



*The President's Daily Brief*

2 June 1969



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I. MAJOR PROBLEMS

VIETNAM

Le Duc Tho's two-hour rejoinder to Ambassador Lodge's statement in their meeting on 31 May is the first solid indication that Hanoi believes the time has come for grappling in private with the main issues. The main new element was his proposal that US and DRV negotiators take up "everything" issue by issue on the basis of the Front's ten points, reach agreements, and finally call in the Front and a "reformed" Saigon government to sign agreements and carry them out.

While this cuts across the allied position that Saigon should carry the ball on issues involving South Vietnam, Hanoi has taken pains to make the suggestion tempting by dropping its long-standing insistence that only the Front could speak for the Communists on matters involving South Vietnam. This dropping of some pretenses about the status and authority of the Front is a major departure for the Communists, even though its main purpose at this time is to isolate the Saigon government.

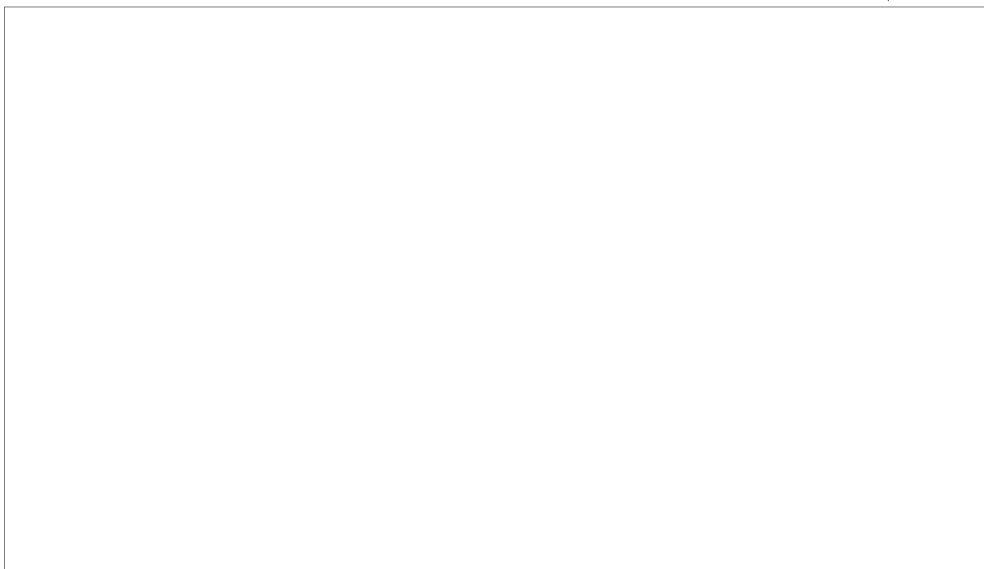
Le Duc Tho's comments concerning the Saigon government were tough and categorical. He confirmed once again that the Communists would never accept elections held under the aegis of the GVN or within the present constitutional framework. Tho flatly ruled out direct talks with GVN representatives in any forum at least until there were changes in both Saigon's policies and its leadership.

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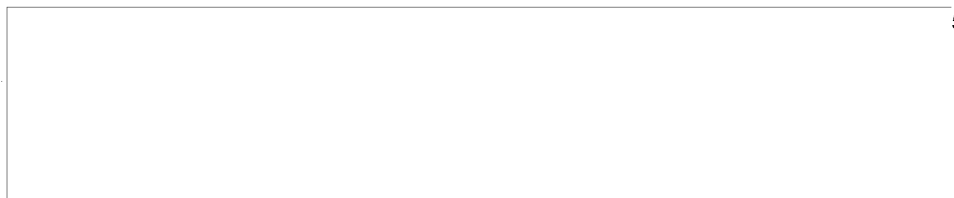
Nothing Tho said suggests the Communists are going to give any substantive ground soon or easily. His hard line on the South Vietnamese Government in effect sets the stage for a period in which Hanoi will concentrate on trying to split Washington and Saigon in hopes of bringing down the Thieu government.

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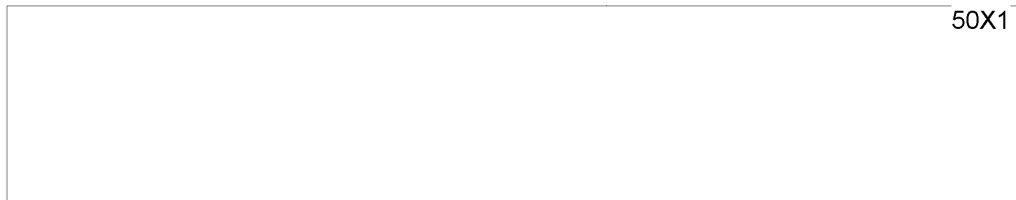
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## EUROPE

