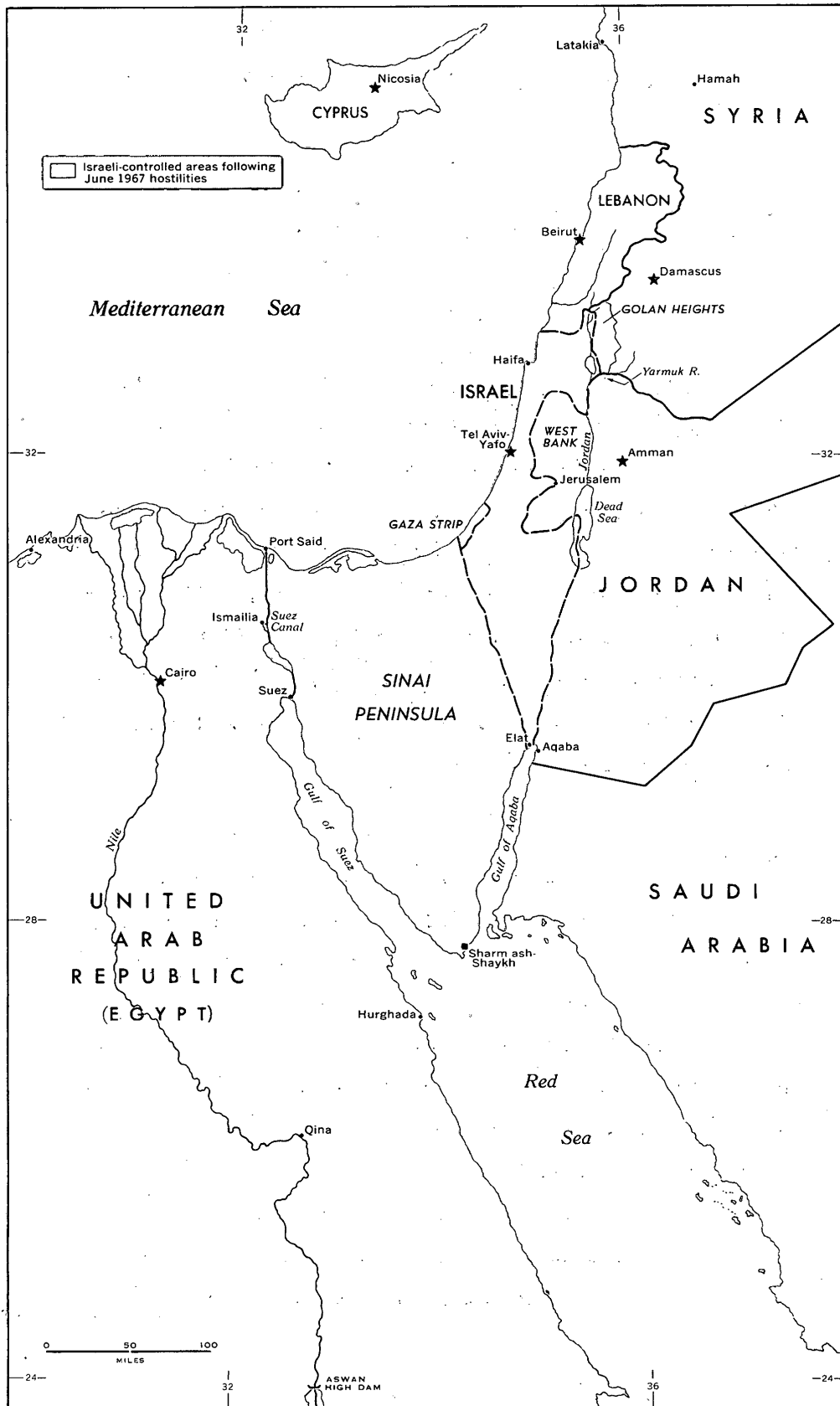


The President's Daily Brief

29 January 1969



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29 January 1969

LATE NOTES FOR THE PRESIDENT'S DAILY BRIEF OF
28 JANUARY 1969

I. MAJOR PROBLEMS

MIDDLE EAST

The press reports that another mass spy trial has begun in Baghdad. We assume the Israelis are casting about for ways to retaliate, but the governing consideration for them probably is still the vulnerability of the Iraqi Jewish community. (AP 247, 28 January 1969)

