



CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF



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1 JULY 1966

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**DAILY BRIEF
1 JULY 1966**

1. Ecuador

There is a strong chance that an attempt will be made to overthrow the Yerovi government on Saturday. The occasion will be the welcoming ceremonies in Quito for four-time president Velasco, who has been holed up in Guayaquil.

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2. North Vietnam

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3. Indonesia

General Suharto continues to ply the axe at the remaining roots of Sukarno's strength. He has sent large army forces to East and Central Java, where both Sukarno and the Communists have been traditionally strong, and appointed new commanders there.

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A movement is afoot in the consultative assembly, whose current session in Djakarta ends on 5 July, to make Suharto prime minister at the head of a new cabinet.

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4. Bolivia

Barrientos looks like an easy winner in Sunday's presidential election. His center-left coalition will probably also win a congressional majority. Conservatives and moderate leftists will probably divide the remaining seats.

On or before election day, there will probably be numerous but scattered incidents of violence, which the police and the army should be able to handle.

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5. Argentina

The Ongania government aims eventually to create a new democratic system of three to four political parties, according to one of the leading coup planners in an informal conversation with the US chargé d'affaires. The spokesman did not indicate how long this is going to take.

The Ongania group probably does have pretty specific plans for pursuing these and other long-range objectives. For the time being, however, Ongania may find security concerns uppermost. Yesterday, police clamped down on the Communist Party. Peronism and political activity by trade unions will be prohibited.

The University of Buenos Aires, which with some justice the government believes to be a hotbed of subversion, may be next for the treatment.

6. Rhodesia

The exploratory talks in Salisbury are getting nowhere, and the British probably will let them trail off, perhaps for a period of some length.

[redacted] one of the main stumbling blocks has been the UK's unwillingness to begin negotiations in earnest until Rhodesia returns to constitutional government. Smith has apparently refused even to discuss ways that the latter might be done.

Some members of the British team in Salisbury think that the economic sanctions being applied will soften up the Rhodesian position by September. Others think that it will take until the end of the year for this to happen, if it happens at all.

At the moment, it is not clear which side has the next move in this situation.

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7. Yugoslavia

The forced resignation of the president's top lieutenant and heir apparent today reopens the problem of finding a successor to the 74-year-old Tito.

The two remaining party secretaries, Kardelj and Vlahovic, would appear to have the inside track, but neither is considered to wield much influence within the party.

Today's upheaval is probably the prelude to other dismissals and a general reshuffle of government and party officials designed to bring along younger, more liberal-minded men.

8. Communist Fronts

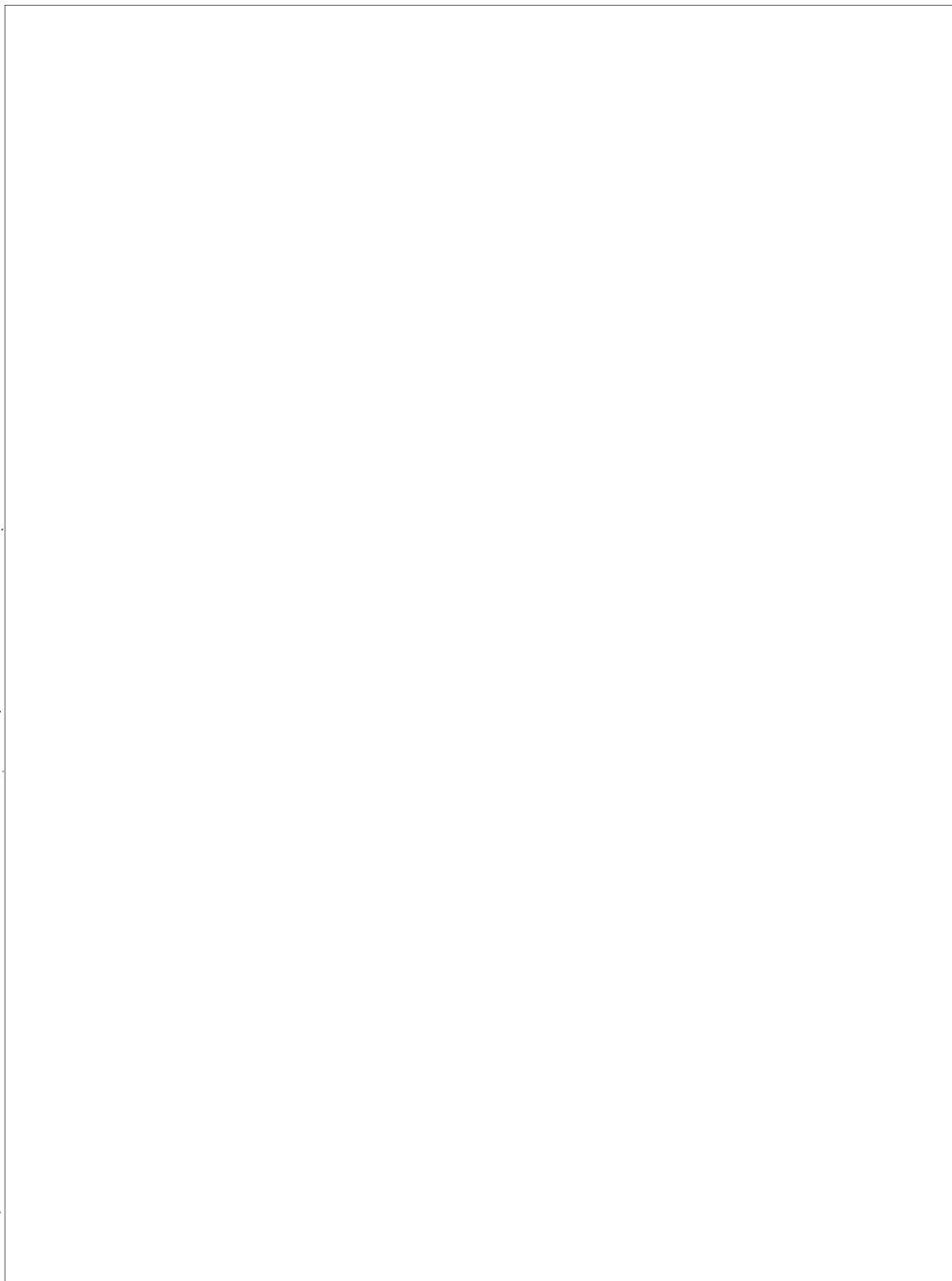
Pro-Communist and pacifist groups plan widespread demonstrations on 4 July protesting US policy in Vietnam. The meetings will be held at US embassies and other establishments. The North Vietnamese youth organization has appealed to the Communist-front world youth organization to hold solidarity demonstrations on 20 July, the anniversary of the signing of the Geneva accords.

These plans were under development before the US air strikes at Hanoi and Haiphong, but the turnouts will probably be larger because of the strikes.

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CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF



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2 JULY 1966

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DAILY BRIEF
2 JULY 1966

1. South Vietnam

The US Embassy notes that there has been a great deal of behind-the-scenes activity within the hierarchy of the Buddhist Institute this week. The outcome of all this is not yet clear, but there are reports that Institute leaders are moving gradually toward an accommodation with the government, including an agreement to participate in the September elections.

Meanwhile, Ky has told newsmen that a reshuffled cabinet will be made public early next week.

The reason for the delay--an announcement on the reorganized cabinet had been unofficially promised for 1 July--is not entirely clear, but probably stems from advice from Ky's entourage to reconsider some of his intended changes. Earlier information indicates Ky apparently has been talked out of taking over the foreign affairs portfolio from able Foreign Minister Tran Van Do.

2. Yugoslavia

The central committee of the Yugoslav Communist party has strongly endorsed Tito's purge of his former heir apparent, Aleksandar Rankovic. Top party leaders in sometimes dissident Croatia apparently fully support the move, probably because they see it as an opportunity to gain political leverage in the succession sweepstakes which may already be under way.

The creation of a new commission to discuss the implications of the matter in public could, if Tito thinks it necessary, result in a show trial.

An extraordinary congress will be called to reorganize the party.

