



The President's Daily Brief

~~Top Secret~~ 14 March 1968



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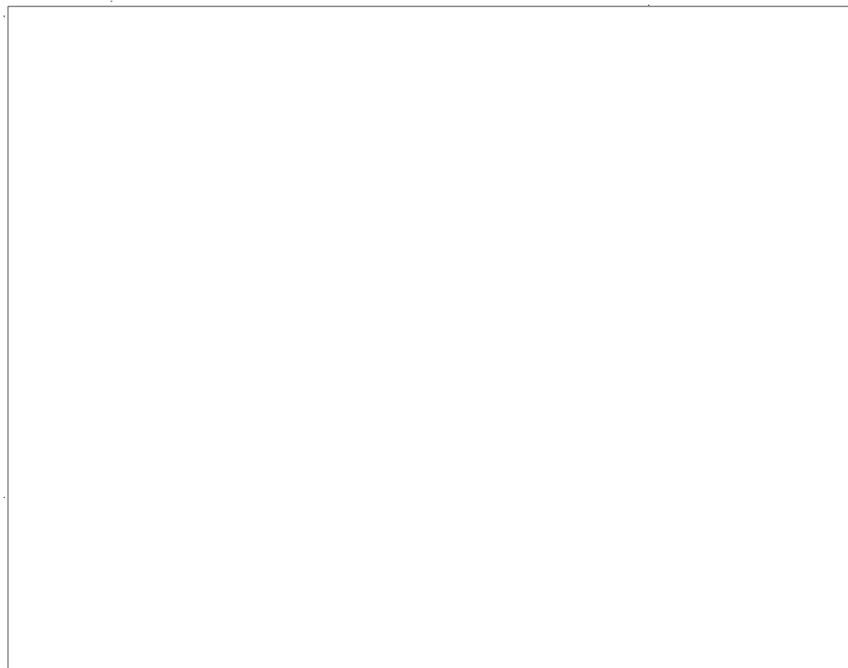
DAILY BRIEF
14 MARCH 1968

1. South Vietnam

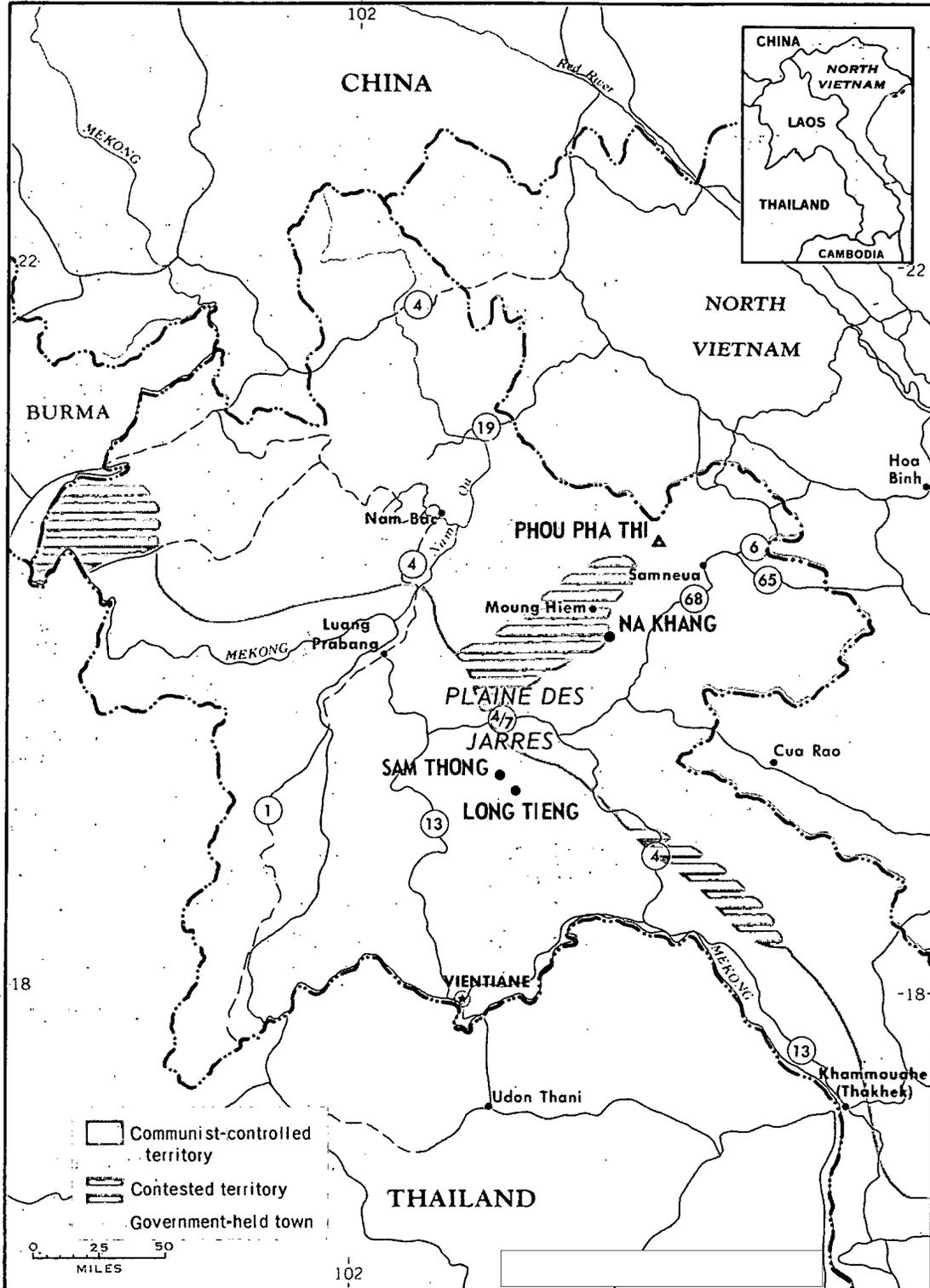
Vice President Ky has told Ambassador Bunker that the situation in IV Corps is not good at all. According to information given Ky by General Thang, the new commander, some 2,000 regular and irregular troops in IV Corps are still unaccounted for, and 367 outposts had either been overrun or their complements withdrawn. Ky claimed, however, that Thang was rapidly gearing himself to move over to the offensive in the delta.