EUROPE

Knowledgeable sources of the US Embassy in Paris report that the Concorde supersonic transport is scheduled to make its maiden flight between 11 and 15 February. [REDACTED]

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SOVIET AFFAIRS

A Tass report of a "luncheon" for the president of South Yemen was broadcast at 0524 EST this morning. Kosygin was listed among the participants. An hour later the report was transmitted again, but this time the event was referred to as a "dinner" and Kosygin's name was missing from the list of participants.

The Soviet premier has been out of sight for a month, [REDACTED]

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[REDACTED] (FBIS
13 and 15, 29 January 1969)

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VIETNAM

The Liberation Front has announced that it will observe a week-long truce during the Tet holiday. The truce will extend from 15 to 22 February. (UPI 320 A, 28 January 1969)

II. OTHER IMPORTANT DEVELOPMENTS

PERU

The Peruvians took over the International Petroleum Company's offices in Lima yesterday afternoon. Company officials say that although the company retains ownership of its distributive outlets, this move effectively puts it out of business in Peru.

Paradoxically, the Peruvians yesterday also extended until 4 February the deadline for payment of the \$15 million bill they have levied on the company.

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I. MAJOR PROBLEMS

MIDDLE EAST

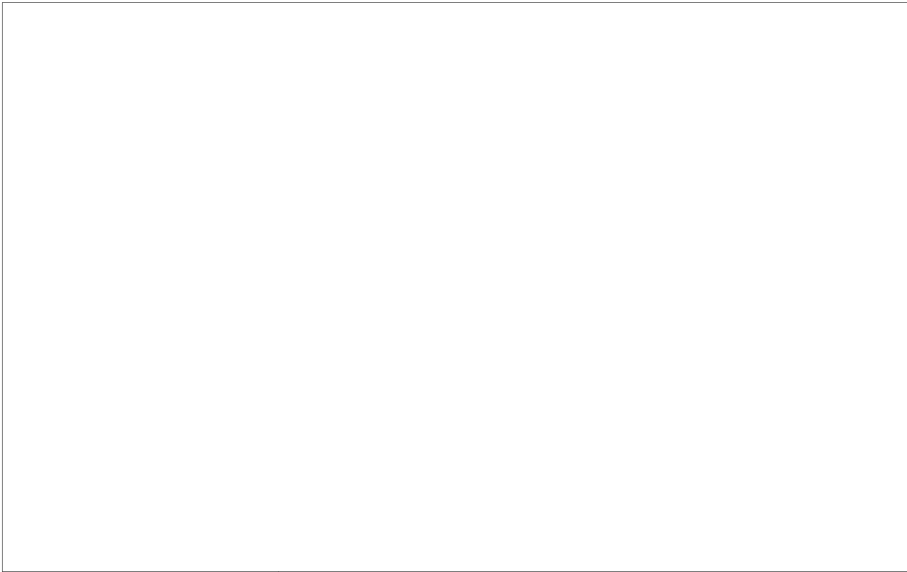
There is nothing of significance to report.

EUROPE

Horst Osterheld, a foreign affairs aide in Kiesinger's office, has told the embassy in Bonn that he thinks the idea of transforming the April meeting of NATO into a summit is a good one. If this is not possible, he wonders whether it would be a good idea for Kiesinger to visit Washington in early March before his meeting on 13 and 14 March with De Gaulle. Osterheld made it plain that the Chancellor and the President must meet first; only thereafter could such lesser figures as Schroeder and Brandt see President Nixon.