3. France

The countdown on 1 July for the first French nuclear test in the Pacific was halted literally at the last second.

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No information on the reasons for the delay is available, but an adverse wind shift may have been a factor as publicly announced.

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4. Indonesia

Open criticism of Sukarno has picked up again in the Djakarta press. Only two of three papers, including one financed by Sukarno himself, are still giving him strong support. The anti-Sukarno papers now often refer to the president simply as "Sukarno," an impoliteness known to infuriate him.

The background on this is probably that the army has encouraged the press to take off the gloves in dealing with the president. Aside from continuing the erosion of Sukarno's public support, the object probably is to soften his opposition to major cabinet changes that General Suharto's supporters are planning to promote. This move may come within the next few days.

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THE PRESIDENT'S DAILY BRIEF



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4 JULY 1966

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DAILY BRIEF
4 JULY 1966

1. South Vietnam

[REDACTED] Ky will probably announce his cabinet changes tomorrow. It is expected that several more Catholics will be given ministerial rank; the moderate Buddhist element in Saigon is said to be considerably disturbed by these prospects.

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These Buddhists are afraid that the changes may bring a switch from an anti-struggle or anti - Tri Quang attitude in the government to outright opposition to all organized Buddhism.

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2. Laos

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3. Soviet Union

On Friday a Swedish foreign ministry official read Ambassador Parsons the letter from Kosygin to Erlander--very polite in tone--cancelling the former's July visit to Sweden.

[redacted] the "unforeseen circumstances" keeping Kosygin in the Soviet Union were said to be the meeting on 2 August of the Supreme Soviet, for which he must prepare. The Swedish official noted the change in dates of Gromyko's visit to Japan and the expedited return of Polyansky from Canada as confirmation of Kosygin's excuse.

We do not yet have any firm indication of what all the rush is about. However, there are indications that the party Central Committee may meet in mid-July. If so, we may be able to glean from this what the Supreme Soviet will consider.

4. Yugoslavia

[redacted] the Yugoslav party meeting which purged Aleksandar Rankovic [redacted] strongly implied that the former security chief was ousted because, as Tito's proclaimed heir apparent, he tried to amass too much power prior to Tito's actual demise.

It has been publicly announced that the coming purge will be widespread, affecting not only the security apparatus but also the federal and republican levels of both the party and government.

5. France

De Gaulle's visit to Russia produced almost nothing unexpected. Our embassy in Moscow says he stirred the atmosphere, but left the world situation basically where he found it.

Moscow nevertheless probably is pleased with the visit. By equally blaming both east and west for the cold war, upholding the Soviet thesis of coexistence, and plugging the idea that a European settlement is primarily a matter for Europeans, De Gaulle advanced important Soviet objectives.

He also, however, appears to have defended essential Western interests in his talks with Soviet leaders, knocking down the idea of recognition of East Germany and giving the Soviets no encouragement about a European security conference.

Those hoping for discernible progress toward an east-west detente were disappointed. As a Paris newspaper said, "the icebreaker was hard at work for eleven days, but the icepack hardly seems seriously chipped."

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5 JULY 1966

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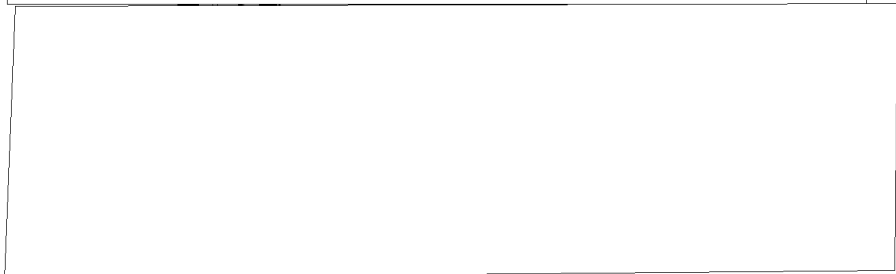
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DAILY BRIEF
5 JULY 1966

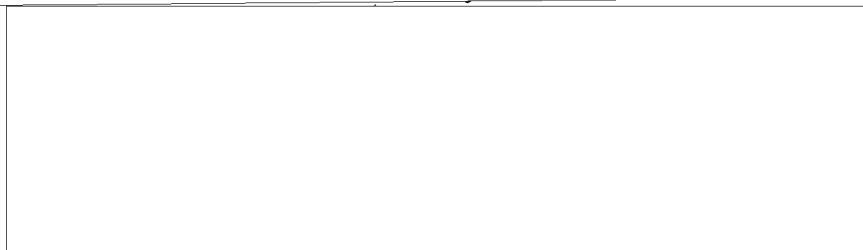
1. North Vietnam



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2. South Vietnam

Late yesterday the government released, in two separate ceremonies, a total of 282 persons arrested in recent weeks for participation in the "struggle."

In both ceremonies the detainees were handed over to Tam Chau with only one other Buddhist Institute leader present--an apparent attempt by the government to build up Chau's prestige at the expense of Tri Quang and the extremist wing of the institute.

Today, the 79-member Peoples-Army Council was installed. Its mission is to advise the government on political, economic, cultural, and social welfare matters. Until it elects its officers and we can learn more about its important members, we cannot say whether this council will be any more effective than the many similar ones that have come and gone in recent years.

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3. Communist China

A Chinese Government statement on Sunday and a People's Daily editorial today refer to the US strikes on the Vietnamese oil depots and declare that the strikes free China from "any bounds or restrictions" in rendering support to the North Vietnamese. As a result, the newspaper says, China "will observe no boundary in aiding Vietnam," and then repeats previous pronouncements on Vietnam which implied that China would not initiate a war with the US.

In all, it seems to us that the Chinese response so far to the raids has been hesitant and cautious. Despite noisy repetition of earlier pledges of support for Hanoi, Peking has been careful to avoid any extension of their commitment in Vietnam.

In fact, the emphasis in these statements--like those from Hanoi--is on the determination of the Vietnamese people to carry on the struggle themselves.

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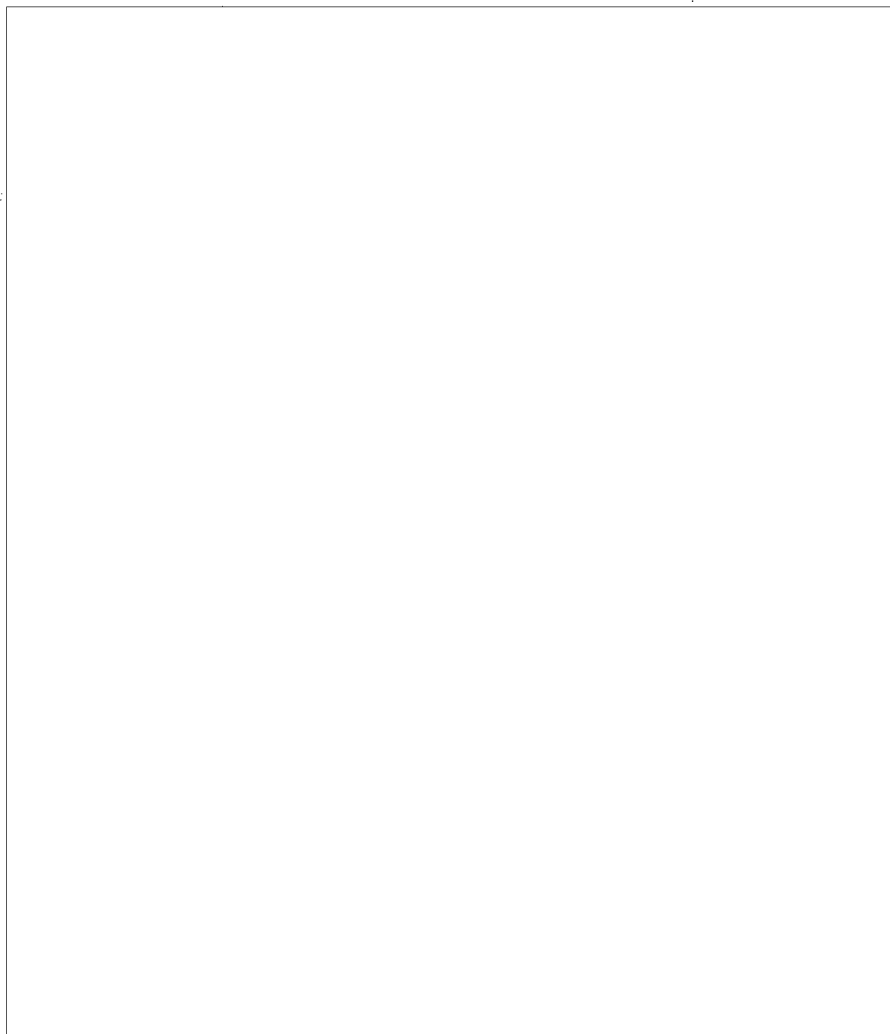
5. Cyprus

The situation in northeast Cyprus remains explosive. The local government has informed General Grivas, the Greek-controlled commander of the Cyprus armed forces, that he can take whatever action he deems necessary to settle the road-building dispute in the Trypimeni area.

