

The President's Daily Brief

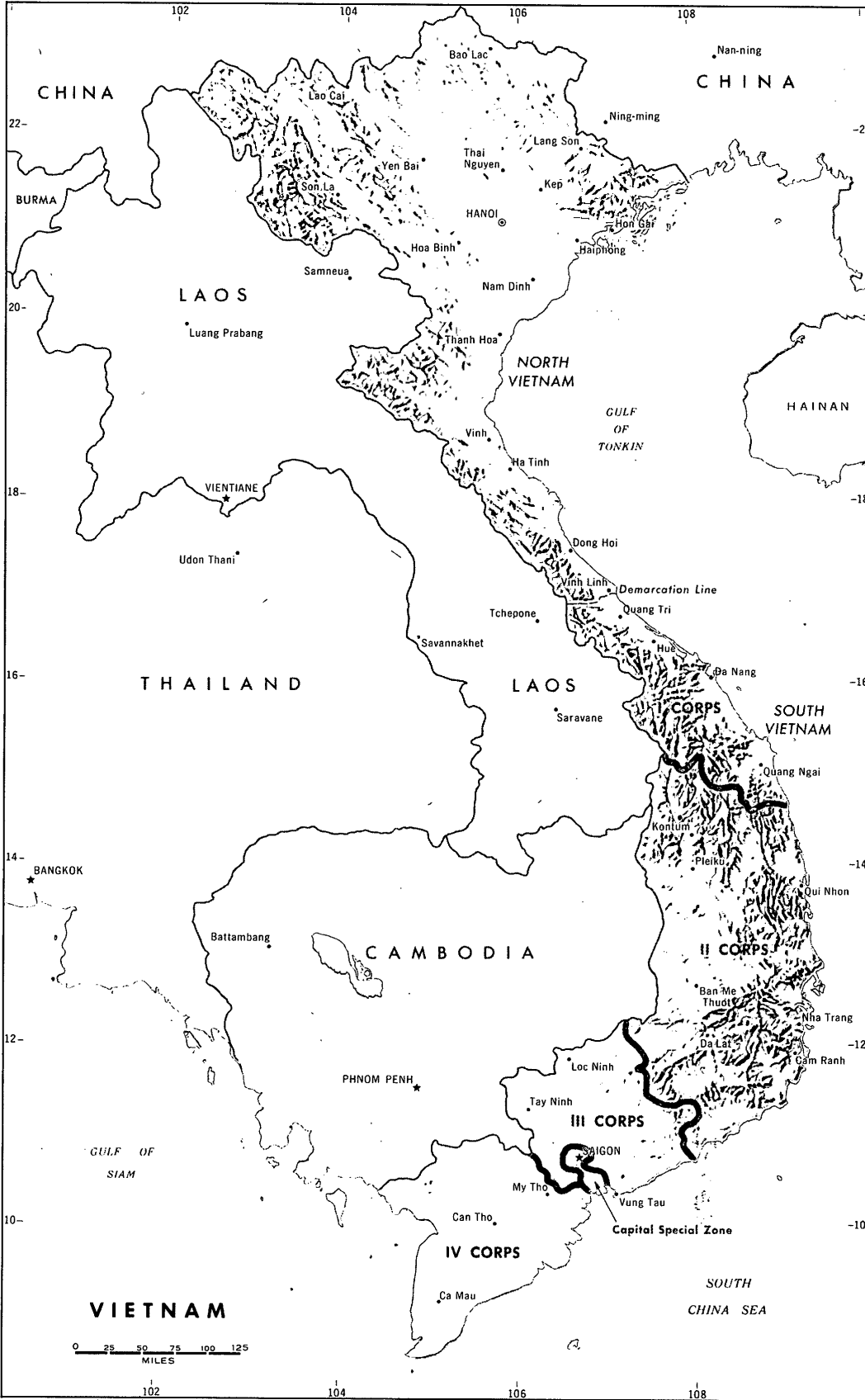
24 March 1969
(Morning)

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~~*Top Secret*~~





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I. MAJOR PROBLEMS

VIETNAM

In his private meeting with Ambassador Lodge on 22 March, Xuan Thuy indicated that the North Vietnamese are in no hurry to open private four way talks or to use the two-way talks to get immediately into any meaningful dialogue. North Vietnam's procrastination in accepting the US invitation and its apparently deliberate avoidance of any private contact during the public session on 20 March seem designed to dispel any impression that the Communists are eager to get on with a settlement. Although it is possible that Xuan Thuy had to wait for new instructions from Hanoi, this seems unlikely in view of the routine nature of his remarks. He did not depart from well established hardline positions on any of the issues presented by Ambassador Lodge.

