

The President's Daily Brief

1 July 1969

19
~~Top Sec~~^{50X1}

FOR THE PRESIDENT ONLY

I. MAJOR PROBLEMS

VIETNAM

In his conversation with Ambassador Bunker on 28 June, President Thieu responded in a positive vein to US suggestions for his forthcoming statement, to be made around 10 July.

Thieu's willingness to go along with the US appears to result in part from the fact that he has now had time to digest Le Duc Tho's recent rejection of a suggestion that the Communists might join the GVN on an electoral commission or accept internationally supervised elections. Although Thieu clearly has his own reservations about trying to work jointly with the Communists in a mixed election commission, he may now feel that he can yield to US pressure for such a proposal in the expectation that the Communists will reject it.

His cooperative attitude may be a prelude to a demand that the next initiative come from the Communists. Thieu hinted as much by expressing to Ambassador Bunker the hope that Moscow might use the GVN's forthcoming statement to pressure some move by Hanoi.

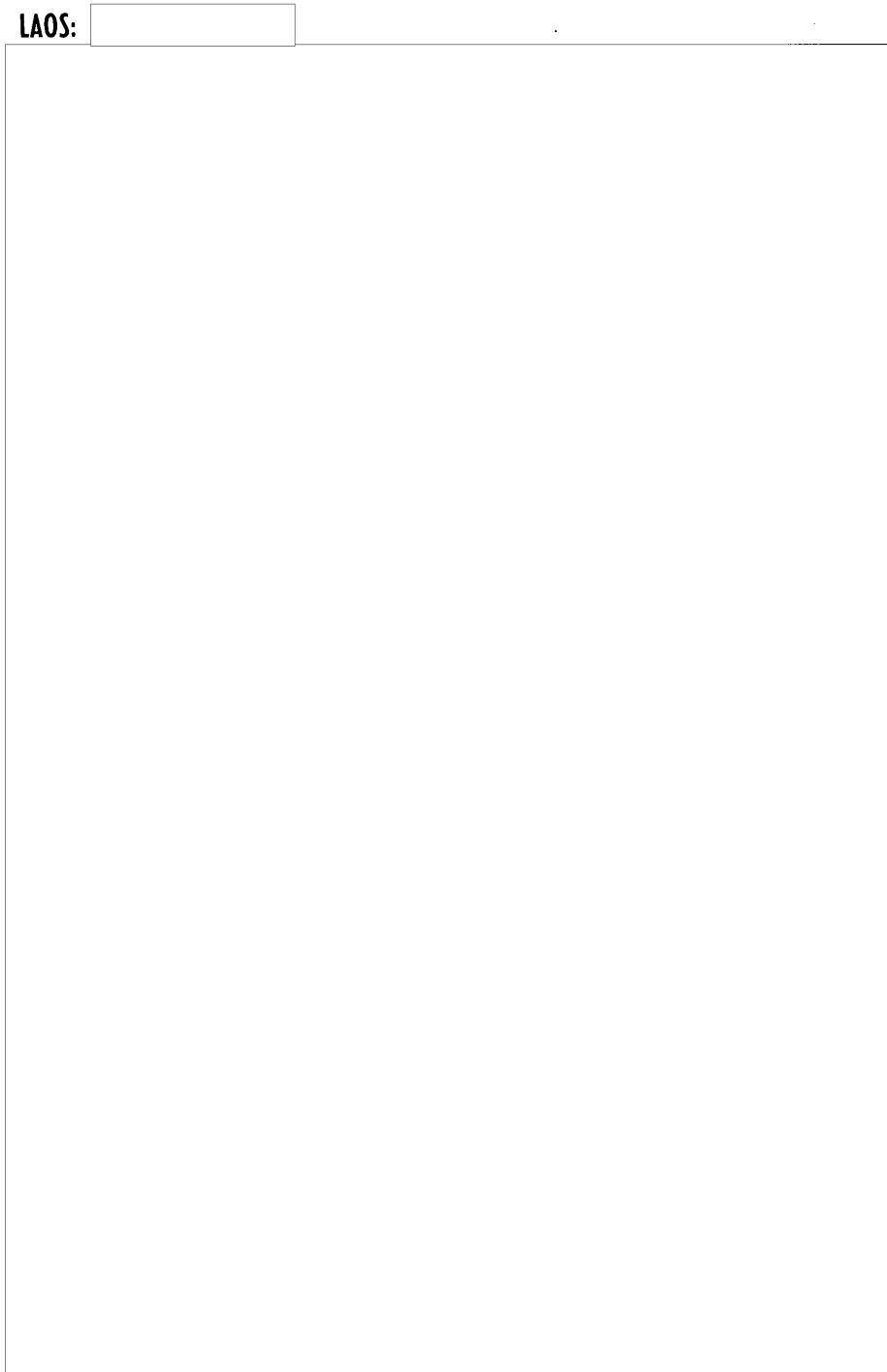
* * *

Hanoi's chief negotiator, Xuan Thuy, may be en route back to the Paris talks.

50X1

FOR THE PRESIDENT ONLY

LAOS:



50X1

50X1

FOR THE PRESIDENT ONLY

EUROPE

Mayor Schuetz's recent article in the journal Die Zeit, in which he all but advocated recognizing the Oder-Neisse line, has tarnished the modest luster of his trip to Poland earlier this month. The CDU, trying to capitalize on the trend it sees toward conservatism in the electorate, is hammering away at the mayor's alleged indiscretion. Schuetz's fellow Socialists are obviously worried that the article will blur the image which they were counting on to win them votes next fall--that of a party pursuing a progressive yet cautious policy toward Eastern Europe.

* * *

There is nothing significant to report on Soviet Affairs or the Middle East.

II. OTHER IMPORTANT DEVELOPMENTS

Laos

The government is taking steps to blunt recent Communist military gains west of the Plaine des Jarres.

50X1



FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY



50X1

To the west of Muong Soui the government is moving to clear Communist forces dug in near Phou Khoun, a highpoint overlooking the Route 7/13 road junction. Government units fresh from the capture of the Communist position at Tha Thom are reinforcing government defenders at Muong Kassy.



50X1

50X1

ARGENTINA

The government imposed a state of siege throughout the country last night and arrested a number of antigovernment labor figures. These moves followed the assassination yesterday of Augusto Vandor, a Peronist who was Argentina's most powerful labor leader, apparently by radical rivals within the labor movement. The government's stern measures reduce the likelihood that the general strike scheduled for today will be successful.

FOR THE PRESIDENT ONLY

Top Secret



The President's Daily Brief



2 July 1969
Top Secret 50X1 19

FOR THE PRESIDENT ONLY

I. MAJOR PROBLEMS

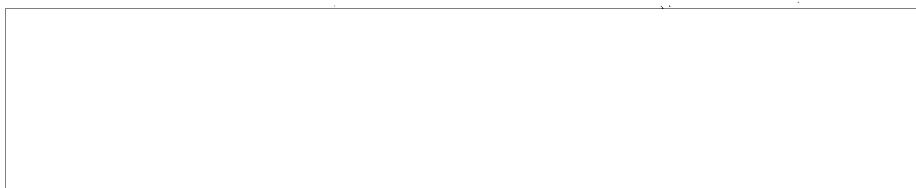
MIDDLE EAST

50X1



* * *

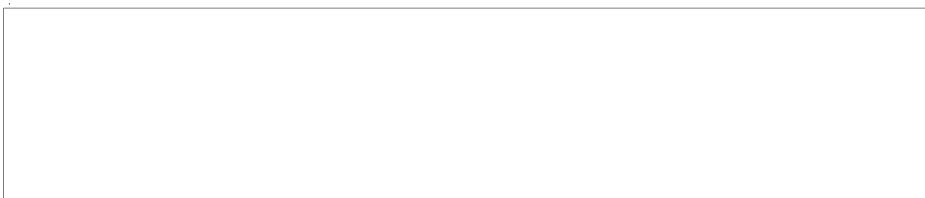
50X1



1

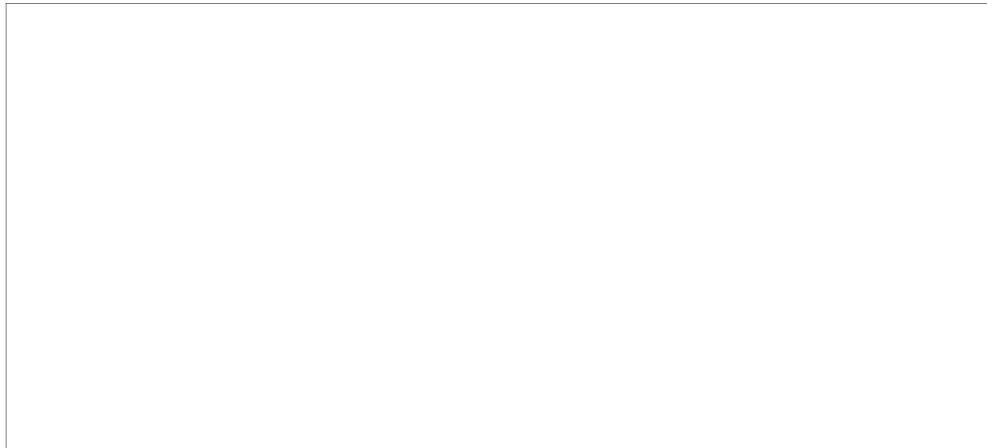
FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

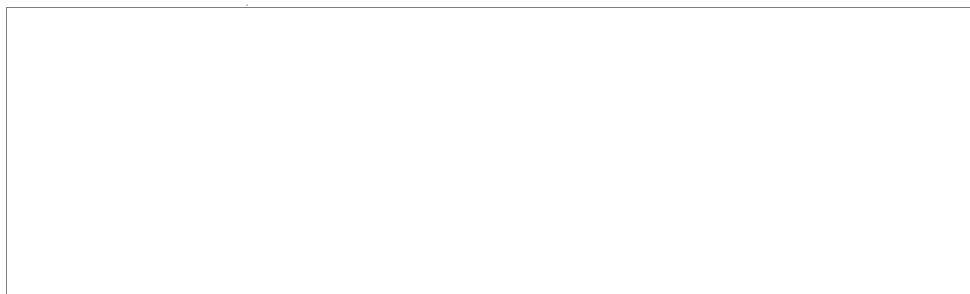


50X50X1

* * *



SOVIET AFFAIRS



50X1

* * *

50X1

50X1

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

II. OTHER IMPORTANT DEVELOPMENTS

CHILE

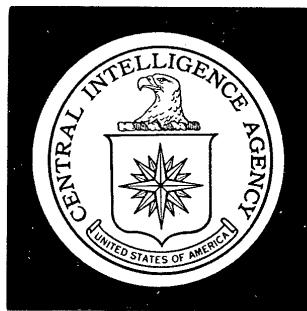
President Frei's leftist rivals have found their thunder stolen by the nationalization agreement between Anaconda and the Chilean Government. The Communists have tried to attack some aspects of the agreement but the government has counter-attacked by accusing them of lacking patriotism. The Socialist and Radical parties are still intent on pushing their own nationalization plans, but Frei is sure to veto anything they push through the legislature.

DOMINICAN REPUBLIC

The government has instituted heavy security measures for Governor Rockefeller's visit beginning today. Protests by various radical groups have been under way for several days and a combination of unsettling domestic political developments has added to the tension. The police and army should be able to cope with organized attempts by the far left to disrupt the visit, but the students might cause more serious trouble.

FOR THE PRESIDENT ONLY

Top Secret



The President's Daily Brief

50X1

3 July 1969

19

~~Top Secret~~



FOR THE PRESIDENT ONLY

I. MAJOR PROBLEMS

VIETNAM

50X1

* * *

Hanoi radio announced today that North Vietnam would release three American prisoners of war, apparently pilots, and allow others to receive gifts from their families on 4 July, "on the occasion of the American People's Independence Day."

MIDDLE EAST

The Israeli Air Force has made arrangements [redacted]

50X1

[redacted] to buy 67 Canadian-manufactured

50X1

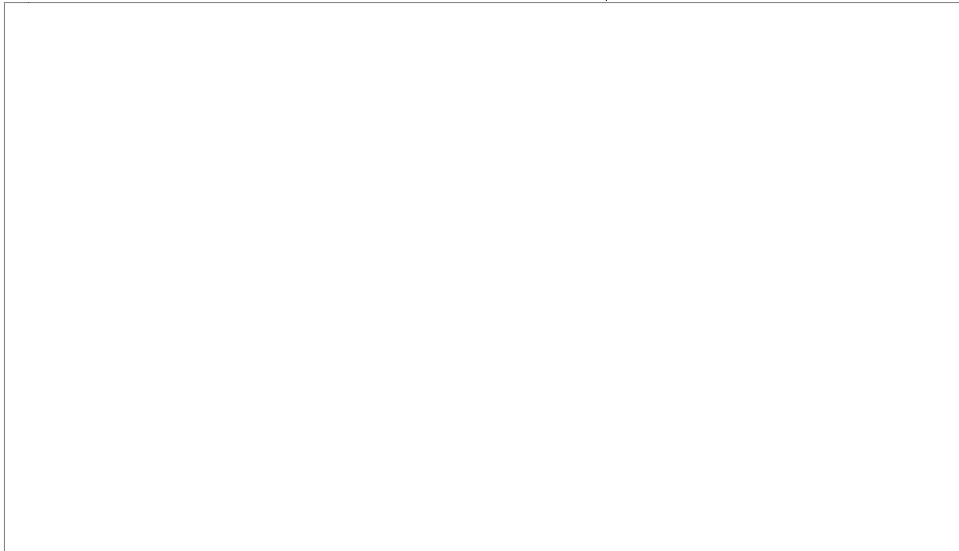
F-86 Sabrejets and 72 additional engines for US \$4 million. These 20-year-old planes will give Israel a cheap means of expanding its ground support aircraft inventory, which was found to be inadequate during the Six Day War.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

SOVIET AFFAIRS

50X1



* * *

Preparations for a major Soviet lunar operation are nearly complete. One space support ship has reached Havana while others are heading for their re-entry positions in the Indian Ocean.

50X1

[redacted] and ships in the south Atlantic have already conducted practice sessions [redacted]

50X1

[redacted] According to a press report from Moscow, unofficial [redacted] 50X1 Communist sources, perhaps inspired by the Soviet space agency, revealed plans late yesterday for the launch of an unmanned lunar probe on 10 July. The probe, which would thus be six days prior to the scheduled launch of Apollo 11, would attempt to return a sample of the lunar surface to earth.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

EUROPE

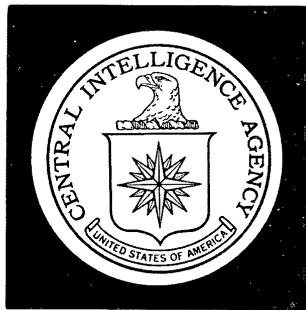
In the course of a tour d'horizon with Austrian Chancellor Klaus in Stuttgart last Sunday, Kiesinger said that he was confident the CDU would win a plurality in the September elections. He also reported that a recent poll showed the German public wants the Grand Coalition to continue and that 35 percent want Kiesinger to head the next government--about twice the percentage of the next choice. Franz Josef Strauss got about 6 percent.

II. OTHER IMPORTANT DEVELOPMENTS

There is nothing of significance to report.

FOR THE PRESIDENT ONLY

Top Secret



The President's Daily Brief

4 July 1969

19

~~Top Secret~~

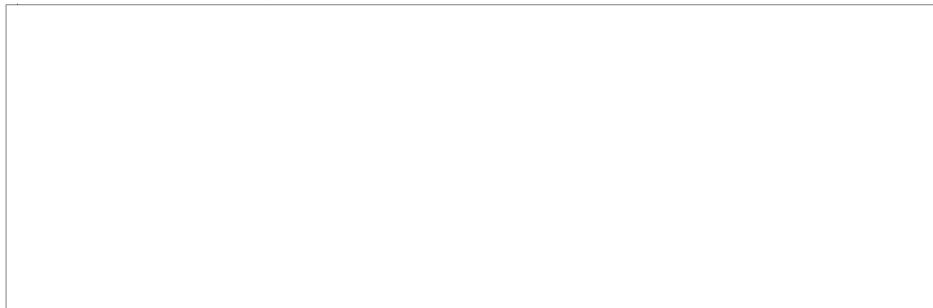
50X1

FOR THE PRESIDENT ONLY

I. MAJOR PROBLEMS

SOVIET AFFAIRS

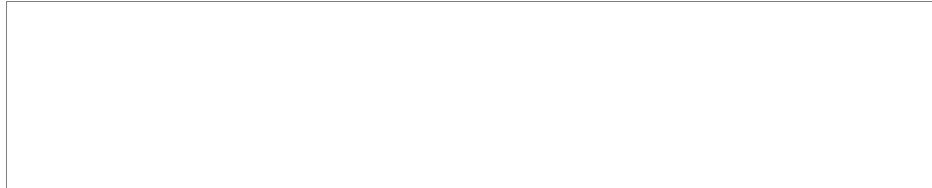
50X6



VIETNAM

Military activity remained light, with only a few sporadic shellings reported.

50X1



* * *

There is nothing significant to report from Europe or the Middle East.

II. OTHER IMPORTANT DEVELOPMENTS

LAOS

The government counterattack toward Muong Soui has made some limited gains. Only light resistance was encountered

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

in clearing enemy forces from the Route 7/13 road junction some 40 miles west of Muong Soui. The government has also reoccupied its defensive position astride Route 7 at Phou Sound.

The lack of stiff enemy resistance to the initial government moves suggests that the Communists may be more interested in consolidating their hold over Muong Soui than attempting to expand their influence into northern Vientiane Province. Signal intelligence has identified a clustering of North Vietnamese radio terminals near the former neutralist garrison. Preliminary reports indicate that large numbers of North Vietnamese and Pathet Lao troops are dug in near Muong Soui.

50X1

CHINA

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

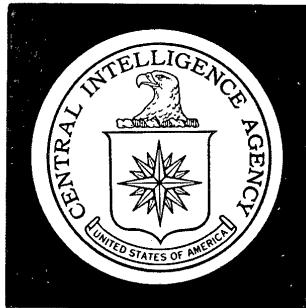
GUYANA

Prime Minister Forbes Burnham is personally involved in strict security arrangements designed to prevent trouble during Governor Rockefeller's visit. Although preventive arrest is illegal in Guyana, police officials have sought out notorious troublemakers and forcefully impressed them with the dire consequences that will surely follow any hostile action.

The most likely spot for trouble, if any develops, is the 27-mile, two-lane road between the airport and Georgetown. Although police have arranged for numerous guards and mobile patrols along its entire length, the crowds of well-wishers that Burnham's party is bringing in from outlying districts may impede the movement of the governor's motorcade.

FOR THE PRESIDENT ONLY

Top Secret



The President's Daily Brief

5 July 1969

19

~~Top Secret~~

50X1

FOR THE PRESIDENT ONLY

I. MAJOR PROBLEMS

SOVIET AFFAIRS

A major Soviet unmanned space launch toward the moon on 3 July ended in failure as a result of an explosion on the launch pad or an early inflight failure of the launch vehicle.

Deployment of Soviet recovery ships in the Indian Ocean indicated that the spacecraft was intended to return to earth.

[redacted] claimed that the USSR 50X1 would launch a rocket to the moon and bring back samples of lunar soil before the scheduled launch of the Apollo 11 mission. Whether this operation was intended to land on the moon and bring back samples cannot be established at this time, but it is within Soviet technical capabilities to attempt such a mission.

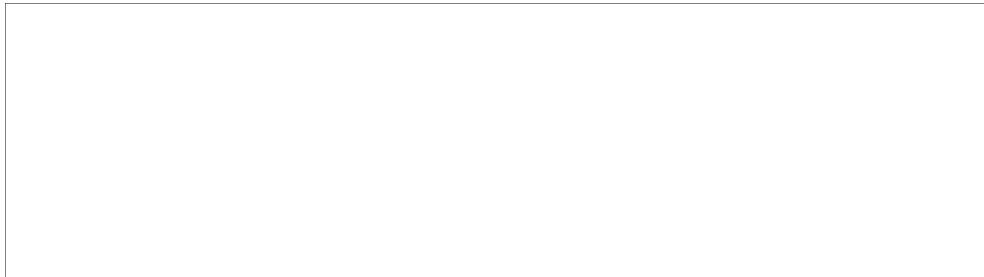
VIETNAM

Citing poor landing conditions, Hanoi turned back yesterday's ICC flight which might have brought out the three US prisoners whose release has been promised. The flight is reported to have been rescheduled for 8 July.

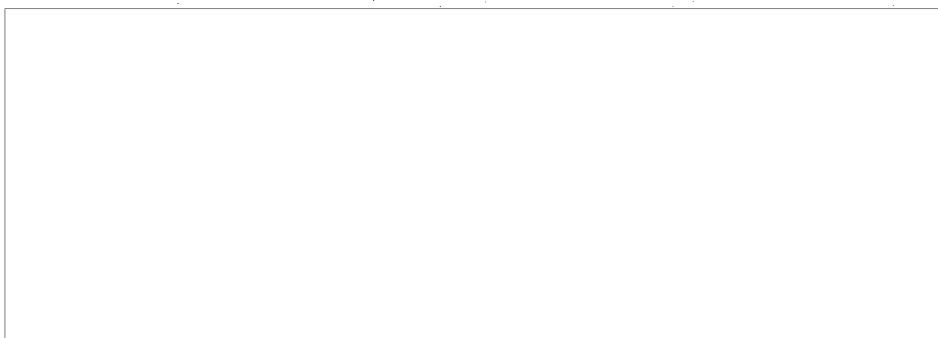
Hanoi could be planning to follow the previous pattern of turning the captives over to a peace group, thus delaying their departure even longer. Last year, the North Vietnamese also announced on 3 July an impending release of prisoners but did not permit their departure until early August.

