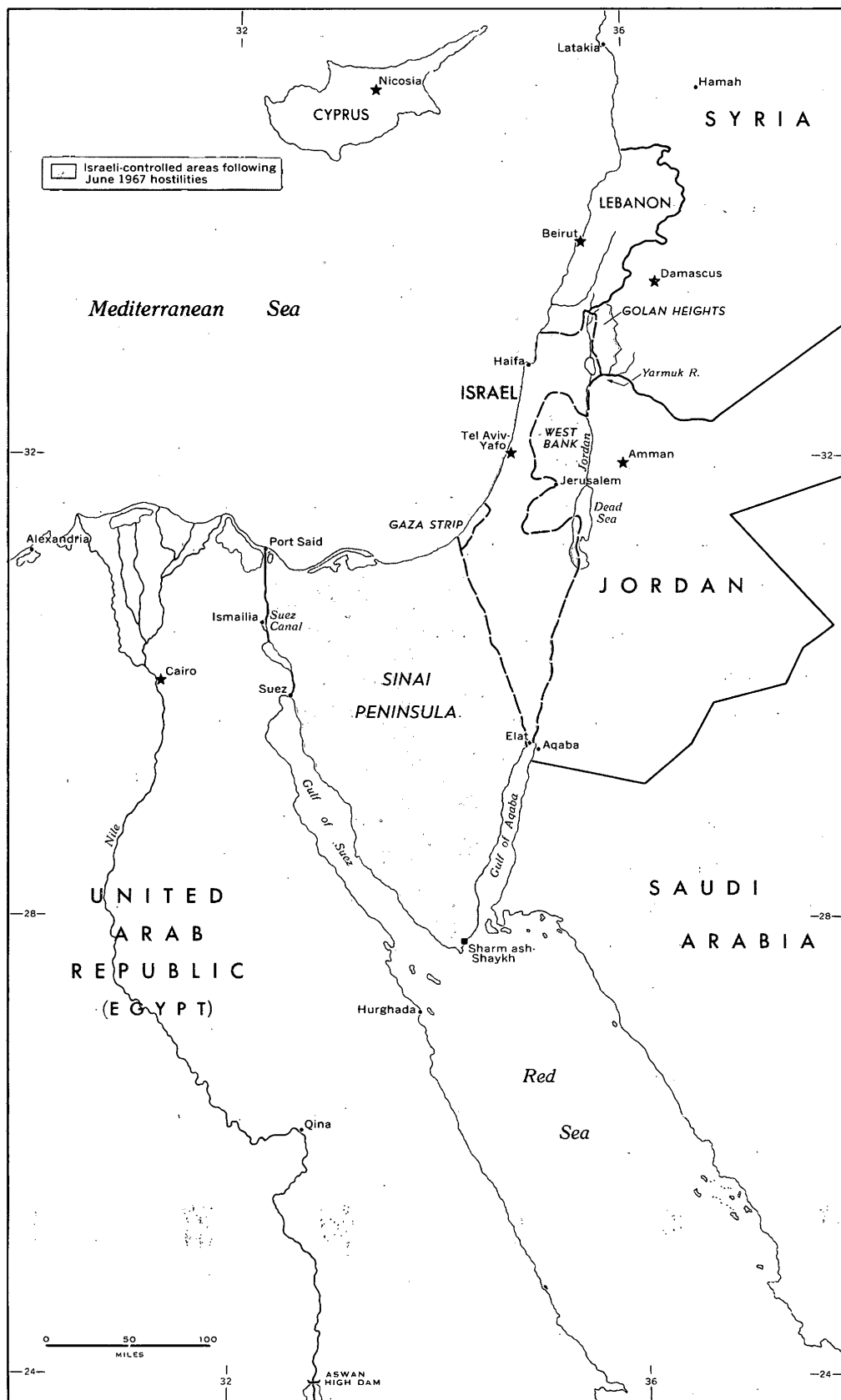


The President's Daily Brief

19 February 1969

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FOR THE PRESIDENT ONLY

20 February 1969

LATE NOTES FOR THE PRESIDENT'S DAILY BRIEF OF
19 FEBRUARY 1969

I. MAJOR PROBLEMS

MIDDLE EAST

Cairo's semi-official newspaper Al Ahram declared in an editorial today that Arab commandos would mount attacks on Israeli targets anywhere regardless of reprisal raids. It asserted that Palestinian Arab resistance would not lessen despite any countermoves by Israel. (Reuters, 20 Feb 69)

