DAILY BRIEF
1 DECEMBER 1967

1. Cyprus

Mr. Vance is postponing his return as the Cypriots threaten the agreements with last-minute haggling over a paragraph on eventual "pacification." In Cypriot eyes, pacification would include withdrawal of all Greek and Turkish forces, but leave guns in the hands of the Cypriot national guard. The Turks will not stand still for this and all efforts are being bent today toward convincing the Cypriots that now is not the time for Byzantine bargaining.

2. North Vietnam

There now is some evidence that two North Vietnamese divisions may be moving south.

Several months may be needed to complete this unprecedented deployment and it still is too early to say just where these divisions may take up positions. The two northernmost provinces of South Vietnam would seem prime candidates.

3. Singapore

Lee Kuan Yew goes to Cambodia tomorrow for a visit with Prince Sihanouk.
4. South Vietnam
The Communists appear to have established a major "front" command group in two III Corps provinces on the Cambodian border (see map). The organization of a "front" permits better coordination among various units in areas of concentrated Communist military activity. Other "fronts" have been in existence for some time in the Western Highlands and in the area of the Demilitarized Zone.

We began seeing signs of the new "front" late last summer. More recently, we have noted other signs that the Communists are trying to set up a main force enclave in the new area.

5. Cambodia
From all accounts, Sihanouk was sent into an emotional tailspin by the US newsmen's discovery of the Viet Cong base camp in Cambodia.

6. Rhodesia
The Rhodesians plan an all-stops-out reception for Barry Goldwater when he arrives on 11 December for a six-day visit.
7. Egypt

Nasir apparently has not closed the door finally on Israeli use of the Suez Canal in his speech of 23 November.

The complete text of Nasir's speech does suggest he was less hard-nosed than it appeared at first. Nasir did not actually rule out Israeli use of the canal. Rather, he linked it to a "just" settlement of the Palestinian refugee question.

8. Czechoslovakia

Officials in Prague are having some bad moments with unruly students. Over the past month, there have been demonstrations and threats of public sit-ins. While the immediate grievances are petty, they are symptomatic of growing restlessness among younger Czechs.

Even the Russians are keeping a wary eye on Prague.

We doubt that Prague will become another Budapest, but the Czech Government does seem to be in something of a quandary on how to handle the students.

9. Communist China

Peking is hedging against further currency devaluations--and perhaps trying to add its bit to pressure on the dollar--with large gold purchases. In the past week the Chinese bought $100 million worth in the London market. By contrast, China bought $40 million in gold in all of 1966.

The Chinese could probably go another $100 million, but Peking alone poses no real threat to US reserves.
FOR THE PRESIDENT'S EYES ONLY

Special Daily Report on North Vietnam
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I. NOTES ON THE SITUATION
French Journalists' Impressions of Hanoi: The French News Agency correspondent in Vientiane has told US officials that French TV journalist Francois Chalais, who recently returned from North Vietnam, had gone to Hanoi seeking only the sensational. The thesis of his 22 December French TV presentation is said to be that military damage to North Vietnam is slight because bombs are not hitting military targets. Chalais' camera crew reportedly photographed the aftermath of the bombing of a "defenseless" village, the destruction of a Catholic church, and the use of antipersonnel pellet bombs.

Pro-Communist French journalist Gerard Chaliand, who left Hanoi on 10 November, had a different impression of the North Vietnamese capital, according to the correspondent in Vientiane. Chaliand concluded that North Vietnamese agriculture had not been extensively impaired but that the bombing had seriously affected military installations, transport, and industry. The journalist had "considerable doubts" about the ability of the North Vietnamese population to continue resistance.
II. NORTH VIETNAMESE REFLECTIONS OF US POLITICAL ATTITUDES ON THE WAR

Hanoi on McNamara: A Hanoi International Service broadcast in English yesterday asserts that the reported "dismissal" of Defense Secretary McNamara is "another proof of the deadlock" of the US Government's war strategy in Vietnam and of the "sharp contradictions among the ringleaders of the US aggressors." Hanoi claims that the "dismissal" will be a "personal disgrace" for Secretary McNamara, as well as "a setback for the whole Johnson clique in their obdurate pursuance of the war of aggression in Vietnam." The broadcast also claims that McNamara's departure will make the picture of the "US war" gloomier than ever. The broadcast closes by stating that the Hanoi army daily Quan Doi Nhan Dan has predicted that whoever the new Defense Secretary is, "he will certainly invite ignominious failure on himself should he follow the beaten track of criminal aggression."

Stokely in Denmark: According to a report from the US Embassy in Copenhagen, Stokely Carmichael briefly attended the tenth open session of the Bertrand Russell War Crimes Tribunal on 29 November. He was reportedly warmly welcomed by the first witness of the day, North Vietnamese Minister of Health Pham Ngoc Thach, for his fight against racial discrimination in the US and for creating solidarity between American and Vietnamese people. Carmichael departed for Oslo on the 30th promising to return to Copenhagen on 1 December.
Hanoi Comment on Westmoreland Program: North Vietnam's army daily published a lengthy and scornful commentary on 26 November refuting point by point General Westmoreland's four-phased program for victory in Vietnam. The main theme is that Westmoreland's assertions are false and that the "defeated general" is being used not to fight the war, but to fight US public opinion.

The daily acknowledges that in phase one US intervention saved the South Vietnamese "puppets" from defeat, but asserts that this paved the way for an even bigger "strategic defeat of the Americans." Even in phase one, says the daily, the US suffered because the South Vietnamese were unable to carry their share of the load, and because the "developing people's war" forced the allies to split up into smaller units. Above all, the US failed to achieve its "number one strategic objective of breaking the backbone of the Viet Cong." This failure, said the commentary, brought about the defeat of all the tasks which Westmoreland had set for the first phase.

Regarding the second phase, the commentary says that Westmoreland's report shows the "Americans are retreating," while Communist forces have not only preserved their units, but have also developed these units into division-sized ones. It claims the US was dealt an "unexpected strategic blow" in 1966 when it had to divert troops to the Demilitarized Zone area to cope with the Communist offensive there.

In describing the current situation, the commentary quotes an unnamed US journalist as saying recently that the Communists have the initiative and are capable of engaging in coordinated actions on a nationwide scale. US strategy, the commentary claims, has gone from crisis to stalemate, and the winter-spring campaign is proving that the US military situation has deteriorated and that US strategy is deadlocked.
Top Secret