FOR THE PRESIDENT ONLY

* * *

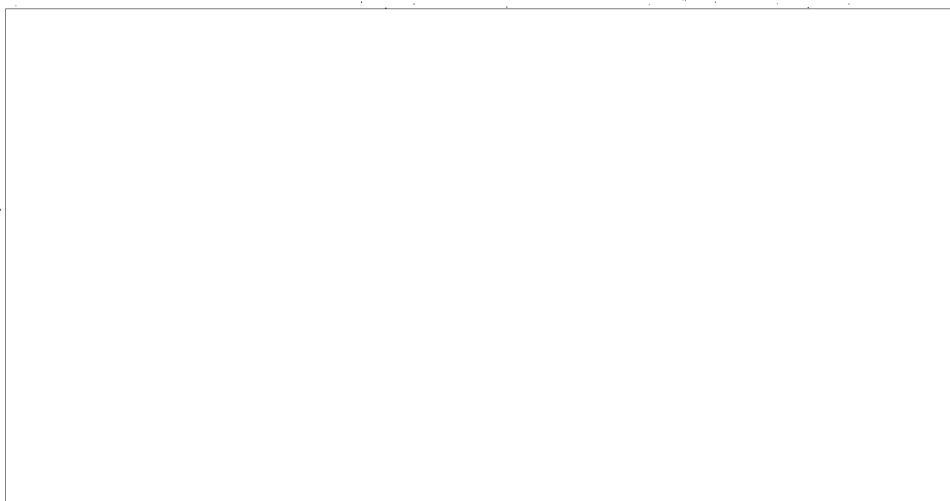


50X1



50X1

MIDDLE EAST



50X1

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

EUROPE

A political crisis in Italy was precipitated yesterday by Pietro Nenni's resignation as leader of the Socialist Party. A growing split in Socialist Party ranks, which more conservative party members claim arose over the question of cooperation with the Communists, apparently led to Nenni's decision to resign. Although he has retained thus far his position as foreign minister, several right-wing Socialist Party members are said to have resigned their posts in the cabinet.

II. OTHER IMPORTANT DEVELOPMENTS

CHINA

The explanation of the Nationalist raid off the mainland coast, as given to Ambassador McConaughy by Vice Premier Chiang Ching-kuo, is that it was a small-scale probing action designed to test the Communists' coastal defenses as well as to boost the morale of the specialized personnel who carried out the mission. The operation had no military objective, and the three boats said to have been lost by the Communists were of no military value.

50X1



FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

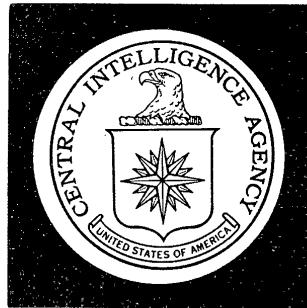
ARGENTINA

Acting under the state of siege imposed last Monday, police have arrested more than 300 labor officials, students, lawyers, and opposition politicians. The interior minister has said publicly that leftist labor leaders--the main target of the crackdown--would be released only "when tensions subside."

The unrest of the past two months probably has convinced the Onganía government that it is futile at this time to continue negotiations with the unions for political support. The death of labor chief Augusto Vandor, one of the key figures in the negotiations, will make it even more difficult to renew the dialogue.

FOR THE PRESIDENT ONLY

Top Secret



The President's Daily Brief

7 July 1969

19

~~Top Secret~~^{50X1}



FOR THE PRESIDENT ONLY

I. MAJOR PROBLEMS

VIETNAM

The shelling attacks which stepped up over the weekend, interrupting a lull in enemy activity, decreased again last night. Ground activity has remained light. These shellings may be a probing action before the start of the predicted final offensive--the July campaign.

50X1

50X1

SOVIET AFFAIRS

One result of the President's plans to visit Romania has apparently been the cancellation or at least postponement of a projected visit to Bucharest by Soviet leaders. Lower-level officials in Moscow now are saying that Brezhnev and company will not go to Romania this month to sign a new friendship treaty, and a Soviet Embassy counselor in Bucharest hinted that the Romanians might have to travel to Moscow for the signing. Romanian First Deputy Foreign Minister Macovescu, who had hinted earlier that the Soviet visit was still scheduled, said Friday that nothing had been decided.

Further Soviet countermoves to the Presidential trip are probably still under review in Moscow. The Soviet ambassador to Romania failed to return to Bucharest last week as expected, and the lack of direct editorial comment on the trip in the Soviet press will probably continue until a decision on further moves is reached.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

Meanwhile, the Romanian party daily published a long editorial yesterday--clearly with top-level approval--pledging Romania to continue to develop relations with all states regardless of their politics. This would appear to be a defense of Bucharest's invitation to the President, although his name was not specifically mentioned, and is the government's first official reference to state visits since the President announced he was making the trip.

EUROPE

The resignation of Prime Minister Rumor's government Saturday will result in a major realignment of Italian political forces. The Socialist Party (PSI), which only became unified in 1966, split into two separate parties again following the defeat of a conciliation document submitted by party leader Nenni. Nenni, who has headed the PSI since the end of World War II, resigned as party president and the future of Italian socialism is uncertain.

The Christian Democratic party (DC), the other member of the coalition, is also rent with factionalism. At its recent meeting, the party appointed a National Council which is to meet on Wednesday to reach a decision on the future leadership of the party. The incumbent leadership is faced with demands to take on a more pro-labor orientation. This problem will be accentuated by the prospect of increasing labor unrest during contract negotiations scheduled later this year in several vital industries involving one fifth of the labor force.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

Rumor will continue to head a caretaker government until discussions, which President Saragat plans to hold with potential premiers beginning Thursday, are completed. Several DC leaders had previously estimated that a Socialist split would result in a centrist leadership group, excluding extremists on both left and right, which would attempt to establish a minority one-party DC government. Such a government might last until autumn, in the view of the US Embassy, and a likely candidate for Premier would be Forlani, chief lieutenant of Senate president Fanfani. While the Italian Communist Party will attempt to profit from the present confused situation, it is not likely that it will be asked to enter any coalition in the near future despite its increasing independence from Moscow.

* * *

Brandt's visit to Paris Friday was apparently a considerable success. He saw Pompidou for 70 minutes (the first foreign visitor to be received by the new President) as well as Prime Minister Chaban-Delmas and Foreign Minister Schumann. Brandt told journalists that EEC questions were discussed exhaustively, including enlargement, and that they would be useful for his talks with other EEC leaders. He was sure, Brandt said, that in coming weeks the Six would be able to agree on "means of bringing about a pre-arrangement on enlargement" among themselves and then with others.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

* * *

There is nothing significant to report on the Middle East.

II. OTHER IMPORTANT DEVELOPMENTS

KENYA

The competence and broad appeal of murdered Tom Mboya will be missed more in the long-term than immediately. President Kenyatta's government is able to cope with any violence that may be stirred up by Mboya's followers, and the weak pro-Communist opposition party has only limited prospects of turning the assassination to its own advantage.

As the time for the general parliamentary elections approaches--Kenyatta has promised they will be held before June 1970--Mboya's absence will be more keenly noted. Kenyatta had assigned to Mboya the responsibility for managing the campaign, and the party has no one else approaching his competence in this sphere. In addition, Mboya's successful direction of the Ministry of Economic Development had offered hopeful prospects for mitigating popular discontent. The successor to the post, as yet unnamed, almost certainly will lack Mboya's administrative skills and national rather than tribal concepts.

Mboya was one of the few government figures with nationwide appeal, and had been expected to exert a moderating influence during the inevitable contest for succession when

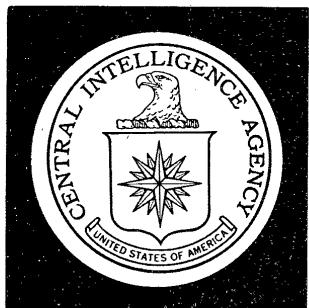
FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

the unifying presence of 76-year-old Kenyatta is gone. At age 38, Mboya would have been able to provide a link between the departing and the oncoming generations of political leaders.

FOR THE PRESIDENT ONLY

Top Secret



The President's Daily Brief

8 July 1969

19

50X1

~~Top Secret~~



FOR THE PRESIDENT ONLY

I. MAJOR PROBLEMS

VIETNAM

In another speech recently publicized by Radio Hanoi, General Giap again prescribed tactics designed to maintain steady pressure on the allies and conserve Communist strength for the long haul. He called for persistent strikes by small, compact units against larger targets, frugal use of ammunition, and reliance on captured weapons and munitions whenever possible. The occasion, an artillery corps celebration, was an appropriate one for Giap to advance his ideas. Artillery, rocket and mortar units are uniquely capable of harassing and pressuring allied forces in the field, or military and civil targets in rear bases and urban areas, at little cost--basic tenets of his strategy.

* * *

Enemy units apparently are continuing to prepare for the main effort of the July "action phase," expected within the next few days. The lack of movement by Communist main forces toward prime targets, with the possible exception of Tay Ninh city, continues to indicate that the enemy's ground force commitment in upcoming operations will be limited.

SOVIET AFFAIRS

A small Soviet naval squadron--two submarines, three guided-missile ships, and two support vessels--are en route

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

to Cuba to represent the USSR at Cuban holiday observances on 26 July. This is the first time Soviet warships have visited Cuba, an event probably intended to point up the improvement in Cuban-Soviet relations.

50X1

[redacted] the Cubans are not planning any formal celebrations this year, however. Thus the impact of the Soviet gesture may be less than anticipated.

50X1

The voyage also reflects Moscow's increased interest in expanding its area of naval operations, which, from the Soviet point of view, may be more important than flattering the Cubans. The squadron has been under way since mid-June, and there is no indication the Soviets planned the visit in response to President Nixon's upcoming trip to Romania.

MIDDLE EAST

King Faysal of Saudi Arabia took an extremely gloomy view of the prospects for peace last week when Ambassador Eilts briefed him on the two- and four-power talks. Faysal told Eilts that the US proposals for a settlement are entirely slanted toward Israel. He charged that the American formula for solving the refugee problem--which qualifies unrestricted return--runs counter to UN resolutions giving the refugees the right to return to their homeland.

Faysal no doubt has his ups and downs on the question of a peace settlement, and he may have deliberately overreacted for the benefit of his listener. Nevertheless, even though Saudi Arabia is not directly involved in the settlement process,

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

its support for any solution is important. This is especially so in the case of Jerusalem; Faysal considers himself the guardian of all Muslim holy places.

* * *

There is nothing significant to report on Europe.

II. OTHER IMPORTANT DEVELOPMENTS

KENYA

The police claim to have few clues as to Mboya's assassin. Mboya had many enemies and several groups had a capability to pull off the assassination. [redacted]

50X1

[redacted] the most likely suspects are a group of advisers around President Kenyatta called the "Kikuyu Establishment." (The Kikuyu, members of the largest tribe, dominate the government. Mboya was a member of the Luo tribe, the next strongest.) These men owe their power and affluence to their close ties with the presidency. They felt increasingly threatened by Mboya's growing stature and popularity. [redacted]

50X1

50X1

50X1

Even if the Kikuyu leaders did not actually kill Mboya, they are the main beneficiaries of the new situation. Mboya's death should assure that the aging Kenyatta is succeeded by Vice President Daniel arap Moi, who though not a Kikuyu is regarded as compliant to the tribe's wishes.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

BOLIVIA

50X1

50X1

FOR THE PRESIDENT ONLY

Top Secret



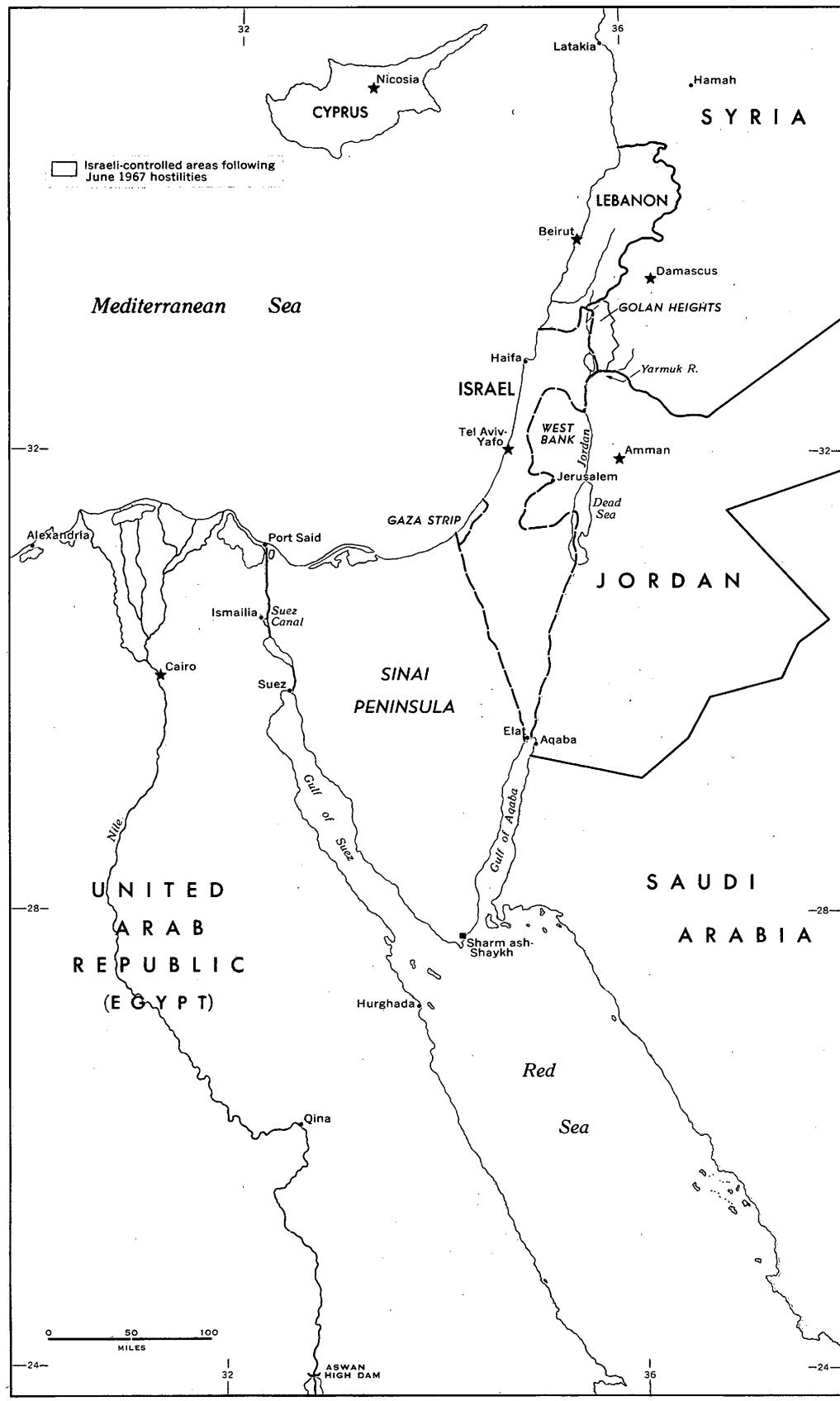
The President's Daily Brief

9 July 1969

19

~~Top Secret~~

50X1



93478 1-69

FOR THE PRESIDENT ONLY

I. MAJOR PROBLEMS

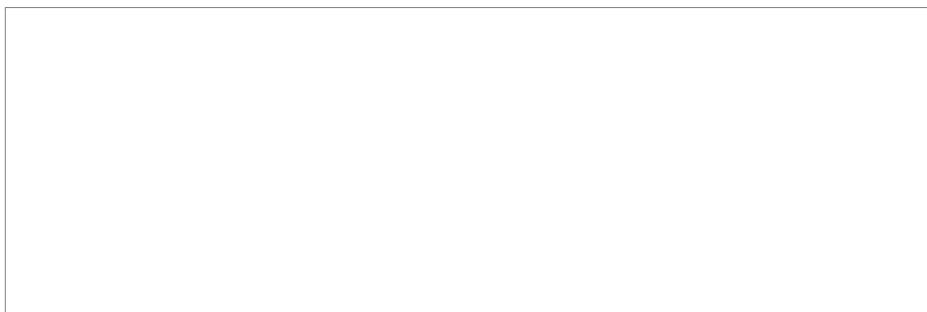
MIDDLE EAST

The Arabs seem to have gotten much the worst of the recent aerial fighting along the cease-fire lines. The Israelis, who are reasonably reliable in their military claims, say they have shot down 13 MIG-21s so far this month. Six of these were Egyptian--four on 1 July and two more on the 7th. Yesterday, in the largest air engagement with Syria since the 1967 war, Israel claimed seven MIG-21s out of a total of 58 in the Syrian inventory. Tel Aviv has denied losing any aircraft during these encounters.

Ground fighting has died down along the Jordan River in recent days, but the Suez Canal continues to be the scene of heavy daily firefights. In addition to the usual artillery and small-arms exchanges, Egypt sent another commando group across the canal on 7 July, with little apparent success.

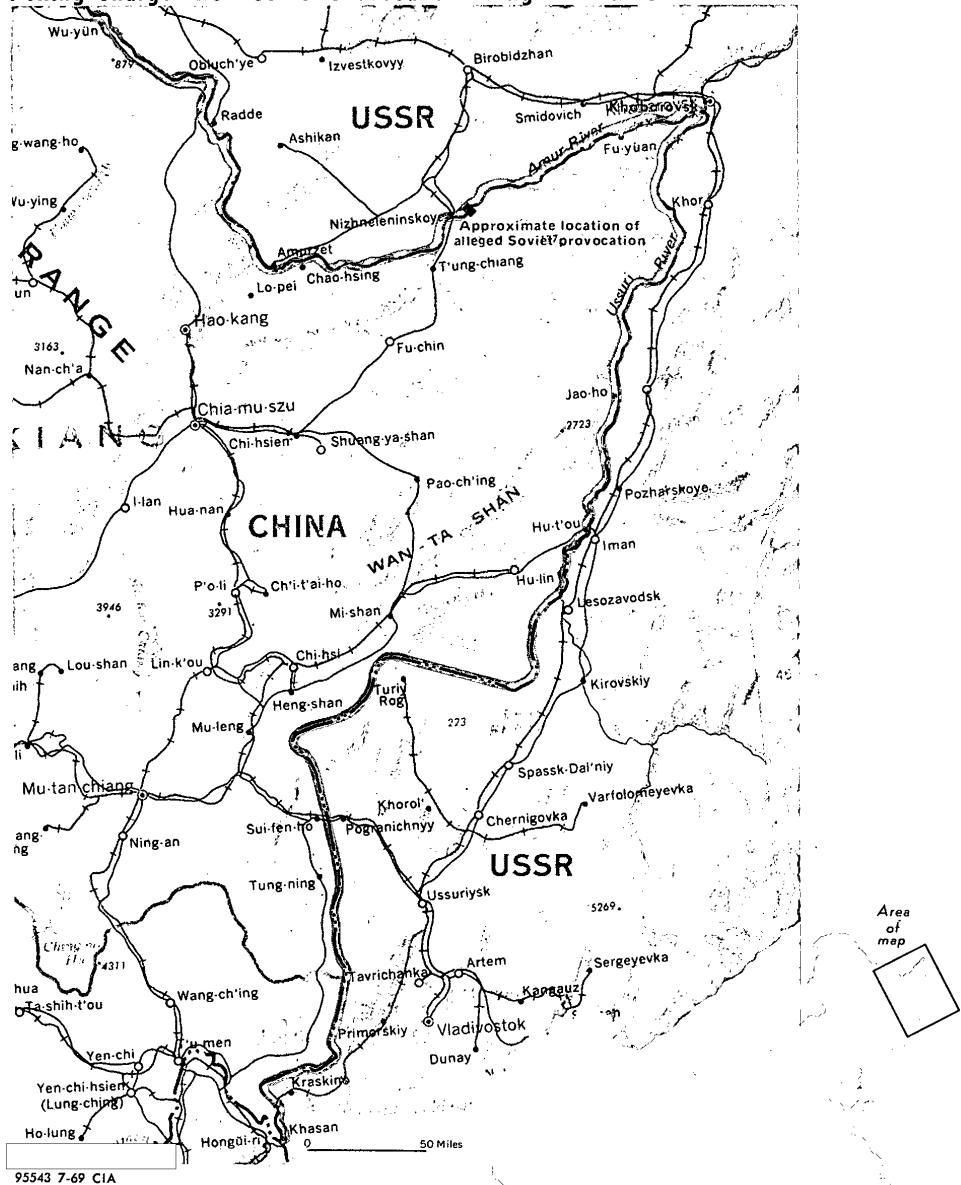
* * *

50X1



FOR THE PRESIDENT ONLY

Peking Charges New Soviet Provocation Along Amur River



50X1

95543 7-69 CIA

FOR THE PRESIDENT ONLY

VIETNAM

Hanoi again has passed up an opportunity to release the three US prisoners. Yesterday's ICC flight returned to Vientiane from Hanoi with no Americans on board.

* * *

There is nothing significant to report on Soviet Affairs or Europe.

II. OTHER IMPORTANT DEVELOPMENTS

KENYA

Tom Mboya's fellow Luo tribesmen battled police in Nairobi during his funeral yesterday, and attacks by Luo crowds on individual Kikuyus continue.

Security forces probably can handle disturbances in the capital, which is in the heart of Kikuyu country. Kenyan officials are more concerned about potential trouble as the funeral cortege travels overland to western Kenya, where the bulk of the million-and-a-half Luo are concentrated. Mboya's family vetoed a plan to fly his body home.

COMMUNIST CHINA - SOVIET UNION

Peking's public charge yesterday of a new Russian provocation along the Amur River frontier may signal the breakdown of the Sino-Soviet border river navigation talks in Khabarovsk.

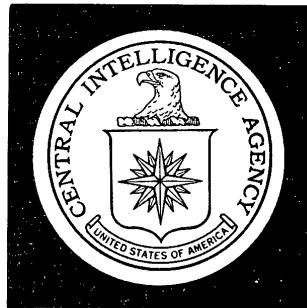
FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

It was the first specific border violation allegation by either side since the talks began on 18 June; Moscow later issued a version of its own. The Khabarovsk sessions were expected to bog down over the question of disputed islands in the Ussuri and Amur river frontiers and the larger territorial claims Peking has been pressing on Moscow. Although neither side has as yet publicly commented on the talks, Soviet officials privately have reported that they remain deadlocked.