Both Athens and Ankara are urging moderation on their respective communities, but the danger of a new clash is heightened by the scheduling of a Greek Cypriot National Guard exercise tomorrow in an area bordering Turkish Cypriot territory north of Nicosia.

6. Yugoslavia

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THE PRESIDENT'S DAILY BRIEF



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6 JULY 1966

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DAILY BRIEF
6 JULY 1966

1. South Vietnam

General Thi, former commander of I Corps, was arrested last night. Premier Ky says this is standard practice during a military investigation and that there will probably not be a court martial.

Ambassador Lodge, however, is skeptical and believes that the arrest could have unfortunate repercussions. Instead of quietly packing the general off to exile, Ky has made another flashy move--one that runs the risk of reopening old wounds that are difficult to heal.

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2. North Vietnam

The French press correspondent in Hanoi claims that De Gaulle's envoy, Jean Sainteny, is getting real VIP treatment in the North Vietnamese capital. Sainteny is said to have been received by both Ho Chi Minh and Pham Van Dong for "long talks on two successive days without interpreters." The atmosphere for the Frenchman is described as "cordial."

If these "long talks" have, in fact, taken place, it would indeed be unusual. While Ho frequently receives high-ranking Westerners, he usually sees them only briefly in the course of their talks with his subordinates. De Gaulle's emissary last winter, Jean Chauvel, was not received at all.

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the trip is being billed as a private visit to renew old friendships.

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3. North Vietnam

There is still no information available on the Sainteny talks, but we do have a summary of an interview which Ho gave recently to a Russian correspondent.

In this interview, published today in a Soviet weekly, Ho took a standard hard line, saying "the American imperialists now resemble a gang of robbers who forced their way into a house, sacked it, killed some of the inhabitants, pointed a pistol at the heart of the master, and offer 'now let us talk of peace.' The American imperialists unleashed a war against our republic, which is a little country. The war is therefore difficult for us, but we did not falter and we will not falter."

We are uncertain whether this interview was given before or after the initial bombing of the North Vietnamese POL facilities.

4. Argentina

The Ongania government does not intend to commit itself to a date or a period for holding elections. 50X1

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6. Soviet Union - Iraq Further information on the \$100-million Soviet-Iraqi arms deal signed back in May indicates that it will string out over several years, and will provide Iraq with some items it has not had before. The latter will include 32 high-performance fighter-bombers, eight guided missile patrol boats, and a submarine chaser. Soviet instructors in the use of the new equipment are due in Iraq late this fall, and deliveries will probably begin next spring.

7. Israel

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8. United Kingdom

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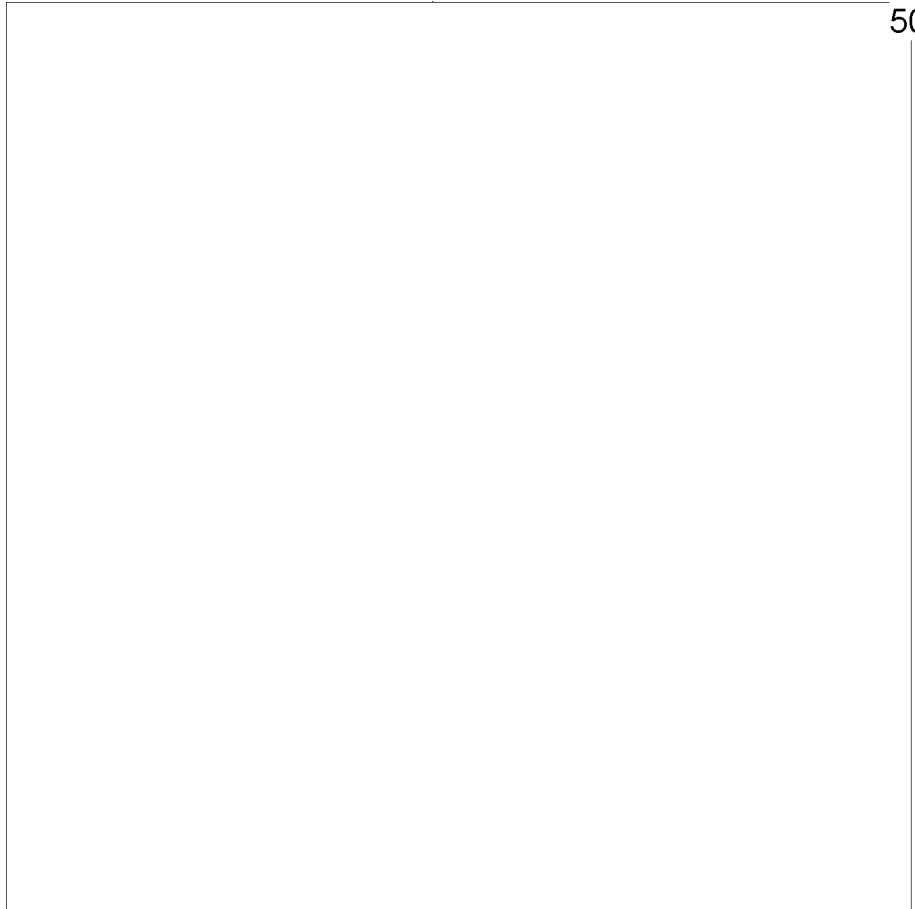
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9. Pakistan

It looks as if the Pakistanis have acquired some bombers as well as more fighter aircraft from the Chinese Communists. For the first time, US Air Force personnel recently spotted four IL-28 (Beagle) jet light bombers at Peshawar airfield. China is known to have supplied Pakistan with at least 40 MIG-19s. The IL-28s came from China's inventory of over 250 which it acquired from the Soviet Union before 1960.

10. Indonesia

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7 JULY 1966

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DAILY BRIEF
7 JULY 1966

LATE ITEM

North Vietnam

The Czech news agency reported this afternoon that trials of captured US airmen "may" begin on 20 July, the anniversary of the signing of the Geneva agreements. The trials reportedly will be conducted by military tribunals in the provinces in which the airmen were captured. The death penalty will reportedly be demanded for some. There has as yet been no word on this from North Vietnamese official agencies.

DAILY BRIEF
7 JULY 1966

1. North Vietnam

Today's Warsaw Pact statement on Vietnam, to the effect that the Pact allies are ready to let their volunteers go to Hanoi if the North Vietnamese ask for them, does not go beyond earlier Soviet declarations on the subject. Well-hedged, cautious, and vague, the principal service of the statement is to reaffirm the common Soviet and East European position in support of Hanoi.

Hanoi radio has been playing up recent Chinese Government expressions of support, but has not yet carried recent, more militant Chinese provincial broadcasts, at least one of which adverted to China's willingness to send troops to Vietnam "if the Vietnamese need us."

The US Embassy in Saigon remarks that Hanoi seems to be using Chinese pronouncements of support to boost home front morale, but by ignoring the volunteers question still is dissociating itself from any possible suggestion that "volunteers" might be desirable.