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SOVIET AFFAIRS

The Soviets are working to keep a toehold on the Arabian Peninsula. They have supported the rulers of Yemen--regardless of ideology--since 1962, and have been undeterred by consistent Saudi Arabian hostility in their attempts to establish contacts there.

During the past week, Moscow has airlifted to South Yemen--until last year the British Aden colony--some of the military equipment it had promised last November. This shipment includes MIG-17 fighters, which will be assembled by some 52 Soviet technicians. There are no South Yemenis qualified to fly the MIG-17, so additional Russian advisers can be expected. South Yemen is torn by civil war and its future is so uncertain that up to now the Soviets were reluctant to do more than send token military assistance. The MIGs--the first jet warplanes in the country--were probably sent as a gesture, arriving as they did just before the trip to Moscow yesterday of South Yemen's president. He is looking for additional military and economic aid and will probably receive both--in amounts far below his requests.

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Our Annex today deals with Soviet military pressures on Rumania and Yugoslavia.

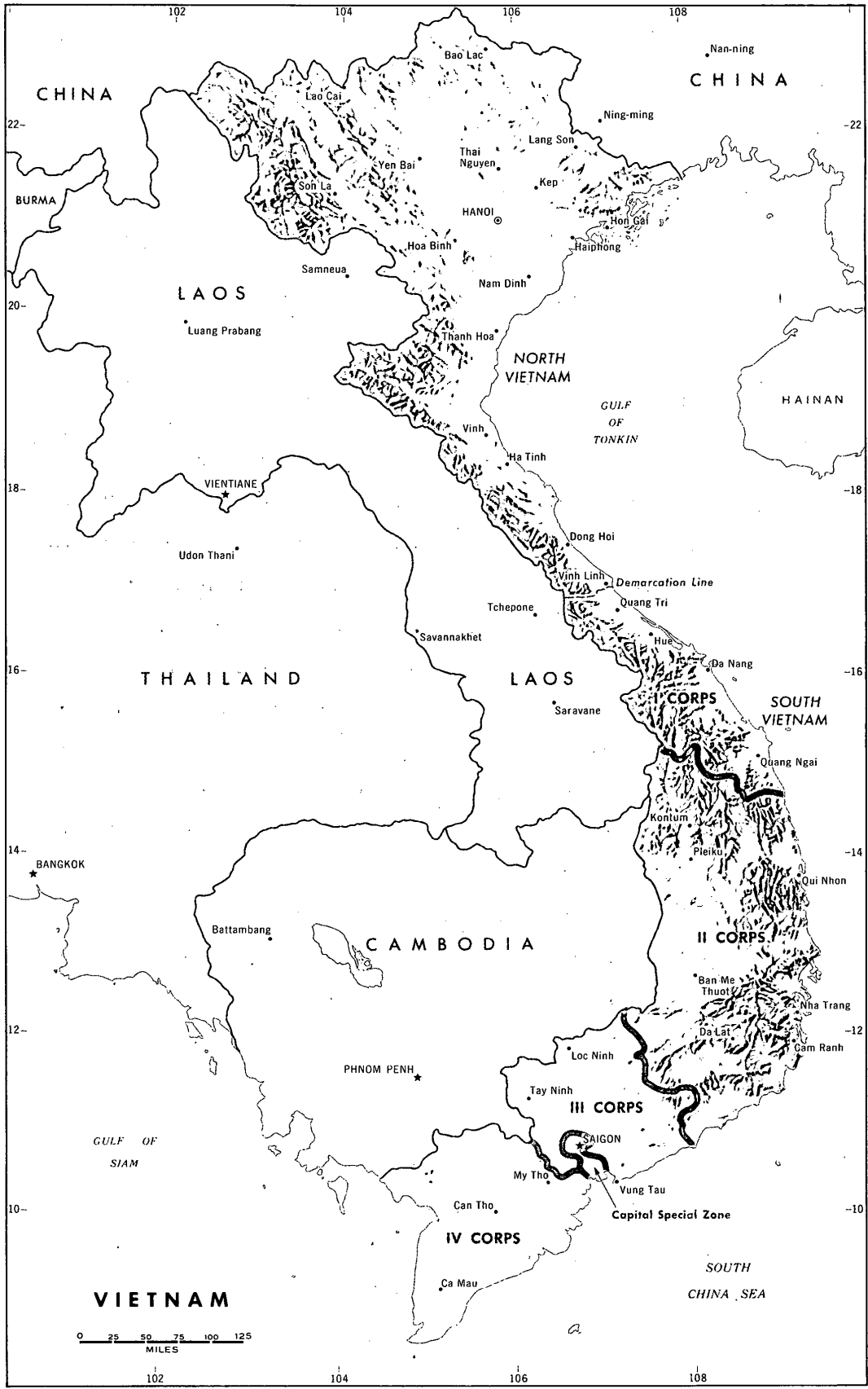
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VIETNAM