FOR THE PRESIDENT ONLY

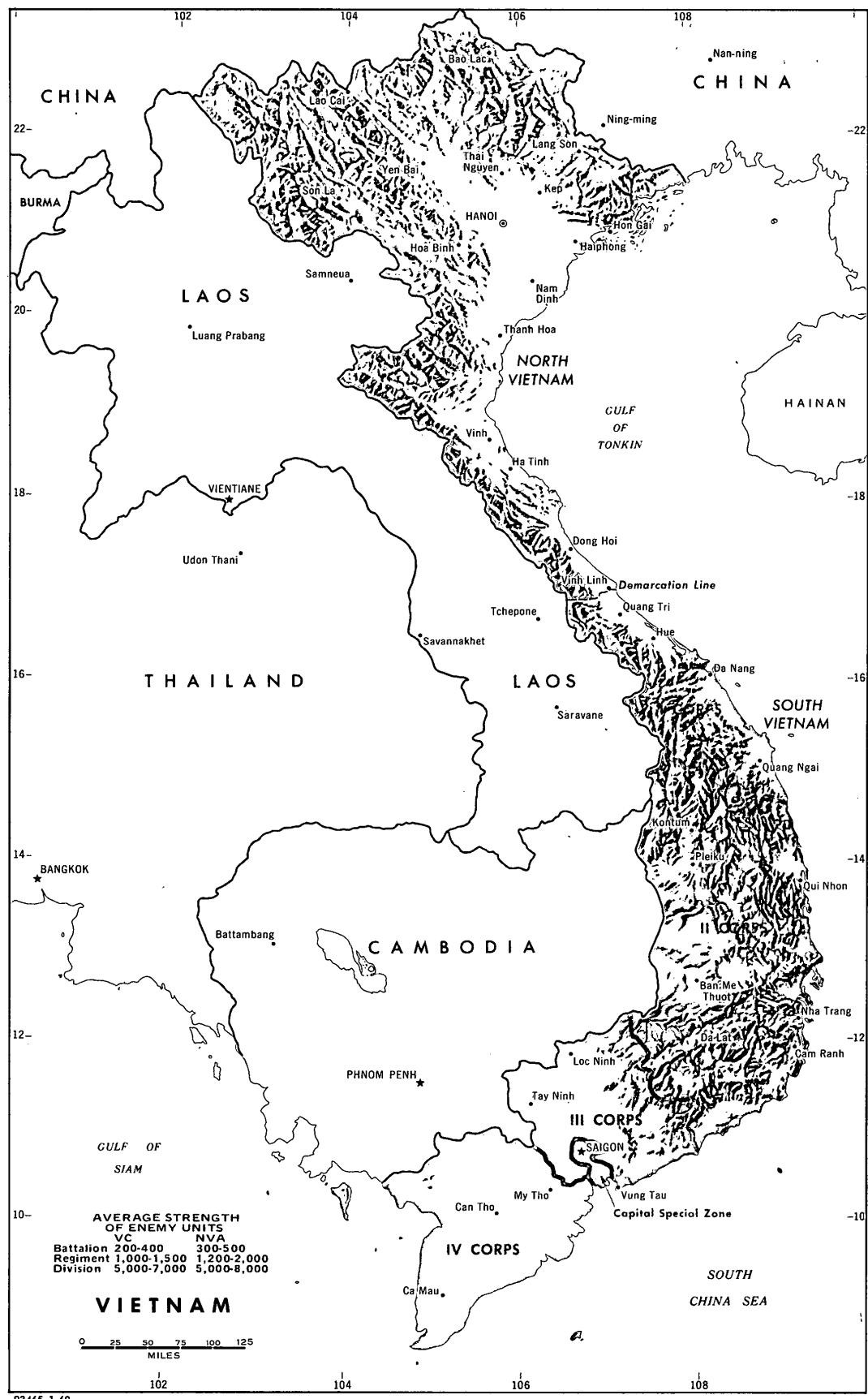
Top Secret



The President's Daily Brief

10 July 1969

19
50X1
~~Top Secret~~



FOR THE PRESIDENT ONLY

I. MAJOR PROBLEMS

VIETNAM

Military spokesmen in Saigon report that Communist mortar and rocket forces slightly stepped up the pace of their shellings last night.

Some ten rockets hit a South Vietnamese Army dependents housing area in Bien Hoa Province, and there were some 29 separate attacks throughout the country.

* * *

The Communists have offered no explanation for Le Duc Tho's reported departure for Hanoi yesterday beyond the customary assertion that it is routine and had been decided before Xuan Thuy's return to Paris last week. Tho's return to Hanoi (his fourth since he joined the North Vietnamese delegation in June 1968) could mean that the Hanoi leadership wishes to consult with its top man in Paris on matters raised but not settled during Xuan Thuy's recent sojourn in North Vietnam.

On the other hand, a return to Hanoi by Tho might not be directly related to the Paris talks. Tho is a member of the central committee secretariat and chief of the party Organization Department. The Vietnam Workers Party is now actively engaged in indoctrination campaigns in which both the secretariat and the Organization Department play major roles. In

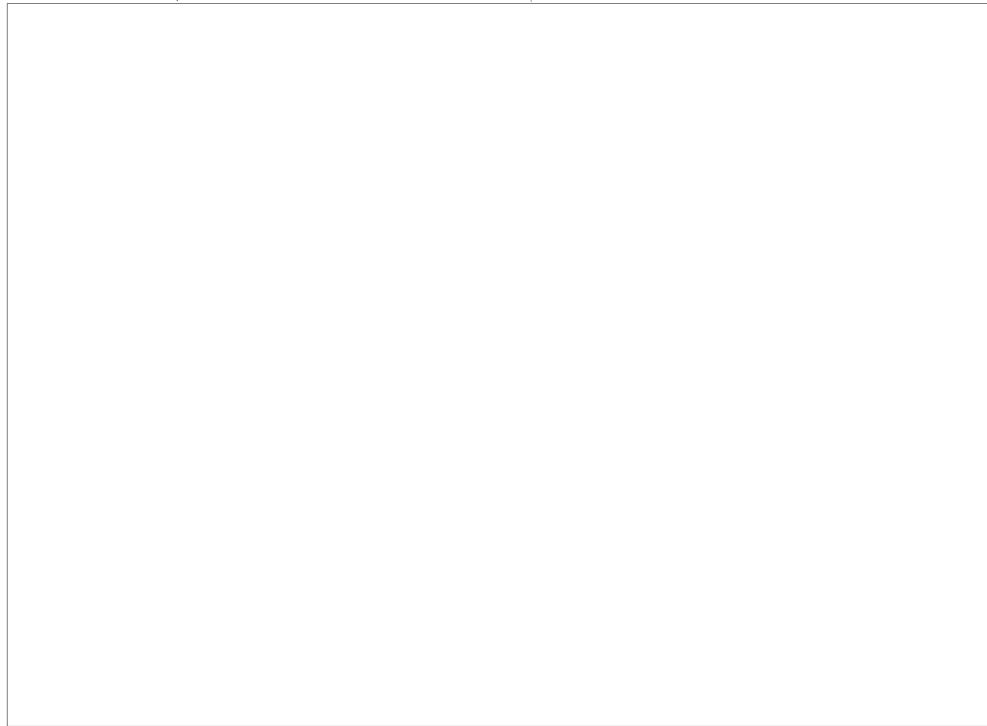
FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

past years, Le Duc Tho has been prominent in such campaigns
and he may find it necessary to spend considerable time back
in Hanoi on domestic matters.

50X1

* * *



SOVIET AFFAIRS

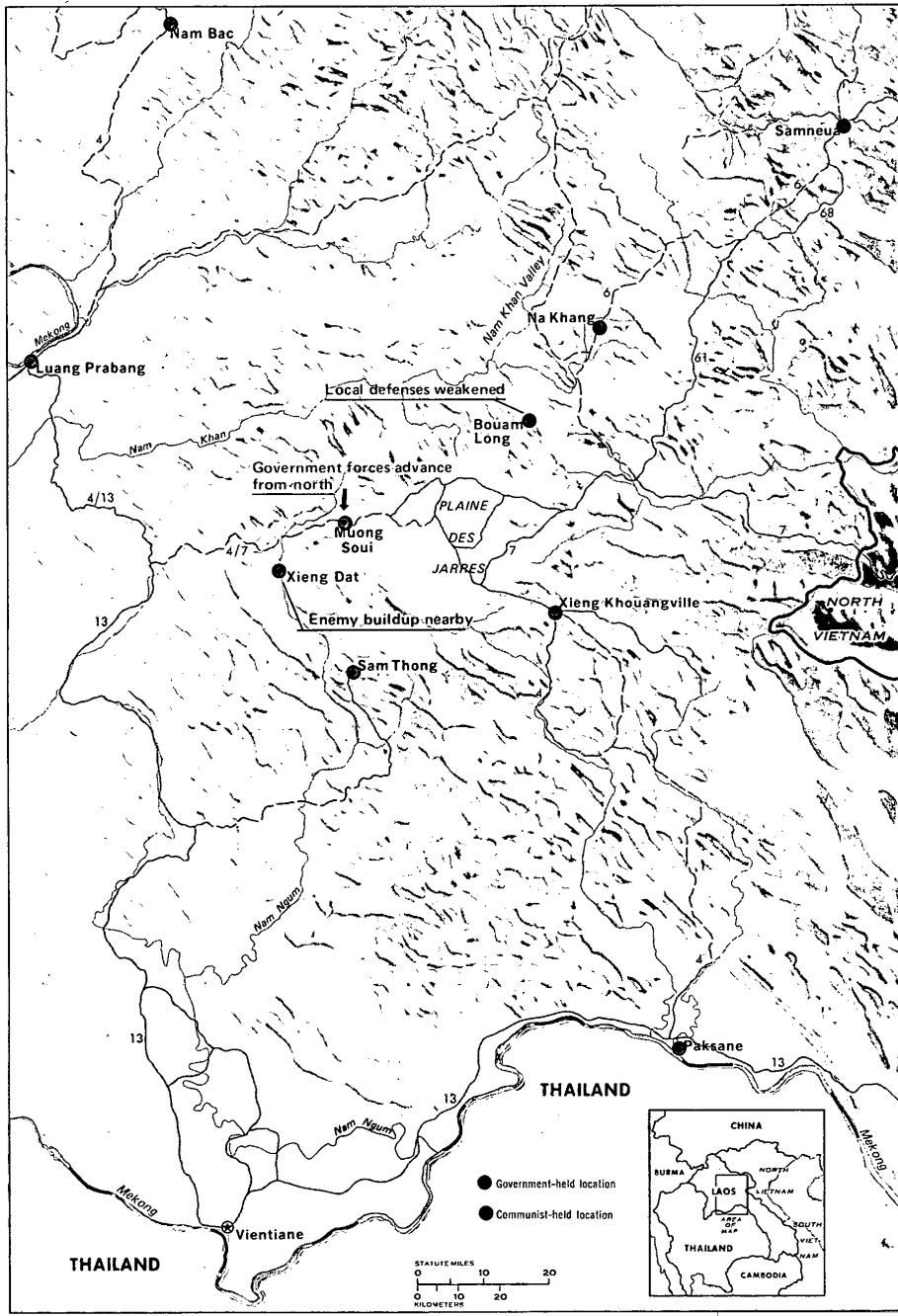
Rumors are being circulated in Eastern Europe, [redacted] 50X1

[redacted] that a Warsaw Pact exercise in mid-August will bring 50X1
massive forces (32 to 40 divisions) to the borders of West
Germany, Austria, and Yugoslavia; this would, of course, also
put them close to Romania. Such an exercise cannot be com-
pletely ruled out but seems improbable. The rumors, [redacted] 50X1

[redacted] bear the marks of

FOR THE PRESIDENT ONLY

LAOS: Current Situation



95550 7-69 CIA

50X1

FOR THE PRESIDENT ONLY

a scare operation. They may be intended to intimidate Romania and Yugoslavia. They could also have a chilling effect in Western Europe, especially in Bonn.

MIDDLE EAST

With prospects for an early peace settlement in the Middle East apparently diminishing, the attitudes of both the Israelis and the Arabs are hardening, leading to an ever-rising spiral of hostile actions along the so-called cease-fire lines. At annex today we discuss these attitudes in Israel; in a later issue we will consider the Arab viewpoint.

* * *

There is nothing significant to report on Europe.

II. OTHER IMPORTANT DEVELOPMENTS

LAOS

The government is finding the going slow in its week-old effort to retake Muong Soui. Some of General Vang Pao's forces have moved onto the high ground overlooking Muong Soui from the north. Bad weather and a stiffening enemy defense, however, have hampered government efforts on the other approaches. An added problem for Vang Pao is the reluctance of neutralist forces, regrouped after fleeing Muong Soui last month, to carry out their part of the counterattack.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

50X1

The Communists also have the option of attacking government posts north of the Plaine des Jarres, where local defense forces were recently weakened to support the Muong Soui operation.

PANAMA

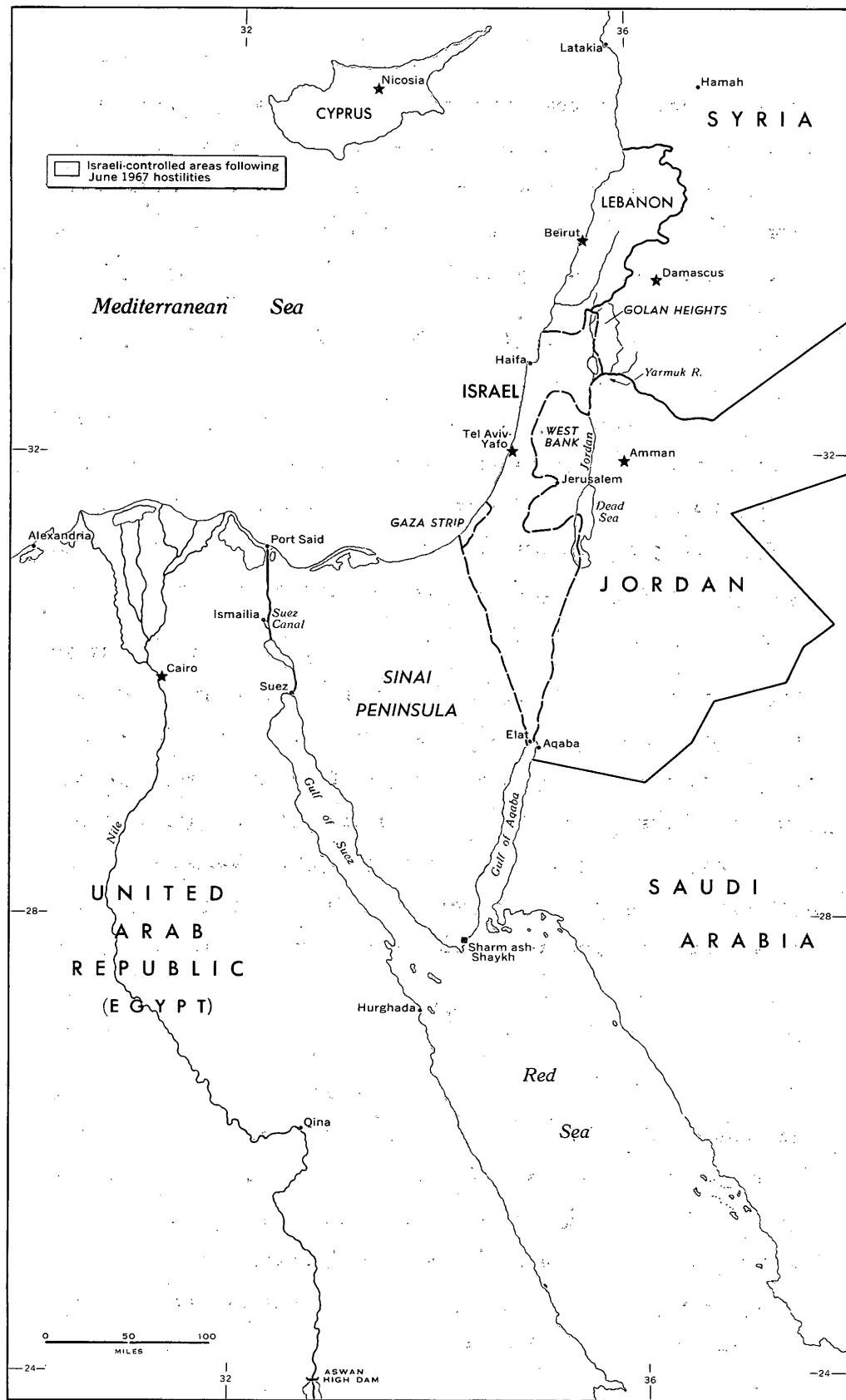
Panamanian National Guard strongman Torrijos and his foreign minister have recently hinted to the press that the government is examining the Canal treaty question. General Torrijos is reported to have said that the government plans to recover Panama's sovereignty over the Canal and is confident that the "suspended" negotiations could be reopened. Torrijos may hope to initiate discussions during his planned visit to the US in August or September.

In order to circumvent the usual constitutional procedures, which require treaty ratification by the national assembly, Torrijos is said to be thinking of a plebiscite. It is questionable, however, whether a pact by-passing the constitutional process would be honored by succeeding governments.

EAST GERMANY - EGYPT

The Egyptian Government announced yesterday that it is going to recognize East Germany. The East Germans, who have long concentrated their efforts to obtain recognition abroad on Egypt, will consider Cairo's decision to be a major breakthrough. Egypt would become the sixth and most important country to recognize East Germany since 30 April.

FOR THE PRESIDENT ONLY



93478 1-69

A
N
N
E
X

ISRAEL'S NEW MOOD

In recent weeks, the Israelis have demonstrated a new mood of activism and toughness in military matters, and have been increasingly open in their defiance of Big Power efforts to achieve a peace settlement.

Their new temper rises from frustration: despite three defeats of the Arabs, peace seems as elusive as ever; the daily battles with fedayeen and regular Arab forces on the Jordanian and Egyptian fronts show no sign of let-up, and the Syrian front is beginning to heat up as well; terrorist attacks in Israel itself are increasing, and Arab hostility is continually evident in the occupied territories. Unable to dictate the peace--or even to get the Arabs to negotiate--Israel clearly seems to have set its course on a "not budge an inch" policy toward the territory it won in 1967, while striking harder and harder at the Arabs.

On the military front, the new air of frustration is evident in Defense Minister Dayan's more frequent statements that peace is far off, that Israel must accept and endure continuing harassment and casualties, that the Israelis must learn to live with "something short of peace;" indeed, that Israel must be ready for another all-out war. The result of this attitude is a new military activism based on the theory that the Arabs understand only force. The Israelis are now more aggressive on the ground and in the air--even sending flights over Cairo itself. They are mounting more cross-border operations, are again striking at targets designed to

A1

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

hurt the Arabs economically, and are hitting more and more at regular Arab forces in Jordan. Foreign Minister Eban claims that the purpose of the new truculence is to convince the Arabs they cannot budge Israel from the cease-fire lines without a peace settlement, but the Israeli leaders realize these attacks deter the Arabs only temporarily; they apparently have so far found no other acceptable alternative.

The Israelis' new mood also suggests that they are perhaps hurting more than they want to admit, that the constant harassment is getting to them. A new factor--especially alarming to the Israelis--is the inclusion of supposedly "tame" Israeli Arabs among the suspects arrested after the recent fedayeen attack on the Haifa refinery pipeline and the bombing in Tel Aviv. This evidence that the fedayeen may be having some success in recruiting among this sensitive element of the population can do nothing but heighten Israeli concern for the future.

The danger in all this is, of course, that the Israelis might convince themselves that larger operations would bring longer pauses from the Arabs--despite the attendant risk that miscalculation could mean full-scale war, which no one wants. In the aftermath of the Gromyko-Nasser talks in Cairo, which the Israelis saw as foreshadowing continued Arab inflexibility, a highly placed Israeli told US officials that Israel must now play brinksmanship with Egypt and the Soviets.

On the diplomatic front--inseparable from the military situation--the Israelis are demonstrating a similar belligerence. Since the Big Power talks began last fall, the

A2

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

Israelis have reacted first with alarm, then with increasingly open defiance.

50X1

criticism of Big Power talks

is made daily by Israeli leaders from Prime Minister Golda Meir on down.

Israeli leaders now also seem even more open than previously about revealing Israel's territorial demands--what Israel requires as "secure and recognized borders." They still refuse to define their territorial demands and they hint of flexibility, but they are clearly moving ahead to consolidate their grip on the occupied territories. Mrs. Meir told the Knesset on 8 July that new settlement outposts would shortly be established at locations considered suitable from both a security and development viewpoint. The Israelis already have some ten settlements in the Golan Heights and plan to at least double this number; there are also some five on the West Bank, and three in the Sinai.

During the Security Council debate that led to censure of the Israelis for annexationist designs on Jerusalem, they ostentatiously moved their police headquarters to East Jerusalem, and Deputy Prime Minister Allon transferred his residence there as well. Moreover, the Israeli Foreign Ministry issued a defiant statement after the censure that Jerusalem would remain united and the capital of Israel. In addition, Dayan now publicly proposes that the Golan Heights of Syria

A3

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

be treated as part of Israel, and says that Israel will need "major changes" on the West Bank. He and other cabinet ministers insist that Israel will retain the Gaza Strip and Sharm ash Shaykh.

All Israeli leaders have thus made it abundantly clear that they will reject any agreement reached by the Big Powers which, in their view, threatens the security of Israel. Moreover, their statements now include public and frequent attacks on the US, usually accompanied by adamant claims that they will resist unpalatable suggestions even by their friends.

