyen Duc Province, the Vietnamese Army has been drawn up in defensive positions in and around the cities, leaving stretches of the countryside completely to the Communists. A number of once pacified hamlets are no longer safe, and two major highways in the area which had been partially secure for more than two years are now insecure.

Rural sections of Binh Long and Phu Yen provinces are similarly affected.

2. North Korea

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[redacted]
Pyongyang's thinking on the Pueblo affair, [redacted] a North Korean defector [redacted]

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[redacted]
speculate about prevailing attitudes and about upcoming moves from the North. This man's views are worth considering since he defected for personal reasons and still retains his Communist outlook. These are his conclusions:

--The talks can progress only when the US representative signs a document admitting and apologizing for intrusion into North Korean territorial waters.

--The Communists undoubtedly have made detailed plans through several stages in the exploitation of the incident. They will mobilize all their propaganda means and carry out brainwashing activities and interrogations.

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[redacted]

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3. Czechoslovakia

The confrontation between reformers led by new party boss Alexander Dubcek and conservatives headed by his predecessor, Antonin Novotny, could get out of hand. The power struggle is no longer mainly an intraparty affair; large segments of the population have become engaged.

The struggle widened after Dubcek unveiled a popular "action program" which calls for a drastic reduction in the party's influence and the "widest possible democratization of the entire political system." Conservatives countered with an attack on the program's weakest point, its commitment to carry out far-reaching economic reforms. This succeeded in raising fears that reforms will mean loss of jobs, rising prices, and a general drop in the standard of living.

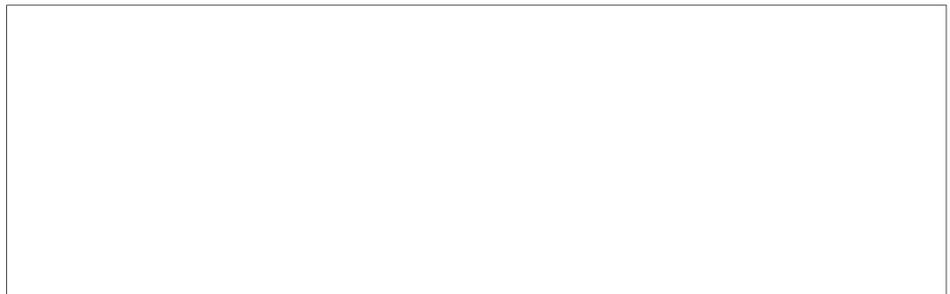
Dubcek, nevertheless, has got a lot going for him. Associations of writers, journalists, and farmers have pledged their aid. The president of the parliament and the party boss of the city of Prague have turned away from Novotny and have defended the program.

Novotny's strength lies in the still unreconstructed party presidium and in the bureaucracy. He undoubtedly was heartened by Brezhnev's failure to endorse either Dubcek or his program during his visit last week.

The struggle could come to a head in mid-March when the Central Committee meets. In the interim, the efforts of both sides to enlarge their support could lead to domestic disorder.

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4. Soviet Union



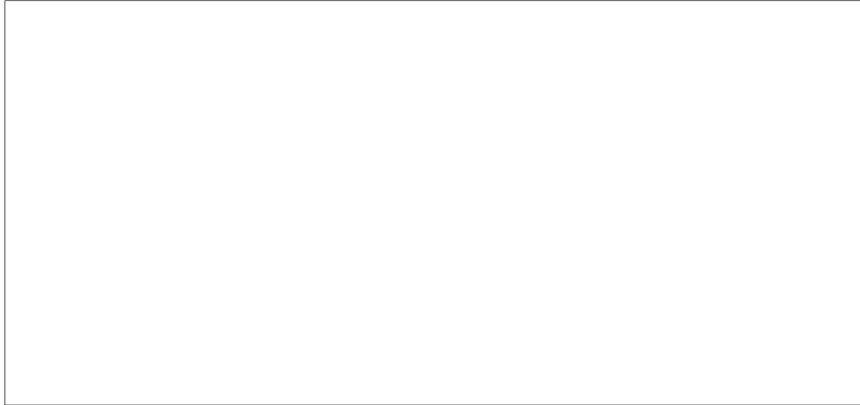
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5. Soviet Union

