



*The President's Daily Brief*



18 July 1969

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## 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

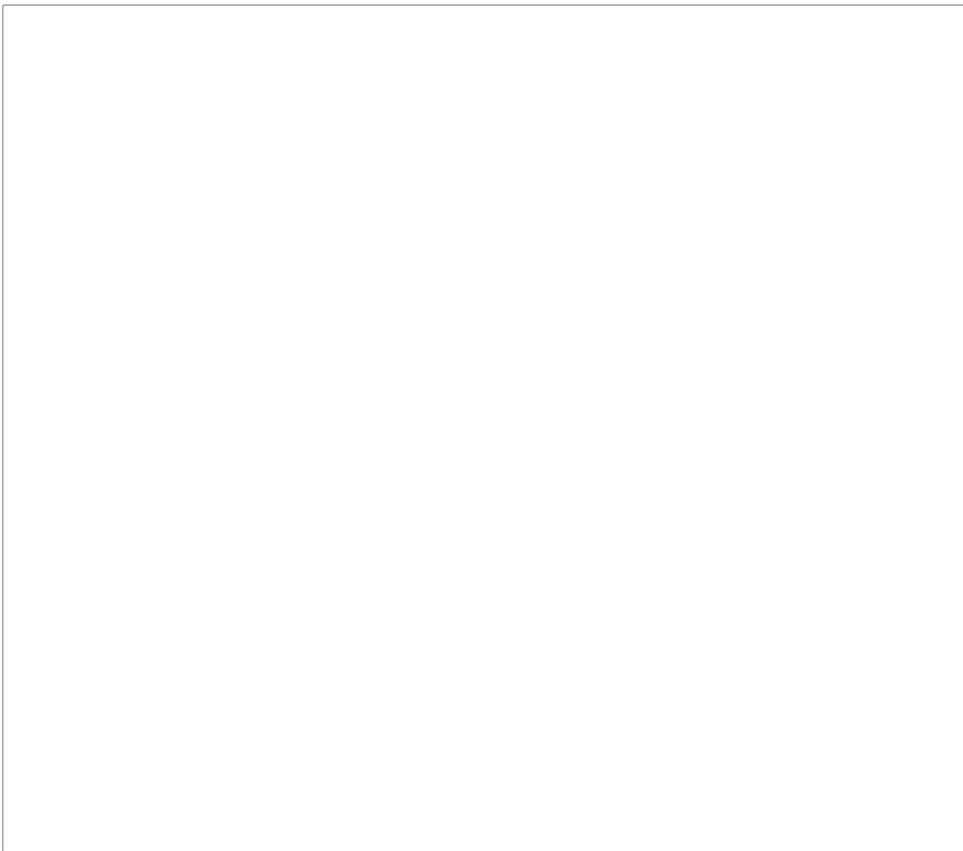
The Soviet naval force, which is scheduled to begin a one-week visit to Cuba on Sunday, has split into two groups in the Gulf of Mexico. The main group, consisting of three guided missile ships and two F-class diesel submarines, conducted antisubmarine warfare operations yesterday and the day before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

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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.

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

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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 subcommittee 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. [REDACTED]

[REDACTED] the extremists are hoping that by provoking further racial incidents they can force the largely

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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,

 the Chinese are ready to retaliate.

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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.

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