Vice President Ky's conversation with Ambassador Lodge on 27 January provides a good summary sketch of the way he would like to see the talks unfold and the kind of political settlement his government thinks it could live with.

Ky made it clear that the GVN wants the military issues kept as separate as possible from the political issues, the latter to be considered only after there is substantial movement on the former. He apparently hopes that our side can bargain for the withdrawal of North Vietnamese forces by offering only military concessions in return. Presumably the withdrawal of US forces from Vietnam would be the quid pro quo for North Vietnamese withdrawal. Despite this statement, Ky went on to say he expects Hanoi to insist that the settlement "take care" of the National Liberation Front.

Ky's view of how to satisfy this Communist demand is for the government to allow Front personnel to run for elective office, specifically including seats in the houses of the National Assembly. He made it clear, however, that the GVN would not entertain the notion that Communists be allowed to have any ministries in the government. In this conversation, he estimated that the Communists might get around 15 or 20 percent of the vote. He clearly implied that he does not believe the Communists have enough political punch to threaten, or even seriously embarrass, the Saigon government. On the contrary, Ky suggested that the GVN would be able to



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"overwhelm" the Communists once North Vietnamese military personnel had withdrawn.

Ky's optimistic view of how easily the Communists' political challenge can be met may actually reflect current GVN thinking or it may be only his own view. [redacted] 50X1

[redacted] Ky, Thieu and company have not yet really 50X1
come to grips with this problem in any detail.

There have been no new clues to Communist intentions in Paris. More propaganda broadsides are likely in tomorrow's meeting, especially in reaction to South Vietnam's initial presentation last Saturday. Although Hanoi undoubtedly wants to explore the US position on substantive matters, the North Vietnamese will do everything possible to avoid moves which suggest they are in a hurry. As they have in the past, they probably will wait to take their cue from the US, and they probably expect the US to take the lead in proposing new private discussions. Le Duc Tho agreed to Ambassador Harriman's suggestion on 14 January that the private US-DRV dialogue should continue with the new American team in Paris. The Communists almost certainly believe that only in private talks will they be able to sound out the policies of the new US administration, their priority objective at present.

* * *

Military action remained at a normal level yesterday. There are signs, however, that the enemy intends to launch a series of attacks in I Corps over the next few days. The enemy is in a position to hit many allied posts and urban centers with rocket and mortar attacks, sapper and terrorist raids, and even with some small scale ground attacks.

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II. OTHER IMPORTANT DEVELOPMENTS

BERLIN

Vice President Ky was scheduled to arrive in West Berlin at 3:35 EST this afternoon. At last report, neither the press nor the student militants had gotten wind of the fact. The students, however, are already mobilized on other issues and could zero in on Ky with little or no advance warning.

