



*The President's Daily Brief*

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## I. MAJOR PROBLEMS

## EUROPE

Pompidou now has seven years in which to establish his brand of "Gaullism without De Gaulle." We expect him to try to fashion a ministerial team which includes centrists, left-wing Gaullists, and Independent Republicans as well as orthodox Gaullists. In the process some familiar faces--Couve and Debré among them--seem almost certain to disappear from the lineup. National Assembly President Jacques Chaban-Delmas is currently the frontrunner for the premiership.

It is too early to predict with any precision what Pompidou's foreign policies will be. He was hewing ever closer to established Gaullist lines as the campaign closed, but with a strong parliamentary majority behind him he is free to put his own stamp on the traditional policies. We suspect he will not depart too quickly or too markedly from the paths traced by his predecessor.

## VIETNAM

Chou En-lai's statement on Saturday recognizing the Provisional Revolutionary Government contains the most open and direct Chinese treatment to date of the issues surrounding a settlement in Vietnam. Chou urged the Vietnamese Communists to fight for "complete victory," warning that the US would never agree to "unconditional" military withdrawal or the establishment of a "revolutionary" coalition government in the South. This willingness to refer publicly to US withdrawal

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and to the possibility of a coalition government is a new development. It appears to be further evidence of Peking's grudging acceptance of the talks at Paris and of the possibility of eventual progress there.

*SOVIET AFFAIRS*

The Soviet space program suffered another setback Saturday when its largest operational booster--the SL-12--was unsuccessful in an attempt to achieve orbit around the earth, probably because of a fourth stage failure. Although the precise nature of the intended mission is uncertain, the timing of the launch suggests a lunar probe

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This marks the third time this year that the Soviets have been unable to conduct a lunar mission. SL-12 failures also prevented two probes to Mars in the spring.

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Moscow has decreed measures to hold down grain losses at harvest time, and we believe this means it is worried about crop prospects. The weather has been bad so far this year in more than one important region. Adequate precipitation this summer and good weather during the harvest would still enable the Soviets to produce at least an average grain crop, but since the long-run goal is to increase production despite the weather, an average crop would be disappointing to the

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leadership. This fact could once again make agricultural policy a prime political issue, something it has not been during the last three years of successful harvests.

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There is nothing significant to report on the Middle East.

## II. OTHER IMPORTANT DEVELOPMENTS

### ARGENTINA

The armed forces are getting more and more unhappy with President Ongania. Their dissatisfaction over his handling of last month's student and labor unrest has not abated, and they are finding much to criticize in his newly reorganized cabinet. Key officers are denigrating the competence of the cabinet as a whole, and they are also making much of the new interior minister's alleged Peronist tendencies and the social welfare minister's advocacy of a corporate state. Adding to the officers' displeasure is the fact that Ongania did not consult them before he made the changes.

There are no indications yet that the military wants Ongania out of office, but it is keeping much closer tabs on the government these days. The government's next test may come tomorrow, when a general strike has been called in Cordoba, the city which saw the worst violence last month.

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