50X6

A4

FOR THE PRESIDENT ONLY

Top Secret



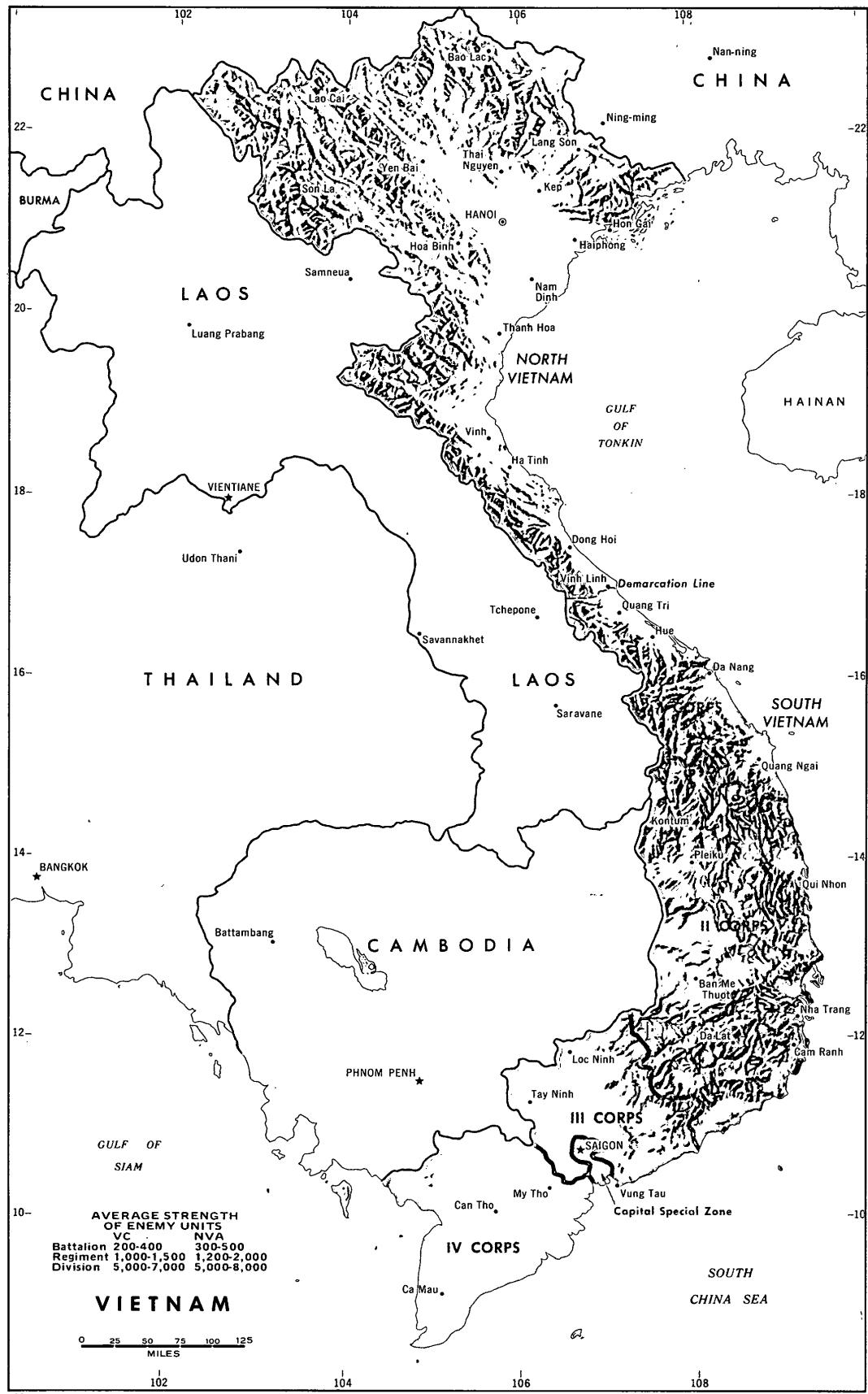
The President's Daily Brief

11 July 1969

19

~~Top Secret~~

50X1



FOR THE PRESIDENT ONLY

I. MAJOR PROBLEMS

VIETNAM

50X1

* * : *

50X1

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

50X1

SOVIET AFFAIRS

Gromyko's speech to the Supreme Soviet yesterday combined warnings to China with a conciliatory line toward the US and the West. According to a TASS summary, Gromyko indicated that Moscow is ready for early talks with the US on strategic arms limitation.

Seeming to swallow any displeasure over President Nixon's planned visit to Bucharest, Gromyko went back several months to refer approvingly to the President's statement favoring a "well prepared" summit conference. He took a moderate stance on West European affairs and, according to press reports, made

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

a carefully hedged expression of willingness to discuss Berlin with the three Western powers with a view to preventing future crises there.

The Soviet foreign minister gave the first public indication that the Sino-Soviet border navigation talks in Khabarovsk are not going well. His references to "certain statements" by Chinese representatives and the "recent new provocation" on the Amur River suggest that the USSR anticipates a breakdown of the negotiations.

Gromyko reiterated the idea of a collective security system for Asia, which Brezhnev broached in June, but TASS mentioned no clarification. In recent weeks, Soviet diplomats have touted this vague scheme but have provided no details.

Gromyko had nothing new to offer on the Middle East. While decrying the dangers to peace in that area, he made it clear that Moscow still considers Israeli withdrawal from occupied areas as a prerequisite for a settlement, along with recognition of Israel's right to exist.

* * *

The Soviets are getting ready for a major space launch, probably another unmanned lunar attempt. Support ships did not move very far from station after the failure of the attempt on 3 July.

50X1

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

MIDDLE EAST

Israel announced yesterday that agreement had been reached with Aramco on the repair of Tapline, which was sabotaged by Arab fedayeen on 30 May. In return for being allowed to begin work on the line, which carries oil through the Golan Heights from Saudi Arabia to the Mediterranean, Aramco promised to compensate Israel for pollution damages and pledged to provide maximum safeguards against any additional pollution of Israeli water supplies. How much all this will cost Aramco is not specified [redacted]

50X1

[redacted]

EUROPE

While the Italian Christian Democratic Party's national council is considering its next move in the present crisis, the Communists seem to be playing a waiting game. Although the Communists would probably welcome a breakdown of the political system, there is no sign that they are encouraging strikes or disorders.

Top party leaders are appealing to factions of the socialist left to join in a Communist-led coalition, hoping thereby to win a large vote in the next election--which may come as soon as late fall or early next year.

II. OTHER IMPORTANT DEVELOPMENTS

There is nothing significant to report.

FOR THE PRESIDENT ONLY

Top Secret



The President's Daily Brief

12 July 1969

19

~~*Top Secret*~~ 50X1

FOR THE PRESIDENT ONLY

I. MAJOR PROBLEMS

VIETNAM

In Paris, Vietnamese Communists were quick to denounce President Thieu's election offer. They continue to stand firmly behind the Viet Cong ten-point proposal.

Ground fighting continued at a low level throughout South Vietnam, although terrorists were active in Saigon. More than 40 allied bases and towns were subjected to rocket and mortar attacks, but few casualties and little damage resulted.

SOVIET AFFAIRS

The Soviets announced yesterday that they were releasing the US colonel who violated Soviet airspace last Friday. This decision came two days after an American journalist was permitted to enter East Berlin after having first been barred by the East Germans. In both cases the Soviet officials who handled the US demarches were extremely cooperative, and the events would seem to indicate that Moscow is willing to back up Gromyko's conciliatory words with deeds.

* * *

The Romanian ambassador in Paris announced yesterday at a press conference that top Soviet leaders have indeed postponed their scheduled visit to Bucharest this month, presumably to sign a revised friendship treaty, until fall. The reason given was "urgent and unforeseen duties" on the part of the Moscow entourage. The semiofficial statement is

Soviet

50X1

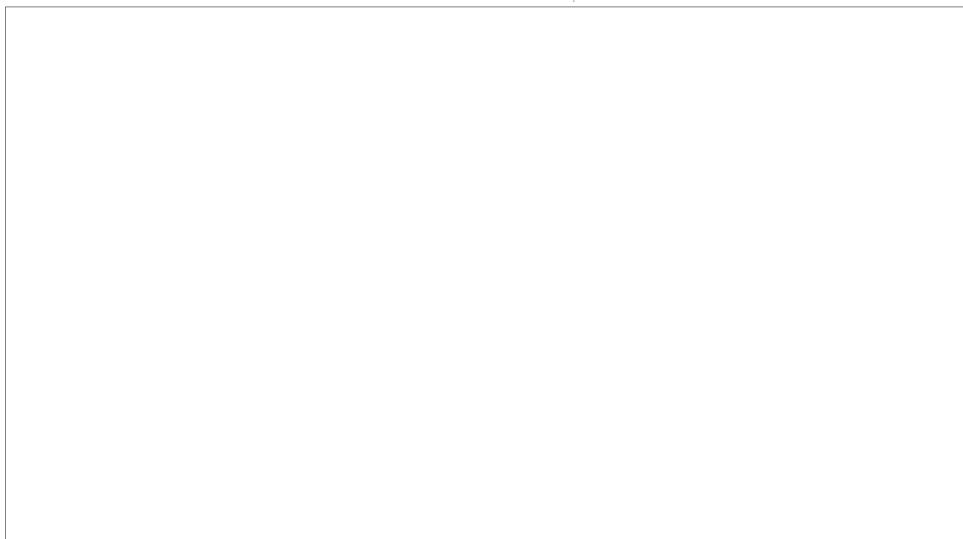
50X1

FOR THE PRESIDENT ONLY

probably intended to minimize Moscow's embarrassment over reports that Soviet-Romanian relations had worsened since the President's trip to Bucharest was announced.

* * *

50X1

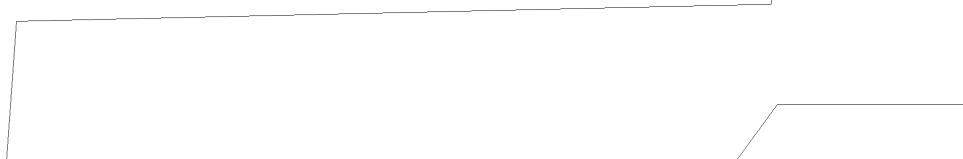


MIDDLE EAST

The Arabs are once again alarmed about the possibility of an Israeli attack against Syria, Jordan, or Egypt. The Syrians have sent reinforcements to the cease-fire line as a precautionary measure, and Egyptian forces are on the alert. The Egyptians in particular have good reason to be apprehensive; some kind of Israeli retaliation on this front is overdue.

Arab apprehension will increase when current reports that Israeli reserves are being called up reach them.

50X1

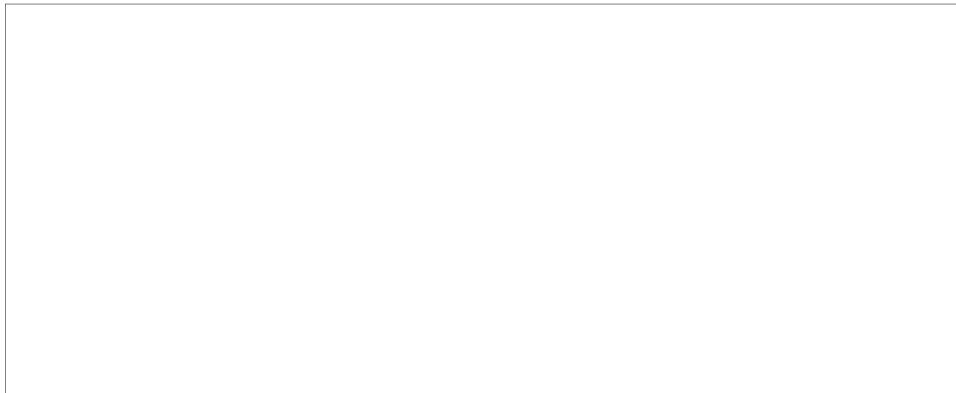


FOR THE PRESIDENT ONLY

* * *

General Odd Bull, worried about the safety and morale of the UN observers along the Suez Canal, is thinking of proposing "temporary" withdrawal of some of them. He is aware of the repercussions such a move could have, however, and he intends to check the situation again this weekend before making any recommendation to U Thant.

* * *



50X1



50X1

VENEZUELA

[redacted] President Caldera has expressed a desire to use 50X1 diplomatic channels to resolve the border dispute with Guyana,



50X1

FOR THE PRESIDENT ONLY

50X1

The military can exert tremendous pressure on Caldera. His four-month-old government is rapidly losing the support of the public, for it has been unable to solve any of the problems it inherited from its predecessor. Caldera is faced with an almost empty treasury, a hostile congress, and uninspiring performances from many of his cabinet members. Caldera is in a tight corner.

50X1

EL SALVADOR - HONDURAS

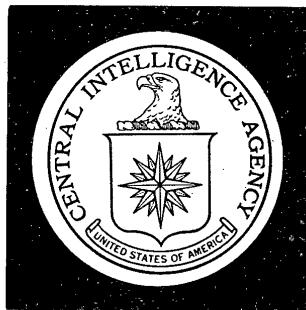
The years-old boundary dispute between the two nations has been heating up since mid-June, and may reach the boiling point before the weekend is over. There is little significant territory at stake, but both contestants are obsessed with upholding their national honor. Honduran jealousy of its more progressive neighbor has been transformed into fear by Salvadoran bellicosity

50X1

The Hondurans have accepted a proposal by three Central American foreign ministers who are attempting to mediate the situation, but the Salvadoran government has rejected it. Ambassador Bowdler in San Salvador believes the mediators have found their task too difficult and prefer to turn the matter over to the Organization of American States, even though delay can lead only to further deterioration.

FOR THE PRESIDENT ONLY

Top Secret



The President's Daily Brief

14 July 1969

~~19~~
~~50X1~~
~~Top Secret~~

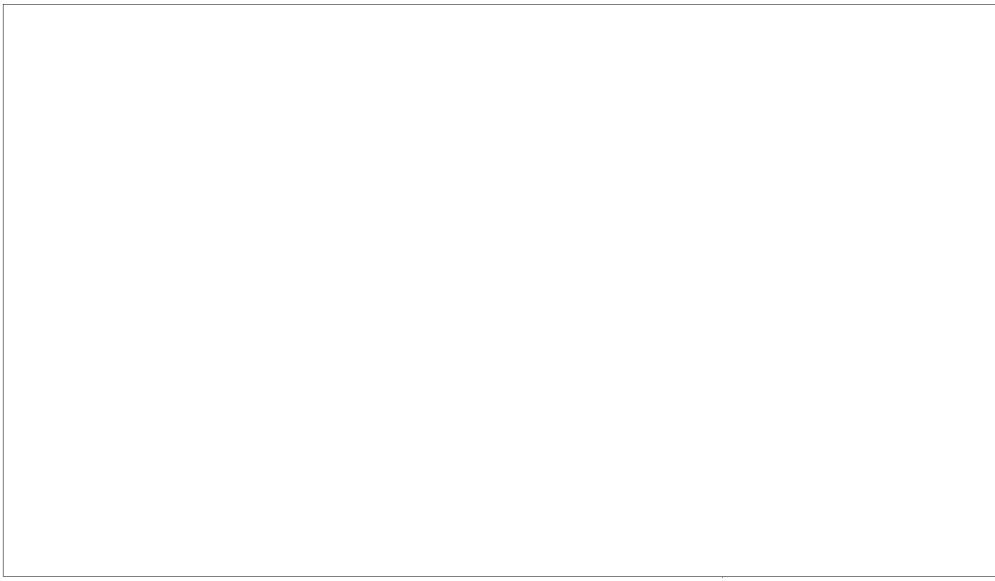
FOR THE PRESIDENT ONLY

I. MAJOR PROBLEMS

EUROPE

President Saragat yesterday asked Premier Rumor to form a new government, but it is not yet clear what kind of line-up Rumor will try for. Saragat is said to prefer an all-Christian Democrat (DC) government to last until early next year, but leaders with whom he has been consulting are urging him to pressure the new right-wing Unitary Socialists (PSU) to re-constitute the center-left coalition, including both Socialist factions as well as the Republicans and the Christian Democrats.

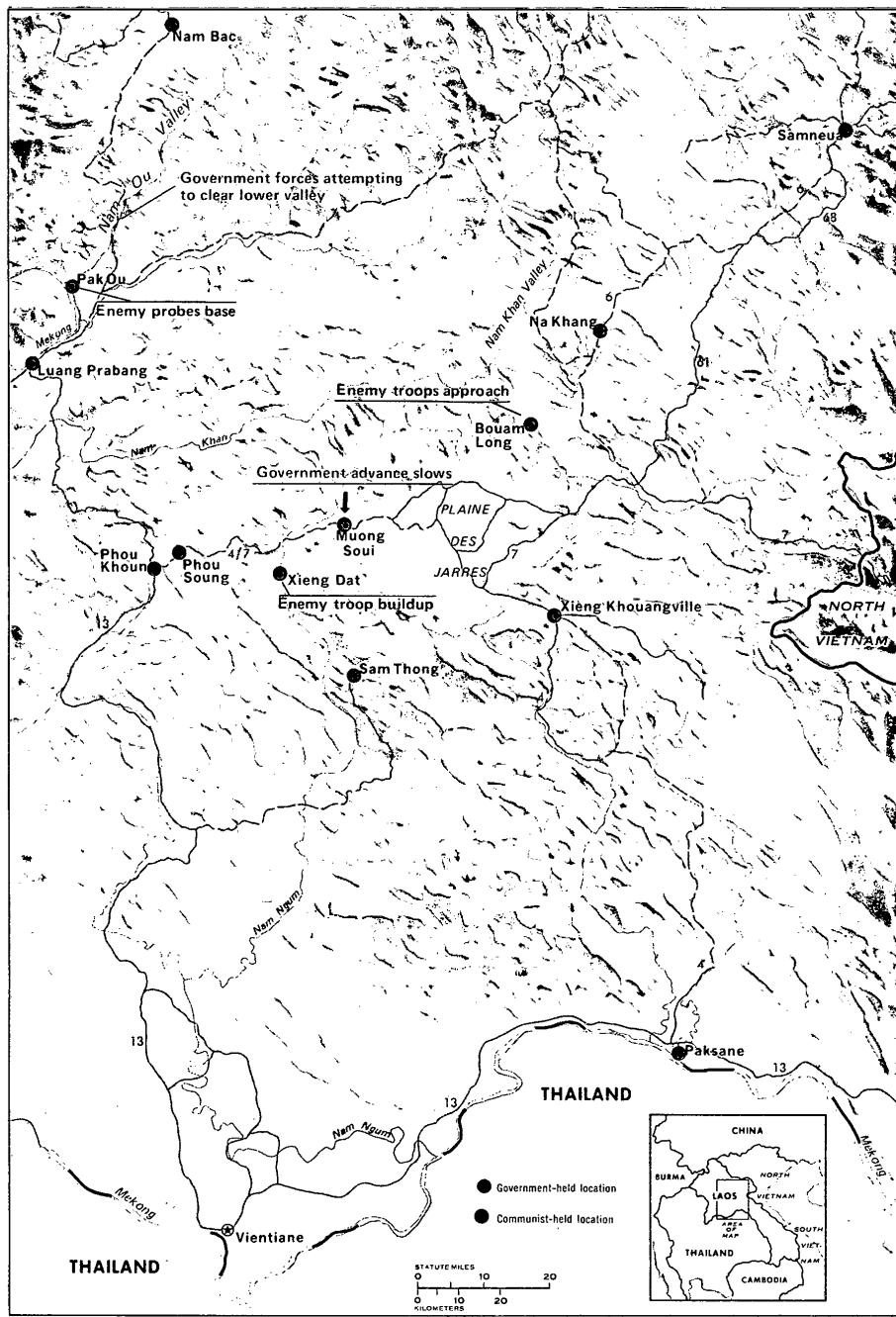
50X1



SOVIET AFFAIRS

Moscow is continuing its efforts to appear positive in relations with the US. After indicating last week that the only country they would be willing to add to the ENDC was Yugoslavia, the Soviets on Friday suddenly switched signals

LAOS: Current Situation



95577-69 CIA

50X1

FOR THE PRESIDENT ONLY

and agreed to the US proposal calling for further enlargement by six countries--Netherlands, Hungary, Yugoslavia, Pakistan, one North African and another Latin American nation. Although additional negotiations remain on which country should represent the last two regions, this Soviet response suggests that Moscow will be willing to reach a final agreement on enlargement closely paralleling the original US suggestion--these six plus Japan and Mongolia already added.

* * *

There is nothing significant to report on Vietnam or the Middle East.

II. OTHER IMPORTANT DEVELOPMENTS

LAOS

The government's campaign to retake Muong Soui seems to be floundering. Bad weather is severely curtailing air support--on which government forces are heavily dependent--and is permitting the Communists to bring in supplies and perhaps reinforcements as well. Even though General Vang Pao of the pro-government guerrillas is thinking of committing more troops to the campaign, a Communist counterattack seems to be only a matter of time.

Government leaders are also worried that the Communists may threaten the royal capital of Luang Prabang. Three North Vietnamese battalions seem to have moved toward Luang Prabang

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

from the Nam Bac area, and probes have been made as far as Pak Ou on the Mekong. It is too early to tell how serious this activity is, but it may indicate that the Communists do intend to isolate the royal capital.

SOVIET UNION - COMMUNIST CHINA

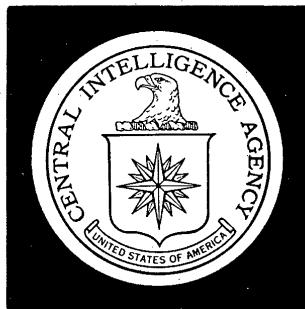
50X1

EL SALVADOR - HONDURAS

There was sporadic shooting along the Salvadoran-Honduran border again yesterday. Each country disclaims any intention of attacking the other, but both have moved more troops to the frontier.

Nicaraguan President Somoza believes the mediation efforts of the other Central American countries have been unsuccessful and is urging the invocation of the Rio Treaty, according to a message he asked the US Embassy in Managua to transmit to Ambassador Sevilla-Sacasa in Washington.

Top Secret



The President's Daily Brief

15 July 1969

19
50X1

~~Top Secret~~

FOR THE PRESIDENT ONLY

I. MAJOR PROBLEMS

SOVIET AFFAIRS

In anticipation of the President's upcoming visit, Bucharest has made a few friendly moves, particularly in the cultural field, to prepare the way. USIA Director Shakespeare was received with unusual courtesy during his recent unofficial visit and due notice was paid to his presence in the press. In contrast, former director Marks got only perfunctory treatment and no publicity during a visit in 1967. Shakespeare was treated as a VIP by the Foreign Office, even though the trip was unofficial, as well as by the State Committees for Art and Radio and Television. He was guest at several social functions and was invited back for an official visit by the First Deputy Foreign Minister.

In talks with Shakespeare, the Romanians seemed ready to reach agreement on the questions of establishing a US library in Romania and exchanging magazines. Both of these issues have been under negotiation for some time, and Bucharest would probably like to formalize agreements on them during the President's visit.

* * *

50X1

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

EUROPE

Gromyko's reference in his Supreme Soviet speech last week to Moscow's readiness to discuss a reduction of tension over Berlin is striking a responsive chord in Bonn. The West Germans had for some months been urging the three Western allies to sound out the Soviets on the subject. Bonn would like to make arrangements with East Germany for easier civilian access to West Berlin.

