

The President's Daily Brief

~~Top Secret~~ 31 July 1967



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DAILY BRIEF
31 JULY 1967

1. Communist China

Mao's forces seem to have made a major retreat in an effort to reach an accommodation with defiant military officers.

Several regional military commanders, including the rebellious leader from Wuhan, were in Peking late last week. What emerged from the negotiations is not clear, but Peking broadcasts are now talking mildly and defensively of forgiveness for those who repent. No mention is made of punishment of those officers for whom Peking was demanding severe penalties just a few days ago.

Any agreement with the troublesome regional military leaders is bound to be fragile, however, and it is clear that major problems remain.

2. South Vietnam

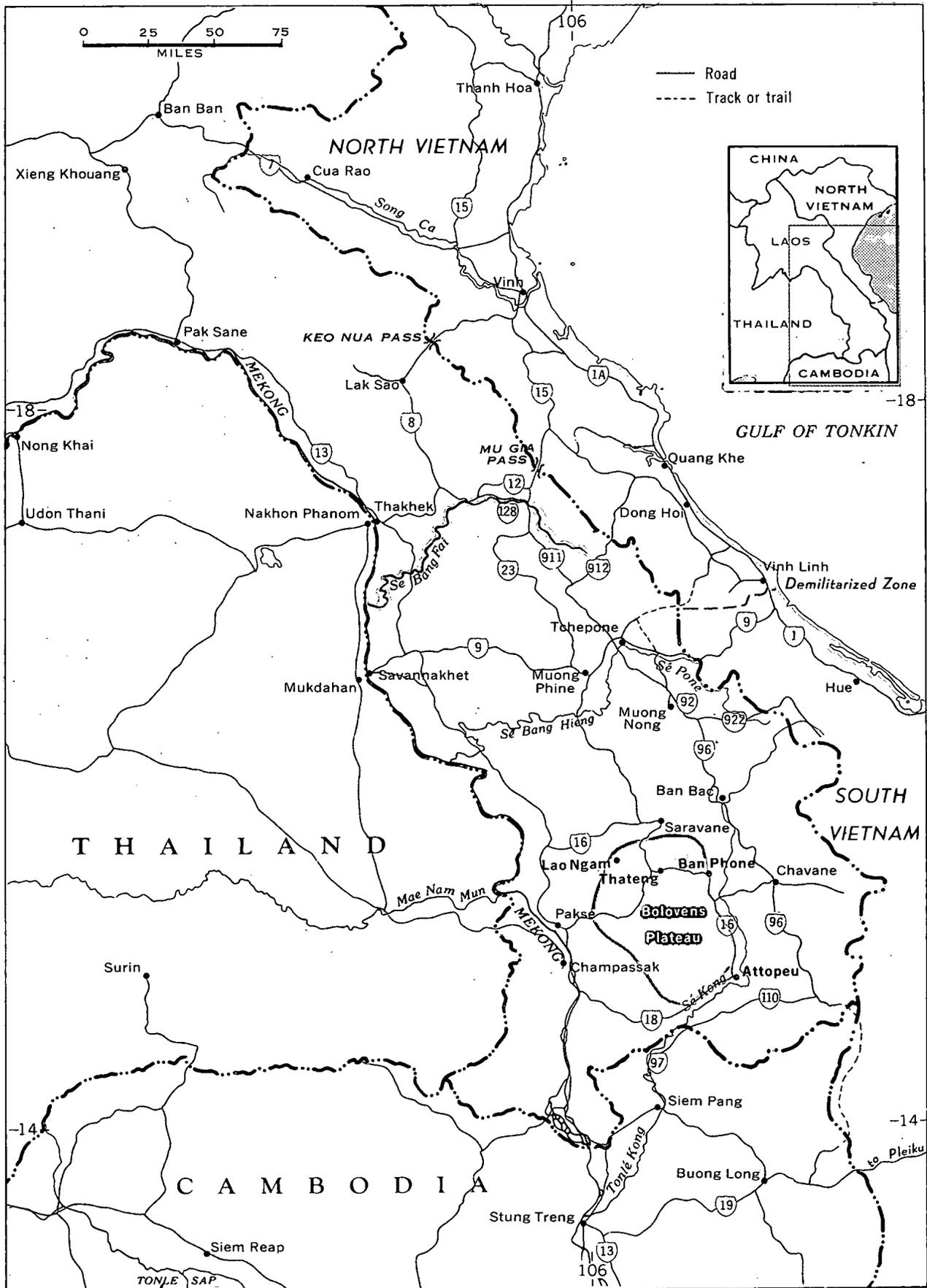
The Thieu-Ky campaign machinery is not yet working as effectively as it should. Part of the problem is resentment in the Thieu camp over the predominance of Ky men in the joint committee-- a result of Ky's much bigger and better organized machine before the merger took place.

Continuing mutual distrust between the two leaders is still at the heart of the problem, however.

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3. Laos

Communist forces have made several sharp attacks against government positions in southern Laos in recent days. The attacks were carried out by North Vietnamese troops in the Bolovens Plateau (see map). They are probably intended in part to counter recent government probing operations into the vital infiltration corridor.

4. Burma

The virulent attacks on General Ne Win which Radio Peking has been beaming to Burma for more than a month have recently been hitting the regime where it hurts. Ambassador Byroade points out that some of Peking's comments on Ne Win's economic failures ring quite true. He fears the already dissatisfied Burmese peasants may be receptive to the broadcasts.

5. Israel

Arab resistance is growing rapidly in Israeli-occupied Jordan and in old Jerusalem. Some of this may be inspired by agitators sent in from the outside, but the main cause seems to be mounting popular anger over the harsh Israeli administration.

The Israeli cabinet discussed the matter yesterday and is said to have decided on a "liberal" policy on the West Bank. Still, it was stressed that any organized resistance would be crushed; the danger is growing that some incident may panic the Israelis into bloody reprisals.

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6. Peru

The government was thrown into a constitutional crisis after Congress failed to open its new session on Friday. A disputed election for senatorial officers led pro-government legislators to boycott the opening meeting, thus denying Congress a quorum and preventing its installation.

President Belaunde is probably not altogether unhappy with this development. He had long been frustrated by the opposition-controlled Congress

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The fact remains, however, that democratic processes will be badly shaken in Peru unless this impasse is quickly resolved.

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