

*The President's Daily Brief*

27 February 1969

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*FOR THE PRESIDENT ONLY*

I. MAJOR DEVELOPMENTS

MIDDLE EAST

Eshkol's death removes a balance wheel from the complicated machinery of government in Tel Aviv. Basic Israeli policy will probably not be much affected, but with Eshkol no longer on the scene there may follow a period of divided counsels and more erratic performance. In any event a struggle for succession within the ruling Labor Party can be expected.

General Allon's selection as Acting Prime Minister is clearly a stop-gap measure, although he may be able to use the office to recoup his recently declining political fortunes. Allon, a leader in the 1948 war, had been named deputy prime minister last June by Eshkol as a counter to Defense Minister Dayan. In the past few months, Allon had not been in the good graces of the Labor Party old guard, and Eshkol had been grooming Secretary-General Pinas Sapir as his heir apparent.

Sapir is a tough, hard-working member of the old guard, but is rather colorless. Another strike against him is his reputation for being relatively soft on the peace settlement issue. The old guard would probably like to stay with Sapir, but it may find itself compelled to turn to a younger, more popular man to lead the party to victory this fall.

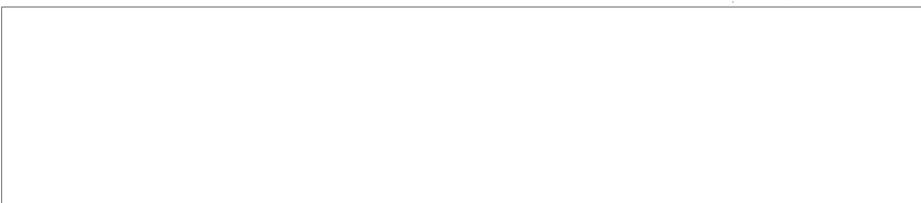
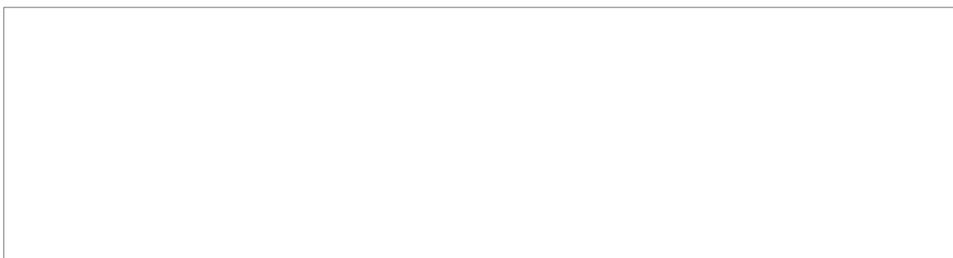
This could be Allon, if he can work his passage back, but it would more likely be Dayan, who is unquestionably the most

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popular man in Israel today. He is probably the only figure who could lead Israel into a compromise settlement without a major political upheaval.

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EUROPE

The embassy in Rome reports that the Italians are strongly behind the British in the current imbroglio with the French. Alone of the Five, they do not think London is pushing the issue too hard. They even take the position that WEU can take decisions if the French are not present, and they expect that an opportunity to do so will come up before long.

SOVIET AFFAIRS

According to the West Berlin representative who attended the meeting in East Berlin with the East Germans yesterday, no specific progress was made but the atmosphere was friendly and both sides expressed an interest in remaining in touch.

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The West Berliners plan to suggest a continuation of the talks in West Berlin this afternoon. In essence the feeling in West Berlin is that this meeting was "a good beginning."

Yesterday's meeting opened with the East Germans asking for a statement that the West German presidential election would not be held in Berlin. This, of course, the West Berliners were not prepared to give. It was apparent that the East German negotiator had no leeway to go beyond this initial assertion, and last night he implied that unless this precondition is met he will not discuss matters with the West Berliners further. The West Berlin negotiator, however, apparently expects a more acceptable offer will eventually be forthcoming from the East Germans, after which Mayor Schuetz would inform Chancellor Kiesinger.

VIETNAM

Communist forces continued to press their offensive throughout South Vietnam on 26 February, with the major focus once again shifting to the III Corps provinces ring- ing Saigon. Economy-of-force tactics continued to dominate enemy actions as local force, guerrilla, and sapper units carried the burden of combat, while main force units for the most part remained uncommitted.

No enemy actions were reported in Saigon, Hue, or Da Nang. Some clue as to the planned duration of the current

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offensive has been provided by a document captured on 24 February in Long An Province, southwest of Saigon. The document--a letter dated 23 February--called for countrywide attacks to commence on 22-23 February and continue for some 34 days.