The Gromyko speech is being cited by leaders of both major parties in Bonn as justification for moving ahead "as soon as possible." With an election campaign coming up, it may not be politically feasible for the CDU to push hard for new soundings on Berlin. The SPD probably has a better claim to credit for any foreign policy successes in relations with the East.

London and Paris had been lukewarm toward the idea, but recently they have appeared more willing to proceed. They previously argued that such soundings might impinge on four-power responsibility for Berlin matters and that Moscow would not be interested.

MIDDLE EAST

50X1

FOR THE PRESIDENT ONLY

The government's arrest over the weekend of a number of terrorists responsible for shelling an Israeli settlement may have brought a direct clash a little closer. Terrorist leaders are said to have ordered their men to fire on Jordanian army units if there are any more attempts to interfere with fedayeen activity.

50X1

* * *

Israel apparently will not be able to buy the 67 Canadian-manufactured F-86 Sabrejets after all. The deal

50X1

50X1

[redacted] hinged on the willingness of Ecuador to act as a go-between. After first saying yes, Ecuador now says no.

50X1

* * *

There is nothing significantly new to report on Vietnam.

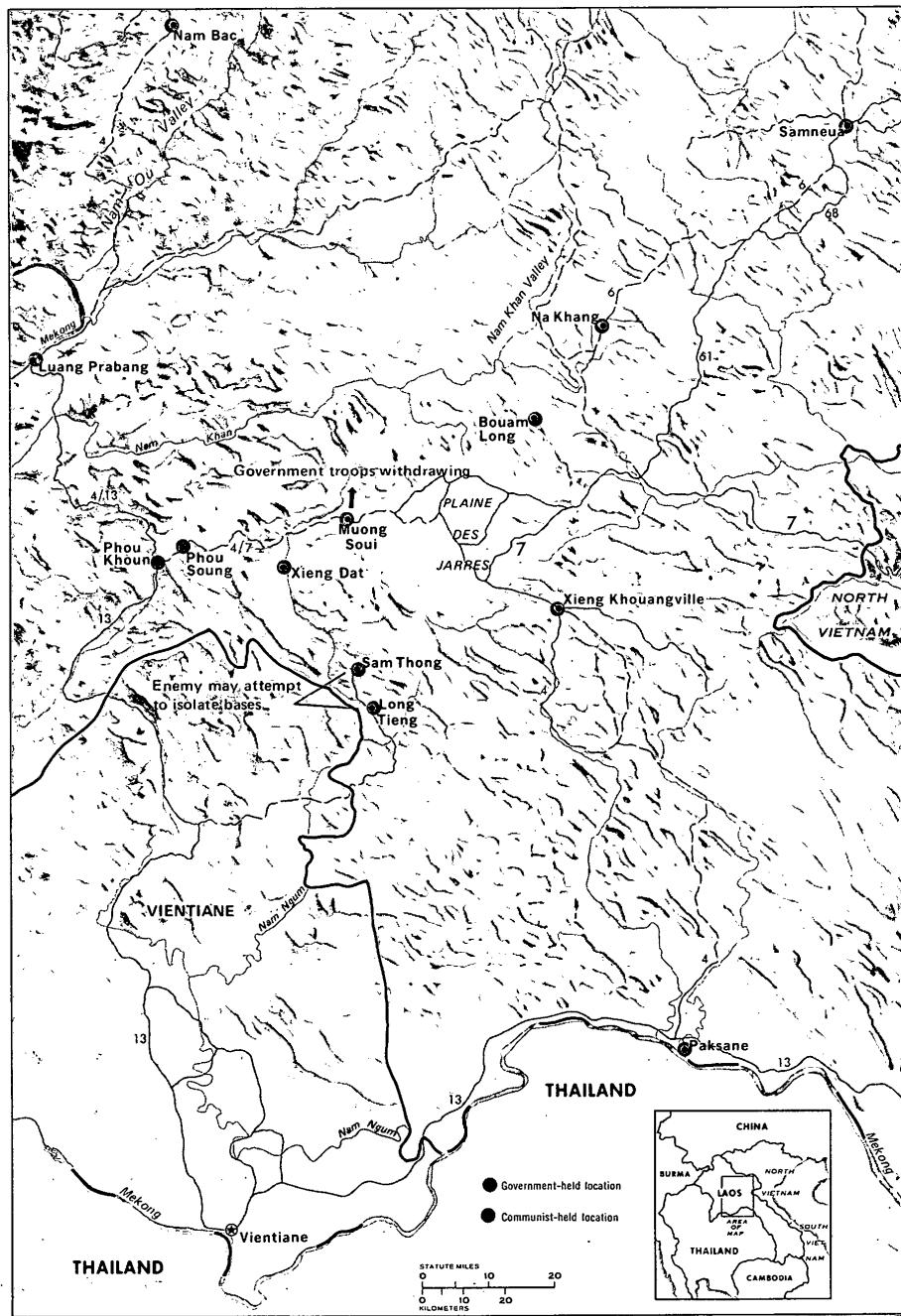
II. OTHER IMPORTANT DEVELOPMENTS

THAILAND

Foreign Minister Thanat, for over a decade one of the principal architects of Thailand's pro-US foreign policy, may

FOR THE PRESIDENT ONLY

LAOS: Current Situation



95596 7-69 CIA

50X1

FOR THE PRESIDENT ONLY

be leaving the government. Bangkok has circulated an official note among foreign embassies asking support for Thanat's candidacy for an opening on the International Court of Justice that will become available early next year. Thai leaders have made a strong pitch for US backing.

Bunchana Attakorn, former Thai ambassador in Washington, seems to have the inside track for Thanat's job. This suggests that no important changes in Thai foreign policy are likely in the near future.

LAOS

Meo General Vang Pao

50X1

The two-week operation had made some headway but a number of difficulties including weather and morale apparently convinced the general that the chances of victory in the operation were minimal. He will probably turn his attention now to thwarting what he believes will be an early enemy drive westward on Route 7 and then south into the northern section of Vientiane Province.

EL SALVADOR - HONDURAS

OAS efforts are under way to halt the hostilities which broke out between the two countries last night. An emergency session of the OAS Council agreed to the Honduran request for a foreign ministers meeting and decided to send a fact-finding

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

team, headed by Nicaraguan Ambassador Sevilla-Sacasa, to help the Central American mediators. The team is expected in San Salvador today.



50X1

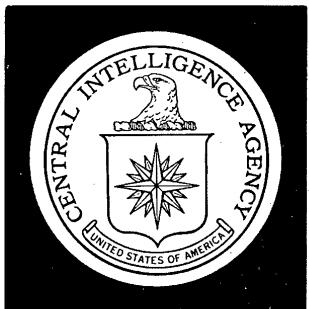
50X1

[redacted] Salvador may now be willing to accept a cease-fire arranged by the OAS in the hope of avoiding a counterattack from Honduras.

50X1

FOR THE PRESIDENT ONLY

Top Secret



The President's Daily Brief

16 July 1969

19

50X1

Top Secret

FOR THE PRESIDENT ONLY

I. MAJOR PROBLEMS

VIETNAM

50X1



FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

SOVIET AFFAIRS

In a statement issued Monday after talks with an East German delegation, the Soviets took a much tougher line on the German question than Gromyko did in his speech last week. Although the statement voiced support for developing "good-neighboring" relations with West Germany, it reverted to the usual rigid set of conditions--including recognition of East Germany--which are known to be unacceptable to Bonn. The Soviets scored Bonn's "militarist-revanchist" and "imperialist-expansionist" policies as basic sources of tension in Europe. There was no mention of Gromyko's cautious offer of bilateral talks with Bonn and four-power talks on Berlin.

These harsh words were no doubt intended in part by Moscow to ease East German apprehensions over the note of flexibility Gromyko conveyed in his speech. We tend to doubt, nevertheless, that the Soviets would be swayed from making any overtures of detente to the West by objections from the East Germans.

* * *

There is nothing significant to report on Europe or the Middle East.

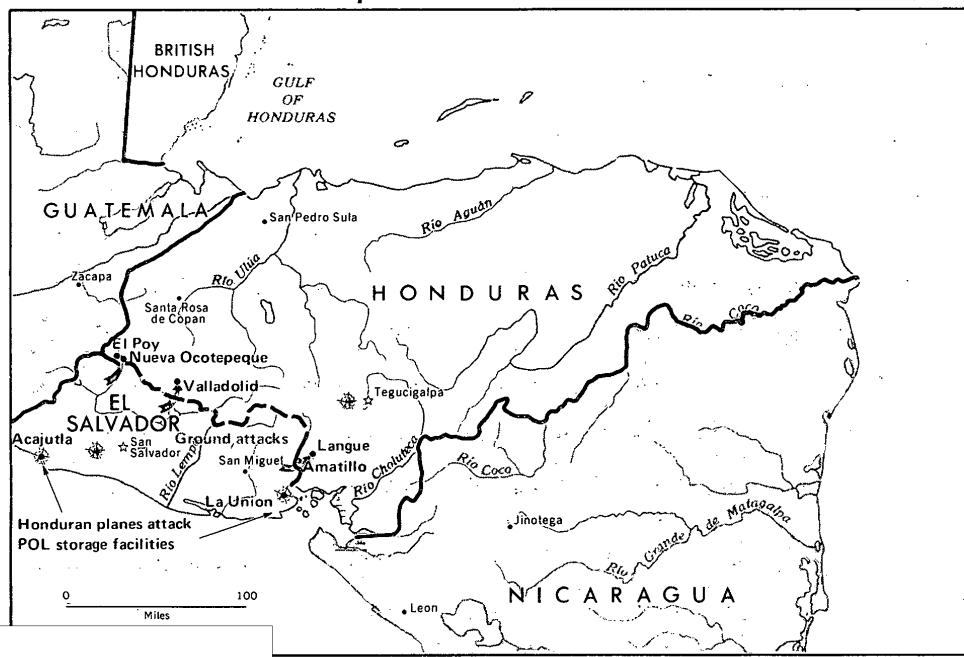
II. OTHER IMPORTANT DEVELOPMENTS

EL SALVADOR - HONDURAS

Ground fighting is continuing, most notably at Nueva Ocotepeque, near the western end of the border. The Hondurans

FOR THE PRESIDENT ONLY

El Salvador-Honduras Military Actions



50X1

95609 7-69 CIA

FOR THE PRESIDENT ONLY

there seem to be getting the worst of it and are beginning to withdraw.

Air strikes stopped after the arrival of the OAS peace team, but the Hondurans fear the Salvadorans might resume them today. Esso installations in El Salvador suffered substantial damage yesterday from retaliatory bombing by the Honduran Air Force.

Leaders in both countries have shown chagrin over the poor showings of their respective ground forces, and both sides are running short of supplies.

Each country has professed willingness to accept a general cease-fire if the other does it first. Honduras thinks El Salvador, being the aggressor, should make the first move. The Sanchez government in El Salvador on the other hand runs the strong risk of being ousted if it takes the lead on a cease-fire.

CUBA

Castro, with a nod toward Peru, said in a speech on 14 July that "armed struggle" was not the only approved road to power. In contrast to his usual emphasis on guerrilla warfare as the only way to change things "in most countries of Latin America," Castro said, "it is only fair that each country develop its own style in accordance with the conditions of that country."

This of course does not mean that Cuba won't continue supporting insurgency where chances for success seem good, but

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

his remarks square more closely with the views of traditional Latin American Communist parties. They have long said the path to power should be the choice of local Communist leaders, not Havana.

Castro gave the Peruvian Government good marks so far for having a "revolutionary character." He promised that if the Peruvians--or any other Latin American government--stayed on an anti-imperialist course and renounced the OAS sanctions against Cuba, Havana would pick up a bid for renewed relations.

INDIA

Mrs. Gandhi finds herself in another hassle with old-guard Congress Party bosses, this time over the party's candidate for the presidency. Against her strong opposition, a party nominating committee has announced that Sanjiva Reddy, speaker of the lower house of parliament, will be Congress' candidate. Another Congress Party candidate, believed to have Mrs. Gandhi's support, has refused to pull out, and there are signs that the Prime Minister may try to get the decision to back Reddy overturned by the party's executive body.

The new president will be elected on 16 August by an electoral college made up of members of the national parliament and state legislatures. Unless the Congress Party can get together on one candidate, there is a chance it could lose.

Under normal conditions, the presidency is not much more than a ceremonial position, but it could assume considerable importance if, as expected, no single party gains a clear majority in the next general election, which must be held by

FOR THE PRESIDENT ONLY

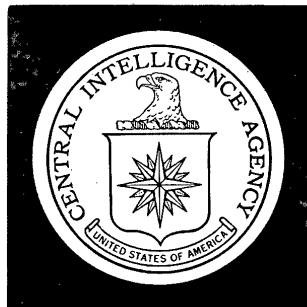
1972. In that case, the president's voice could be the deciding one in the choice of a new government.

MALAYSIA

Friction between moderates and radicals in the ruling Malay party over how tough to be with the Chinese intensified over the past weekend. The executive committee ousted the leader of the party's extremist wing for circulating a letter calling for Prime Minister Rahman's resignation. The letter blamed the party's recent electoral losses, and the subsequent communal rioting, on Rahman's "pro-Chinese" policies.

This conflict sharply increases the threat of a major party split which would erode the popular base of the emergency regime. Malay extremists, who are believed to have considerable support extending even to junior army ranks, can be expected to increase their pressures on the government for more pointedly anti-Chinese policies.

Top Secret



The President's Daily Brief

17 July 1969

19 50X1
~~Top Secret~~

FOR THE PRESIDENT ONLY

I. MAJOR PROBLEMS

VIETNAM

In his conversation with Ambassador Bunker on 13 July, President Thieu underscored the need to give the Communists every possible opportunity to respond constructively to his proposals for elections. He said that our side should take time (two or three weeks) to get a fully considered enemy reaction, advising that "we must make it clear we...aren't shutting any doors."

Thieu probably expects the Communists, however, to stick to their hard line, made public by Le Duc Tho and reaffirmed Tuesday by the DRV delegation spokesman in Paris. By emphasizing his own cooperativeness and his willingness to give the Communists full opportunity to make a favorable response, Thieu may have been building up credit against any more concessions in the near future. Thieu also indicated to Ambassador Bunker that, if the enemy rejects the GVN's efforts to settle the war, he thinks our side should "buckle down to a long-term effort."

MIDDLE EAST

50X1

FOR THE PRESIDENT ONLY

50X1

EUROPE

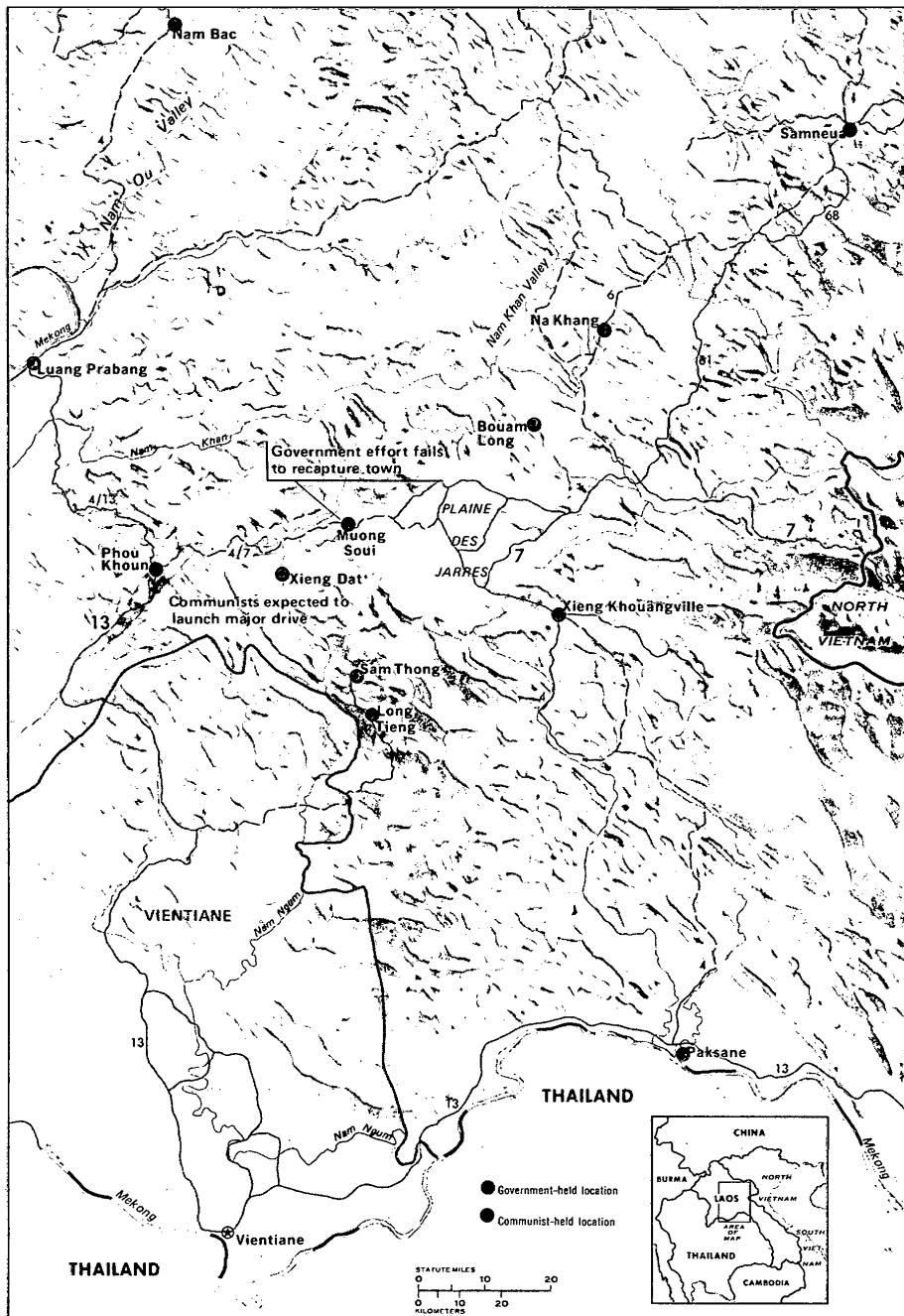
Pompidou, moving to alleviate France's economic difficulties, has frozen some \$800 million of public expenditures programmed for the second half of this year. The blocked credits will be put in a reserve fund, from which the ministries may draw only if economic conditions change significantly. A longer range program will be submitted to parliament when it reconvenes this fall.

* * *

There is nothing significant to report on Soviet Affairs.

FOR THE PRESIDENT ONLY

LAOS: Current Situation



95613 7-69 CIA

50X1

FOR THE PRESIDENT ONLY

II. OTHER IMPORTANT DEVELOPMENTS

LAOS

Government leaders, badly shaken by the failure to recapture Muong Soui, now fear a Communist drive into northern Vientiane Province via Routes 7 and 13. They believe any attempt to block such a thrust by military means would be futile in view of the shattered morale of regular government troops. Meo leader Vang Pao, despondent over the turn of events, is deploying his forces to defend bases north and south of the Plaine des Jarres.

The cabinet has decided to ask Prime Minister Souvanna, now vacationing in France, to bring additional pressure on the signators of the 1962 Geneva Accords to intercede with Hanoi, or to return home, and possibly make an effort to see President Nixon in Bangkok.

50X1

The panic that has gripped Vientiane is not only a consequence of the loss of Muong Soui but is also a reflection of the general erosion of the government's tactical position in the countryside over the past two years. There is little question that the Communists can move quickly to take advantage of the virtual collapse of the government's resistance, if they choose to do so.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

INDIA

Mrs. Gandhi has come out foursquare behind Sanjiva Reddy, the man her rivals in the Congress Party had put up for India's presidency. This will probably paper over the divisions in the party once again for a while, but both she and the anti-Gandhi forces have paid a price. Mrs. Gandhi will no longer have a man she can depend on in the potentially powerful office of President; her opponents have lost a strong voice in the government with her firing of Finance Minister and Deputy Premier Morarji Desai. The immediate cause of Desai's departure from the government was Mrs. Gandhi's controversial plan to nationalize India's major banks, but he almost certainly also served to soften the defeat implicit in Mrs. Gandhi's acceptance of Reddy for the presidency.

SOVIET UNION - SUDAN

50X1

FOR THE PRESIDENT ONLY

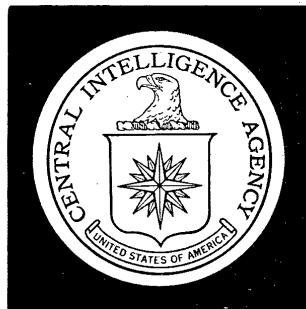
EL SALVADOR - HONDURAS

Both countries have agreed in principle to a cease-fire, but fighting apparently continues. Members of the OAS peace team are now stationed in both capitals to facilitate further negotiations. El Salvador may stall in hopes of gaining further territory. It may also be planning to use its troop presence in bargaining for the safety of the more than 250,000 Salvadorans living in Honduras.

The creditable performance of the Salvadoran armed forces appears to have restored government prestige. The Honduran Government, on the other hand, may now find itself under heavy pressure to salvage at the conference table what it has lost on the battlefield.

FOR THE PRESIDENT ONLY

Top Secret



The President's Daily Brief

18 July 1969

29

50X1

~~Top Secret~~

FOR THE PRESIDENT ONLY

I. MAJOR PROBLEMS

MIDDLE EAST

Israel's ruling Labor Party begins its national convention on Sunday to the accompaniment of sotto voce mutterings from Moshe Dayan's RAFI faction. Some members of the faction are even urging Dayan to bolt the party. The odds are heavily against such a split, since Dayan is acutely aware that there is no dependable road to leadership in Israel except through control of the party machinery. Dayan has made it clear, however, that he wants improvements in RAFI's position within the party.

This is all part of the larger power struggle between the "Old Guard"--mostly Zionists of Eastern European origin--and Israeli-born younger men such as Dayan and Deputy Premier Allon. Mrs. Meir is clearly trying to keep the lid on the dissension, but her Old Guard colleague, party secretary Sapir, seems mainly interested in putting the younger men back in their place.