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Iraq today executed seven more men accused of spying for Israel. None apparently was Jewish. (Reuters, 20 Feb 69)

EUROPE

The US Embassy in Bonn reports that there were in fact two West German statements on the WEU controversy Tuesday. The first, presumably issued shortly after French Ambassador Seydoux met with Kiesinger, stated that Bonn believed that except in "exceptional cases," meetings of the WEU Council "may only be convened by unanimous vote." The German Foreign Ministry took umbrage at this, however, and succeeded in forcing the issuance of a "corrective statement" which asserted that Council meetings which take place by turns "do not need prior unanimous consent." Last Friday's meeting, the statement said, was such a meeting. [REDACTED] 50X1

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SOVIET AFFAIRS

There is nothing significant to report.

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VIETNAM

We share the US delegation's view that the French, by telling us of their tete-a-tete with Le Duc Tho before he left Paris, are trying to convey an impression that they have a special relationship with the North Vietnamese. This also may be part of a buildup for De Gaulle to approach President Nixon with some ideas on the war which the French can pass off as coming directly from the North Vietnamese. The French have not been at all forthcoming concerning their contacts with the Communists in the past few months. We cannot be certain, but we strongly suspect that Hanoi would not put much trust in France as a channel to the US at the moment, especially when our contacts through the Soviets are so well established. Regardless of what case the French try to make, the Communists probably regard their talks with the French as just one more way to put pressure on the US to adopt such ideas as the need for a "peace cabinet" in Saigon. 50X1

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II. OTHER IMPORTANT DEVELOPMENTS

There is nothing significant to report.

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I. MAJOR PROBLEMS

MIDDLE EAST

Eshkol today convened his ministerial committee for security affairs to ponder the attack on the El Al plane at Zurich. Israeli spokesmen have dropped contradictory hints as to the possible target (or targets) of any retaliatory strike. Transport Minister Carmel pointed a finger at Lebanon, but he widened the range of possibilities when he told the press, "the responsibility for such acts is not only with the perpetrators, but with the Arab states in which these acts are being planned and where the terrorists are being equipped."

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The French, who earlier had been anxious to get started right away on four-power discussions, now want to delay them until De Gaulle has met with President Nixon. Paris also seems at this point to have rejected the US bid to convene the four powers for the limited purpose of giving Jarring a new lease on life. The decision appears to have been made

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by De Gaulle, who is said to be "not at all pleased" at what he considers American hesitancy to enter substantive discussions.

The spectre of a peace "imposed" by the great powers has, however, stimulated a more forthcoming Israeli attitude toward the Jarring mission. They have hinted that they are now willing to offer concessions to him if he renews contacts with the Middle East parties free of great power influence.

EUROPE

The only surprise about the French statement issued today on the WEU crisis was that it did not do more than threaten a boycott of WEU meetings. Several of the other WEU members, including Britain, had not excluded the possibility of some threats from Paris against the European Communities. France may realize there is not much it can do publicly in the present crisis. It may be concentrating instead on diplomatic arm twisting. The French ambassador in Paris was scheduled to see Kiesinger today, and Debré summoned the Luxembourg foreign minister to Paris.

Embassy reporting from The Hague suggests that the British, Dutch, and Italians still have the bit in their teeth. The Dutch reportedly have suggested that another WEU Council be called to discuss Greece's membership in the Council of Europe, and the British are said to have suggested a whole list of initiatives, including the transfer of WEU headquarters to Brussels and the appointment of full-time representatives. One Dutch official, however, said he expected Brussels and Bonn to make propitiating gestures toward Paris soon.

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Bonn's position seems ambiguous at the moment. Kiesinger's office issued a statement last night which according to the press lends support to France's argument that last week's WEU meeting on the Middle East was "illegal." (The text of the statement itself is not yet available, however.) On the other hand, a ranking foreign office official in Bonn today told the US Embassy that Kiesinger himself had approved the German decision to attend the meeting on the Middle East. The official reiterated that Germany strongly supports the use of WEU for political consultation between the British and the Five (as long as WEU rules are not broken), even if the French do not want to attend. In fact, he said, it has been France's own actions in the past which have weakened the WEU structure and regulations.