2. North Vietnam

There is as yet no authoritative information on the "friendly conversations" De Gaulle's emissary, Sainteny, allegedly had in Hanoi with Ho Chi Minh and Pham Van Dong. Sainteny left Hanoi today for Phnom Penh.

3. Egypt

Disenchantment with the regime seems to be growing among important elements of the population.

There are few Egyptian families

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who have not had a relative or friend killed in Yemen, arrested for suspected political activity, or roughly treated in a recent campaign against landowners accused of evading reform laws.

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The prime minister is said to be at odds with the secretary general of Egypt's state political organization over implementation of the government's reform program.

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We have no information that new antiregime activity is afoot because of this dissatisfaction, but we might not in any event. Last summer plotting reached a fairly advanced stage before the usually alert regime itself got wind of it.

4. Congo (Brazzaville)

The president and prime minister are maintaining some sort of tenuous control, and order has generally been restored.

They have, however, refused most of the demands from the dissident army elements who precipitated the uproar last week and are said to have publicly admitted that only the support of their hired Cuban military types is keeping them in power.

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5. Iran

The Shah appears to have crossed the bridge mentally and probably does intend to buy what he calls "nonsensitive" arms from the Soviet Union. Several of his close advisers insist he has already contacted the Soviets.

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The Shah is said to have convoked the senators and deputies for "an important statement" next Tuesday, and could be planning to make a big splash by announcing a Soviet arms deal.

6. Cyprus

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8 JULY 1966

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DAILY BRIEF
8 JULY 1966

1. North Vietnam

We now have a report on Sainteny's visit to Hanoi, albeit second hand from the French ambassador in Laos, with whom Sainteny breakfasted this morning before going on to Cambodia.

The ambassador said the atmosphere of the visit was of the utmost cordiality, and that Sainteny did in fact have lengthy conversations with Ho and Dong.

On substance, however, Sainteny was said to be greatly discouraged. All leaders with whom he talked showed an "unshakeable will to resist," and total lack of interest in a standdown of military operations, ceasefire, or negotiations. He was said to feel that their position may have hardened since the bombing of the POL facilities.

Sainteny felt that civilian morale remains high. There was an atmosphere of tension, but he is said to have seen no signs of desperation or panic. Evacuation of Hanoi was proceeding in orderly fashion.

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2. Communist China

Severe flooding in southern China, especially in Kwangtung Province, is threatening the early rice crop. The extent of the damage is not yet known, but this province alone usually accounts for about 35 percent of the early rice crop, or about 5 percent of the country's total grain harvest.

With the wheat areas in the north suffering from drought, the over-all picture looks grim unless growing conditions are much above average during the last half of the year.

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3. South Vietnam

General Thi is [REDACTED]

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[REDACTED] "increasingly amenable" to some assignment that will take him outside of South Vietnam.

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This sudden interest probably stems from ominous handwriting he is beginning to see on the wall. What to do about him and the other four generals charged with aiding the struggle is shaping up as a major issue in the infighting that appears to be reviving within the directorate, and Thi probably fears he may become a pawn in the feuding.

Plans for a special council of some 20 generals to interrogate Thi on Saturday concerning the "struggle" movement--and then decide whether he should be court-martialed--apparently still hold. Furthermore, Ky may not be willing to show much moderation on the issue of Thi's future lest any such stand in turn be used to undermine his own position. 50X1

4. Rhodesia

[REDACTED] the question of concessions to the British. Smith and most of his ministers are apparently becoming somewhat more flexible on this issue; at the lower levels, however, many of the party militants are more uncompromising than ever. 50X1

So far, Smith's popular support seems to be unaffected by this cleavage and he could probably survive minor concessions so long as the decisions on the future of white political control are left to the white Rhodesians. Even Smith, however, is said to believe that Britain is more anxious to reach a solution soon than is Rhodesia.

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5. Soviet Union

The following are a few bits and pieces on the Soviet leaders which were picked up during De Gaulle's visit and passed to Ambassador Kohler by his French counterpart in Moscow.

During the talks with De Gaulle, party secretary Brezhnev, as expected, was clearly the number one Soviet spokesman. In the discussions, Brezhnev was described as "somewhat heavy in his approach."

Brezhnev also tended to get flustered when he went beyond party-line material and on these occasions would turn to Premier Kosygin for prompting. Brezhnev was summed up as "a man of good sense but not a real brain."

As for Podgorny, the Soviet titular head of state, "it was as though he were not present at all."

6. United Nations

The French ambassador in Moscow also says that De Gaulle and the Soviet leaders were in agreement during their talks that they would support U Thant's re-election.

Thant, however, has been dropping hints again that he is against a second term. In this connection, he recently mentioned his distress over the failure of the Soviets to make their financial contributions to the UN and the US bombing of North Vietnam.

7. Cuba

Western newsmen who have seen Castro several times during the past few days say that he is in very good physical shape and behaving just as omnipotently as ever.

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DAILY BRIEF
9 JULY 1966

1. Vietnam

On balance it would appear that some Catholics probably are distrustful of Ky and his crew, but most genuinely want to see the elections successfully held in September.

2. Latin America

The chief executives of several Latin American countries are planning preliminary meetings next month to discuss President Johnson's request for suggestions from Latin American countries as to topics to be considered at a conference of Western Hemisphere presidents.

The meetings will take place in Bogota during the week of 14 August, following the inauguration of Carlos Lleras Restrepo as president of Colombia. In addition to Lleras, the presidents of Chile and Venezuela are planning to attend, and the president of Peru is known to be interested.

Latin American economic integration will undoubtedly be one of the most important subjects discussed.

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3. Ecuador

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Although the regime has been taking a number of steps recently to help neutralize the conspirators, President Yerovi is still worried because Velasco seems to have unlimited funds to use in winning over elements in the police and military.

4. Iran

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5. France

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CENTRAL INTELLIGENCE AGENCY

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11 JULY 1966

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DAILY BRIEF
11 JULY 1966

1. Vietnam

Peking has once again emphasized that the Vietnamese and not the Chinese must carry the primary responsibility for conducting the war. A People's Daily article yesterday declared that "the people can and should rely only on themselves to make revolution and wage people's war in their own country" and "be prepared to carry on the struggle by themselves should all material aid from the outside be cut off."

Chinese propaganda has long stressed the theme of "self-reliance"; it dates from 1957 and originates with Mao. This theme is coupled with the assertion that Peking will always aid "people's revolutionary struggles" as part of its socialist obligations."

The appearance of the People's Daily article at this time, however, is further indication that Peking does not view the recent US bombing of petroleum installations as requiring any change in their policy toward the war.

The Chinese will, however, undoubtedly continue their present level of support and will probably assist the Vietnamese in developing new and alternative methods for importing and distributing POL supplies.

2. West Germany

Chancellor Erhard took a sharp personal setback in Sunday's election in North Rhine - Westphalia, the most populous and industrialized state in the country. Despite the chancellor's extensive campaign effort, the opposition Social Democrats scored an upset and came very close to winning a legislative majority. This is going to encourage Erhard's opponents within his own party, and he may feel under pressure to improve his vote-getting record in other state elections later on.

3. Indonesia

The next three months or so will be a period of reorganization and consolidation for the Indonesians. The US Embassy in Djakarta believes that Suharto will remain the key figure and that his strength will grow. Sukarno will probably still be around in September, but with a narrowing field of action.