SOVIET AFFAIRS

The Soviet naval force, which is scheduled to begin a one-week visit to Cuba on Sunday, has split into two groups in the Gulf of Mexico. The main group, consisting of three guided missile ships and two F-class diesel submarines, conducted antisubmarine warfare operations yesterday and the day before in an area some 300 miles southeast of New Orleans.

FOR THE PRESIDENT ONLY

The support ships of the visiting naval squadron remained at anchor about 70 miles west of Key West. A Soviet N-class submarine was sighted transiting the passage between Puerto Rico and the Dominican Republic on Wednesday, the first Soviet nuclear unit to operate in the Caribbean area.

VIETNAM

50X1

* * *

Communist forces are preparing for attacks in several areas of South Vietnam. A new "high point" could come this weekend.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

EUROPE

Despite continuing reservations by some members, the North Atlantic Council at a meeting Tuesday gave general endorsement to the President's proposal of last April that NATO address itself to social and environmental problems. A sub-committee is preparing the terms of reference for a proposed permanent Committee on the Problems of Human Environment.

Some delegations are concerned about the propriety of NATO becoming involved in the environmental project. Some countries believe that NATO should act only as a catalyst to existing national and international organizations involved in this field and should not assume the expense and complications of additional administrative machinery.

These reservations notwithstanding, it appears that NATO will take on new responsibilities along the lines of the President's proposal some time this fall. Secretary General Brosio's report on the attitude of NATO governments took this line. His presentation was favorably received by most of the delegations at the Tuesday session.

II. OTHER IMPORTANT DEVELOPMENTS

MALAYSIA

Malay extremists apparently are determined to precipitate more communal violence.

the extremists are hoping that by provoking further racial incidents they can force the largely 50X1

FOR THE PRESIDENT ONLY

Malay army to intervene. This would be followed by the ouster of Rahman along with the entire Malay "old order," presumably including Deputy Prime Minister Razak. An extremist Malay government would be formed and the Chinese community suppressed.

Yesterday's rally by Malay students demanding Rahman's resignation may have been the opening gun in this campaign. Although the students failed to provoke the Chinese this time,

[redacted] the Chinese are ready to retaliate.

50X1

If violence is to be headed off, Razak will have to move quickly against the extremists. We have little hope that he will do so, however, given his indecisiveness during earlier phases of this crisis.

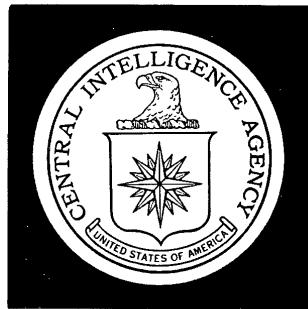
EL SALVADOR - HONDURAS

The military situation is murky, but it appears that Honduras yesterday regained some of the ground it had lost to the Salvadorans. Some fighting still seems to be going on, although both countries are running short of arms and equipment.

The OAS mediating team hopes to move the two sides closer to a cease-fire today. The main point at issue yesterday was the time to be allowed for the withdrawal of Salvadoran forces from Honduras, with Honduras insisting that the Salvadorans pull out within 12 hours and El Salvador holding out for 96 hours.

[redacted] 50X1

Top Secret



The President's Daily Brief

19 July 1969

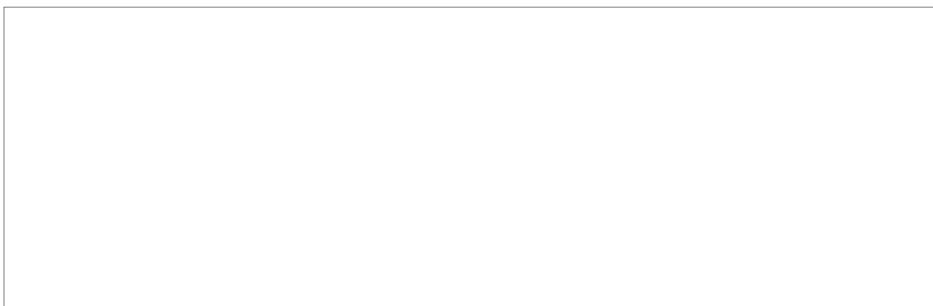


19 50X1
~~Top Secret~~

FOR THE PRESIDENT ONLY

I. MAJOR PROBLEMS

VIETNAM



50X1

* * *

The Chinese Communist Deputy Prime Minister, who headed his country's delegation to the French National Day reception Monday, told French Ambassador Manac'h that Peking was convinced the US was sincere about withdrawing troops from Vietnam, that the pull-out would be rapid, and that in return for this the North Vietnamese would make concessions making it impossible for them to get the kind of settlement for which they have been fighting.

* * *

There continue to be indications that the Communists plan to cap their "July action phase" with a final round of offensive actions which could begin over the weekend.

EUROPE

Italian Prime Minister Rumor is still trying to reconstitute the center-left coalition, but there is no immediate

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

prospect of success. The Unitary Socialists are insisting on a "guarantee" that the government will not cooperate with the Communists. While their brethren to the left, the orthodox Socialists, do not want a coalition with the Communists either, they refuse to commit themselves to vote against all Communist-sponsored legislation. Rumor is seeking a formula to paper over the Socialist differences and says he plans to wait until after the moon landing before making his next move.

Meanwhile, the Communists are obviously disturbed by the prospect of an immediate re-formation of the old coalition before they have had an opportunity to take full advantage of the current crisis.

SOVIET AFFAIRS

The increase noted in Warsaw Pact military activity this week is probably in preparation for normal seasonal training exercises. Naval craft assembling off the East German and Polish coasts are expected to conduct an amphibious exercise.

50X1

Soviet, Bulgarian, and Romanian air and air defense units conducted a small exercise on Thursday.

* * *

There is nothing significant to report on the Middle East.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

II. OTHER IMPORTANT DEVELOPMENTS

LAOS

There are signs that Communist forces are moving to expand their holdings in the Plaine des Jarres area. Over the past few days Communist forces have unsuccessfully tried to overrun a number of progovernment guerrilla outposts south of the Plaine. They also appear to be moving to clear the remaining government elements which threaten their supply lines south of Muong Soui. Although there has been no new fighting west of Muong Soui, there is increasing evidence of an enemy troop build-up along Route 7.

Meanwhile, King Savang, with unwonted forcefulness, has tried to bolster the depressed Lao military leadership. Reacting sharply against the government's alarmist views of the military situation, the King urged the military to stop sulking and move to strengthen the defenses of the Route 7/13 road junction at Phou Khoun. (Loss of the road junction would deny the government overland access to the royal capital of Luang Prabang via Route 13.)

50X1

INDIA

Reaction to the forced resignation of Mrs. Gandhi's deputy, Morarji Desai, has snowballed within the Congress Party over the past two days. Her volte face in backing the party's choice

FOR THE PRESIDENT ONLY

for president, after earlier opposition, failed to salve the feelings of Desai's supporters, and Desai himself says he is willing to fight. Congress Party members of parliament are meeting in New Delhi on Sunday and, if peacemaking efforts fail, may take a vote of confidence on Mrs. Gandhi's leadership.

The outcome of such a vote is difficult to forecast at present. Even if Mrs. Gandhi survives, however, her position will have been severely weakened by her defeat in the party's presidential nomination and her petulant reaction. She will no longer have someone in the presidency as responsive to her cues on such matters as formation of a new government or a call for new elections. In the past, her enemies have recognized this influence as a crucial weapon in her personal arsenal against any concerted attempt to oust her. Her popular image as a broadminded, all-India leader, until now one of her more important assets, also has been damaged.

EL SALVADOR - HONDURAS

A cease-fire was agreed on to begin at midnight last night and both sides said they had ordered their troops to implement it fully. It is uncertain, however, whether El Salvador will keep its side of the bargain. President Sanchez' speech to the nation last night sounded no note of compromise and will add to Honduran skepticism of Salvadoran intentions. The Guatemalan ambassador in San Salvador believes El Salvador has no intention of withdrawing and that inter-American sanctions will be necessary to force compliance. Honduran

FOR THE PRESIDENT ONLY

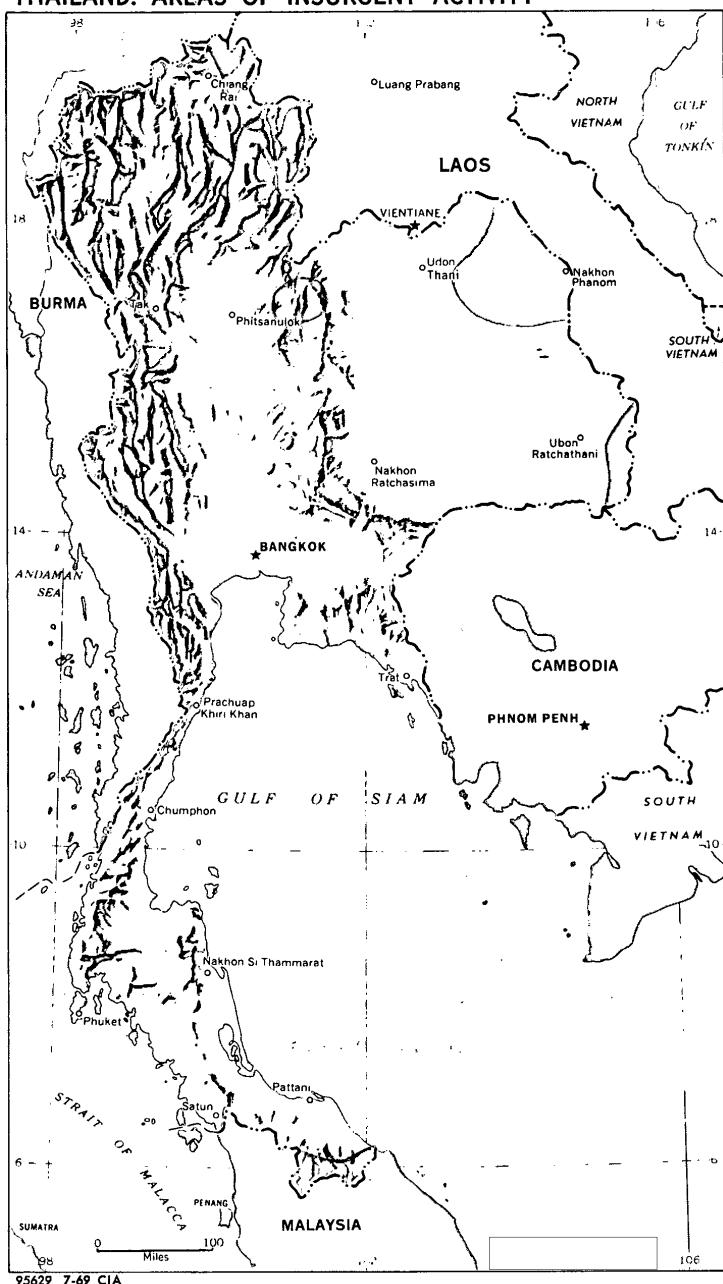
President Lopez made an urgent call to President Somoza of Nicaragua for matériel assistance, which Somoza says he will give if the cease-fire agreement is not still being implemented today.

THAILAND

With the insurgency now well into its fifth year, the Communists face a long, uphill fight, but testimony from defectors and captured documents suggests they are slowly moving to correct their mistakes. At annex we discuss the insurgency problem in some detail.

FOR THE PRESIDENT ONLY

THAILAND: AREAS OF INSURGENT ACTIVITY



50X1

A
N
N
E
X

THE INSURGENCY IN THAILAND

There are two principal areas of insurgent activity in Thailand:

--The northeast, a large, economically depressed area, where the insurgency first got rolling in remote villages among Thai farmers scratching out a precarious living on arid land ill suited for rice culture.

--The north, where rough terrain and proximity to Communist-controlled areas in Laos have thus far made it fairly easy for Communist agents to incite insurgency among primitive mountain tribal groups.

After a slow start, the government has brought the insurgency in the northeast under control--at least temporarily. Insurgent incidents have been at low levels since early 1967, when a record number of clashes, government casualties, and acts of terrorism were being reported. The guerrillas, numbering between 1,500 and 2,000, are on the defensive. Short of food and other supplies, led by quarreling and ill-motivated cadre, and pressed by government troops, the insurgents have grown fainthearted and irresolute. Defections have been common. The heart of the problem is that the Communists badly overestimated their political appeal and have been unable to build a sound village-based apparatus. Without the basic machinery of a guerrilla organization, the insurgency virtually collapsed when government troops moved into the countryside three years ago.

A1

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

At the same time, however, the government has not been able to capitalize fully on the insurgents' woes and eliminate the threat. Insurgent bands remain largely intact and are laboring to correct their mistakes and strengthen their village organization. There are recent reports that additional North Vietnamese - trained insurgents are being moved into the northeast and that arms, ammunition, and funds, which have been in surprising short supply, will soon be brought in to put the insurgency on a better footing.

It is probably no coincidence that at the same time the insurgents fell on evil days in the northeast, the Communists began to step up their activities in the mountainous northern and north central provinces adjacent to Laos. In so doing, the Communists have taken advantage of favorable geography and the long-standing animosity felt by the tribal people toward the government and the lowland Thai. The struggle in the north is now almost two years old, but despite various measures to beef up its forces in the area and strengthen its hold over the tribal people, the government is far from getting on top of the situation. The Communists appear to be well on the way to developing their first secure base area within Thailand's borders.

The Communists must know that to win they must develop a viable insurgency that goes well beyond the tribal people. But at the moment they appear to calculate that dramatic progress in the tribal areas will provide a needed sense of momentum for their over-all effort. It is a dangerous gamble, for in turning to the tribal people, the Communists run the risk

FOR THE PRESIDENT ONLY

of having their movement identified with a people who are distrusted and disliked by the overwhelming majority of Thailand's population.

Although government leaders do not like to admit it, the insurgency is fundamentally a home-grown movement that depends for the most part on local manpower and supplies. The leadership is ethnic Thai and Sino-Thai, and the movement, in all areas of the country, is under the direction of the Thai Communist Party (TCP). There is little question, however, that still in its formative stages, the Thai insurgency is heavily dependent on outside guidance and inspiration. The TCP itself appears to be under the strong influence, if not the control, of Communist China. This is revealed in TCP propaganda, which is straight Maoist liturgy; in the fact that the party's front organizations are based in Peking; and the long association between party leaders and their counterparts in China.

The mechanics through which Communist China exercises its influence over the TCP is not clear, nor is it absolutely certain that the Chinese provide much more than general guidance and a certain amount of tangible assistance in the form of financial backing and training. In recent years, however, insurgent prisoners and defectors have painted a compelling picture of North Vietnamese support for the Thai insurgency. North Vietnam has trained at least 500 rank-and-file insurgents at a training camp near Hanoi since the early 1960s. Hanoi has also provided material support to the insurgent bands in the northeast; and the large Vietnamese community there, over which Hanoi exerts considerable influence, has also been helping out.

FOR THE PRESIDENT ONLY

Even in north Thailand, whose proximity to China might have enabled Peking to assist the insurgents directly, North Vietnamese cadre, with the support of their Lao Communist friends, have been setting up bases and otherwise assisting the Thai insurgents from Communist-controlled areas of Laos.

The government, meanwhile, continues to take piecemeal efforts to overcome the bureaucratic jealousies that have impaired its effort to crush the insurgency. Much progress has been made in this area over the past several years. But organizational troubles are not the heart of the problem. The most important factor bearing on the Thai counterinsurgency effort, and its inability to root out a weak and divided enemy, is that the top Thai leaders are not convinced that the insurgency is sufficiently serious to warrant the financial and other sacrifices that would be necessary to bring the insurgency under full control.

Confident that the Communists will never make a go of it in Thailand, and apparently lulled by their partial success in the northeast, the leaders in Bangkok appear willing to let the situation drift.

Top Secret



The President's Daily Brief

*21 July 1969
19*

~~Top Secret~~^{50X1}



93465 1-69

FOR THE PRESIDENT ONLY

I. MAJOR PROBLEMS

VIETNAM

Ho Chi Minh's statement of 20 July on the occasion of the 15th anniversary of the Geneva Accords contained the standard Communist claims of success on the battlefield coupled with the usual demands for complete and unconditional withdrawal of US forces as a precondition for elections or other political arrangements in South Vietnam. He alleged that 80 percent of South Vietnam's territory and 75 percent of its people have been "liberated" by Communist forces. Praising "our armed forces and people...fearless of sacrifices and hardships," he promised "total victory" to the Communists.

Hanoi Radio and the party newspaper Nhan Dan, as well as a broadcast in the name of the Provisional Revolutionary Government, all elaborated on Ho's themes, in an apparent attempt to recapture some of the propaganda initiative from Thieu. None of these statements of the Communists, however, offered any new proposals or otherwise suggested that any initiatives were imminent.

* * *

Saigon, Hue, Kontum city and a number of allied bases scattered throughout South Vietnam were hit by light and generally ineffective mortar and rocket fire over the weekend, but there was no upsurge in the over-all level of enemy action. There were still some indications, however, that elements of the Communists' 1st, 7th, and 9th divisions are trying to prepare for some form of coordinated activity against

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

Tay Ninh city and against allied military positions in northern III Corps during the next few days.

MIDDLE EAST

50X1

* * *

At Annex today we discuss the increasingly fretful and unpredictable mood in the Arab world.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

* * *

There is nothing significant to report on Soviet Affairs or Europe.

II. OTHER IMPORTANT DEVELOPMENTS

INDIA

With Morarji Desai's refusal to rejoin the government, and Mrs. Gandhi's decree nationalizing most of India's private banks, the possibility of papering over the split in the Congress Party has become remote indeed. Mrs. Gandhi's conservative opponents have waged an astute campaign against her, and they will be able to make a good deal of capital out of her recent high-handedness. She is far from defeated, however. The nationalization decree is sure to gain her the backing of important sections of the party.

The battle probably will be resolved one way or the other in the next day or two. The party's parliamentary caucus met yesterday, and its highest policy-making body is meeting tonight. One thing which seems certain is that the parliamentary opposition will have plenty of chances to exploit the crisis when the legislature convenes today.

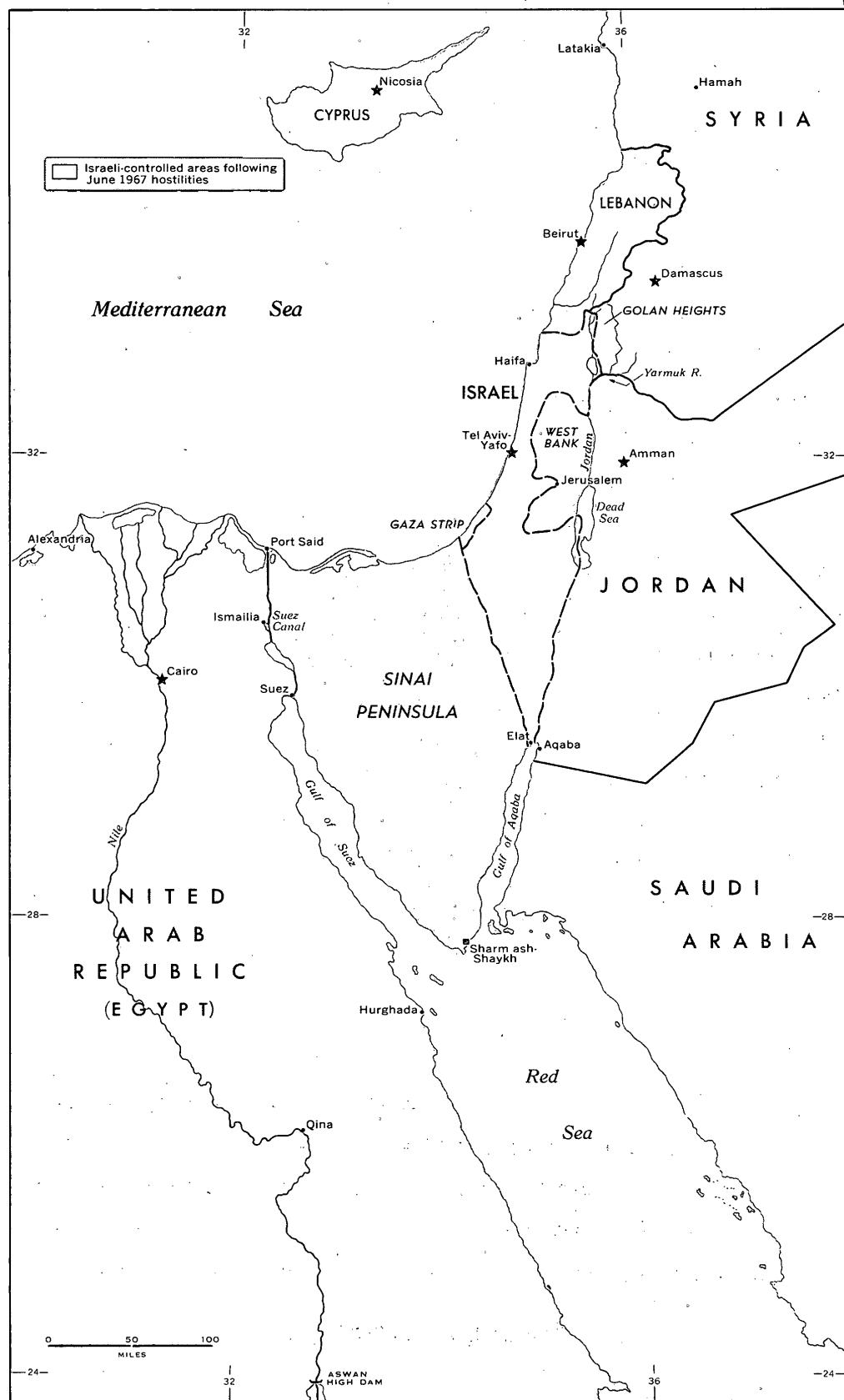
FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

EL SALVADOR - HONDURAS

A number of clashes in violation of the cease-fire have been reported. Salvadoran troops apparently have been largely responsible for these incidents. The Salvadorans also show no inclination to comply with the OAS call to withdraw their forces from Honduran territory.

FOR THE PRESIDENT ONLY



93478 1-69

A
N
N
E
X

THE MOOD IN THE ARAB WORLD

The Arabs, like the Israelis, are laboring under a heavy burden of frustration these days. It scarcely needs saying that far more things still divide the Arabs than unite them, but on the question of Israel, they share a common feeling of having been wronged and of seeing no way out. Consequently, the Arab mood has become fretful, irresponsible, and, most important, unpredictable.

