



*The President's Daily Brief*



12 July 1969

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*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.

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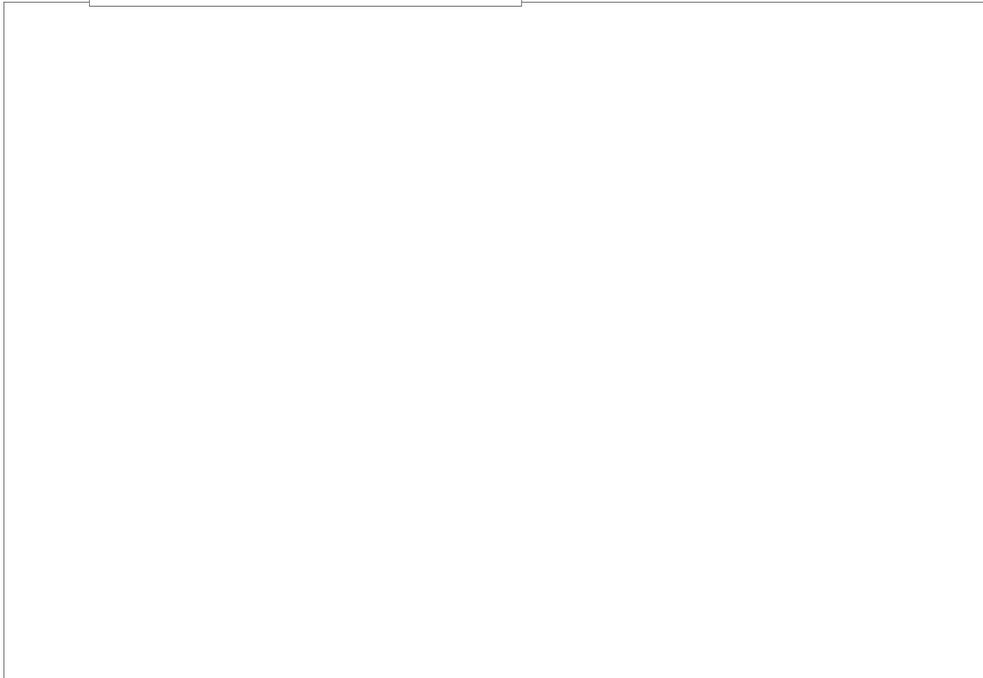
The Romanian ambassador in Paris announced yesterday at a press conference that top Soviet leaders have indeed postponed their scheduled visit to Bucharest this month, presumably to sign a revised friendship treaty, until fall. The reason given was "urgent and unforeseen duties" on the part of the Moscow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

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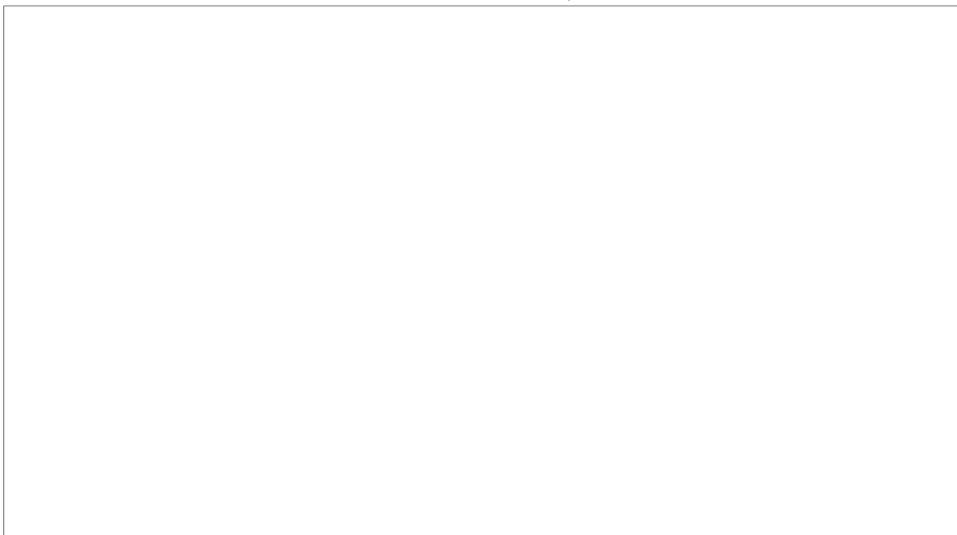


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probably intended to minimize Moscow's embarrassment over reports that Soviet-Romanian relations had worsened since the President's trip to Bucharest was announced.

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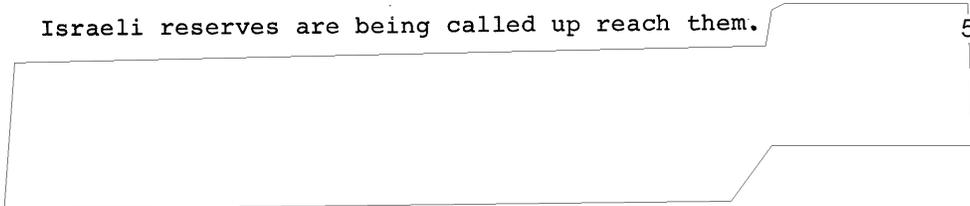


MIDDLE EAST

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.

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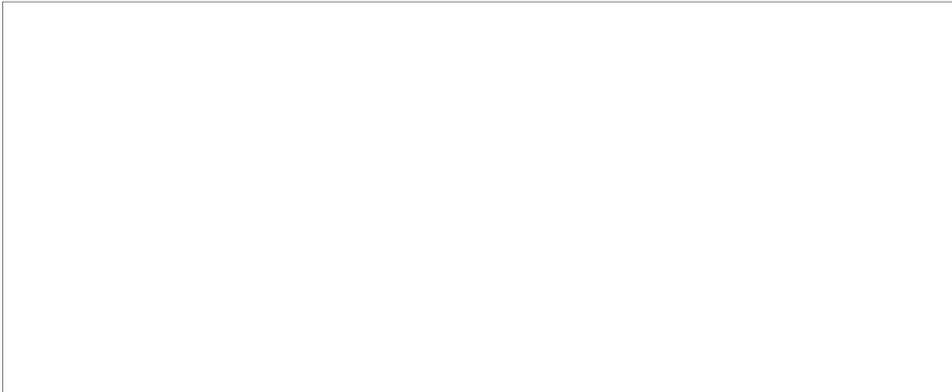


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General Odd Bull, worried about the safety and morale of the UN observers along the Suez Canal, is thinking of proposing "temporary" withdrawal of some of them. He is aware of the repercussions such a move could have, however, and he intends to check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

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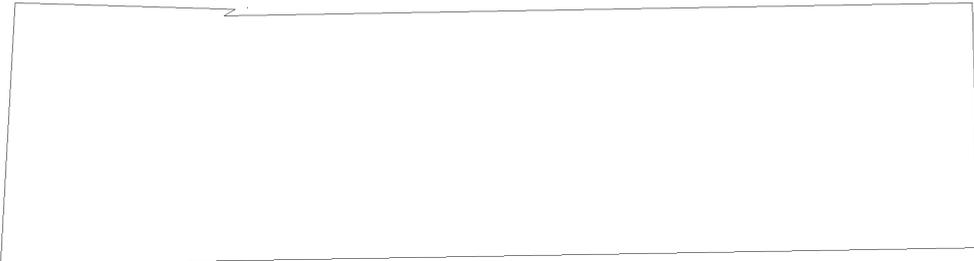
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VENEZUELA



President Caldera has expressed a desire to use diplomatic channels to resolve the border dispute with Guyana,

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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.

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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

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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.

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