The Communists continued to maintain strong pressure against major allied military bases and some urban centers in the outlying provinces of III Corps. Allied forces at the Bien Hoa - Long Binh military complex northeast of Saigon and at Song Be, the capital of Phuoc Long Province, continued to be the most seriously threatened, as growing enemy troop concentrations were reported within easy striking distance of these objectives. In I Corps, sharp ground fighting continued on the approaches to the province capitals of Tam Ky and Quang Ngai City; however, pressure against allied strongpoints along the Demilitarized Zone eased considerably. No significant ground actions occurred in II Corps, although enemy forces continued to shell allied special forces camps in the highlands and sabotage lines of communication along the coast. Viet Cong forces in the Delta shelled a large number of targets, including at least four provincial capitals; the situation around Chau Doc City--where more than 150 enemy were killed in heavy fighting on 25 February--is being closely watched.

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We see nothing new on the Communist side concerning the talks, but it is increasingly clear that Hanoi is putting

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many chips on the current offensive. The enemy obviously wants to redress the appearance of Communist passivity during the last few months, when allied programs have gained momentum. The Communists also want to demonstrate that they remain militarily strong and that only a political solution to the war offers prospects for reducing the US commitment.

One of the best indicators that Hanoi intends to keep up its offensive over a fairly long period is the continued high rate of infiltration from the North. Preliminary reports say that more than 18,000 new infiltrators have been spotted on the move so far in February, more already than last month. Since early December the total number of infiltrators detected in communications is in excess of 65,000. No matter how Communist loss rates in the South are manipulated, it is clear that the enemy's manpower input in recent months exceeds his losses. This almost certainly means that Hanoi anticipates a high level of violence in the coming months. Moreover, present trends indicate the Communists will have enough men in place to sustain a level of fighting generally comparable to the first half of last year. Even if they take heavy casualties in the current offensive, the Communists will apparently be back up to present strength levels by early summer.

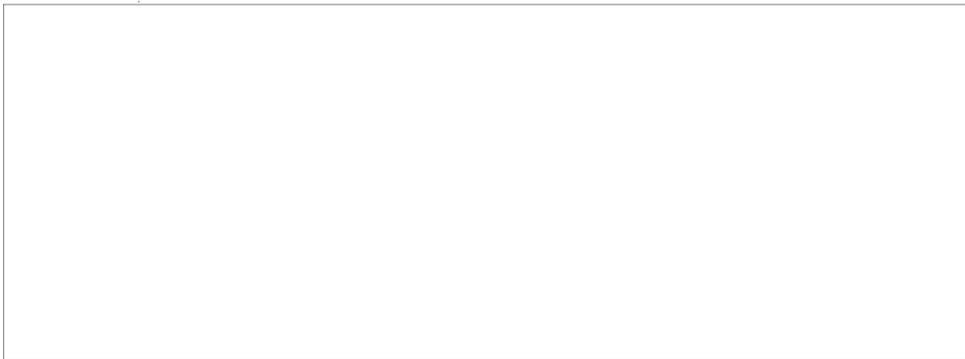
It is not clear to what degree the DRV is prepared to risk resumption of US bombing as a result of the offensive. Newly available intercepts show that North Vietnam took at least some limited steps both before and after the offensive began to guard against the chance of renewed US air attacks.

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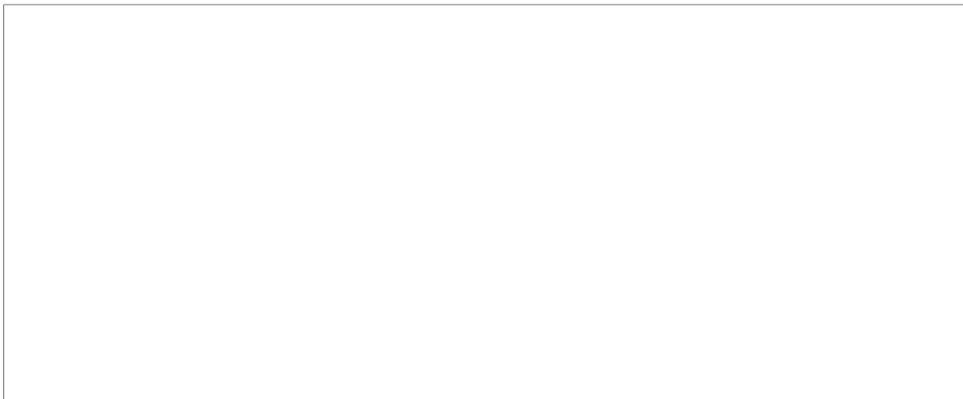
We believe, however, that the North Vietnamese do not expect a large-scale or prolonged period of bombing and that they have proceeded with the offensive on the assumption that they can get away with some bending of the "understanding" on the bombing halt. The light rocket attacks on Saigon of 23 February have not been repeated. At this point we do not believe they were meant as a real test on this issue.