Although he insisted on a unilateral US withdrawal, Thuy said if the US expressed a "willingness to withdraw," the North Vietnamese would "create conditions" that would enable it to do so. This is similar to the language used by the North Vietnamese in their efforts to obtain a bombing halt. It may have been intended to suggest the possibility of unacknowledged NVA withdrawals.

Thuy was especially hard on Saigon, perhaps in an effort to promote direct US talks with the Liberation Front. Here again, however, the Communists probably thought it necessary to take an initially hard line. There are other indications

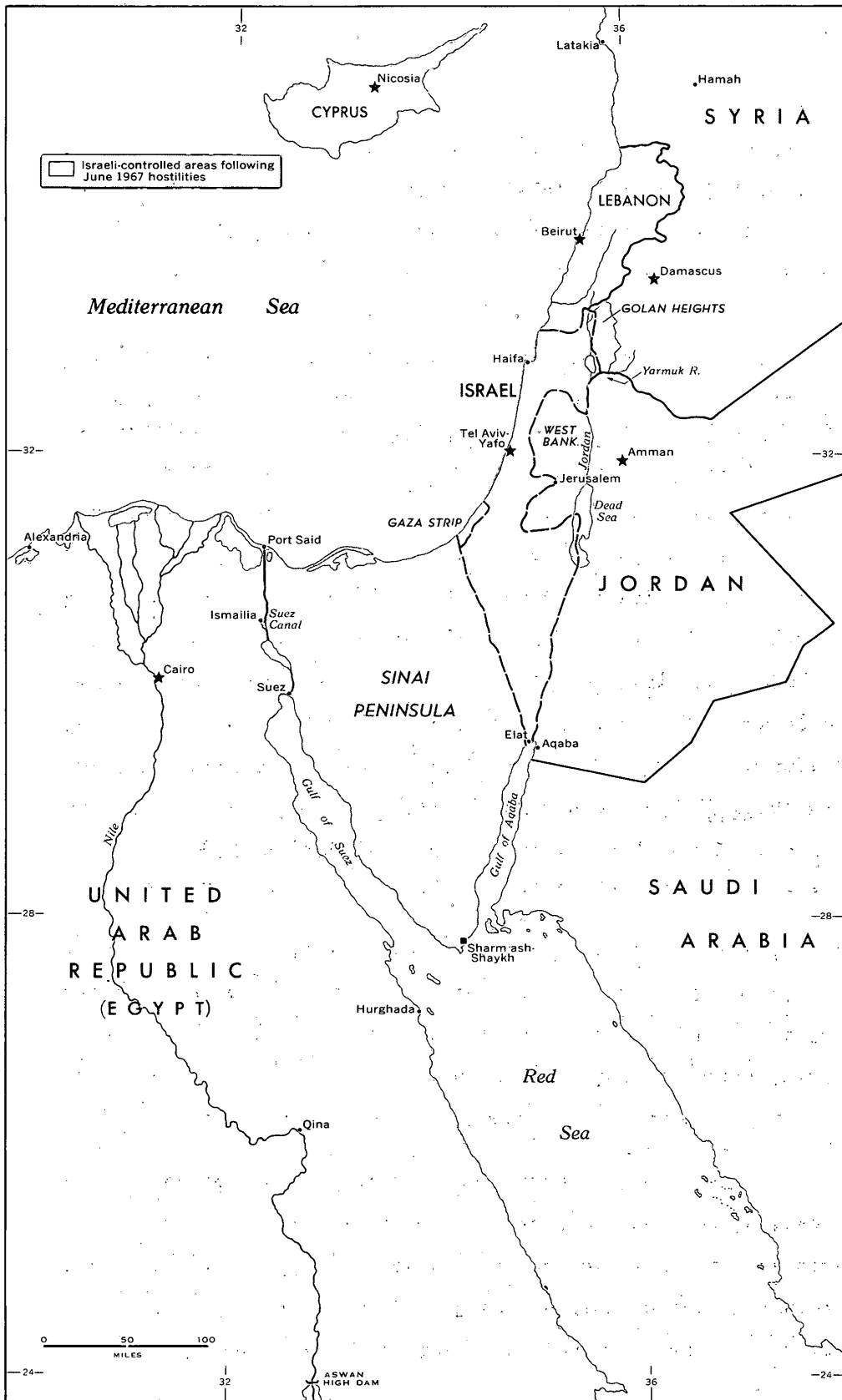
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that the Communist attitude toward Saigon has some give in it. Even Liberation Front delegate Tran Buu Kiem in last Thursday's public session left room for Saigon when he said all four parties could discuss a settlement (on the basis of the Front's five points, of course, and after unconditional US withdrawal).

The Soviets do not seem to boggle over including Saigon in private talks. Soviet Counselor Tchernikov strongly implied to Assistant Secretary Bundy on 19 March that if the US was interested in talking only to Hanoi, then the Liberation Front ought to be talking concurrently with Saigon in private.