* * *

Following the sharp increase in the Paris price of gold on Monday, reports from Paris now suggest that the French--in anticipation of the President's visit--are working overtime to get De Gaulle's views on monetary questions into the best light. Their line, as stated particularly by the influential financial writer of Le Monde, is that the new US administration is basically in sympathy with De Gaulle's international monetary views. He and other writers claim to see the new Nixon administration progressively excluding from consideration all monetary reform proposals except the well-known French ones--an increase in the official price of gold and a movement toward an international monetary system based on a pure gold standard. A corollary of this

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is that the US and France must share the same leaky boat, the repair of which involves joint devaluation through an increase in the price of gold.

SOVIET AFFAIRS

There have been no further harassments of Berlin traffic since the two-hour tie-up early this morning.

VIETNAM

We are unable to make very much of the private conversations Mr. Jorden and Ambassador Vance recently held with their North Vietnamese counterparts. With Jorden, Nguyen Thanh Le used the familiar technique of promising good (but unspecified) results if the US would agree to withdraw its forces from Vietnam. His statement that the Communists have "rejected" the Manila formulation on troop withdrawals is the usual hyperbole and should not be taken at face value.

Ha Van Lau's remarks to Vance constitute the most direct invitation yet to the US to open substantive discussions on specific issues. His suggestion that we take up the Front's standard "five points" as a beginning is undoubtedly the way the Communists would like to proceed. His request for a statement of the Nixon administration's objectives in Vietnam is a much more straightforward approach than the North Vietnamese usually employ, but it has long been clear that Hanoi wants to get a clearer idea how the US views the shape of a final settlement.

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Despite Hanoi's emphasis on the importance of settling political matters in Paris, the Communists probably are willing to tackle withdrawal of forces as one of the first issues. As on other substantive matters, the Communists have not tipped their hand to any significant extent on this issue. Nonetheless, there is considerable evidence of Communist thinking about withdrawal of forces. Based on a review of this evidence, we see the present Communist position roughly as follows:

--The Communists want a clear US commitment to the principle of complete withdrawal of all US military forces from Vietnam within a specified time. They will be seeking such a commitment early on in private talks, but they eventually will want it made public in negotiated agreements.

--They clearly are interested in the withdrawal formulations used in the 1966 Manila Declaration, as given to them repeatedly by Ambassadors Harriman and Vance. They doubtless wonder at present if the substance of the Manila formulations remains US policy.

--The Communists are not likely to accept, much less carry out, any agreements resolving this military problem or any others without some parallel understandings on broader political questions.

--Their demands for "unconditional" withdrawal of US forces are propaganda and clearly intended for openers only. They expect to bargain on this issue, and they know that they will eventually have to pull out substantial forces of their own. They are unlikely to agree

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to any kind of solid inspection and verification arrangements to monitor withdrawals, however.

--The Communists anticipate that the withdrawal of US forces will be gradual, perhaps requiring several years. There have been hints that they expect the US to maintain military bases in Vietnam for some time after a settlement.

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There is new evidence which adds to persistent indications that the Communists are planning attacks in

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Saigon soon.

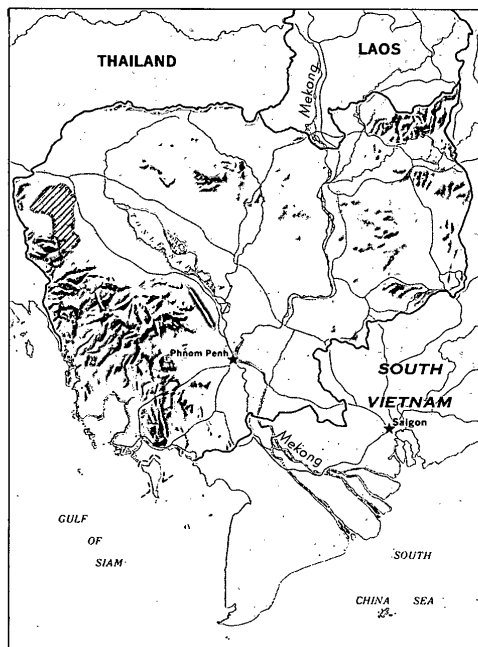
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Several recently captured Communist soldiers have mentioned plans for early action against selected targets in and around the capital.