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6. Communist China

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7. Panama

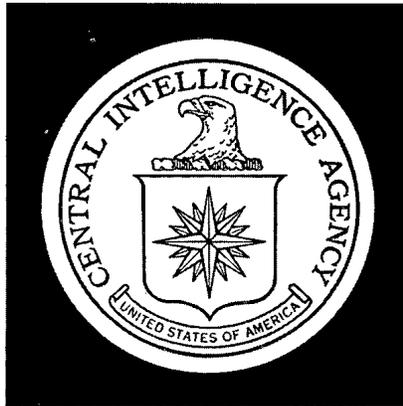
The dispute over control of the electoral machinery is heating up again. Backers of Arnulfo Arias are afraid that the Supreme Court is about to suspend the two pro-Arias members of the three-man electoral tribunal. Removal of these people would give government candidate Samudio an open field to run away with the election returns.

In an attempt to prevent the suspension order, Arias is calling for a mass demonstration in Panama City today.

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FOR THE PRESIDENT'S EYES ONLY

Special Daily Report on North Vietnam



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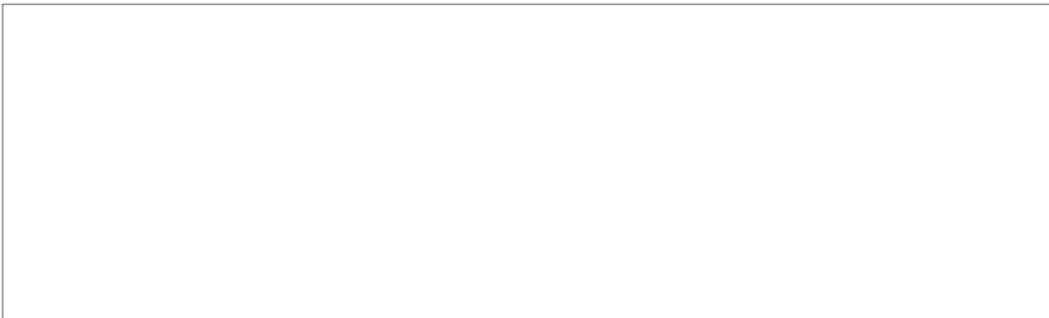
I. NOTES ON THE SITUATION

North Vietnamese Position on Reciprocity: The recent assertions by two French observers that Hanoi has given assurances it would do something "tangible" in return for a bombing halt appear to be personal views based on indirect sources, rather than accurate reflections of North Vietnamese statements.

Jean Sainteny, a leading French expert on Vietnam, made such an assertion during a television interview on 27 February. He said that if Hanoi was certain that a bombing halt was "unconditional and final," it would make some gesture, such as stopping infiltration, to show its interest in negotiations. Oliver Todd, a leftist French journalist of questionable reliability on this subject, made a similar assertion earlier this month. He claimed that Hanoi, in response to President Johnson's San Antonio position, had "clarified" its position. According to Todd, Hanoi would order a cease-fire and then a withdrawal of some of its units from the South if the US "withdrew its troops from the Demilitarized Zone."

Todd later acknowledged to US Embassy officers in Paris that he was not sure his article was an accurate rendition of Hanoi's position. (It almost certainly was not.) Last Monday a North Vietnamese official in Paris refused to comment on Todd's statement about reciprocity, claiming that he had not read it.