The Arabs' gloom is rooted in a sense of their own impotence vis-a-vis Israel. All of them, even the fedayeen, recognize that their chances of inflicting significant damage on Israel at the moment are practically nil. Nearly all of them, moreover, are having their noses rubbed almost constantly in some specific aspect of Israeli invincibility. The Egyptians are chagrined at Israel's fortifications along the Suez Canal and its overflights of Egyptian territory. Jordan looks futilely at the Israeli presence in Jerusalem and the West Bank, as does Syria at the air of permanence in the Israeli settlement on the Golan Heights. Lebanon, of course, is terrified at the prospect of Israeli reprisals. [redacted]

50X1

Given this dilemma, it is not surprising that the Arabs view the situation with a mixture of emotions, many of which contradict each other:

50X1

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

--Nearly all of them feel constrained to maintain the pressure on Israel as best they can, and to do so with a good deal of bluster. They cannot afford to be upstaged by the fedayeen.

50X1

50X1

--At the same time they remain conscious that there is little they themselves can do, and for this reason they look for a deus ex machina to rescue them. Most of them are not particularly sanguine, however, in part because they remain convinced that the US is in Israel's corner and possibly because they may have nagging doubts about Soviet support.

--A constant and painful goad to Arab state leaders has been the ability of the fedayeen, without really hurting Israel much, to project themselves to the forefront of the anti-Zionist crusade. Drawing primarily on Palestinian refugees, the fedayeen groups have grown and prospered while Husayn has had to watch large-scale desertions from his crack army, while the Syrian army has bled itself in political purges, while the Iraqis have barely contained the ever-present challenge of Kurdish tribesmen, and while the well-equipped Egyptians have had to content themselves with recurrent rounds of training and inconclusive artillery exchanges along the Suez Canal. The fedayeen remain dangerous because they are willing to sabotage any reasonable peace agreement, and could pull down the governments of Jordan and Lebanon in the process. Jordan still is confronted with the "state within a state" of the armed

A2

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

fedayeen, and Lebanon has not been able to replace the government forced out months ago by the dispute over support for the fedayeen in Lebanon.

--Occasionally through all this pessimism there surfaces the notion that somehow, some day, the Arabs can triumph over the Israelis. This feeling crops up occasionally in the Egyptian military, and more frequently among the fedayeen, who remain convinced that their cause will succeed even while they admit that their campaign against Israel is not accomplishing much.

--When the pressures get really severe, most of the Arabs begin to show a streak of fatalism and resignation. This can propel them either way: either toward acceptance of their unhappy lot for the moment, or toward the idea that decisive action against Israel, no matter how suicidal, must be undertaken. So far, most of the important Arab leaders have kept such feelings under control, although the popular support given the fedayeen is goading them into ill-considered attacks.

We expect that this range of feelings may be reaching the point of dangerous unpredictability. The Arabs remain unhappy at their impotence, faintly hopeful that someone will bail them out, occasionally indulging in irrational flights of optimism or fatalism, committed to doing all within their limited means to make life difficult for Israel. In this mood a key figure to watch is Nasir. He still possesses almost infallible instincts for political survival, as well as the propaganda machinery still capable of reviving his now tarnished charismatic leadership of the Arab world. Caught between the millstones

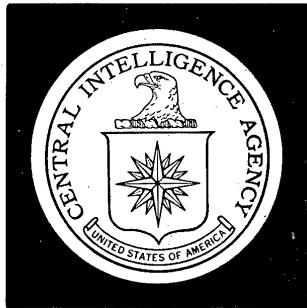
FOR THE PRESIDENT ONLY

of fedayeen "heroism" and Israeli toughness, Nasir's sure sense of political opportunism is looking for some solution with which he can attempt to regain his former reputation and carry the Arab people with him--and this carries the risk that he could set them off on a dangerous path.

A4

FOR THE PRESIDENT ONLY

Top Secret



The President's Daily Brief

22 July 1969



19 50X1

Top Secret

FOR THE PRESIDENT ONLY

I. MAJOR PROBLEMS

VIETNAM

During the private meeting between Ambassador Lodge and Xuan Thuy on Friday, the North Vietnamese showed themselves to be seriously interested in getting a better understanding of US thinking, particularly on the subject of troop withdrawals, but they were careful to hew closely to their own previously established positions.

Xuan Thuy's questions during and after Ambassador Lodge's presentation were focused mainly on US thinking about troop withdrawals, giving somewhat less attention to the problems of a political settlement. Thuy took especially careful notes on Ambassador Lodge's statement that the US does not believe that an enduring settlement is feasible without arrangements for withdrawal of all non-South Vietnamese forces. He wanted to know whether the US is more interested in the method of withdrawal or the results. He wanted the exact meaning of the words "substance," "ends," and "results" as they relate to US thinking on withdrawals. Thuy also asked for further clarification of US thinking on the timing of withdrawals and on the anticipated functions of any supervisory body.

Thuy indicated interest in continuing the private exchanges when he suggested that he and Ambassador Lodge designate some of their colleagues to meet occasionally between the private meetings of Thuy and Lodge.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

In his summation, Thuy stated that if the US maintains its present positions on troop withdrawals and on the Thieu administration, it would be "difficult" to settle the Vietnam question. He did not say "impossible."

* * *

Conflicting versions of what Thieu and Huong are planning in the way of cabinet changes have reached the press in the last few days, apparently as a result of a decision in Huong's office to issue a public statement before Huong had his lines straight with Thieu.

50X1

50X1

EUROPE

The chief of the West German trade mission in Warsaw, Heinrich Boex, recently had a talk with Polish Deputy Foreign Minister Winiewicz from which he came away with the definite impression that Poland is interested in reaching accords with Bonn in both the political and economic fields.

On political issues, Winiewicz seemed to react positively to the suggestions that a renunciation-of-force agreement be negotiated. Boex foresees a chance for rapid progress on this score (he has a reputation for overstating prospects at times, however).

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

Like Mayor Schuetz, who visited Poland in June, Boex discerned a willingness on the part of the Poles to be flexible on the question of how an agreement on the Oder-Neisse line should be expressed. Winiewicz did not insist on a treaty but suggested merely an exchange of declarations between Bonn and Warsaw.

In the economic field, Winiewicz made a pitch for a long-term "treaty" which would upgrade the trade missions, grant them visa-issuing power, triple trade over a five year period and provide for new West German credits to Poland. Boex expects authorization to negotiate such an accord.

SOVIET AFFAIRS

The Soviets apparently tried a soft landing on the moon with Luna 15 and failed. [redacted]

50X1

* * *

There is nothing significant to report on the Middle East.

II. OTHER IMPORTANT DEVELOPMENTS

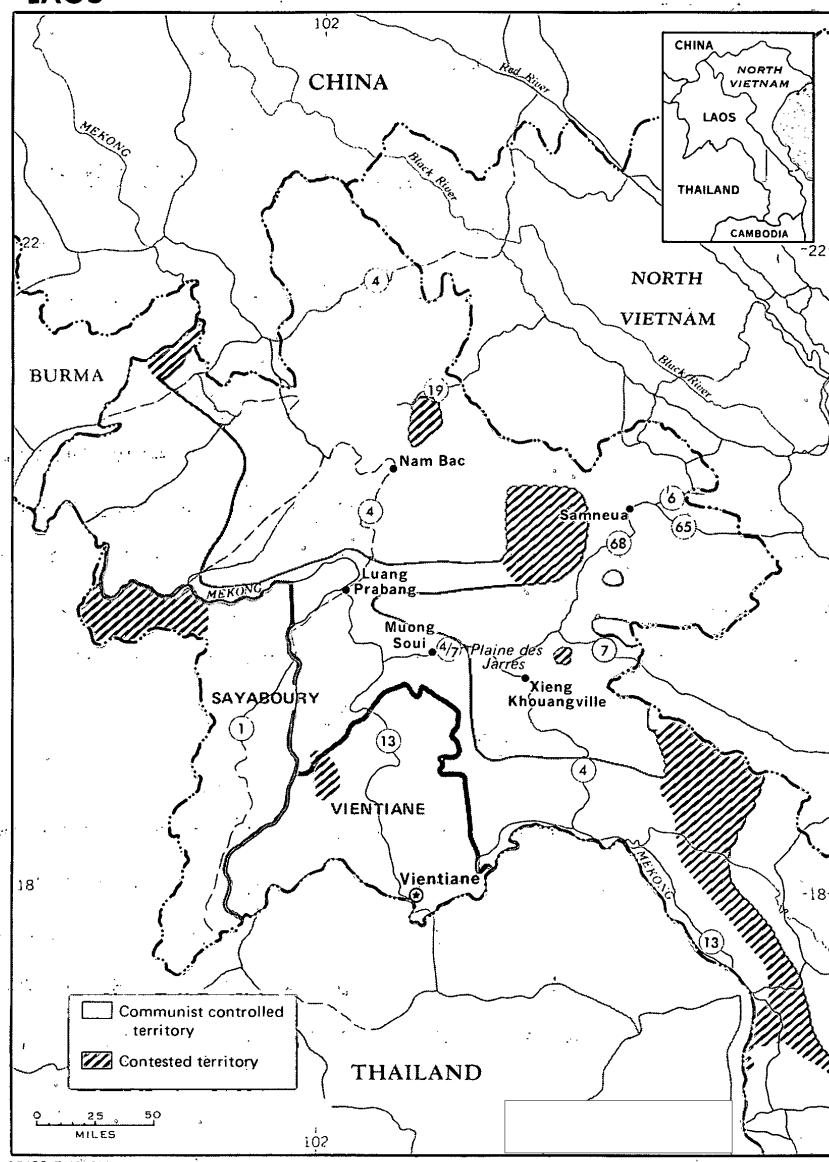
LAOS

The Laotian Government is sounding out Bangkok about the possible use of Thai troops in Laos. [redacted]

50X1

FOR THE PRESIDENT ONLY

LAOS



50X1

FOR THE PRESIDENT ONLY

50X1

The military situation in Laos, meanwhile, is relatively quiet. No new major Communist attacks have been reported, and there are signs that North Vietnamese troops in the Muong Soui area are regrouping--possibly as a result of heavy US airstrikes.

INDIA

Mrs. Gandhi, with great ruthlessness and superb timing, has dealt her Congress Party enemies a decisive defeat. Unable to agree among themselves about her bank nationalization decree and intimidated by her aggressiveness, they have retired from the field to await a better day.

They remain formidable foes, and the demagoguery she showed in the recent crisis could give them an issue to use

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

against her if she makes any missteps. At the moment, however, she has the initiative and seems determined to keep it.

EL SALVADOR - HONDURAS

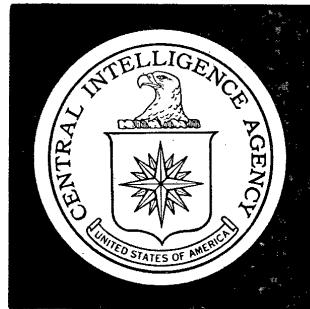
El Salvador apparently will defy the OAS resolution ordering troop withdrawal by midnight tonight. Salvadoran officials claim public enthusiasm is so high they fear a coup if they back down. They apparently are thinking of taking the issue to the UN as a further delaying tactic.

OAS officials, meanwhile, are predicting that other OAS countries will come to the aid of Honduras if the Salvadorans remain intransigent. Sentiment in favor of declaring El Salvador an aggressor is on the rise.

The US Embassy in Tegucigalpa reports that the Hondurans, desperate over their military situation and bitter at what they consider the ineffectiveness of the OAS and the US, are getting close to the boiling point. The embassy fears that the rising animosity could lead to a breakdown in public order.

FOR THE PRESIDENT ONLY

Top Secret



The President's Daily Brief

23 July 1969

19

50X1

~~Top Secret~~

FOR THE PRESIDENT ONLY

I. MAJOR PROBLEMS

EUROPE

British officials have indicated that Prime Minister Wilson may raise the ABM issue with the President during their meeting on 3 August.

The British say their main concern is that the US will not seek to halt the development of the ABM and MIRV systems. London's position seems to be that if deployment of these weapons systems is not frozen, any settlement produced by SALT would be ineffective in stopping the arms race and hence would be unacceptable to world opinion.

Underlying this stand is fear that Britain's own nuclear deterrent force will be weakened considerably if the Soviets are permitted to deploy an efficient ABM defense system.

SOVIET AFFAIRS

50X1

FOR THE PRESIDENT ONLY

50X1

* * *

There is nothing significant to report on Vietnam or
the Middle East.

II. OTHER IMPORTANT DEVELOPMENTS

EL SALVADOR - HONDURAS

El Salvador failed to withdraw its troops from Honduras by the midnight deadline set by the OAS. This could lead to a resumption of hostilities. Although both sides claim they will continue to abide by the cease-fire, they are also preparing for renewed fighting. Honduran planes are being readied for combat operations and El Salvador is reported to have acquired aircraft from private foreign sources.

The OAS Council went into formal session at midnight and is expected to convoke a foreign ministers' meeting, probably on Sunday, to talk over options available under the terms of the Rio Treaty.

Sources of the US Embassy in Tegucigalpa have information that Nicaraguan troops crossed into Honduras and that two planeloads of arms and ammunition have also been supplied to the beleaguered forces of Honduras. President

FOR THE PRESIDENT ONLY

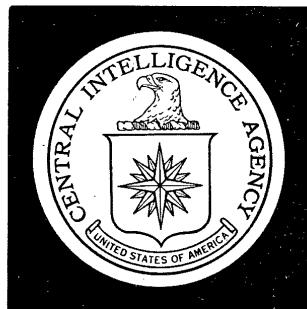
FOR THE PRESIDENT ONLY

Somoza met with the foreign minister of Guatemala yesterday and they agreed that both countries have a concern in the dispute and that El Salvador should be prevented from consolidating any territory taken from its neighbor.

The Honduran Government may be hard pressed to restrain its people from taking retaliatory action against Salvadoran citizens and this danger will increase if fighting resumes. Tegucigalpa believes it has done everything possible to conform to OAS resolutions, with no reciprocity from San Salvador.

FOR THE PRESIDENT ONLY

Top Secret



The President's Daily Brief

24 July 1969

19

50X1

~~Top Secret~~

FOR THE PRESIDENT ONLY

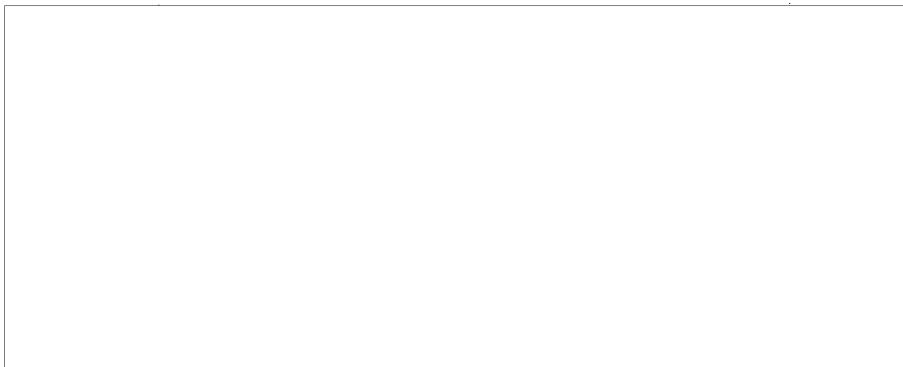
I. MAJOR PROBLEMS

VIETNAM

Hanoi Radio announced on 23 July that gifts for US prisoners in North Vietnam could be sent until 15 August and that they should be sent to the DRV in care of Moscow. The radio claimed that gifts originally were to be sent only between 4 and 25 July. A deadline and routing instructions were omitted from Hanoi's announcement of 3 July on the release of prisoners and sending gifts. They were mentioned by Xuan Thuy during his private meeting with Ambassador Lodge in Paris last Friday, however. The new North Vietnamese announcement appears to be a direct response to Ambassador Lodge's strong appeals at that meeting concerning US prisoners. It is an unusually positive North Vietnamese gesture, probably intended to underscore Communist interest in getting on with the negotiations and into serious substantive bargaining.

SOVIET AFFAIRS

50X1



FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

50X1

II. OTHER IMPORTANT DEVELOPMENTS

LAOS

Government military leaders are planning to strengthen defenses along the Vientiane - Luang Prabang road. Recent enemy attacks on two positions along this route have pointed up the government's vulnerability there. The Communists meanwhile continue mopping-up operations around Muong Soui.

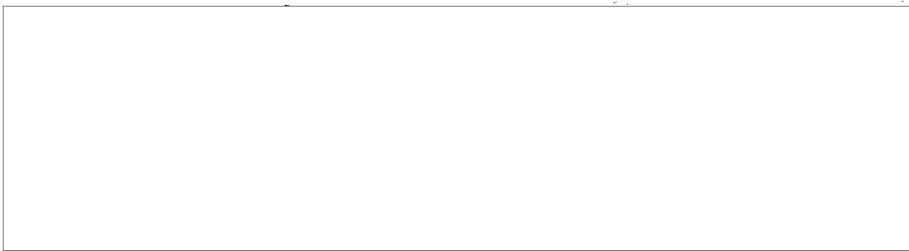
EL SALVADOR - HONDURAS

The cease-fire is still in effect, but high-level officials of neighboring countries doubt it will hold through the end of the week. Nicaraguan and Guatemalan spokesmen are especially pessimistic and have indicated their countries might join in on the Honduran side if the battle begins again.

50X1

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY



50X1

FOR THE PRESIDENT ONLY

Top Secret



The President's Daily Brief

25 July 1969

19

50X1

Top Secret

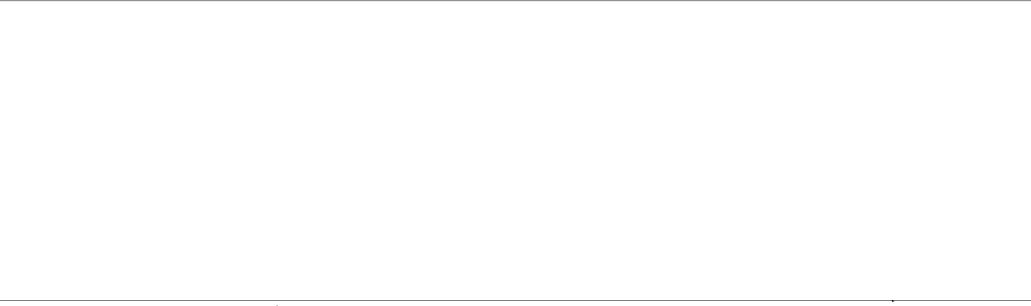
FOR THE PRESIDENT ONLY

I. MAJOR PROBLEMS

MIDDLE EAST

Israel apparently has decided to escalate the exchanges with Egypt across the Suez Canal. Until last Sunday the Israelis, chary as always of risking too many casualties, avoided using aircraft on this front. They have mounted three air strikes since then, however, and their spokesman left a strong impression yesterday that this would be the pattern in the future.

50X1



For their part, the Egyptians seem not at all inclined to scale down the level of hostilities. Even before his blustery speech on Wednesday, Nasir indicated he felt compelled to harass the Israelis along the canal. The Egyptians seem so eager to have something they can point to as a victory that at least for the moment they are willing to ignore their own heavy losses. In the face of Israeli pounding, their air force has kept up its high rate of activity in recent days and has now begun its own strikes against Israeli positions near the canal.

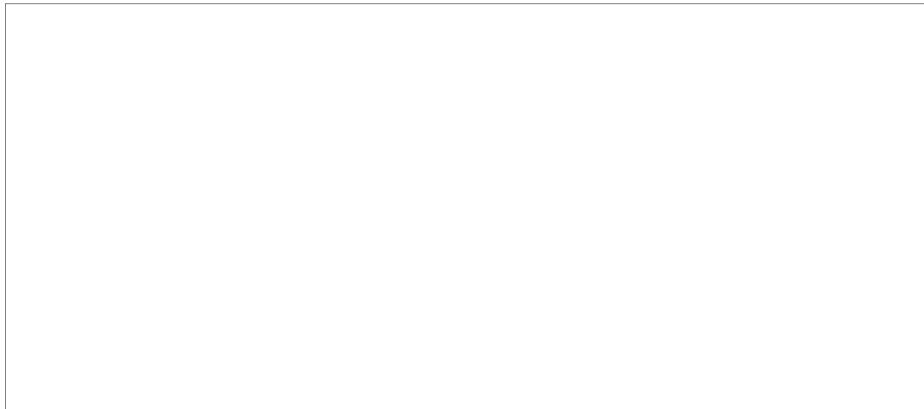
The welter of conflicting claims makes it almost impossible to reach a firm estimate of the damage the two sides are inflicting on each other. For what it is worth, however, the Israelis now claim to have shot down 20 Egyptian planes this month. They admit to losing two of their own.

FOR THE PRESIDENT ONLY

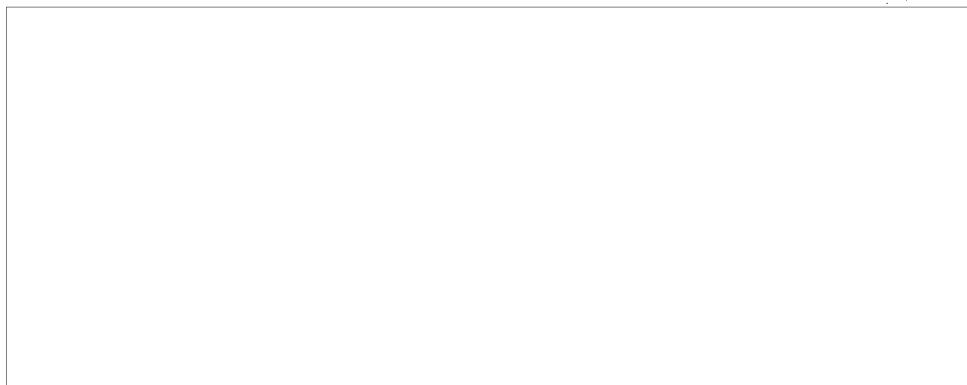
FOR THE PRESIDENT ONLY

SOVIET AFFAIRS

50X1



* * *



50X1



50X1



50X1

II. OTHER IMPORTANT DEVELOPMENTS

SOUTH KOREA

President Pak last night laid his prestige on the line in announcing his support of a constitutional amendment that would permit him to run for a third term in 1971. After assembly

FOR THE PRESIDENT ONLY

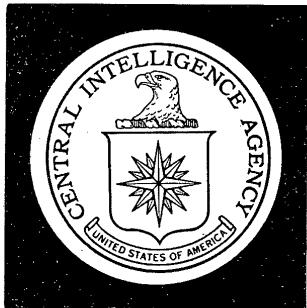
FOR THE PRESIDENT ONLY

passage, the amendment would be put to a national referendum--possibly late this year. In a tactic reminiscent of De Gaulle, Pak said he would "step down immediately" if the referendum vote were negative.