In foreign policy, the new regime will be seeking at least a formal end to the confrontation with Malaysia. [REDACTED]

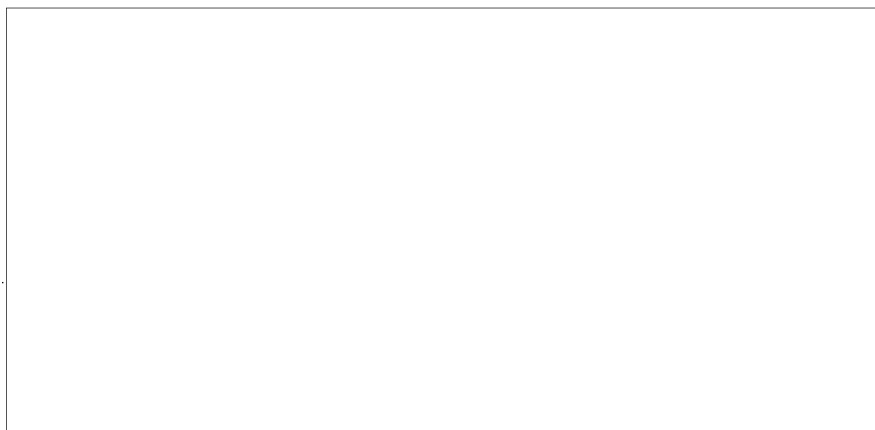
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[REDACTED] It will return to the UN before the September session of the General Assembly. It will try to rebuild the country's other ties with the non-Communist world, mainly in quest of substantial foreign aid. Cordial gestures will also be made toward Eastern Europe and the Soviet Union in order to blunt the offense given by the regime's rejection of Marxism-Leninism.

The economy will remain in serious shape, but can rock along. The embassy doubts that economic troubles will precipitate a political disturbance.

4. Indonesia

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5. Communist China

More personnel changes in the party leadership have come to light. In typical Chinese fashion, these have not been formally announced: new faces have simply appeared in old jobs.

It appears that the party has a new propaganda chief, Tao Chu, formerly a regional chief in the party apparatus. He is associated with a very tough attitude toward intellectuals and cultural figures. Tao is now a member of the powerful party secretariat which actually runs the party day-to-day.

The secretariat also has another new member, Yeh Chien-ying, a senior military training expert. Yeh's appointment suggests that he has replaced the military incumbent on the secretariat, who has up to now also been chief of staff.

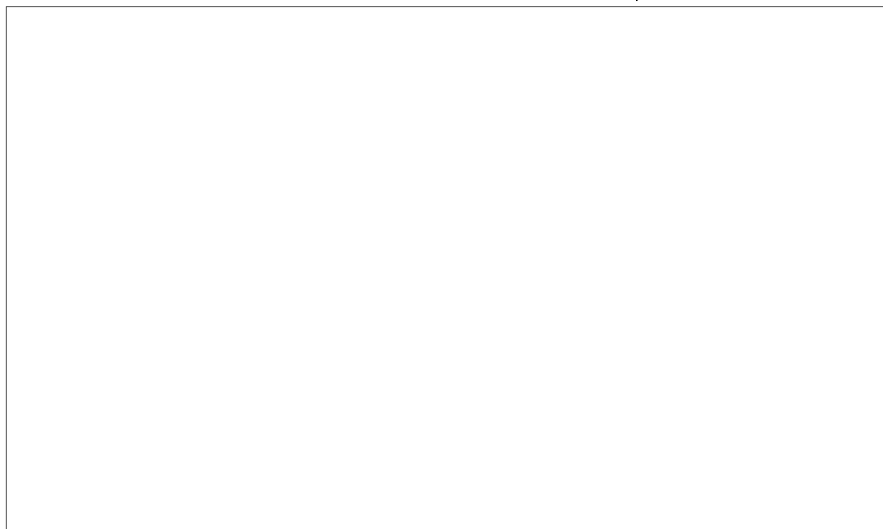
It is still too early to tell what the real pecking order is in Peking. Indeed, the shake-up that began early last month may not have run its course.

6. East Germany

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7. Cuba



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THE PRESIDENT'S DAILY BRIEF



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12 JULY 1966

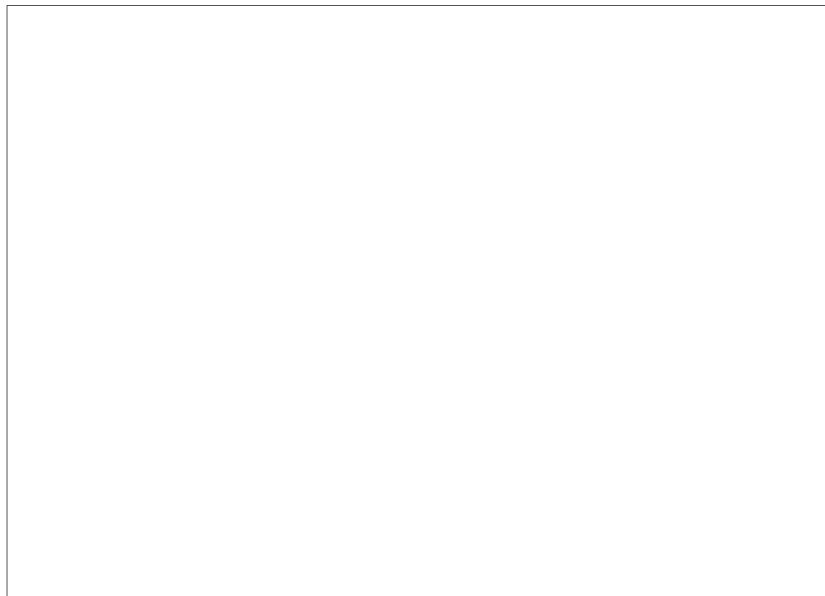
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DAILY BRIEF
12 JULY 1966

1. South Vietnam

There is still some question about what the Buddhists will do about the elections scheduled for September. The Buddhist Institute--which our embassy feels is still controlled by the extremists--has made no official statement recently on the elections. It may not get around to defining a position, for fear of inducing splits in the movement which would dissipate such political influence as it retains.

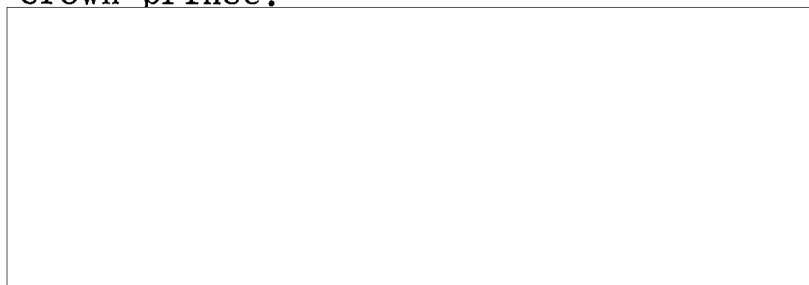
2. Vietnam



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3. Communist China

Mao has made his second appearance--again in a ceremonial role--since last November. Peking announced today that he had received the visiting Nepalese crown prince.



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4. Egypt

Nasir's talks with Mrs. Gandhi appear to have been unproductive.

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Mrs. Gandhi's press conference before her departure--she arrived in Moscow today--was brief and her answers short. [redacted] several questions provided opportunities to elaborate on Vietnam, but she came up with only brief replies.

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5. Iran

The Shah has now admitted to Ambassador Meyer that he has contacted the Soviets about an arms purchase.

Although apparently "shaken" by the ambassador's warning that such purchases would complicate his military relations with the US, he said he would now have to hear the Soviets out or be branded a US puppet. He insisted, however, that he would carefully watch the activities of Soviet technicians accompanying any equipment he might buy.

The Soviets apparently have not yet made known their terms.

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6. Ecuador

A general strike in one of the high-land provinces is presenting interim--and reluctant--President Yerovi with what our embassy calls the "knottiest problem" yet.

The strikers are demanding abrogation of a government tax measure. Yerovi, however, has rigorously enforced all previous tax decrees, and the army is prepared to back him and break this strike. The danger is that the president may weary of the whole mess and carry out earlier threats to resign, plunging the country into protracted unrest.

7. Africa

Yesterday, Nationalist China and struggling little Malawi established diplomatic relations.

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About the only significance of this is that it evens the score in Africa--16 states now recognize the Nationalists, and 16 the Communists.

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DAILY BRIEF
13 JULY 1966

1. South Vietnam

The cabinet changes--finally announced today after repeated delays--are not spectacular.

Defense Minister Co retains all his functions, suggesting that Ky and Chief of State Thieu decided not to risk controversy over any downgrading of Co.

Two Buddhists, both endorsed by the Buddhist Institute, were dropped in the reshuffle, whereas another Buddhist not affiliated with the institute was made deputy premier for cultural and social matters.