General Kerwin of II Field force believes an attack in the III Corps area will come this weekend.

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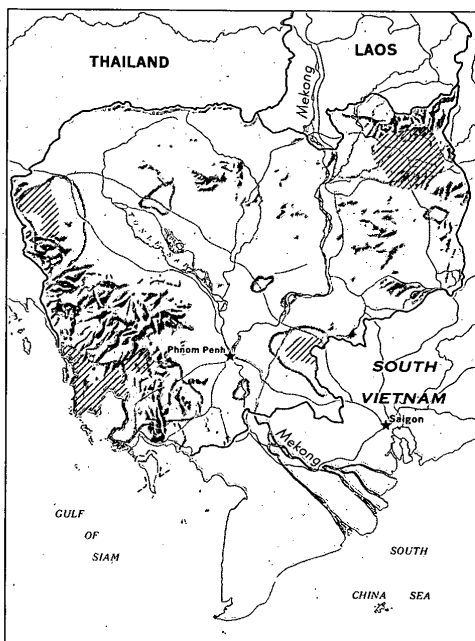


CAMBODIA Dissident Activity

- Sustained guerrilla activity
- Sporadic guerrilla activity

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MILES

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II. OTHER IMPORTANT DEVELOPMENTS

CAMBODIA

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[REDACTED] a sharp rise in insurgent ambushes, harassments of villages, and propaganda activities. Armed clashes have been almost as frequent as last year; much of the fighting this time, however, has apparently been at the government's initiative.

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Most of the action is centered in the northeast, where army units have destroyed several tribal insurgent camps and large rice caches, and in the western provinces, where the dissidence first appeared two years ago. Smaller scale rebel activities continue, however, in almost every other province.

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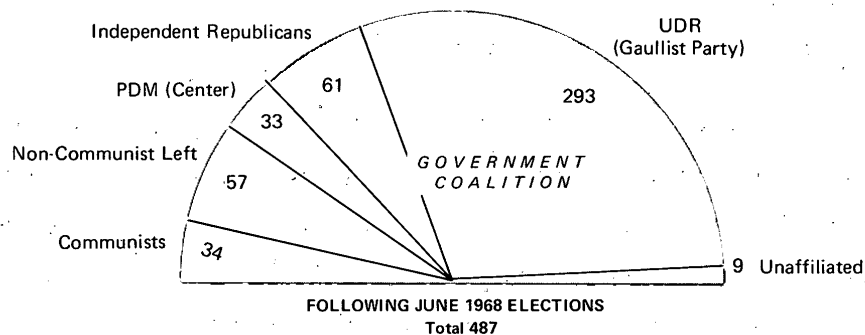
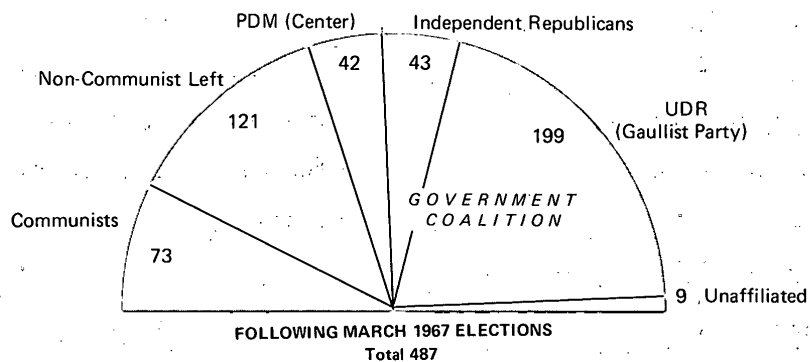
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FRANCE

At Annex is the discussion of internal problems affecting the French Government.