Ky thinks Saigon needs to raise another 100,000 to 125,000 men. He also observed that in view of what he claimed to be the enemy's superior weaponry, better equipment for South Vietnamese forces is more important than having more American troops.

2. Cambodia



NORTHERN LAOS



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3. Communist China

There are signs that the Cultural Revolution disorders have had an effect on some military weapons programs.

The most telling indication is a speech--just recently come to light--that Chou En-lai made in mid-January, complaining of exceptional factionalism in the military industries. He mentioned specifically two rival factions thought to be in a ministry involved with the production of missile components and lamented that some factory equipment had been damaged.

Work has continued in the advanced weapons program despite disorders created by the Cultural Revolution. In all defense industries in which production can be gauged, output dropped in 1967. The Cultural Revolution played some role in this decline, although the exact extent cannot be determined.

4. Laos

The Communists are keeping up their pressure on government guerrillas in the northeast. [redacted] North Vietnamese and Pathet Lao battalions are consolidating their control of the area around Phou Pha Thi, which they captured Monday, ejecting government troops from several smaller outposts in the area. A likely next Communist target is the important guerrilla base at Na Khang. The loss of Na Khang in addition to Phou Pha Thi would just about put the government out of the business of observing and harassing the enemy in the northeast.

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The Communists are also continuing their limited offensive against government positions south of the Plaine des Jarres. So far, however, they do not appear disposed to push as far south as Meo leader Vang Pao's headquarters at Sam Thong or the guerrilla base at Long Tieng.

There have been no new reports of significant enemy activity in southern Laos the past two days.

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5. Gold Rush

Yesterday was the worst yet with sales on the London gold market reaching \$174 million. Sales for the first three days of this week are already as high as last week's five-day total of \$395 million. The British pound also took a beating yesterday after London published figures showing that February was a bad month for Britain's trade balance.

6. Poland

Ambassador Gronouski reports that Radio Free Europe broadcasts to Poland during the present crisis have been "especially appreciated by the Polish audience." They are listening particularly to RFE's detailed up-to-date accounts of developments in the country and to comparative treatment with developments in Czechoslovakia. [redacted]

[redacted] the broadcasts are forcing the Polish media to commit embarrassing gaffes in handling the story.

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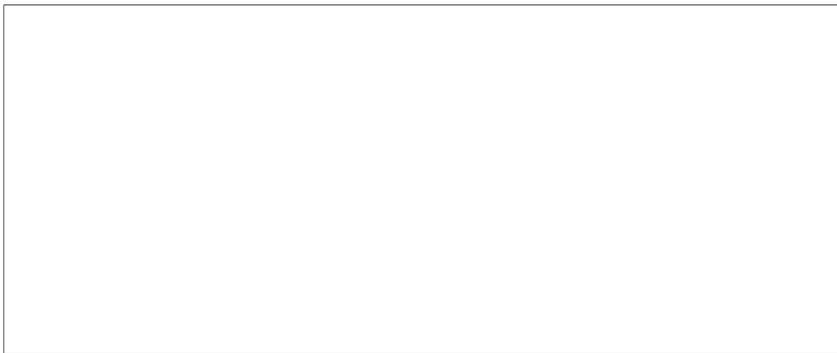
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There were no new student outbursts in Warsaw yesterday, but widely scattered demonstrations continued elsewhere. The increasingly anti-Semitic slant in the party's counterpropaganda suggests the hardliners may be trying to improve their position at the expense of a moderate Jewish faction associated with Gomulka. Gomulka himself has been lying low since the riots broke out six days ago, a failure in leadership which could be held against him later on.

