



*The President's Daily Brief*



7 May 1969

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FOR THE PRESIDENT ONLY

I. MAJOR PROBLEMS

MIDDLE EAST

The Saudi ambassador in Amman claims that King Faysal has decided to withdraw his support of the fedayeen "by degrees."

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[Redacted]

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[Redacted] it would be a severe blow to fedayeen finances if the ambassador is correct. Faysal will have to tread carefully, however; not only do the fedayeen retain their hold on the sympathies of Arabs in general, but a sharp break in Saudi policy could have an unsettling effect on Faysal's own hierarchy, which has Palestinians in many government positions.

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If Faysal believes he can withstand strains such as these, the mechanics of withdrawing his support should not be too difficult.

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[Redacted]

Faysal could merely see to it that his money does in fact get spent for humanitarian causes.

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We note that in their talks last Thursday with Assistant Secretary Sisco, Ambassador Rabin and Moshe Bitan of the Israeli foreign office claimed that the talks being held between the US and the Soviets pose no problem for Tel Aviv; what the Israelis object to is the four-power

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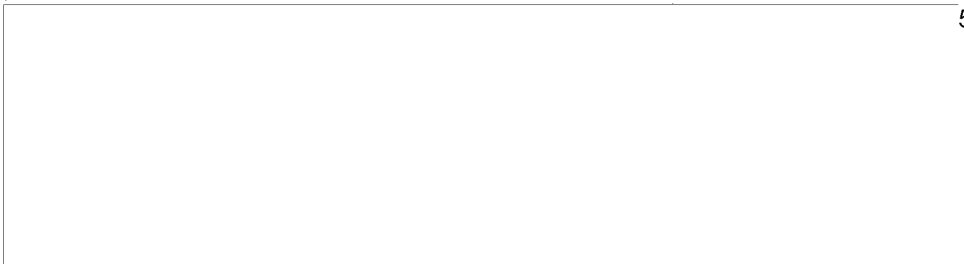
mechanism. This, of course, is diametrically opposed to Mrs. Meir's assertion the same day to Ambassador Barbour that Israel was much more worried about a possible US-Soviet deal than about the four-power discussions. The fact that the usually circumspect Israelis have let slip such inconsistencies is a revealing measure of their nervousness over possible shifts in US policy.

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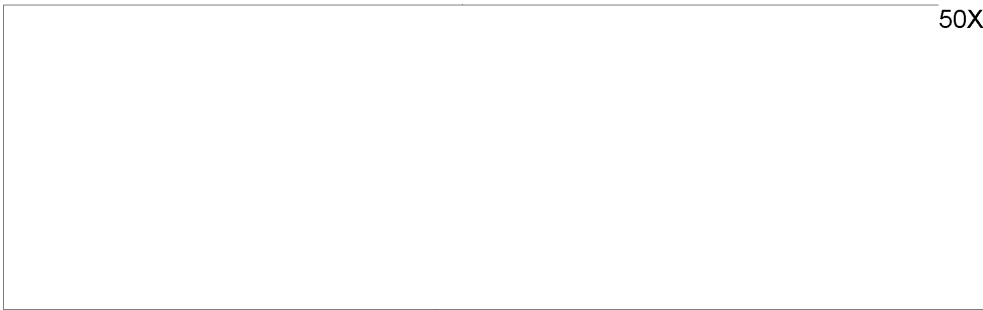
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EUROPE



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## VIETNAM

Hanoi has not yet broadcast any fuller text of Premier Pham Van Dong's May Day address. Only one radio account of the ceremonies has been issued--a broadcast of 2 May in which the premier's remarks were treated in a brief two paragraphs. This may be all we will get.

In this version, his remarks appear to reflect the usual Communist confidence in ultimate victory and contained no new policy initiatives. In the past, when a North Vietnamese leader has dropped a hint of a new line in a public statement, Hanoi has given it extensive additional coverage. There have been no further broadcasts of Pham Van Dong's May Day speech.

In making the comment that the US had already recognized that it had been defeated and had no choice but to "continue to de-escalate the war," Pham Van Dong was probably making the same kind of observation that he made in an interview with French journalist Broussine in early April. In this interview, the premier referred to the cessation of the bombing of the North as the beginning of US de-escalation. Communist propaganda has always treated the cessation of the bombing as a US admission of defeat. According to the Communist line, the US decided to stop the bombing because it had not accomplished its purpose and was too costly. This decision, Pham Van Dong told Broussine, was inevitable, irreversible, and would lead eventually to total US disengagement from Vietnam.