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PARTY STRENGTHS IN THE FRENCH NATIONAL ASSEMBLY



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INTERNAL PRESSURES ON THE FRENCH GOVERNMENT

SIGNIFICANCE: The setbacks of 1968 bruised France somewhat but did not weaken De Gaulle's grip on the country and the people. He remains firmly in the saddle. Underlying his present strong position is the continued support of a majority of the French population, a massive Gaullist majority in the National Assembly, and the loyal support of his Prime Minister and cabinet. Nevertheless, his government faces a constellation of interrelated domestic political problems arising from continued student and labor unrest and pressure on the franc.

* * *

The government is not now, and is not likely to be over the next few months, under significant pressure from organized and traditional political forces in France. Last June's elections reduced to less than 25% the parliamentary representation of all the opposition parties combined. In addition, there is considerable--and continuing--antagonism within the opposition. De Gaulle's own party now holds such a massive majority in the Assembly that it no longer requires support from its allies, the Independent Republicans. Although the Gaullist party is heterogeneous and often restive, it is unlikely to oppose De Gaulle on any major issue, much less attempt to replace him. Parliamentary elections are not due for five years, and De Gaulle's presidential term runs until 1972. Thus, any serious challenge to the Gaullist regime in the near future will come from outside the established electoral and parliamentary system.

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Potential sources of such a challenge reside in the two groups which precipitated last May's crisis--students and workers. Student unrest continues to be one of France's major political problems, despite a full-scale government effort to deal with the defects in the educational establishment after last May's crisis. Minister of Education Edgar Faure, with the full backing of the general, is trying to sap the strength of the minority left wing of the student movement by inducing the student majority to give academic reforms a fair test. De Gaulle is hedging bets, however, and has also encouraged the Minister of Interior to beef up security forces for use in the event that the radicals get out of hand.

To date Faure's efforts have failed to win widespread support in the student milieu. Radicals remain in control of the student movement--in part because of the failure of moderate elements to organize effectively--and can still stir up minor campus disorders such as have occurred over the past two months. Nevertheless, radical student leaders are acutely aware of their political isolation, and are urging their followers to avoid the "trap" of another major confrontation with police. More importantly, the radicals have had no luck in enlisting workers to their cause; an isolated student rebellion without mass worker support would pose no serious threat to the regime. Such support is unlikely unless workers are made gravely dissatisfied by the outcome of scheduled wage negotiations this March.

The enactment of the landmark trade union rights law in December 1968 put the unions in a much stronger bargaining

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position than a year ago. As a consequence, union leaders are anxious to avoid a recurrence of the May disorders. They calculate that they can gain more by moderate approaches to their goals than by militant tactics which risk plunging the economy into turmoil once again. The mood of the rank and file is more difficult to determine, but the slim worker response to last week's "day of action" suggests that, if something close to their salary goals is achieved in March negotiations with management, labor unrest is not likely to reach crisis proportions.

Even if, as we expect, serious labor unrest is avoided in March, the government still faces difficult problems. Mainly because of restrictive monetary policies adopted to shore up the franc, there will probably be an economic slowdown in late spring which could cause at least a temporary rise in unemployment. While these policies also have the beneficial effect of reducing the trade deficit, the French international financial position nevertheless remains precarious. Factors not subject to government control such as major strikes, student disturbances, monetary crises in other major countries, or even a temporary increase in the trade gap, could increase already shaky confidence in the franc and trigger another wave of speculation. Present exchange controls, although relatively effective to date, would probably not hold up in a crisis situation.

If in that case external financial aid or other limited measures failed to reduce pressure on the franc, De Gaulle would be confronted with the choice of imposing further austerity

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measures or devaluation. Given his desire to avoid domestic unrest, he would probably opt for devaluation, thus attempting to export his problems--with all the implications this could have for the international monetary community.

The outlook for France, then, is for various degrees of social and economic instability ranging from sporadic labor unrest and student disturbances to a renewed attack on the franc and possibly its devaluation. It is unlikely, however, that unrest will reach a level of intensity comparable to that of last May or great enough to overthrow De Gaulle.

Neither last May's crisis nor the November franc crisis forced a change in De Gaulle's foreign policy and defense views. Nor are the problems which he will face over the next few months likely to prompt him to alter significantly French policy on NATO, nuclear strategy, the enlargement of the European community, East-West relations, the reform of the international monetary system, or France's mission to chart a separate course in world politics. On such matters, he remains convinced of the rightness of his conceptions and impervious to any contrary advice from his colleagues.

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