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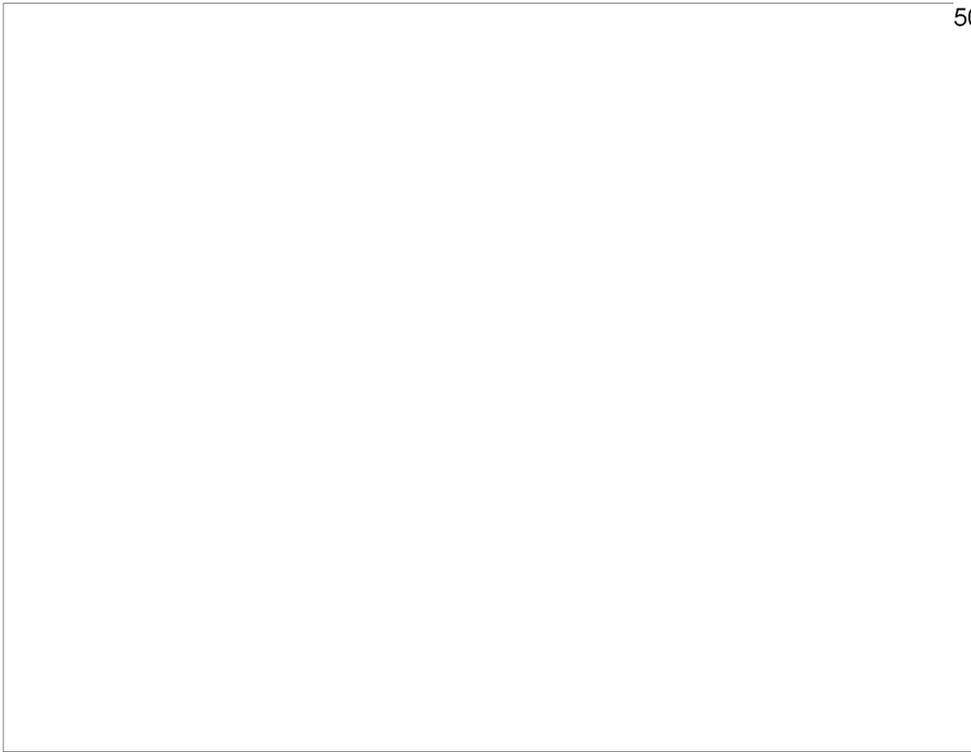


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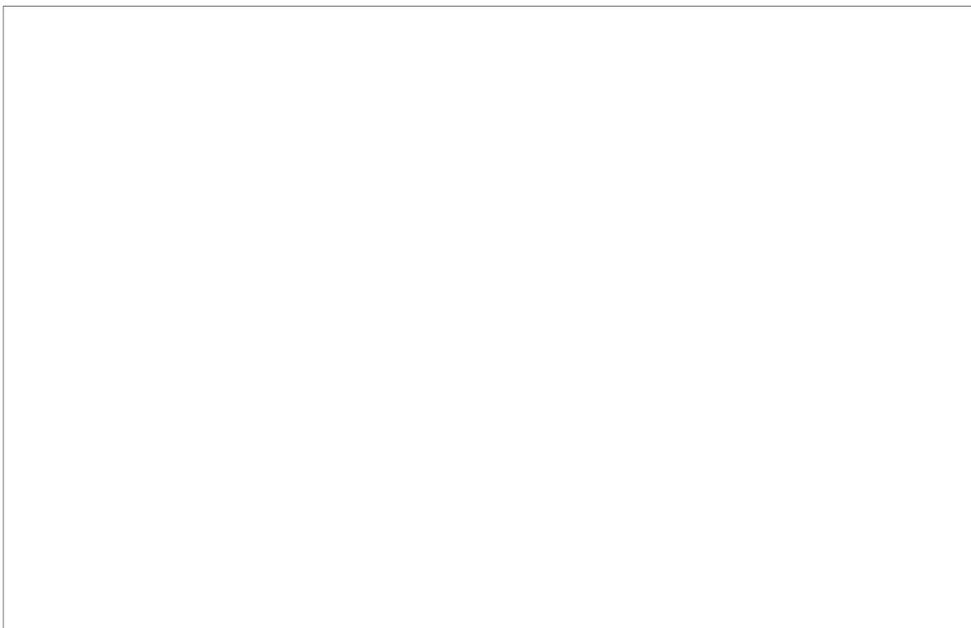
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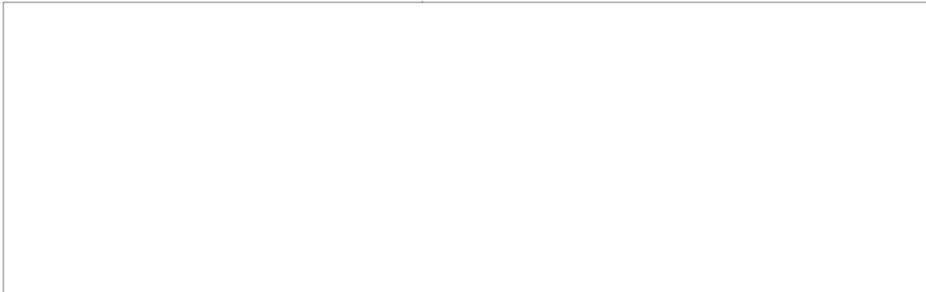


