

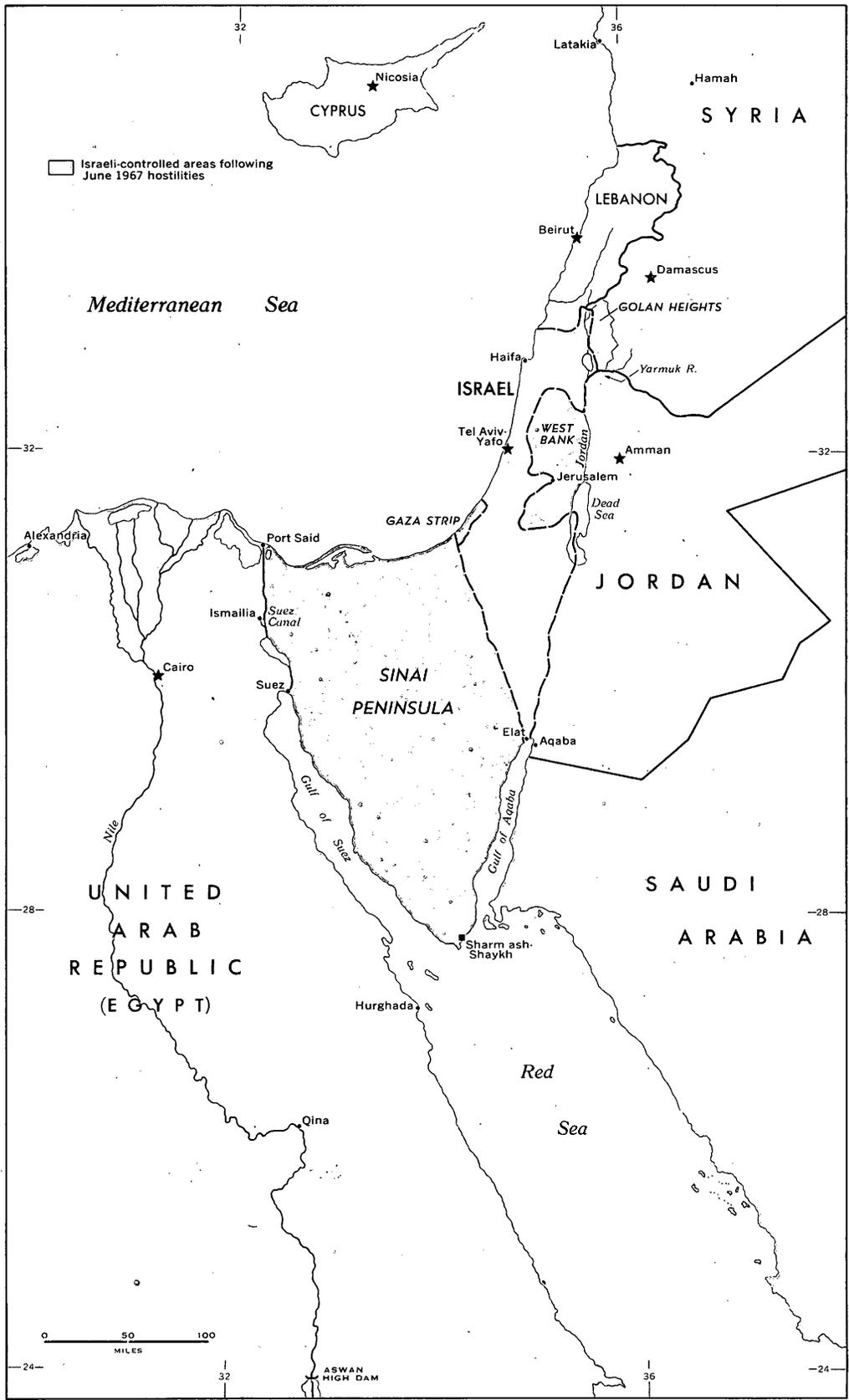
The President's Daily Brief

5 March 1969

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~~Top Secret~~





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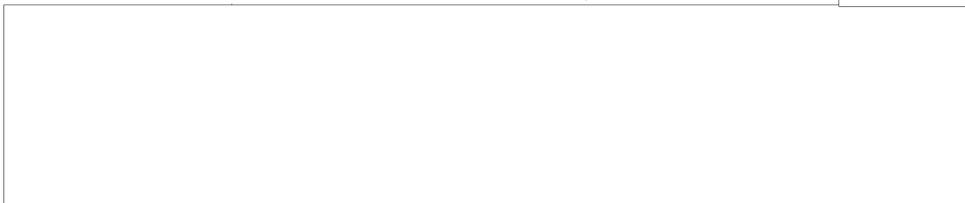
I. MAJOR PROBLEMS

MIDDLE EAST

Persons unknown fired on and destroyed the Iraqi Petroleum Company's desulphurization plant in Kirkuk on Saturday. The plant is in Kurdish territory, and the action might be a prelude to the reopening of the Kurdish rebellion.

