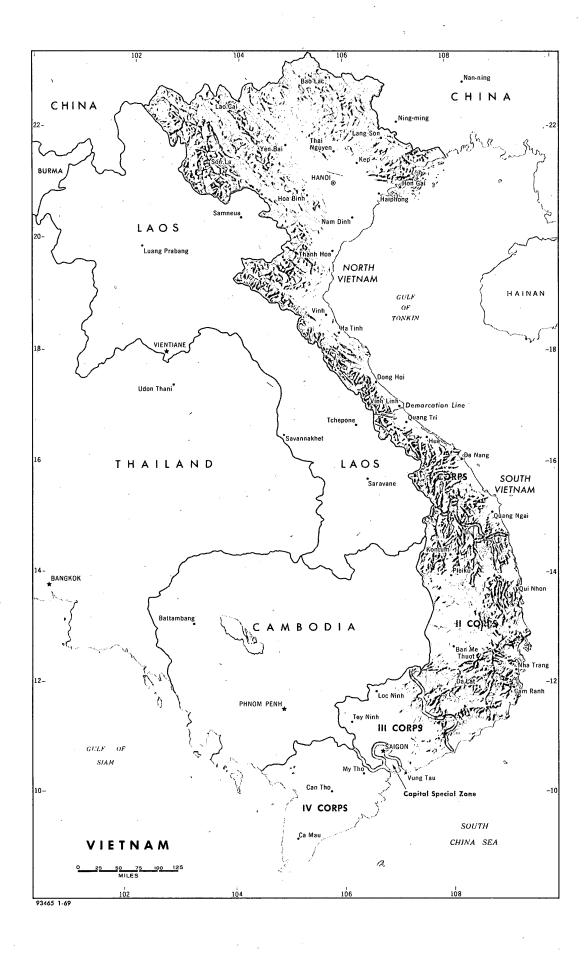


The President's Daily Brief

10 March 1969 (Afternoon)

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I. MAJOR PROBLEMS

VIETNAM

Hanoi has probably drawn encouragement from the lack of a US military response to the shellings of Saigon and to the movement of large units through the DMZ. The Communists probably regard this as a good sign that the US wants to explore the possibilities of a negotiated settlement and to avoid renewed escalation of the war.

It seems unlikely that diplomatic protests to the North Vietnamese in Paris will have any real effect on Communist military activities. The Communists clearly want to tie any curbs on military activities to progress in the negotiations and specifically to progress toward a political settlement. In order to get movement started, there is a good possibility that the North Vietnamese will attempt to get private talks under way by trying to channel our protests about Communist shellings toward political discussions. It seems quite clear that one of the main political objectives of the current Communist military effort is to get private quadrilateral talks started which include the National Liberation Front. We believe the Communists are ready for such talks and that they expect a beginning before long.

The Communists fired five rockets into Hue today, the first such incident there during the current campaign.

Allied military positions in northwestern III Corps and in the western highlands of II Corps continued to bear the brunt of Communist pressure on 10 March, with little

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enemy action of significance reported in the DMZ area, the northern provinces, or the delta. Saigon and Da Nang were also generally quiet.

Most of the III Corps action was again centered in Tay Ninh Province where, in one engagement, an ARVN airborne battalion and a North Vietnamese battalion clashed. The ARVN lost 44 killed and 148 wounded; 68 Communist troops were killed. Although no major enemy troop deployments were detected in III Corps on 10 March, Communist forces are in position along the Saigon River corridor to conduct heavy attacks in Tay Ninh and Binh Duong provinces, while those deployed in Viet Cong Subregion 3 just south of Saigon could move against the capital with little if any warning.

MIDDLE EAST

In their recent talks with Ambassador Lodge and others in Paris, Egyptian spokesmen Fawzi and Riad once again made it clear that the Egyptians would very much like to resume diplomatic relations with the US. Both of them seem to have tried to scotch the idea that Cairo would set conditions on the restoration of ties, but Riad insisted that domestic politics limited Nasir's freedom of action. The two officials left a strong impression that the Egyptians are determined to move as quickly as possible on the problem.

EUROPE

It is expected that tomorrow's general strike will cause a fairly extensive tie-up of France's economic life, particularly transportation. There will be a complete shutdown of electricity for industrial users and daytime cuts for private consumers.