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II. OTHER IMPORTANT DEVELOPMENTS

CAMBODIA

There has been relatively mild reaction among Cambodia's neighbors to President Nixon's overture to Sihanouk and the possibility that the US will declare its recognition of Cambodia's borders. The toughest line was taken by Thai Foreign

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Minister Thanat, who was skeptical that a rapprochement would help solve the problem of Vietnamese Communist use of Cambodian territory. In Vientiane, the Lao are themselves moving to reach a border agreement with Cambodia.

Reaction in Saigon, which has a number of border disputes with Phnom Penh still outstanding, was surprisingly low-keyed. The South Vietnamese response may have been tempered, however, by preoccupation with other problems.

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ITALY - COMMUNIST CHINA

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the Italians were hoping for some

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reaction to Nenni's announcement last month that Italy was interested in establishing relations. It would not be surprising if the Chinese made their usual demands, [Redacted]

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that Peking be recognized as

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the "sole and lawful government of the Chinese people," that relations be broken with Taiwan, and that Peking be restored to its "rightful place" in the UN. The Italians would not be

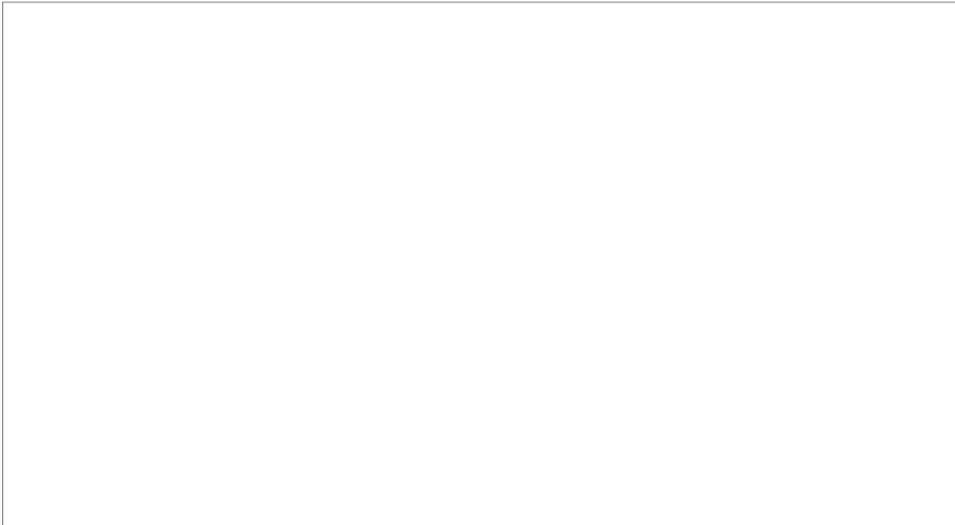
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particularly fazed by such a reaction, however, and we believe they would continue to edge in the direction of recognition.

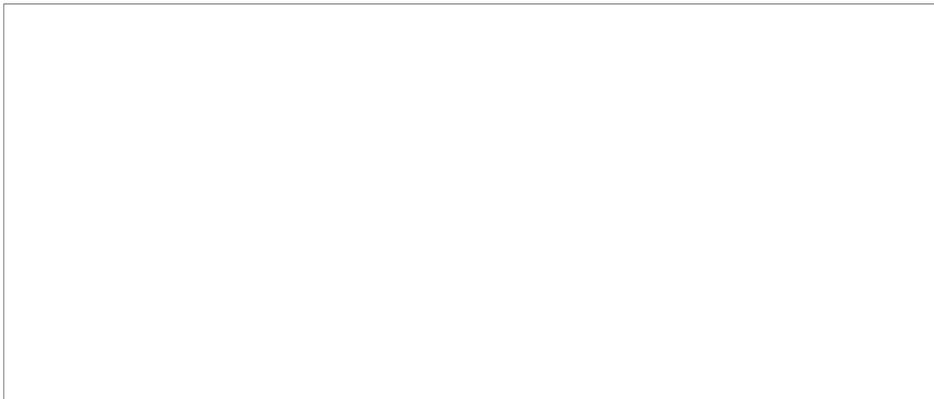
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