Thuy, however, ignored Ambassador Lodge's challenge that Hanoi and Washington could hardly deal with the Communists' four and five points when some of these points involve the internal affairs of the South Vietnamese. When Ambassador Lodge pointed out that the Communists' own rule book insists these matters can be settled only by the South Vietnamese, Thuy took refuge behind the Communists' traditional public position--the Front is the true spokesman of the South Vietnamese and the US must "deal" with it.

The North Vietnamese also revealed some nervousness over the possibility that Peking might interrupt Soviet aid shipments. Thuy warned the US not to take comfort from the renewed tension between Peking and Moscow, but his allusion to the possibility of interruptions of military aid strongly implied apprehension on the part of Hanoi. The Soviets showed the same nervousness in the 19 March conversation with Bundy. Tchernikov insisted that the Chinese have interrupted air shipments



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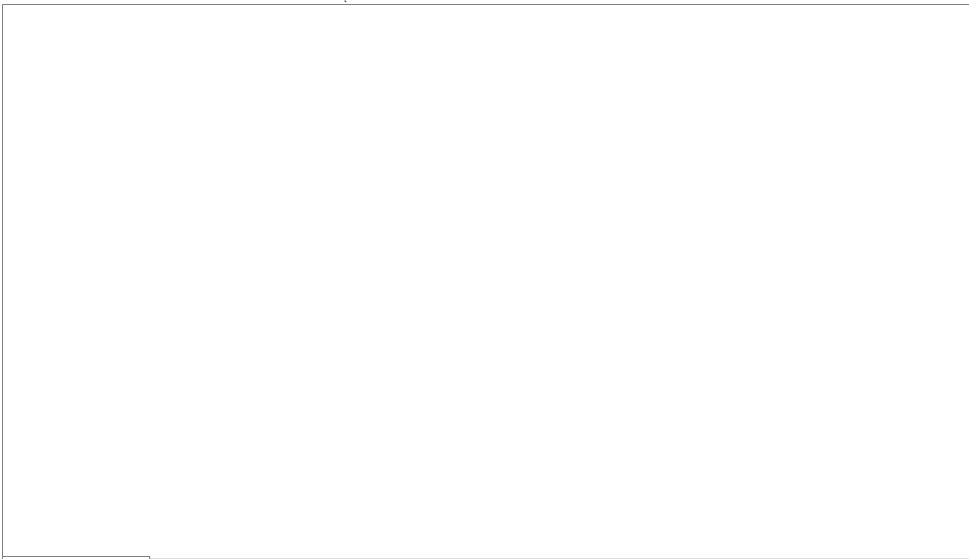
during the current border flare-ups and will probably continue to do so. He maintained, however, that aid would get through even if it had to be sent by sea.

There is still no firm evidence that the Chinese have significantly interfered with aid shipments. [redacted] 50X1

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Tchernikov's remarks about sea shipments are at variance with Moscow's previous reluctance to send identifiable military aid to Vietnam in this manner. 50X1

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MIDDLE EAST

For the first time in six days there was an artillery duel at the southern end of the Suez Canal today. An Israeli army spokesman said Egyptian and Israeli guns were exchanging

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heavy fire along a 15-mile front. There was no report of casualties. The recent lull in fighting in this area has been attributed to sandstorms.

SOVIET AFFAIRS

The East Germans sent out "high-level feelers" during the past week suggesting that an improvement was possible in relations with West Germany. Pankow was willing to stop writing about arms production in West Berlin, to reopen the Rothensee Lock and Mittelland Canal, as well as stop the harassment of traffic. In return the West Germans were asked to unfreeze East German savings accounts in West Berlin and settle East German postal claims. The West German cabinet will consider the question at its session next Wednesday and our embassy thinks Bonn will probably grant some concessions in the postal or economic field if anti-West German propaganda and traffic harassment continue to taper off.

EUROPE

There is nothing of significance to report.

II. OTHER SIGNIFICANT DEVELOPMENTS

INDONESIA

President Suharto is consolidating his control over the army.

[redacted] he wishes to restore primary military authority

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to the army general staff; in recent years much authority has been assumed by regional commanders. With the anti-Communist security program well in hand, Suharto apparently sees a tightened army structure as a practical move both to increase his own political control and to achieve greater consistency in government administration. He is especially interested in strengthening central direction of the government's five-year economic development plan.

In a farewell meeting with Ambassador Green, however, Suharto gave the impression that he was aware that economic stability and progress will not automatically resolve the Communist threat and that the influence of the Communist Party of Indonesia is greater in certain quarters than previously suspected although recent insurgencies in Java have been crushed. He expressed to the Ambassador his concern over the deteriorating condition of his military equipment and the capabilities of the army to cope with the insurgency threat.

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