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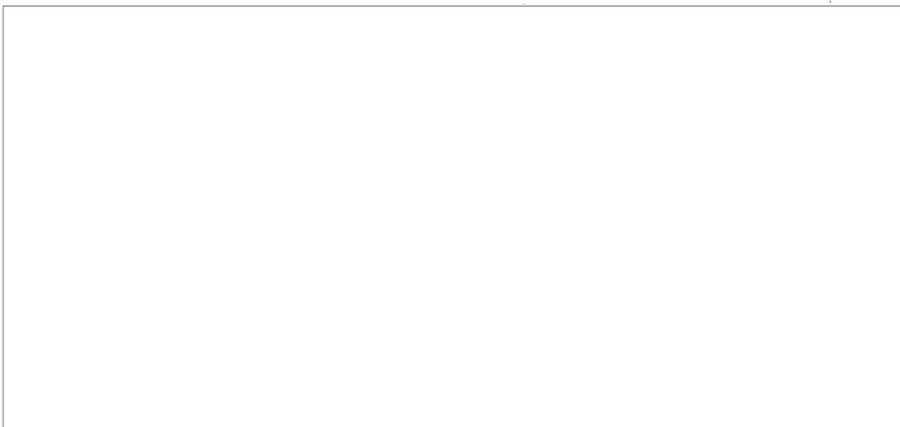
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In any case, Iraq's petroleum production has dropped from about 1.1 million barrels per day to about 440,000 since Saturday. The companies which comprise the IPC may make up the loss by increasing production in Iran--a step which would please the Shah but would cause the Iraqis substantial financial damage.

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EUROPE

There is nothing significant to report.

SOVIET AFFAIRS

The meeting of the West German Federal Assembly in West Berlin today passed without major harassment. The East Germans, however, closed the Berlin-Helmstedt autobahn twice and for the first time during the current imbroglio, closed the other two main roads to West Berlin. There was no harassment of West Berlin itself, and access from West Berlin to the Communist part of the city was not impeded.

According to West Berlin Mayor Schuetz, this week's minor harassments have had little effect upon the morale and confidence of the city's inhabitants. A Soviet diplomat in East Berlin, however, has suggested that problems concerning access to the city may only be beginning.

On 3 March, the second secretary of the Soviet Embassy Georgy Sannikov, stated that there would be no trouble over the Federal Assembly meeting, but that in the next six months the East Germans will gradually impose restrictions on the transport of industrial goods to and from the city "right down to buttons" on West German army uniforms. Sannikov said that this idea was originated by the East Germans and had been approved by the Soviets. He also

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said that should Bonn plead to Moscow to restore the status quo, the Soviets would advise the West Germans to negotiate with Pankow. Sannikov's statement may have been intended as a follow-up to the Soviet note of 26 February in which Moscow requested the East Germans to study measures designed to cut off the flow of military goods allegedly manufactured in West Berlin.

VIETNAM

While Thieu and his associates seem to have remained cool thus far in the face of the current enemy offensive and the shellings of Saigon, they are clearly beginning to feel domestic pressure to react. The South Vietnamese delegation in Paris wants to propose adjournment of today's meeting after they make an unusually brief presentation (they are last in the speaking order). The manner in which this proposal has been put to US representatives suggests that the South Vietnamese are interested in taking a reading of US firmness in the face of the shellings.

South Vietnamese Government leaders' concern probably has been made all the keener by the assassination attempt on Prime Minister Huong. This incident--in comparison to the shellings--is likely to be regarded as a more convincing demonstration of the Communists' lack of interest in negotiating with the present Saigon government. It would not be surprising if Thieu seriously considers a walkout from the talks in the near future, particularly if there are more shellings of Saigon or if there is another assassination attempt.

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South Vietnamese pressure on the US to join in some kind of unmistakable response could develop quickly. The GVN regards the understanding on the immunity of Saigon from attacks not only as fundamental to its agreement to go to Paris in the first place but also as basic to mutual trust between Saigon and Washington.

The Communists realize that even a limited shelling of Saigon can put great strains on US-GVN relations, but they also are aware that to push too far with the shellings could bring a break in the talks, something they probably do not want to see.

The assassination attempt on Prime Minister Huong may have been only the first in a series of such incidents. Captured enemy documents and prisoners have indicated that at some point in the current offensive Communist terrorists would go into action in South Vietnam's urban centers. The Communists probably believe that the death of any of the top government leaders could severely shake the GVN's stability. Huong's death in particular would remove one of President Thieu's most effective lieutenants, against whom Ky has been intriguing. In this instance, however, it is fairly clear that the Communists, not Ky, were responsible.

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The Communists seem to be standing pat in Paris, probably in expectation that the US will soon try to get private talks under way. Both Hanoi and the Front have made known their interest in private talks, especially through the Soviets and French, and they are unlikely to move much further until they see what results these probes produce.

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We are less sanguine than before that the Communists would respond positively to any kind of approach from the South Vietnamese for private contacts. They clearly are bent on having the US included in discussions with the Front and they are not likely to go very far with the South Vietnamese alone at this point.

It seems increasingly plain that once private talks are started, the Communists will press hard to put a damper on US military operations in South Vietnam, presumably by holding out prospects of similar curbs on "Front" military action.