No reaction to the changes has been reported from government functionaries or from the remnants of the Buddhist Institute.

2. Communist World

The press in Czechoslovakia--following the lead of Soviet newspapers--is now commenting directly on "the great cultural revolution" in Communist China. Last Saturday, for example, Prague's leading party daily noted that philosophy in China is now liberated from scientific research and that "even simple men without theoretical knowledge, but armed with Mao's ideas, are able to solve complicated philosophical problems."

To illustrate this point, the Czech paper cited an article by a Chinese ping-pong champion dealing with "the dialectics of table tennis"; and another article by a Chinese hairdresser, which utilized the "results of several years of study of Mao's works to discover the general laws of hairdressing."

3. Congo

Former premier Tshombé and the South African mercenaries in the eastern Congo are said to be involved in a plot against the Mobutu government. 50X1



4. Syria

[redacted] the political and economic situation throughout his country is still deteriorating badly. On the political side, [redacted] continuing disagreements among the military leaders and covert machinations by the Nasirists. On the economic, there is a day-by-day increase in unemployment and an agricultural crisis caused by the lack of rain. 50X1

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CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF

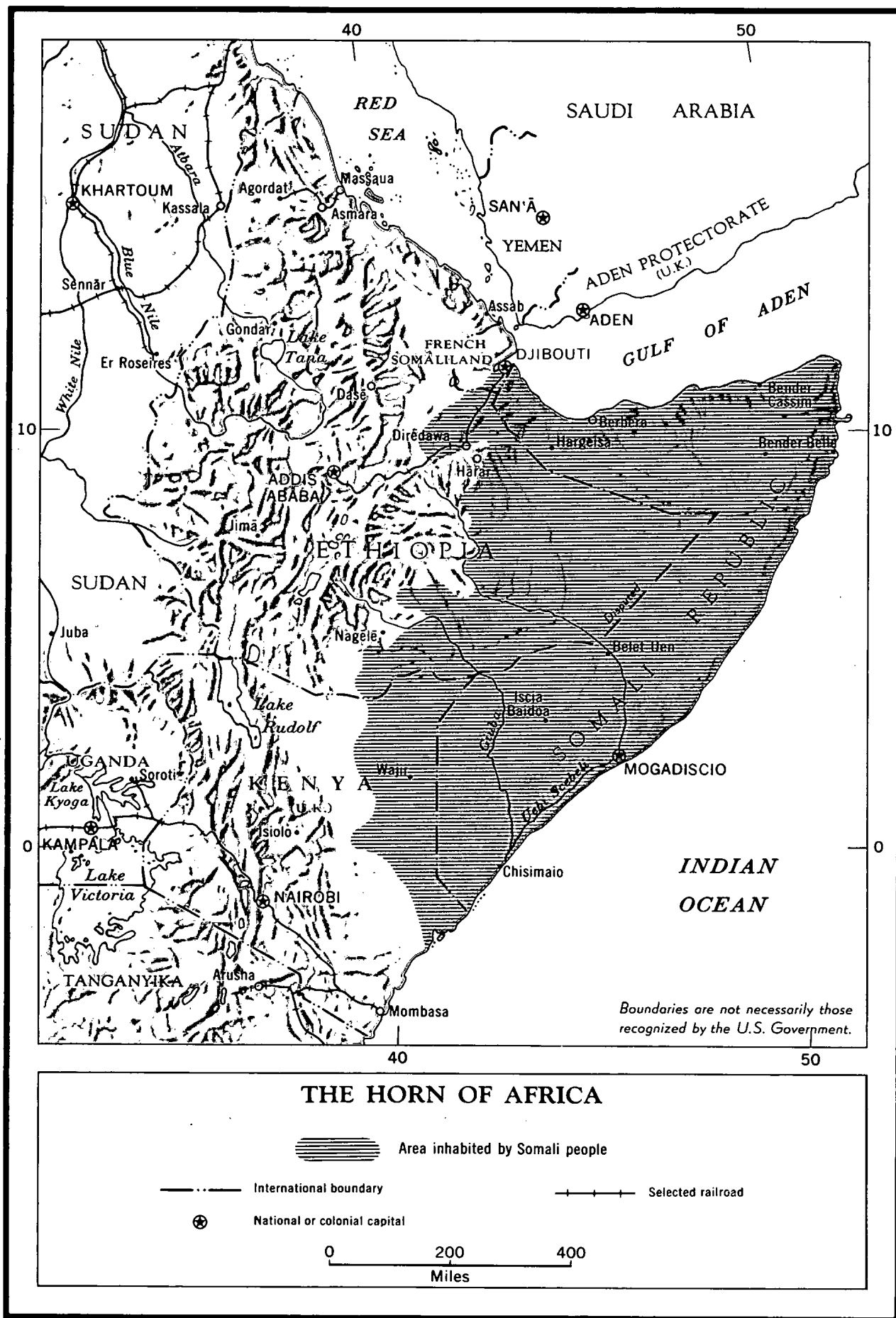


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14 JULY 1966

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DAILY BRIEF
14 JULY 1966

1. North Vietnam

Jean Sainteny, who arrived back in Paris yesterday, has told French officials that he has the impression that US prisoners in North Vietnam will be tried, but he has no idea when this might take place. Sainteny also got the impression from the Hanoi leaders that although the prisoners would be sentenced, the sentencing would not be carried out.

The president of the international Red Cross says that the North Vietnamese ambassador to Moscow treated him to a long and well-prepared spiel on this subject in mid-June. The ambassador said that trials conducted by military tribunals could be expected soon.

2. Somalia-Kenya

Somali guerrilla activity in north-eastern Kenya, already a problem for the Kenya authorities, is apparently destined to increase soon. [REDACTED] the Somali National Army has recently finished training and equipping more than 1,200 guerrillas who are now taking the field. More will receive training.

This problem, and the similar situation on the Ethiopian frontier with Somalia, has a long and bloody history. Essentially, what the Soviet-assisted Somali Government wants to do is absorb the Somali-inhabited territories beyond its present borders.

Kenya's reaction to the Somalis' increasing aggressiveness of late has been bellicose. Kenyan forces operating in the frontier area have apparently been told not to stop at the border if engaged in "hot pursuit." (Map)

50X1

50X1

3. Mali

The Soviets are evidently following through on their arms deal with the Malians, under which a large shipment of heavy military equipment was recently delivered. [REDACTED]

50X1

50X1

[REDACTED]

There is still no sensible explanation for Mali's acquiring these arms. They could be used to impress the citizenry on ceremonial occasions, and their presence will not elude the notice of Ghana.

4. Israel-Syria

There is no indication that the Syrians are preparing a serious military response to the Israeli air raid today. The Israeli raid was in retaliation for recent sabotage and mine incidents near the Syrian border, which the Israelis blamed on Syrian-supported terrorists.

The Syrians may harass Israeli border patrols, but probably will not risk anything more ambitious.

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CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF



50X1

15 JULY 1966

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DAILY BRIEF
15 JULY 1966

1. South Vietnam

The ten civilians recently appointed to the governing directorate by Prime Minister Ky are apparently being kept away from business of any consequence.

50X1

2. North Vietnam

Indian officials say that Mrs. Gandhi, who leaves Moscow on Saturday, planned to press her Vietnam proposal there despite the cold Soviet public reaction. New Delhi, it is said, is "somewhat encouraged" by the fact that Hanoi has not rejected as yet the Indian proposal. This is interpreted by the Indians as meaning that Hanoi has not been influenced by the negative line of the Chinese.

50X1

On the contrary, in the past several days, Hanoi has been publicly restating its determination to press on with the war in some of the bluntest language used in recent months.

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3. Communist China

We see some signs that the leadership has settled down, at least for the time being.