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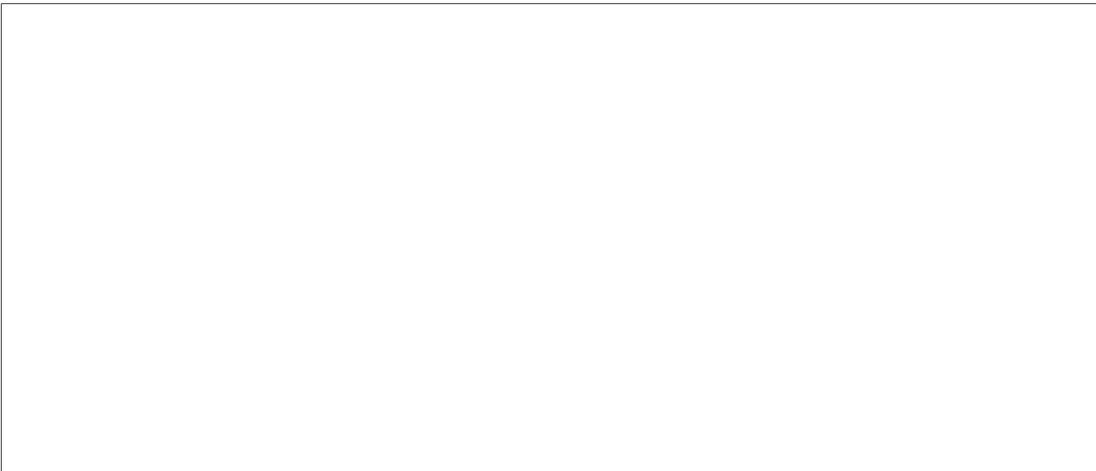
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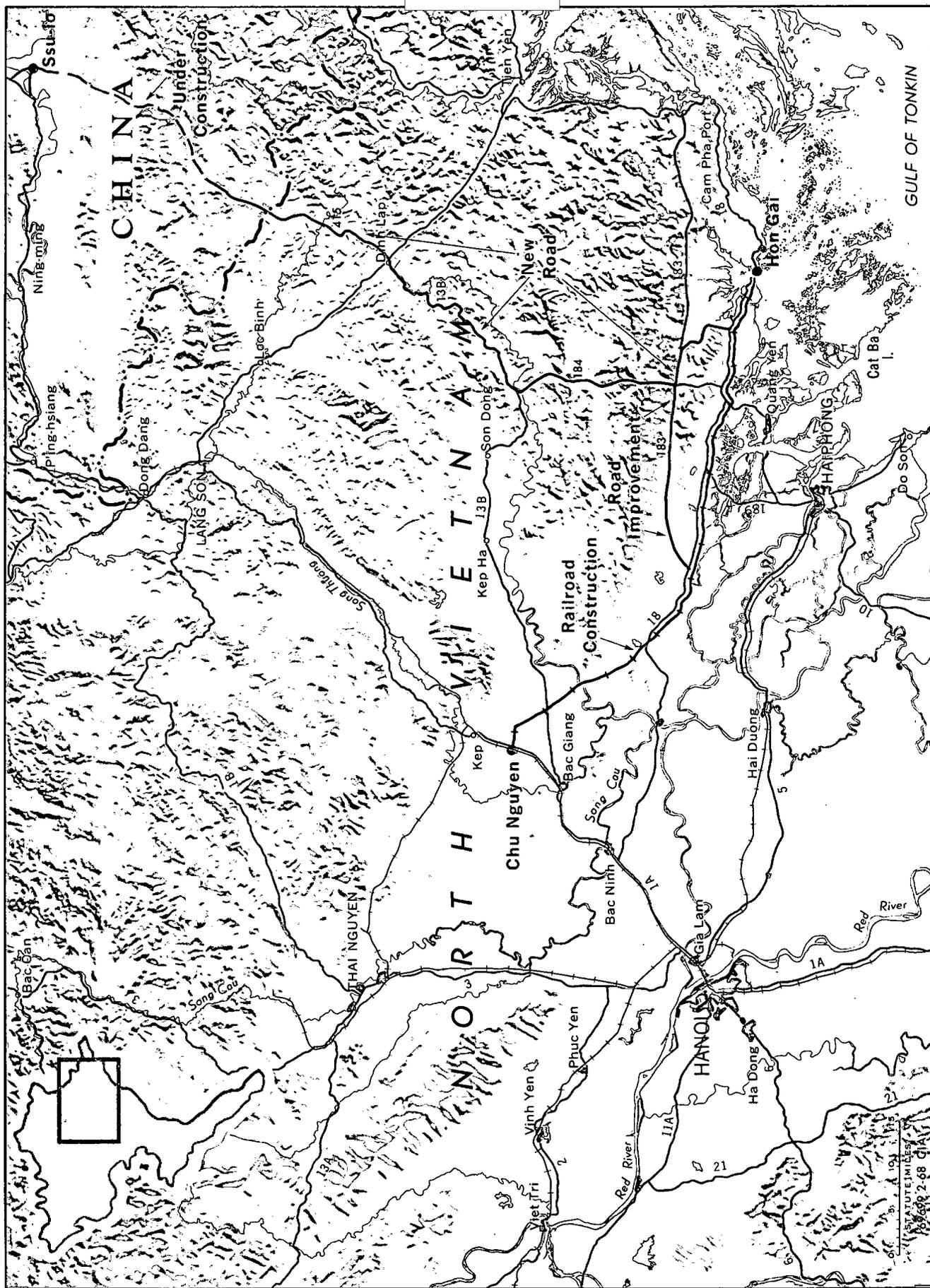