BOLIVIA

Armando Escobar, a retired general who has been mayor of La Paz since 1964, has decided to run for president next year. He has no following in the military, but he is extremely popular with Bolivian civilians--so much so that he would have a good chance of beating Armed Forces Chief Ovando in a fair election. His announcement could even trigger a pre-emptive coup by Ovando.

Top Secret



The President's Daily Brief

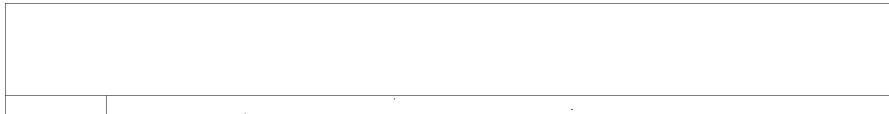
26 July 1969
19

Top Secret 50X1

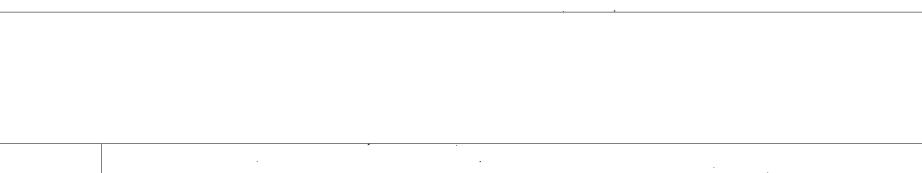
FOR THE PRESIDENT ONLY

I. MAJOR PROBLEMS

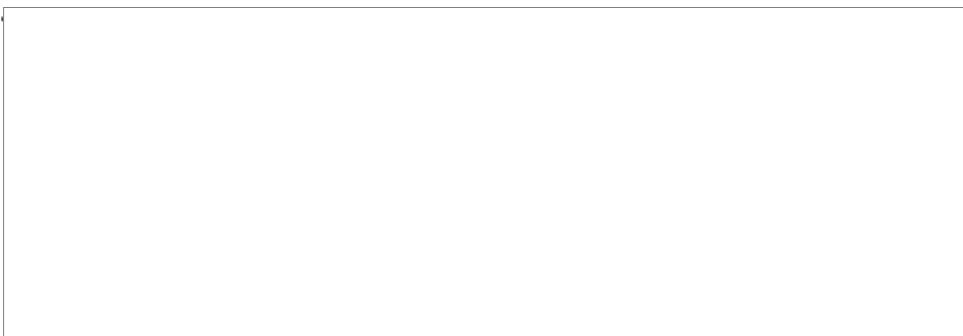
MIDDLE EAST



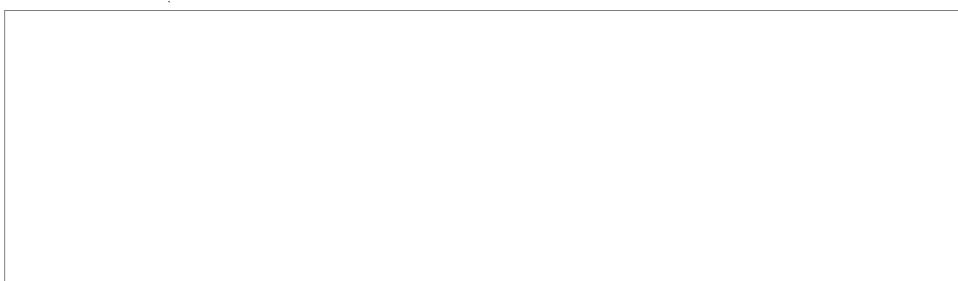
50X1



50X1



50X1



50X1

SOVIET AFFAIRS

The first known armed clash between the Soviet occupation forces and the Czechoslovak armed forces may have taken place in Karlovy Vary on 11 July.

50X1

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

[redacted] there were a number of killed and wounded on both sides.

50X1

50X1

Both incidents may have figured in Czechoslovak party chief Husak's talk with Brezhnev in Warsaw on 23 July.

II. OTHER IMPORTANT DEVELOPMENTS

COMMUNIST CHINA

There has been much talk in Chinese domestic propaganda of "war preparations" in the wake of recent border incidents with the Soviets. We see no signs, however, of any efforts at military mobilization. Many aspects of the war readiness theme, moreover, are obviously designed to further important domestic goals, such as political unity and discipline and greater industrial and agricultural production. At this stage, Peking appears to be preparing its people primarily for an extended period of heightened tension with Moscow rather than for any imminent Soviet military actions.

ITALY

Faced with the continued intransigence of the right-wing Socialists (PSU), Rumor yesterday abandoned his efforts

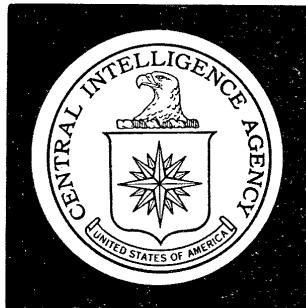
FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

to reconstitute the center-left coalition. The best bet now is an all - Christian Democrat government; the main stumbling block will be the left wing of the Christian Democratic Party itself, which is still insisting on the inclusion of the left-wing Socialists even if the PSU refuses to participate.

FOR THE PRESIDENT ONLY

Top Secret



The President's Daily Brief

27 July 1969

19

~~50X1~~
~~Top Secret~~

FOR THE PRESIDENT ONLY

I. MAJOR PROBLEMS

VIETNAM

Thieu continues to tone down his election proposals of 11 July for the benefit of domestic audiences. In the latest instance on 26 July, Thieu, speaking to a mass meeting of civil servants whom the President described as "confused and uncertain" over the war and peace issues, claimed that his proposals were a "tactic" to regain US and international favor, and that he and President Nixon had agreed at Midway that these would be the maximum concessions to get the Communists to negotiate seriously. Acknowledging some military criticism of his proposals, Thieu said he would never agree to let the Communist Party operate in South Vietnam and that he would even resign or restore power to the armed forces if the country rejected his peace initiatives.

Thieu's remarks to Ambassador Bunker on 26 July, as well as some recent conversations with Vietnamese officials, show that he has not yet decided on the composition of his new cabinet. He hopes to bring in some talented and well-known politicians in order to refute Viet Cong claims that Saigon does not represent a broad popular spectrum.

50X1

50X1

FOR THE PRESIDENT ONLY

SOVIET AFFAIRS

There are signs that some kind of military exercise--probably Soviet, but possibly Warsaw Pact--may take place shortly in East Germany, Poland, and Czechoslovakia. Since 19 July, a large number of Soviet military transports have been noted flying to and from these countries. Soviet tactical aircraft have also been active in East Germany. Whether ground forces are or will be involved is not known.

* * *

Reports from a meeting of the Czechoslovak party presidium on 23 July indicate the Czechoslovak leaders are seriously concerned about the possibility of disturbances centering on the 20 August anniversary of the Soviet occupation of the country. The presidium discussed provocations in both the political and economic spheres, calling on police and army to take energetic measures against those who violate "law and economic life." The phrasing suggests a direct warning to the underground press, which prepares and distributes "anti-state" leaflets, and Prague workers who engage in slowdowns and strikes.

II. OTHER IMPORTANT DEVELOPMENTS

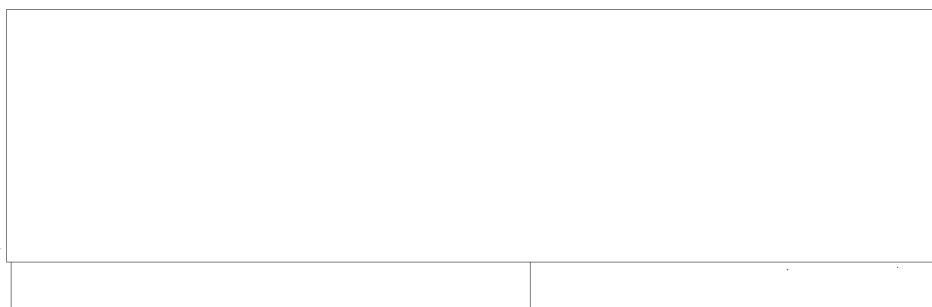
LAOS

Souvanna is due back in Vientiane the afternoon of
28 July after transiting Bangkok.

50X1

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY



50X1

50X1

CUBA - SOVIET UNION

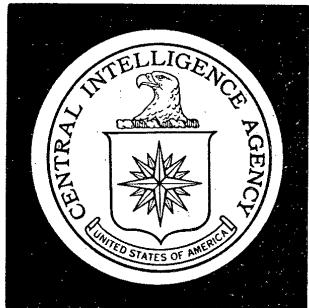
Until the 26th of July holiday, Fidel Castro and other top leaders virtually ignored the presence of the seven-ship naval squadron that arrived a week ago. On the holiday itself, Fidel and a few other leaders were treated to a four-hour cruise on a Soviet destroyer. Afterward, Soviet sailors joined in cutting sugar cane as a display of solidarity with their hosts.

FRANCE-BIAFRA

French backing of Biafra--which included clandestine arms supply even before De Gaulle's public announcement of support in 1968--will continue at about the same level, according to Foreign Minister Schumann. In recently expressed private views, Schumann showed himself emotionally committed to the Biafran cause and disappointed that the US has not given more help. He does not go so far, however, as to favor recognition.

FOR THE PRESIDENT ONLY

Top Secret



The President's Daily Brief

28 July 1969

19

50X1

~~*Top Secret*~~

FOR THE PRESIDENT ONLY

I. MAJOR PROBLEMS

MIDDLE EAST

The Israelis have followed up last week's military activity with a pitch for calm along the Suez Canal.

Gideon Rafael of the Foreign Office told a US Embassy officer on Sunday that the pronouncements of Mrs. Meir and others had been carefully worded to avoid the kind of extreme language that might "drive Nasir to excesses." In what seems sanctimonious double-talk to us, he claimed that the Israeli air strikes were essentially defensive actions to support the Israeli ground position.

Rafael went on to suggest that the Soviets should be asked to demonstrate their desire for calm by weighing in with Nasir. (We had, in fact, been wondering whether one aim of last week's raids was to soften up the Soviets for just such an approach by destroying large quantities of Soviet materiel in Egypt.) Whether Moscow will be in a mood to oblige the Israelis is a moot point. In a protest delivered in Tel Aviv on Sunday, the Soviets claimed that "Soviet navy vessels" had been "attacked" in a bombardment of Port Said on 20 July.

* * *

50X1



1

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

50X1

II. OTHER IMPORTANT DEVELOPMENTS

LAOS

Communist forces continue to press government outposts near the Plaine des Jarres, but there have been no new major attacks recently. To the west, along the Vientiane - Luang Prabang road, the enemy is probing shaky government defenses; it is unclear whether these small-scale attacks are designed to nudge government morale still lower or are the prelude to a more concerted effort to move into northern Vientiane Province.

Souvanna will be listening in Vientiane to many diverse recommendations on how best to deal with the Communist military pressure. However, there seems to be a growing consensus among the Lao that further Communist advances will have to be dealt with by diplomatic, not military, initiatives.

FOR THE PRESIDENT ONLY

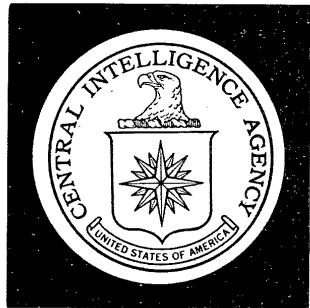
FOR THE PRESIDENT ONLY

PAKISTAN

In a major speech on Monday, President Yahya Khan made it clear he is in no hurry to end martial law. Although he announced the setting up of certain machinery to prepare for elections, he warned that such controversial issues as a new constitution and autonomy for East Pakistan should be resolved before elections. This could take years.

FOR THE PRESIDENT ONLY

Top Secret



The President's Daily Brief

29 July 1969

19

Top Secret^{50X1}

FOR THE PRESIDENT ONLY

I. MAJOR PROBLEMS

VIETNAM

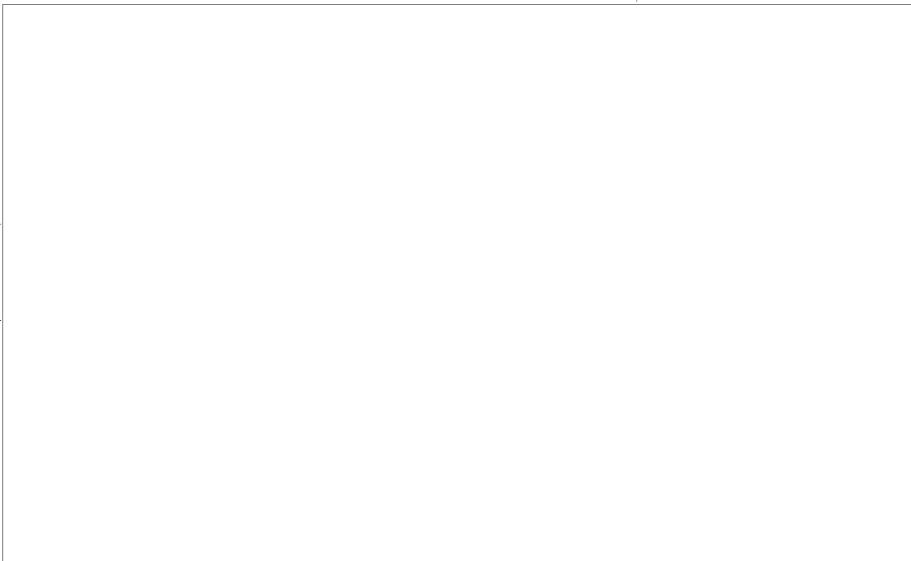
Hanoi has denounced President Nixon's remarks in Guam on 25 July by selecting portions which fit easily into the mold of routine Communist propaganda. An article in the party daily Nhan Dan on 29 July characterized the President's references to a post-Vietnam role for the US in Asia as an indication that the US intends to perpetuate a policy of trying to "dominate" the region. The article described the President's policy as one of pitting Asians against Asians in a "crusade" against Communist countries. It claimed that Saigon, Manila, and Bangkok would willingly lend themselves to such American schemes.

The Communists only obliquely took note of the President's response to a question about a possible scaling down of US military action in South Vietnam. The paper charged that the President tried to give an impression that the US was willing to stop the war promptly, but that "people" were asking what he had done to bring about a solution to the Vietnam problem. Nhan Dan also made the familiar claim that the US was in fact stepping up the pace of the war and that it had failed to respond "seriously" to the Communists' ten-point program. It said the US still "eludes" the two key problems: stopping the war and withdrawing all troops without conditions, and ceasing support of the GVN and letting the South Vietnamese reach a political settlement through elections.

FOR THE PRESIDENT ONLY

SOVIET AFFAIRS

50X1



MIDDLE EAST

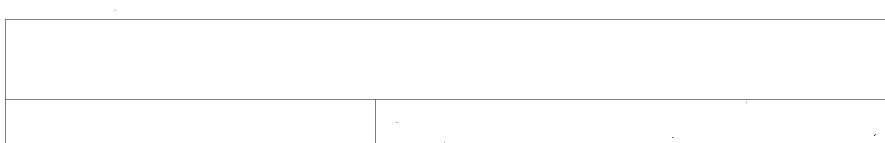
Disturbed by the danger to his observers posed by the rising tempo of military activity along the Suez Canal, General Bull has ordered the temporary closing of two of the 18 UN posts along the canal. He plans to close four more if security conditions do not improve.

* * *

50X1



50X1



50X1

50X1

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

II. OTHER IMPORTANT DEVELOPMENTS

NIGERIA

The Nigerian federal government will be sending a delegation to see Pope Paul after he arrives in Uganda on Thursday, and we suspect a Biafran delegation will turn up as well. Neither side shows any inclination to alter its basic demands, however, and we do not think much will come of the Pope's efforts to get peace negotiations started.

FOR THE PRESIDENT ONLY

Top Secret



The President's Daily Brief

30 July 1969

19

~~50X1
Top Secret~~

FOR THE PRESIDENT ONLY

I. MAJOR PROBLEMS

MIDDLE EAST

Through a variety of channels the Jordanians have acted to make sure that the US is aware of their current gloomy appraisal of the Middle East situation [redacted]

50X1

[redacted] The fullest exposition came from Zaid Rifai, Husayn's private secretary, whose theme was that Husayn would soon have to accommodate himself to Nasir's thesis that Arab aims can only be achieved through armed struggle. Nasir himself, said Rifai, had decided to bleed Israel regardless of the cost to Egypt. He said the Soviets had "clearly" promised to make good the Egyptian losses in materiel.

50X1

Much of what Rifai said seems a bit overdrawn; among other things, we think it highly unlikely that the Soviets have given Nasir a blanket promise to keep his inventories full. Nevertheless, both the Egyptians and the Israelis have recently shown a willingness to accept higher casualties in their efforts to damage each other, and the Jordanians will find it difficult indeed to stay aloof.

SOVIET AFFAIRS

[redacted]
Kosygin and Gromyko furthered the notion the Soviets have been trying to implant in Western Europe--that Moscow is in a mood to reduce tensions and is ready for a round of European talks.

50X1

50X1

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

Most of the discussion

50X1

centered on the

European security conference. Both Kosygin and Gromyko showed interest in a dialogue with European leaders but no eagerness to resolve the outstanding issues.

50X1

On the subject of Soviet Asian policy, Kosygin said that Washington shares concern with Moscow about "that continent," and he also asserted that if military conflict were to break out between China and the USSR, it would involve many states. For this reason, he claimed, Moscow "is doing all it can discreetly to end the Vietnam war."

II. OTHER IMPORTANT DEVELOPMENTS

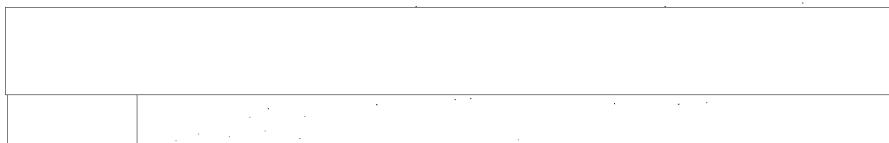
LAOS

50X1

50X1

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY



50X1

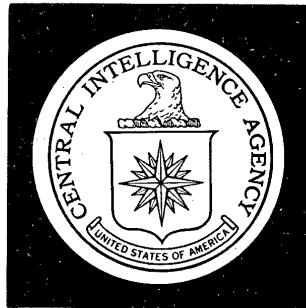
50X1

EL SALVADOR - HONDURAS

Each side has its own interpretation of the agreement achieved at the OAS meeting on 29 July. Following the announcement that Salvadoran troops would be withdrawn, the Salvadoran national radio claimed El Salvador had "won the battle of Washington" and had obtained rights to indemnification. Hondurans were highly irritated by the Salvadoran attitude. We probably will see considerable foot-dragging by both nations.

FOR THE PRESIDENT ONLY

Top Secret



The President's Daily Brief

31 July 1969

19

~~Top Secret~~^{50X1}

FOR THE PRESIDENT ONLY

I. MAJOR PROBLEMS

VIETNAM

In the private meeting in Paris on Tuesday between Mr. Habib and Ha Van Lau, the Communists agreed to continue these sessions in the hope that they would be "free, easy, and open"--presumably without the constraints of higher level, more formal contacts. Lau's main interest was in finding out our minimum conditions for troop withdrawals, how many troops we are prepared to take out and when, and some additional US views on a political settlement.

Ha Van Lau struck a familiar pose on mutual withdrawals. In response to Habib's probing about withdrawals of North Vietnamese troops, Lau insisted that the US rephrase its position so as to give no suggestion of a reciprocal obligation by Hanoi. This is the same technique that Hanoi used on the bombing issue a year ago when the Communists refused to recognize the principle of reciprocity, but implied they would be prepared to respond positively if the US acted on the assumption of Communist good faith. Presumably they intend to let their military activity speak for itself in the hope that this will satisfy US demands and prompt both additional US troop withdrawals and a cutback in allied military activity in South Vietnam.

The Communists may even be engaged in the same public relations game they tried a year ago. During a slowdown in military action in South Vietnam last summer, Xuan Thuy implied to some newsmen that the lull was a response to US demands for reciprocity for a bombing halt. In an interview

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

with Newsday on 30 July, the PRG's Madame Binh offered a similar interpretation of the current battlefield lull. She told the correspondent that the Communists are "acting so that American troops will be withdrawn and unnecessary American deaths avoided."

MIDDLE EAST

Fighting generally subsided this week, but some brief actions in Syria and along the Suez Canal resulted in casualties for both sides. Syrian aircraft and artillery struck at Israeli positions in the Golan Heights - Mount Hermon area yesterday in retaliation for Israel's air strike on 30 July at fedayeen bases in the area.

In its first two meetings, the recently formed Jordanian National Security Council adopted a number of decrees designed to limit fedayeen activities.

50X1

Despite these additional signs that Husayn intends to press forward with his scheme to bring the fedayeen into line, we question how far he will be able to go. On several occasions in the past, he has worked up his courage to move against the fedayeen only to back off at the last moment.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

SOVIET AFFAIRS

It is now apparent that some Warsaw Pact states have joined the USSR in the large-scale air exercise in Eastern Europe. On 31 July, about 160 Soviet medium bombers flew over Eastern Europe and drew reaction from about 110 interceptor aircraft--including some Polish and Czechoslovak fighters. There is still no indication that ground forces will participate, but Soviet transport flights continued on both 30 and 31 July. About 80 aircraft from the USSR entered Poland and East Germany. Most of the tactical aircraft, noted in the first phase of the exercise last week, have returned to their home bases.

II. OTHER IMPORTANT DEVELOPMENTS

There is nothing significant to report.

FOR THE PRESIDENT ONLY

Top Secret