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The major area of Communist activity over the past 24 hours was again in the central highlands of South Vietnam. In addition to continued pressure on the Ben Het Special Forces camp, the enemy staged several attacks on populated civilian areas, including the shelling of the provincial capital of Pleiku and the overrunning of a village in Kontum Province. At last report, the Communists were still holding part of the village and other parts were on fire.

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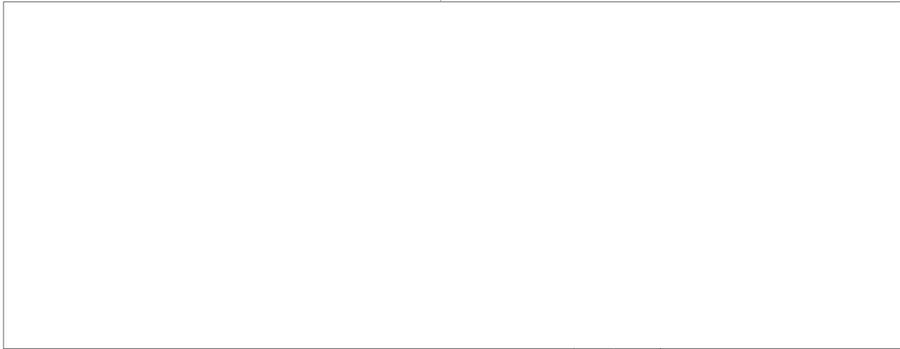
In the first few days of the current offensive, the enemy made little effort to counter the government's pacification program. Unlike last year's Tet period, Revolutionary Development cadre have by and large remained in the field rather than pulling back to defend province capitals. By remaining at their outposts, however, they are vulnerable to large unit enemy attacks.

Reports are now beginning to come in from the rural areas suggesting that the enemy may have begun to focus some of his military attacks against pacified hamlets and pacification cadre. In II Corps, for example, the Communists are apparently making special efforts to seek out and kill government cadre working in the villages. Before the current Communist campaign runs its course, the enemy probably will make a fairly substantial effort to counter recent government gains in the area of pacification.

In spite of such terrorism, the first elections for local officials, which are being staged on the first four Sundays of March, were successfully completed on 2 March. Voter turnout was unusually heavy, as candidates were running for council seats in 92 villages and for administrative offices in 189 hamlets. Communist harassment was generally light and apparently ineffective.

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II. OTHER IMPORTANT DEVELOPMENTS

KENYA

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LAOS

Communist pressure in the northeast is growing in the wake of the government's loss of Na Khang. Outposts in the general area of that main base are being threatened by advancing North Vietnamese troops. Efforts to blunt the offensive are hampered by the influx of large numbers of tribal

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refugees into the bases still under government control. In addition, government personnel and equipment losses in the recent fighting have evidently been high.

Prime Minister Souvanna interprets the attack against Na Khang as evidence that the Soviet ambassador's recent visits to Hanoi and Pathet Lao headquarters have not moved the Communists closer to negotiations. He also fears the North Vietnamese will capitalize on their recent gains by moving southwest into an area between Vientiane and Luang Prabang from which they were driven several years ago.

Souvanna has asked for additional US equipment for the army.

PERU

The Peruvian Government has tentatively decided that if the US asks it to return one destroyer because of the recent fishing boat incident, all five US ships on loan will be sent back. The return of the ships would be accompanied by an announcement that Peru cannot accept loan conditions that insult its sovereignty. Peru now has two destroyers and three smaller craft on loan from the US, but only one, the destroyer USS Isherwood, could be subject to US legislation requiring the recall of ships on loan to a country that seizes US fishing boats.

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LATE NOTES FOR THE PRESIDENT'S DAILY BRIEF OF

5 MARCH 1969



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TOP SECRET

6 March 1969

LATE NOTES FOR THE PRESIDENT'S DAILY BRIEF OF
5 MARCH 1969

I. MAJOR PROBLEMS

MIDDLE EAST

Ambassador Barbour has learned from Mrs. Meir herself that she intends to accept her party's offer to head the Israeli Government, and she expects to be able to present a cabinet to the Knesset for approval on 12 March.

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According to preliminary reports, several students were wounded today by an explosive charge set off at the cafeteria of the Hebrew University campus in Jerusalem. Over 200 students were in the cafeteria at the time. (Press, 6 Mar 69)

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Israeli troops on the east bank of the Suez Canal shelled Egyptian positions across the waterway today. An Israeli military spokesman said this was in retaliation for the recent outbreak of Arab sniping along the canal. (Press, 6 Mar 69)

EUROPE

There is nothing significant to report.

SOVIET AFFAIRS

The East Germans again closed the Helmstedt-Berlin autobahn this morning for three hours. It was reopened at 0600 EST (1200 local time).

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VIETNAM

The Communist shelling of Saigon yesterday with seven 122-mm. rockets killed 22 civilians and wounded 29 others. This action was probably meant to underscore the Communists' insistence that they will not curb military activities without progress in the Paris talks. The Communists clearly hope that sporadic attacks of this sort, and such terrorist acts as the assassination attempt against Huong, will shake the South Vietnamese Government and produce divisions on the allied side. (Central Intelligence Bulletin;)

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