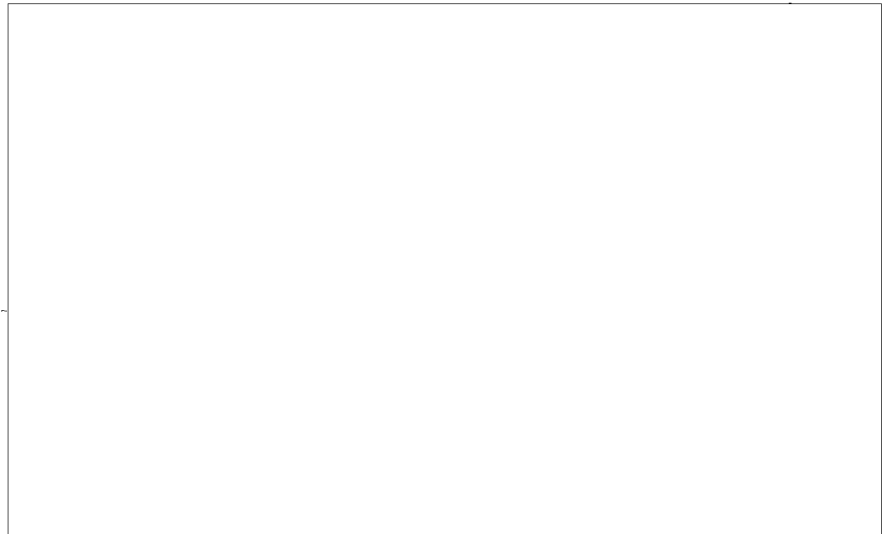
So far this month, Mao has made another appearance, and Liu Shao-chi is again being represented as his deputy. Also, five officials who dropped from public view about the time of Peng Chen's downfall in April have now re-emerged.

More significantly, major changes have been made in the party secretariat--the powerful executive arm of the party--which we feel the leaders would not have undertaken unless the air had been cleared of political uncertainty.

However, considering all that has recently happened--especially Mao's seeming inability to exercise sure, sustained control--we doubt that the situation will fully stabilize until Mao departs and a successor has firmly gathered up the reins of power.

4. Soviet Union

50X1



5. Zambia

Emotional President Kaunda

50X1

[REDACTED]

[REDACTED] seized on an inappropriate occasion--his installation speech as chancellor of the University of Zambia--to castigate Britain for failure to enforce a "moral" solution in Rhodesia and to threaten to take Zambia out of the Commonwealth.

This threat is probably more a measure of his feeling than a forecast of action. His frustration over Rhodesia, however, is heightened by mounting pressure from radicals in his own government, and could boil over into impulsive actions detrimental to Western interests.

Yesterday, in a long conversation with Ambassador Good, he urged the US to develop an independent African policy to replace what he called one "viewed through British spectacles."

6. Ecuador

50X1

[REDACTED]

50X1

7. India

The Soviets have now apparently agreed to supply India with some T-55 medium tanks--the latest export model--as well as additional field guns.

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CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF



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16 JULY 1966

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DAILY BRIEF
16 JULY 1966

1. North Vietnam

The Soviet press for the first time has mentioned the possibility that the North Vietnamese will put captured US airmen on trial.

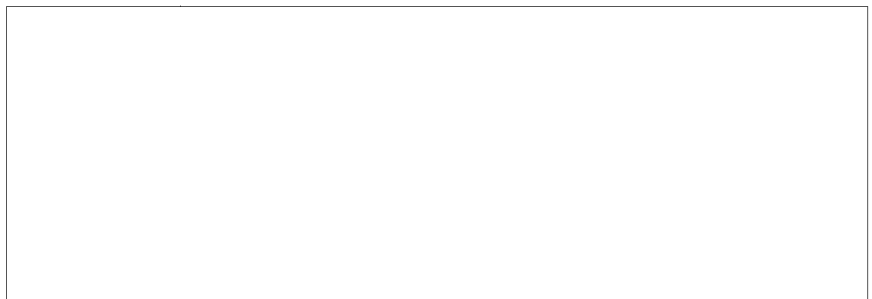
The leading government paper, Izvestia, yesterday carried a piece from its wire service correspondent in Hanoi which said "there is much talk in Hanoi about the forthcoming trial of captured American fliers. Hundreds and thousands of dead and maimed and tens of cities and villages left in ruins--this is the charge leveled by the Vietnamese against the American war criminals."

From Paris, some additional information has come out concerning Jean Sainteny's recent discussions in Hanoi. Ambassador Bohlen has been informed that Sainteny, on a personal basis, warned the North Vietnamese leaders not to miscalculate US reactions to prisoner trials. Sainteny said that trials would raise such a wave of indignation in the US that the reaction might cancel any benefits Hanoi may hope to achieve by this action.

Sainteny also made known his personal "reprobation" of the humiliating manner in which US prisoners have been paraded through Hanoi.

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2. Dominican Republic



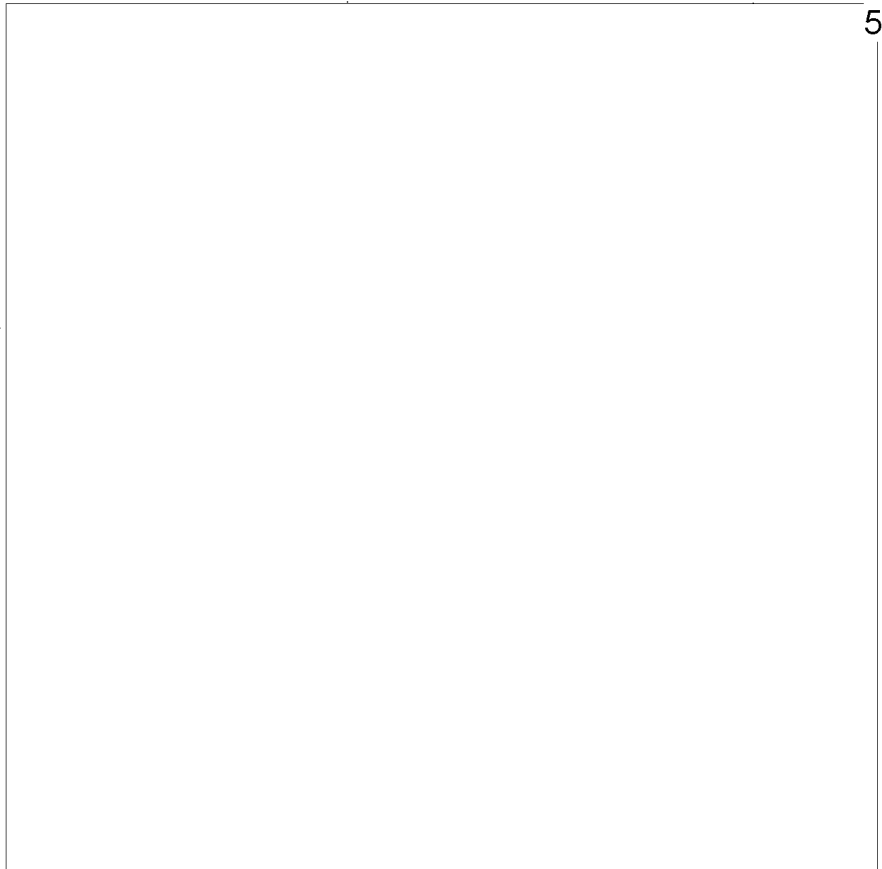
3. Congo

50X1



4. Communist China

50X1



50X1

5. Guatemala

Mendez Montenegro has been in office two weeks now.

Our embassy says things have been remarkably calm, with no terrorist-insurgency activities of any kind. There is much evidence of a desire to re-establish "constitutional normality" and remove the more blatant symbols of the military regime. The government appears to be trying to win public support by persuasion, rather than to rule from the top.

The cabinet was picked for integrity and competence, but is already beginning to realize how deep the country's social and economic problems are and how few human and material resources are at hand to deal with them.

There has been little comment concerning nepotism in appointments. However, an extreme leftist in exile in Mexico has been appointed ambassador to that country, and a Communist living in Paris made ambassador to France. This will cause concern in rightist circles where powerful civilian and military elements are still suspicious of Mendez' political orientation.

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CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF



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18 JULY 1966

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DAILY BRIEF
18 JULY 1966

1. Vietnam

We have some further indications that Hanoi may in fact be gearing up to try the captured US airmen.

