



The President's Daily Brief

6 August 1969

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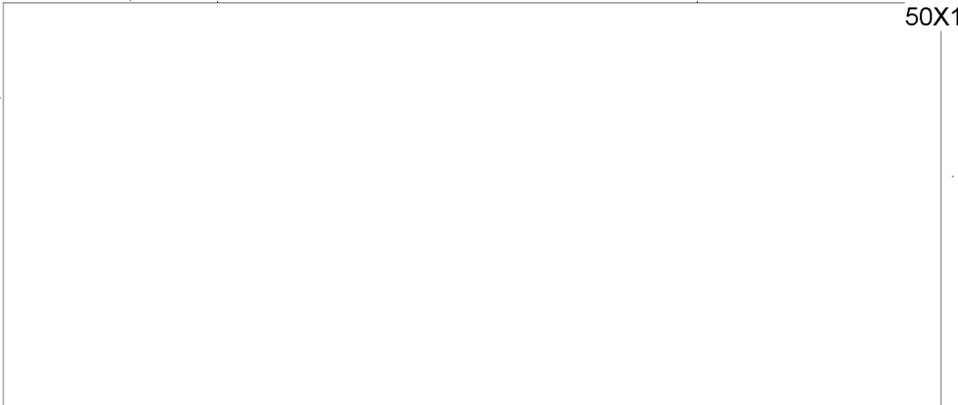
I. MAJOR PROBLEMS

MIDDLE EAST

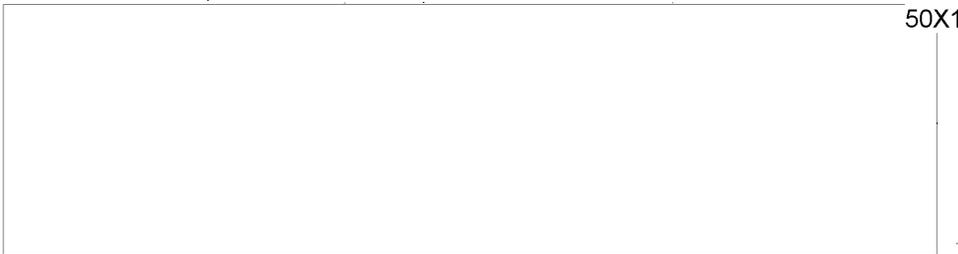
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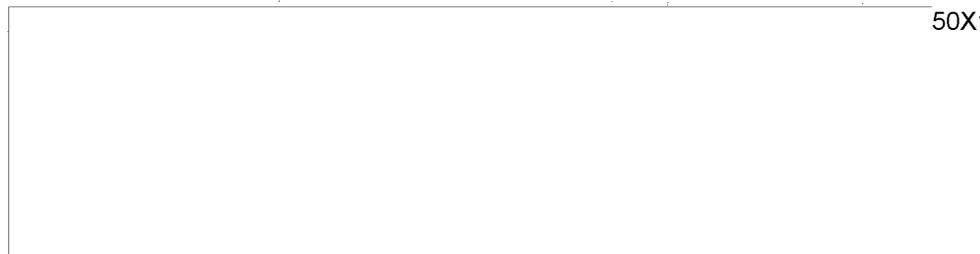
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EUROPE

Rumor's cabinet, announced yesterday, shows an attempt to present as broad a political spectrum of the Christian Democratic party as possible. Former premier Aldo Moro, recently associated with the left wing of the party, was named foreign minister, and an extreme left-wing faction leader, Donat Cattin, was appointed minister of labor. The Socialists presumably expected for their support a promise that the minority government will remain in office only until an attempt can be made to reconstitute a left-center coalition. There is speculation, however, that regional and local elections may be postponed from fall to next spring, which might permit this second government of Rumor to hold until that time.

SOVIET AFFAIRS

Moscow has used the propaganda journal, New Times, to make its sharpest comment yet on the President's visit to Romania.

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The fact that New Times is not an authoritative party organ suggests that the Soviets are not ready to commit themselves to a specific position. Nevertheless, a deputy editor of the journal called the article to the attention of the US Embassy last week, indicating it was probably meant to be an "unofficial" statement of Soviet policy.

In the article, "American ideologists" were charged with advocating extension of "suitable trade agreements" and license contracts to promote East European nationalism. The journal warned that machinations against socialism would "inevitably" evoke resistance from the USSR. Although no names were mentioned, the article clearly applied to Romania and the President's trip.

Soviet officials have implied ^{50X1} that Moscow will oppose any subsequent steps to strengthen US-Romanian ties. Soviet displeasure with Romania has been shown by the protocol snub of sending a relatively low-ranking party secretary to head the delegation to the party congress beginning in Bucharest today. Brezhnev headed the delegation to the last such affair in 1965.

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Hungary has been quick to take advantage of the opening provided by Gromyko's conciliatory line toward the West in his speech on 10 July. Ambassador Puhan sees a recent concession on US Embassy financial operations as a "significant breakthrough" which could lead to eventual settlement of such bilateral problems as financial claims, restrictions on embassy

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activity, and a cultural agreement. Since the Hungarians have always been cautious in dealing with the US, these actions would appear to have Moscow's blessing and reflect Soviet interest in detente moves.

II. OTHER IMPORTANT DEVELOPMENTS

SOUTH KOREA

President Pak's threat last month to resign apparently did the trick. He now seems to have enough votes in the National Assembly for passage of the constitutional amendment which would allow him to run for a third term in 1971. The amendment is expected to emerge from the legislature in mid-September and to be submitted to a national referendum on 7 October.

Pak will doubtless carry the day, but the government may run into trouble from the students. They are planning to resume demonstrations against the amendment after returning from summer vacation late this month.

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