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French Exports to North Vietnam Down: [redacted]

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[redacted]

[redacted] According to Paris trade figures, French exports to North Vietnam totaled about \$600,000 in 1967, down from \$2.2 million in 1966. Moreover, the French did not provide the North Vietnamese with any credit guarantees in either year and expect a further fall in exports this year because of Hanoi's inability to earn foreign exchange by the sale of coal.

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France ranks a poor second to Japan in Hanoi's total foreign trade, which over-all, is continuing to decline.

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New Road Construction: The new rail and road construction in northeast North Vietnam is progressing rapidly. Photography of early January showed that about two-thirds of the roadbed for a new 67-mile rail line between Hon Gai and Chu Nguyen (see map) on the main rail line from China had been completed. This is a 60-percent advance over early October 1967. In addition, a rail yard, three passing tracks, and about half the required bridges are finished or under way along the line. Track could be laid and the line completed within a year.

A new, nearly completed, high-quality road from Ssu-lo, China, connects with the rail construction at Hon Gai. Other work is under way on a road running west from Hon Gai toward Hanoi. [redacted]

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French Correspondent on Dispersion of Installations: The French Press Agency correspondent Cabanes, who just finished a tour in Hanoi, apparently took a trip of some 300 miles into the mountainous areas of North Vietnam just before he left. He concludes from his observations that the North Vietnamese have dug into these areas in preparation for a long war and for additional air attacks. He says the regime has made these remote areas a secure refuge for vulnerable administrative, economic, educational, and public health facilities.

Cabanes' account, broadcast by the French Press Agency on 23 February, has a strong propaganda flavor, and conveys an impression of North Vietnamese determination and efficiency that undoubtedly is welcome by the Hanoi regime. Our information on the dispersion of population and production facilities indicates that these measures have not proceeded quite so smoothly and effectively as suggested by Cabanes.

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II. NORTH VIETNAMESE REFLECTIONS OF US POLITICAL ATTITUDES ON THE WAR

Hanoi on Increased US Troop Strength: Hanoi in its 27 February English language broadcast described what it claimed were a series of US measures

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to step up conscription to continue "its hopeless war of aggression in Vietnam." Quoting "Washington reports," the broadcast stated that the US would call up 48,000 men in the April draft, rescind the provision which exempts graduate students from the draft, and possibly mobilize a number of reservists. "All these frantic military build-ups," the broadcast concluded, "definitely cannot save the US aggressors from complete failure."

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