



The President's Daily Brief

1 July 1969

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FOR THE PRESIDENT ONLY

I. MAJOR PROBLEMS

VIETNAM

In his conversation with Ambassador Bunker on 28 June, President Thieu responded in a positive vein to US suggestions for his forthcoming statement, to be made around 10 July.

Thieu's willingness to go along with the US appears to result in part from the fact that he has now had time to digest Le Duc Tho's recent rejection of a suggestion that the Communists might join the GVN on an electoral commission or accept internationally supervised elections. Although Thieu clearly has his own reservations about trying to work jointly with the Communists in a mixed election commission, he may now feel that he can yield to US pressure for such a proposal in the expectation that the Communists will reject it.

His cooperative attitude may be a prelude to a demand that the next initiative come from the Communists. Thieu hinted as much by expressing to Ambassador Bunker the hope that Moscow might use the GVN's forthcoming statement to pressure some move by Hanoi.

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Hanoi's chief negotiator, Xuan Thuy, may be en route back to the Paris talks.

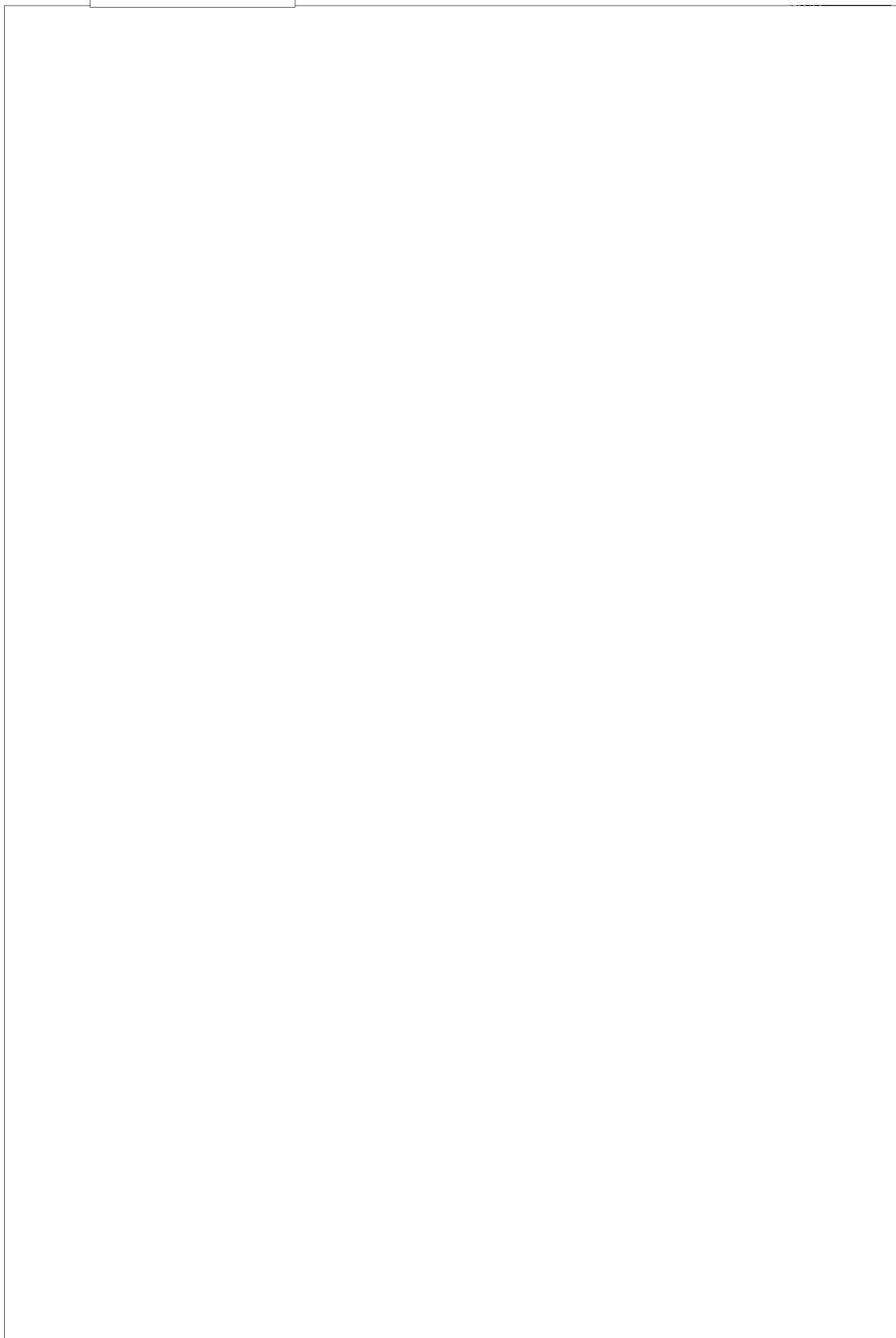
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LAOS:



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EUROPE

Mayor Schuetz's recent article in the journal Die Zeit, in which he all but advocated recognizing the Oder-Neisse line, has tarnished the modest luster of his trip to Poland earlier this month. The CDU, trying to capitalize on the trend it sees toward conservatism in the electorate, is hammering away at the mayor's alleged indiscretion. Schuetz's fellow Socialists are obviously worried that the article will blur the image which they were counting on to win them votes next fall-- that of a party pursuing a progressive yet cautious policy toward Eastern Europe.

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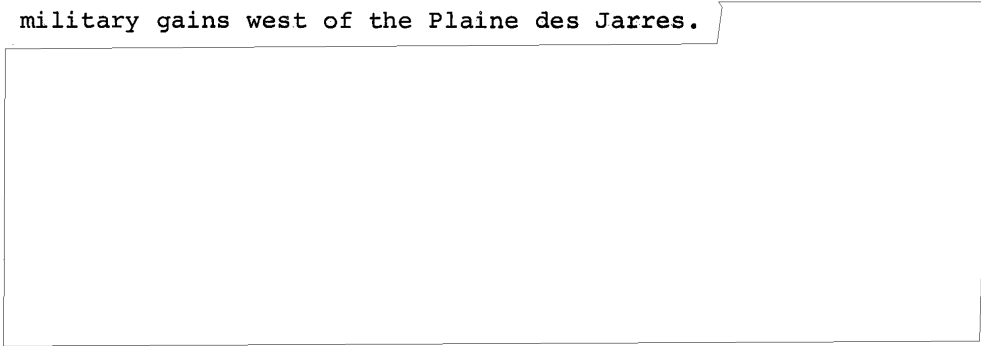
There is nothing significant to report on Soviet Affairs or the Middle East.

II. OTHER IMPORTANT DEVELOPMENTS

LAOS

The government is taking steps to blunt recent Communist military gains west of the Plaine des Jarres.

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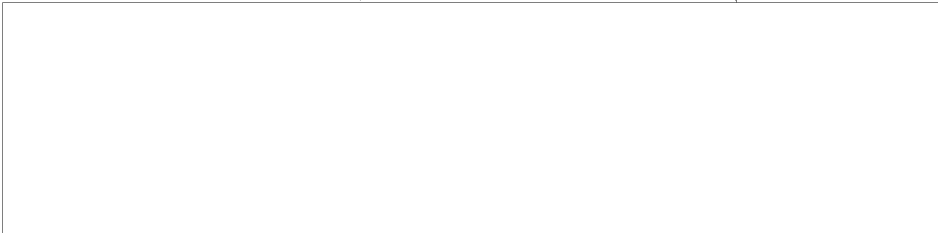


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To the west of Muong Soui the government is moving to clear Communist forces dug in near Phou Khoun, a highpoint overlooking the Route 7/13 road junction. Government units fresh from the capture of the Communist position at Tha Thom are reinforcing government defenders at Muong Kassy.



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ARGENTINA

The government imposed a state of siege throughout the country last night and arrested a number of antigovernment labor figures. These moves followed the assassination yesterday of Augusto Vandor, a Peronist who was Argentina's most powerful labor leader, apparently by radical rivals within the labor movement. The government's stern measures reduce the likelihood that the general strike scheduled for today will be successful.

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