COMMUNIST CHINA

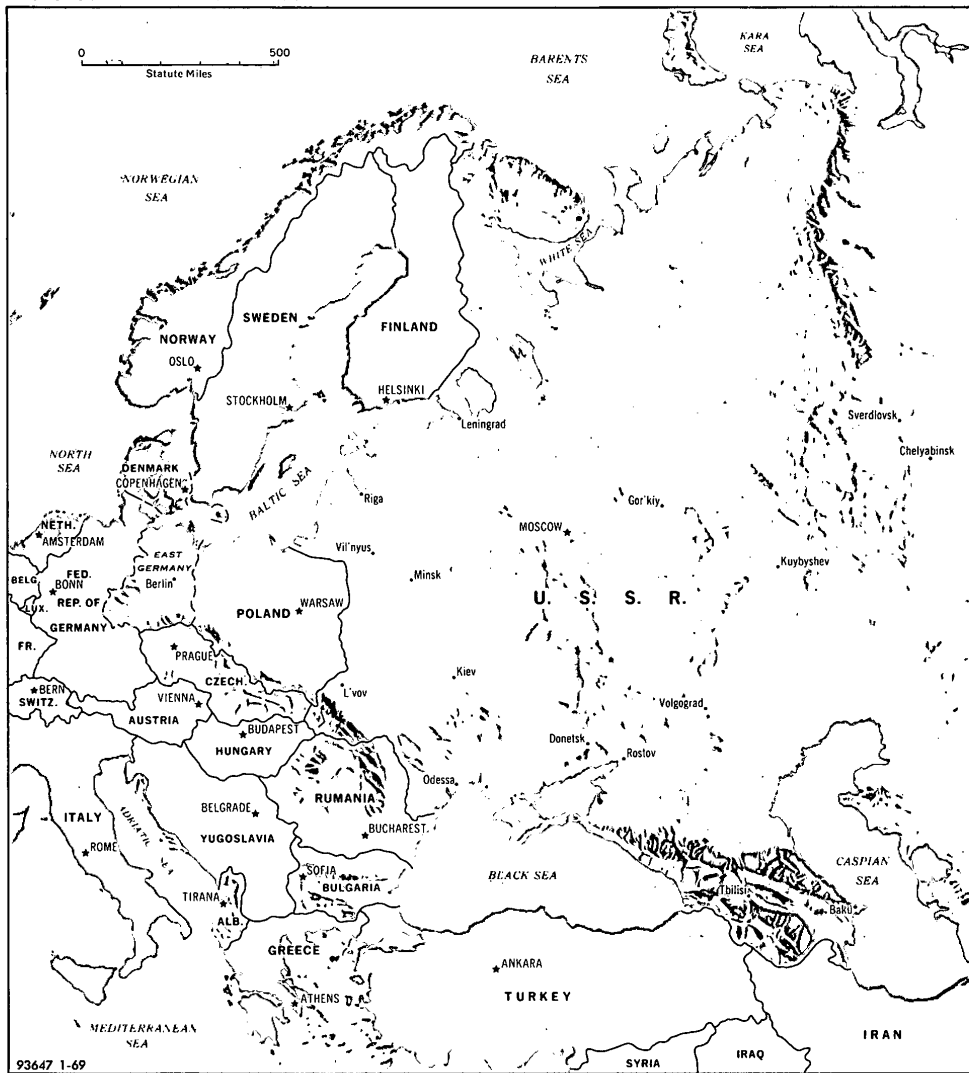
TASS reporting from Peking shows that there has been a recent increase in the wall slogan and poster campaign there. One slogan is quoted as calling for the "overthrow of all who are opposing Chairman Mao." This adds to signs that the political struggle in the Peking leadership may be intensifying.

There is also some indication that the military establishment is becoming more deeply embroiled in the political struggle, but in a way that is not yet clear.