Pompidou's share of the first round balloting--44 percent of the vote--is not only three percent more than the polls had predicted but also more than De Gaulle himself received on the first ballot in 1965. This contrasts sharply with runner-up Poher's 23 percent and Socialist Defferre's humiliating five percent. Poher's poor showing, coupled with the fact that the Communist candidate, Jacques Duclos, received over 21 percent of the vote, will enable the Gaullists effectively to attack Poher on the grounds that his victory in the second round would be absolutely dependent on Communist voter support. Moreover, in order to win on the second ballot Poher will have to pick up not only all first-ballot Communist and Socialist voters but also some support from those who cast their ballots for minor "new left" candidates--an extremely difficult undertaking. Poher's task may also be complicated by defections from his own centrist camp.

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Another important consequence of the election will be to increase the leverage of the Communist Party in its relations with the non-Communist left. The trouncing of Defferre by Duclos in the "election within the election" will add strength to the argument that without Communist support the left is not a viable political force in France.

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The West German cabinet agreed on 30 May that in the future Bonn will not automatically break diplomatic ties with any state recognizing East Germany. This declaration is to be given to all governments with whom the West Germans have diplomatic relations. Although the Federal Republic will continue to regard recognition of East Germany as an unfriendly act, its response in each case will be determined by prevailing circumstances.

This is a victory for Foreign Minister Brandt and the Social Democrats, who have long wanted to drop officially the so-called Hallstein doctrine calling for severance of relations with countries recognizing East Germany. It is also a further stage in the development of West German attitudes toward acceptance and ultimate recognition of East Germany, although formal recognition is still a long way off.

SOVIET AFFAIRS

At a Czechoslovak party plenum on 29-30 May Husak and his colleagues began a housecleaning of the party membership in order to consolidate their own position and to convince

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the Soviets that they are speeding the process of "normalization." The leadership reprimanded or expelled a number of unreconstructed reformists and initiated investigations into the activities of others. Husak indicated that these measures were just the beginning and that the party would take action in the future against dissidents in other sectors of society--for example, the trade unions, intellectuals and students. Punitive actions, however, will probably be confined to expulsion from the party and possibly dismissal from jobs. Arrests are apparently not contemplated.

Pro-Soviet conservatives, who have been making a concerted bid for power, failed to make significant gains at the plenum and are probably only partly satisfied with the results. Husak has made it clear that he will not tolerate hardliners who want to return to the repressive practices of former party boss Novotny. The expected removal of a liberal from the party secretariat, however, appears to have given the conservatives a slight majority on that body.

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The communiqué issued at the end of the preparatory meeting of Communist parties in Moscow indicates that differences over the text of the main document--on imperialism--remain unresolved and that the chief dissidents, the Rumanian and Italian parties, are still unappeased. Although the communiqué does not specifically state 5 June will be the opening date of the conference, there is no positive evidence of further postponement. Soviet prestige has been bolstered by the announcement that the hitherto recalcitrant Cuban party will send a

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delegation of high-level observers to the conference. The Yugoslav party has officially announced that it will not attend.

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There is nothing of significance to report on the Middle East.

II. OTHER IMPORTANT DEVELOPMENTS

VENEZUELA


President Caldera's request that the Rockefeller mission postpone today's visit will probably encourage other governments to request postponement or cancellation of visits scheduled for later this month. President Frei of Chile has already told the US ambassador that Santiago would have to be turned into an armed camp to deal with expected demonstrations against the visit. Argentina is also a good bet to request cancellation.

Demonstrations and possibly some violence were being planned by Venezuelan students and extremist groups, but they probably would not have been any more serious than those already encountered by the Governor and his party.

CURACAO

Government officials have publicly blamed the difficulties of the last few days on "foreign-trained Communists."

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 some of the island's  
small radical element were active during the rioting. Many  
of the activists, however, are probably now under arrest, and  
the original construction workers' strike has been settled.  
Dutch marine reinforcements have raised military strength on  
the island to 1,200 men, which should be sufficient to main-  
tain order. The government probably will ignore the labor  
unions' demand of 31 May that it resign or face new disorders.  
The unions, however, are threatening a new general strike and  
increasing numbers of threats are being received by US citi-  
zens resident in Curacao.

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*MALAYSIA*

The security situation in most parts of Malaysia has  
improved, but Malays and Chinese are still eyeing each other  
with deep suspicion. Among the Malays, exultation at having  
bested the Chinese has given way to fear of Chinese retalia-  
tion. Many members of the Chinese community are indeed talk-  
ing of retaliation, but for the moment at least, Chinese  
leaders are urging restraint.

Deputy Prime Minister Razak and Home Minister Ismail,  
who currently dominate the regime, see a period of at least  
six months before their emergency council can relinquish con-  
trol.

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