



The President's Daily Brief

22 July 1969

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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.

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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."

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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.

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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).

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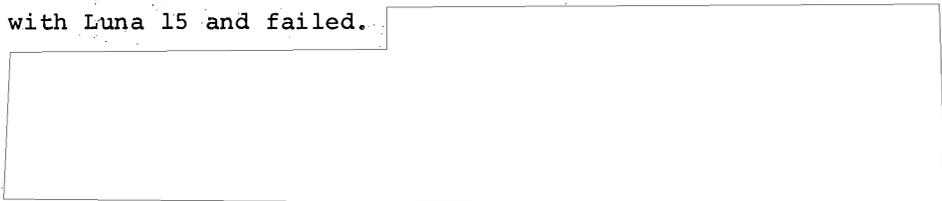
Like Mayor Schuetz, who visited Poland in June, Boex discerned a willingness on the part of the Poles to be flexible on the question of how an agreement on the Oder-Neisse line should be expressed. Winiewicz did not insist on a treaty but suggested merely an exchange of declarations between Bonn and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

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There is nothing significant to report on the Middle East.

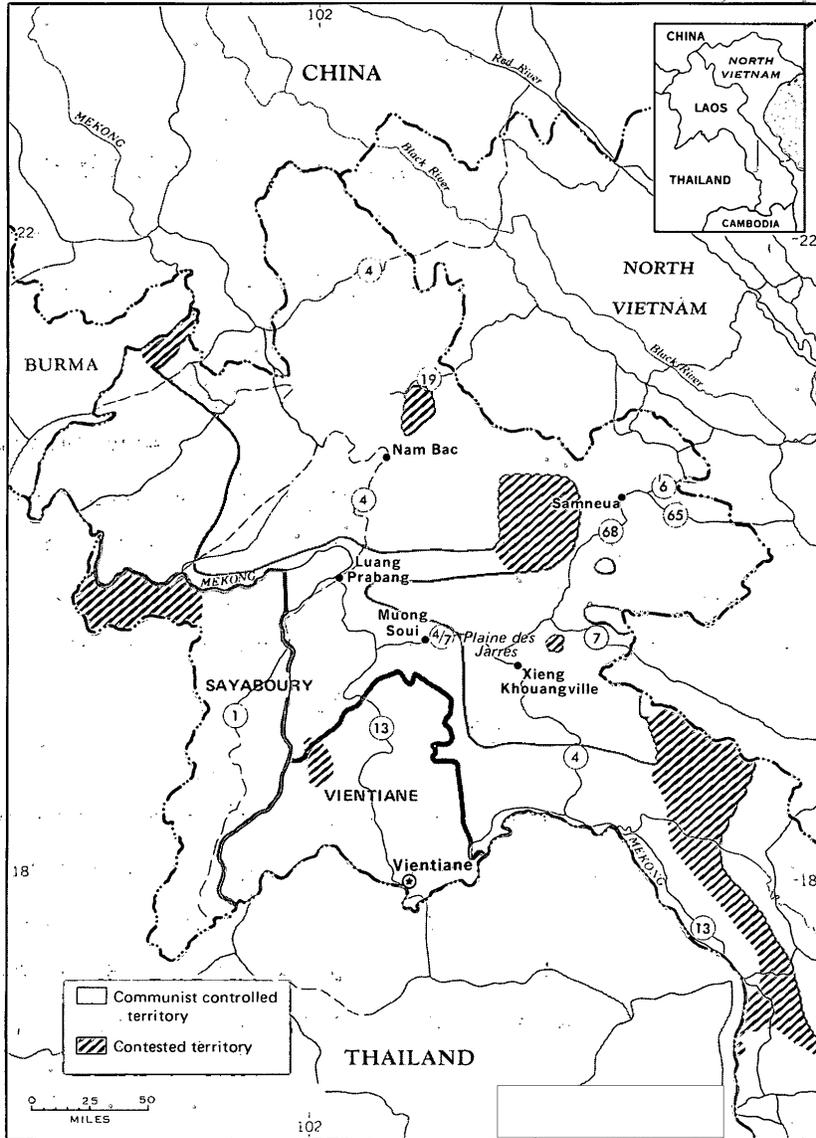
II. OTHER IMPORTANT DEVELOPMENTS

LAOS

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

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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

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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.

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