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Warsaw Pact Countries



SOVIET MILITARY PRESSURES ON RUMANIA AND YUGOSLAVIA

SIGNIFICANCE: Uncertainty about Soviet military intentions is likely to rise again in Eastern Europe in 1969 when the military forces of the Warsaw Pact conduct a combined exercise in Rumania, something Bucharest had been able to fend off since 1962. The Soviets are using the Warsaw Pact as a lever to exact greater cooperation from the Rumanians and, indirectly, from non-Pact member Yugoslavia. The Rumanians and the Yugoslavs no longer fear, however, that the Soviets are prepared to go as far as outright military intervention. They are probably right. Even so, the anxieties aroused in Eastern Europe will be felt in Western Europe, and there will be renewed concern in NATO about the security of its southern flank.

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Soviet Military Pressures

In the wake of its decision to stamp out reformism in Czechoslovakia, Moscow has set out to force the Rumanians to reduce their awkward defiance of Soviet authority. The Soviets also hope to insulate Eastern Europe from the insidious influence of Yugoslav "revisionism."

As a member of the Warsaw Pact, Rumania is more susceptible to Soviet pressures applied through that organization than is Yugoslavia. Nevertheless, in the aftermath of Czechoslovakia, with its demonstration of Soviet

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readiness to use military force for political purposes in Eastern Europe, and Moscow's declaration concerning the limitations on the sovereignty of members of the "socialist commonwealth," Soviet pressures on Rumania will be felt keenly in Yugoslavia.

Rumanian Participation in the Warsaw Pact

In recent years Rumania has reduced its participation in Pact affairs, coming last spring very nearly to the point of having a "vacant chair" at Pact gatherings.

Since the invasion of Czechoslovakia, their own discretion and, no doubt, a good measure of "comradely persuasion" from Moscow have recommended a more accommodating policy to the Rumanians. Top-ranking Rumanian and Soviet military officers have exchanged visits, among these a visit to Bucharest by the Soviet commander-in-chief of the Warsaw Pact forces. It was not by chance that Bucharest was the site of the annual meeting of the chiefs-of-staff of the Pact countries convened late last year. Last month Bucharest in a very limited way rejoined the Warsaw Pact communications intelligence intercept network from which it had withdrawn in December 1966.

In the offing early this year is a meeting of the Pact's Political Consultative Committee, which will be, in effect, a summit meeting of the party, government and military chiefs of the seven member states. It can be expected that pressure will mount at that time on Rumania

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to make concessions--potentially damaging to Rumania's claims to national sovereignty--in the name of strengthening the Warsaw Pact vis-a-vis NATO. The Soviets might revert, for example, to earlier demands that Rumania expand its own armed forces or agree to increased standardization of military equipment within the Pact. The Rumanians are particularly apprehensive about a possible attempt to give the Pact command tighter control over national forces.

The Rumanian Response

The Rumanian position is delicate. Bucharest will have to give some ground--as it already has in agreeing to combined exercises--but will struggle hard against being drawn more tightly into the Warsaw Pact net. In negotiating with the Russians on the timing and scope of the exercises, the Rumanians will seek to obtain hard-and-fast assurances that foreign forces will withdraw at a specific time. If [redacted] the Soviets seek to hold the exercises in the region bordering Yugoslavia, Rumania will surely argue for a less provocative locale. [redacted]

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Soviet Intentions

There is no reason to think that Moscow considers either Rumania or Yugoslavia a real and present danger to its security position. The chances of extreme military

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action against either are not great. But even while applying lesser pressures, Moscow will arouse sharp new anxieties in Bucharest and Belgrade. If the Pact forces are slow to withdraw from Rumanian soil, as they may be, the atmosphere of tension that prevailed last summer will begin to settle again over Eastern Europe. If the Russians were to go a step further and leave their forces in Rumania for a protracted period, there would be real concern within NATO that the Soviets had set out to fasten their hold on all of Eastern Europe including Yugoslavia. A Yugoslav request for economic and military assistance from NATO countries would be sure to follow. The US would be pressed, on the one hand, to issue warnings to Moscow and, on the other, to avoid taking a stance which might seem to challenge the USSR.

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