De Gaulle is to speak at 8:00 pm local (2:00 pm EST) on the reforms which are to be submitted to referendum next month. His speech will evidently be carried on radio and TV despite the strike. Press comments on the speech will be delayed, however, as newspapers will not publish tomorrow evening or Wednesday morning.

Even the labor leaders cannot say whether the walkouts will be extended beyond 24 hours, as this will be up to the rank and file of individual unions. The leaders are clearly determined, nonetheless, to prevent a repetition of the situation last May, when the striking workers were more militant than the union leadership.

Indications that students may be planning to join strikers in massive street demonstrations have led the government to put riot troops and police on alert.

European integrationists are redoubling their efforts to demonstrate that there is still some potential in the European community movement.

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Jean Monnet's Committee for the United States of Europe will meet in London this week, the first session since the three British parties acceded to it last fall. The meeting is expected to result in the setting up of a group to examine the specific problems involved in Britain's joining the Common Market. Former EEC Commission President Hallstein and the Governor of the Bank of Italy have agreed to undertake this assignment.

SOVIET AFFAIRS

There is nothing significant to report.

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Soviet Union - Pakistan		

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TOP SECRET

LATE NOTES FOR THE PRESIDENT'S DAILY BRIEF OF

10 MARCH 1969

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TOP SECRET

11 March 1969

LATE NOTES FOR THE PRESIDENT'S DAILY BRIEF OF 10 MARCH 1969

I. MAJOR PROBLEMS

MIDDLE EAST

Fighting broke out again today at 10:30 AM local time (3:30 AM EST) at three points on the Suez Canal. An Israeli spokesman claimed Egyptian forces opened fire first. As of 5:30 EST, sporadic firing was still continuing. (Press)

In his discussions with De Gaulle and Foreign Minister
Debré, Egyptian spokesman Fawzi did his best to encourage the
French in their view that four-power agreement is the best way
to a Middle East solution. The major conclusion of the talks
was that Egypt really desires a rapid, peaceful settlement and
would probably be willing to accept any reasonable terms provided they could be presented as forced on Nasir by four-power
and UN Security Council endorsement. Fawzi also told the
French that time was of the essence because terrorist groups
are so strong in Egypt, the present government can last no
more than "several months" unless progress is made toward a
settlement. The French are convinced that Egypt is willing
to settle its own problems with Israel, leaving aside those involving Jordan and Syria--a direct contradiction of Nasir's
protestations to King Husayn's representatives recently.

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At an airport meeting with Israel's Foreign Minister Eban before he left for the US yesterday, Ambassador Barbour learned that Israel found no trouble with the questions put to it by UN mediator Jarring. Eban was also shown questions put to Egypt and commented that if Cairo responds positively to the question of peace with Israel, this would bring a "fundamental change for the better."

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FOR THE PRESIDENT ONLY

EUROPE

As of 0700 EST, the strike in France was on, but there have been no reports of demonstrations or a need for force. (Press)

Yesterday's outburst by Socialist (SPD) President-elect Gustav Heinemann, in which he reiterated his opposition to the postwar rearming of West Germany and support for reunification even if it meant the dissolution of West Germany itself, was a manifestation of the fundamental differences between him and the Christian Democrats (CDU). Bad blood has existed in their relations since Heinemann bolted the CDU in 1950 in opposition to rearmament, and he has opposed the basic elements of Bonn's foreign and military policy ever since. His statement, in an interview with a correspondent for Die Welt, was obviously embarrassing, not only to the Kiesinger government, but also to the SPD. Heinemann is a political maverick, however, who has frequently expressed views at variance with his own party's policy, and he will probably continue to do so after taking over as president in July. While the incident puts an added strain on CDU-SPD relations, we do not expect a premature rupture of the grand coalition. (Press and Analysis)

SOVIET AFFAIRS

There is nothing significant to report.

VIETNAM

There is nothing significant to report.

II. OTHER IMPORTANT DEVELOPMENTS

NORTH KOREA - US

US soldiers manning an outpost five miles south of Panmunjom were fired on by North Koreans at 11:15 and 11:35 EST last night.

No US casualties or damage were reported. This is the first incident involving North Korean and US military forces since last

November, which was before the <u>Pueblo</u> crew was released.

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