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7. Panama

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[redacted] the opposition has drawn up what seems to be a more leisurely timetable for completion of impeachment proceedings against Robles. Final assembly determination of Robles' "guilt" would be taken by March 26, after which the National Guard Commandant would be ordered to replace him with the pro-Arias vice president. If the Guard refuses, Arias would then call his followers into the streets.

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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

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Hanoi on Prisoner Exchanges: The North Vietnamese chargé in Vientiane held the door open to further discussions on the exchange of prisoners during an initial meeting with US Embassy officials on 12 March. He also delivered a strong propaganda condemnation of US harassment of North Vietnamese coastal shipping and seizure of North Vietnamese personnel from these vessels. The protest, in the form of an aide-memoire, suggests that it is intended as a North Vietnamese position paper.

The chargé requested that the 12 March discussions be given no publicity. In this meeting the North Vietnamese also officially agreed to accept the three North Vietnamese naval personnel whom the US proposes to repatriate, thus clearing the way for their return to Hanoi on the next ICC flight scheduled for this Friday.

The official aide-memoire seems to set the stage for Hanoi's future actions on the prisoner issue. It attempts to make a distinction between captured American pilots--whom the North Vietnamese regard as criminals--and the "hundreds" of North

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Vietnamese civilians whom Hanoi claims the US has captured in North Vietnamese waters, "arrested, and illegally retained." The memoire insists that the prisoner issue is not one of reciprocity. The US is obliged, according to this argument, to return its North Vietnamese prisoners, whereas Hanoi has released the American pilots as a gesture of good will. Using this rationale, Hanoi clearly intends to retain the initiative and the control over the timing of prisoner releases.

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Communists Plan World-wide Vietnam Demonstra-
tions: The Communist-front World Federation of Demo-
cratic Youth has called on its affiliates to organize
a "thousand demonstrations" world-wide for one month
beginning 24 March. The demonstrations are to be
against US policy in Vietnam.

Most likely trouble spots are in Scandinavia
and elsewhere in Western Europe where radical "new
left" groups are already conducting or preparing
for Vietnam protest demonstrations. There could be
violence against US property in these places.

The Communists' world youth group is also pro-
moting the idea of a meeting during the next few
weeks between "representatives of progressive Ameri-
can and Vietnamese youths."

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Hanoi Comment on Saigon Politics: The North
Vietnamese are continuing to give close attention
to the political situation in South Vietnam. In
its English language broadcast on 13 March, Hanoi
claimed that recent changes in the personnel of the
Saigon administration and evidence of assembly dis-
satisfaction with the Thieu government had demon-
strated the "sharp contradiction among the puppets
and the scramble between Thieu and Ky for power."
Quoting Western press stories, the broadcast noted
that seven of the 44 province chiefs had been "fired,"
that the assembly had rejected Thieu's request for
more power, and that a petition of no confidence
in the Loc cabinet had been circulated among a num-
ber of senators.

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

US Senate Foreign Relations Committee Hearings:
At last check, neither Hanoi nor the National Liber-
ation Front has reported or commented on the hear-
ings.

More Hanoi Comment on US Attitudes: Hanoi continues to publicize US editorial opinion critical of the American policy in Vietnam. In an international English language broadcast on Wednesday, Hanoi reported that the 10 March issue of Newsweek had commented editorially that after three years of gradual escalation, "President Johnson's strategy for Vietnam has run into a dead end." Newsweek was also quoted as saying that the President's strategy was a failure and urged him to get the US out of its dismal situation by stopping the war in Vietnam.

The New York Times of the same day was also reported to have called the US war in Vietnam "this vain and costly effort," and to have pointed out that it was clear that American military might could not achieve a meaningful victory in Vietnam. The Times urged an eventual orderly withdrawal from Vietnam, according to the broadcast.

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Antiwar Activities Reported: In its latest broadcast wrapping up antiwar activity, Hanoi reported on 12 March that three more US soldiers had deserted in Japan to protest US policy in Vietnam. The broadcast also reported that opposition to the war has increased sharply in the past year at the University of Massachusetts. It quoted a recent survey conducted by a graduate student seminar which indicated that 73 percent of the students who responded said they would vote against President Johnson in the election and that 78 percent of the graduate students said they oppose US involvement in Vietnam.

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