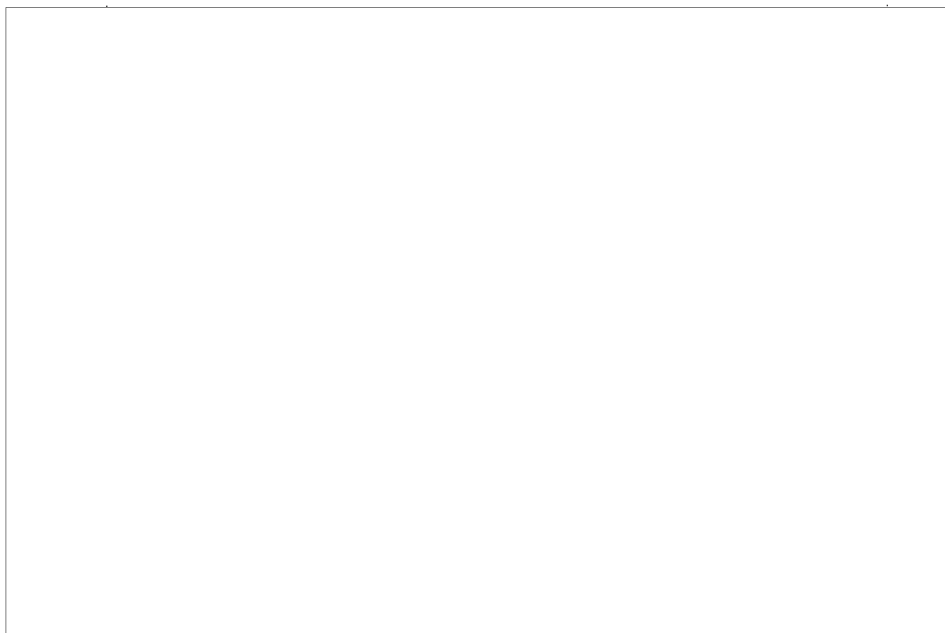
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As reported, the premier's remarks on May Day suggest that his reference to de-escalation was in this long-range context of North Vietnamese confidence in ultimate victory. There is no indication that he intended to contradict or recant on another current Communist propaganda theme: that the US is "escalating" the war in South Vietnam. This line is constructed on specific actions of the past few months in the South--the rate of B-52 strikes and the number of allied ground sweeps conducted since the new US administration took office on 20 January. It was used to justify the increase in Communist military activity in late February and to counter claims that the US is working seriously toward a political settlement.

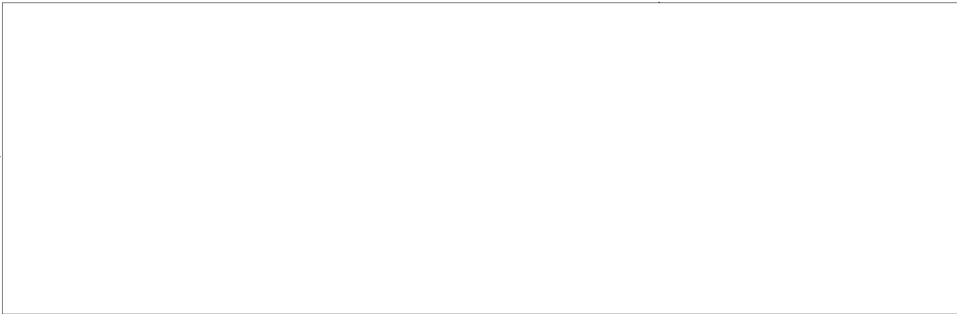
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II. OTHER IMPORTANT DEVELOPMENTS

CHILE

Among President Frei's Christian Democrats, pressure for some kind of action against US-based copper companies is on the increase. This shift is occurring even though Frei's administration still supports the agreements it reached with the companies in 1967 which provide for government participation in the management. The issue is being emphasized among the Christian Democrats partly because it is one of the few on which they seem able to agree, but it is sure to come in for heavy treatment from all quarters as next year's presidential elections approach.

BOLIVIA

The Bolivian cabinet that was sworn in Monday reflects the accommodation recently worked out between Ovando and Siles. In general it seems competent, although it may prove a bit more conservative than its predecessor.

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