An East German attorney, with known access to high officials of the regime, has told the US mission in Berlin that some East German international law experts, at Vietnamese request, flew to Hanoi about the first of this month to transmit documentary materials on the Nuremberg war crimes trials. He said the selection of documents centers on the US role in the trials.

These documents are presumably available elsewhere in the Communist world. Bringing East Germany into the act may only be a way of furthering Hanoi's stated desire to obtain the widest possible international condemnation of the US.

2. North Vietnam

50X1

50X1

3. Thailand

Thai insurgents are apparently receiving formal training in North Vietnam.

50X1

4. Japan

Tokyo's decision to allow three North Korean technicians to enter Japan is threatening to worsen relations with South Korea. The permission is being granted to facilitate possible sale of a chemical plant to Pyongyang.

Seoul is resigned to some increase in Japanese trade with the North, but cannot appear to acquiesce for domestic political reasons. The foreign minister recently delivered a "strong warning" to the Japanese ambassador. Subsequently, the Korean ambassador in Tokyo was called home.

There have also been intimations that retaliatory measures may be taken against Japanese business in Korea. Public opinion may push Seoul into even stronger measures.

50X1

50X1

5. Congo

Belgian-Congolese relations now seem to be moving toward a break--possibly later this summer. The Congo's continuing attacks on Belgian business interests are the main cause of this deterioration.

Mobutu's heavy taxation of Belgian and other oil companies may bring a test of strength this month. These concerns are now shutting off supplies of both ordinary and aviation gas, saying they cannot continue to operate at a loss.

Air service is also threatened by Mobutu's moves against Belgium's Sabena airline which supplies technical help to Air Congo for internal flights.

50X1

6. Egypt

Cairo wants to trade 10,000 tons of rice from its fall harvest for Cuban sugar from the current crop. Egypt has bartered rice for Cuban sugar before. However, Egypt recently asked the US to postpone exercising its option under a PL-480 agreement to obtain some 50,000 tons of Egyptian rice, claiming that prior export commitments already exceeded present and future stocks.

50X1

50X1

7. Cuba

Many Cuban officials are said to believe that Castro may have withdrawn from view during May and June to prepare for some major political event. Wide-spread speculation on the speech he will make at the national celebrations on 26 July includes such dramatic announcements as a decision to send "volunteers" to Vietnam or to break relations with Communist China.

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CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF



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19 JULY 1966

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**DAILY BRIEF
19 JULY 1966**

1. Egypt

Cairo apparently intends to step up its offensive against Saudi Arabia and Jordan.

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50X1

2. South Vietnam

Prime Minister Ky is planning still another trip abroad. His ambassador in Manila says that President Marcos has agreed to a three-day visit by Ky to the Philippines in mid-August.

50X1

3. South Vietnam

Interrogation of a Viet Cong prisoner captured on Sunday in Quang Tri Province is providing good information on the recently infiltrated [] North Vietnamese Division. 50X1

The prisoner []

[] says that the division consists of three regiments, each having three battalions. These units are below strength because of heavy casualties. Morale is very low, and medical supplies are insufficient to meet current demands. Ammunition, food, and equipment are also in short supply. 50X1

The prisoner claims that advance warning was received before B-52 strikes and that his battalion suffered few casualties as a result of the air strikes because their tunnels afforded good protection. 50X1

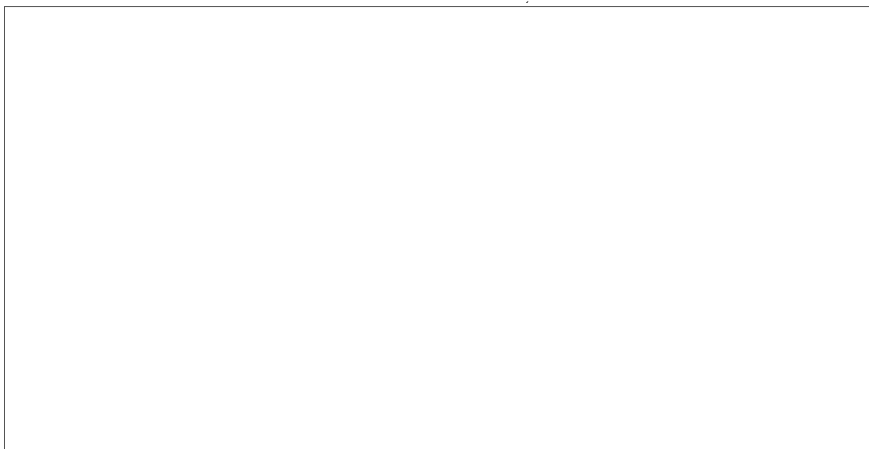
4. Japan

Tokyo is expanding its diplomatic contacts and economic aid initiatives in Southeast Asia as part of its continuing effort to play a larger role in the area. []

[] the moves will be directed mainly toward Burma, Thailand, Laos, and Cambodia. 50X1

Officials in the Japanese foreign ministry are said to feel that the planned moves will help these countries resist Communist subversion and thus indirectly aid South Vietnam.

5. France



50X1

50X1

6. Africa

The Commonwealth ties of Britain's former colonies in Africa have been further strained as a result of yesterday's decision by the International Court of Justice. The British and Australian judges lined up with South Africa in the vote, actions sure to cause a hardening of African positions at September's Commonwealth meeting. African accusations against Britain's "soft" policy toward Rhodesia had already been threatening to disrupt the meeting.

General African reaction to the decision is expected to be intense. New initiatives against South Africa are almost certain in the United Nations. 50X1

7. Iraq

The regime continues to move forward in its effort to reach a rapprochement with the Kurdish rebels. A cease-fire was concluded late last month. 50X1

8. Cuba

There are indications that the regime is embarked on a small-scale program to develop nuclear energy for industrial and medical purposes. 50X1

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CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF



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20 JULY 1966

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DAILY BRIEF
20 JULY 1966

1. Vietnam



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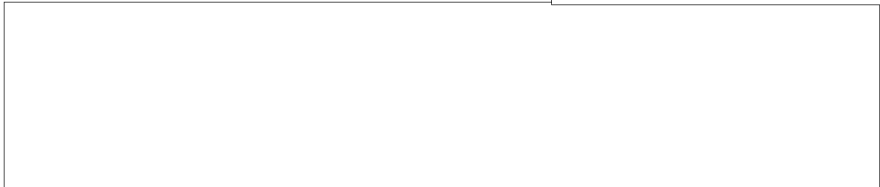
2. North Vietnam

Hanoi may be trying to lower somewhat the heat generated by the recent talk of possible trials and executions of captured US airmen in North Vietnam. The North Vietnamese press representative in Laos, just back from a stay in Hanoi, told a Western journalist today that he is sure no death sentences will be carried out. He added, however, that he thinks there will be "war crimes" trials and that the airmen will be given long prison terms.

50X1

The North Vietnamese chargé in Algiers publicly suggested today that Hanoi is in no hurry to commit itself to trials for the airmen.

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50X1

3. North Vietnam

[redacted] in Hanoi [redacted]
[redacted] evacuation of nonessential personnel from the city, which was announced by the regime shortly after the first US air strikes in the capital region, is now well under way. [redacted]

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[redacted]
areas of the city near Red River bridges and dikes are receiving priority in the evacuation.

4. Rhodesia

London is said to be preparing a new set of specific constitutional proposals that would grant Rhodesia independence on terms well short of African majority rule. The proposals would, however, contain guarantees for African rights and progress toward majority rule.

50X1

[redacted]
We doubt such a gambit would have much effect in Rhodesia. The ruling party does not want a settlement that would remove their control over the political advancement of Africans, and Smith still has the support of the overwhelming majority of the white community.

50X1

50X1

5. Israel-Syria

Last week's Israeli air strike at Syrian targets does not seem to have gotten the message across to Syrian-supported Arab terrorists.

Israel now claims some of these types slipped into an Israeli village yesterday and planted some explosives. Today, Syrian and Israeli patrols exchanged fire along the border.

If such incidents should result in Israeli deaths--Tel Aviv's usual rule of thumb in deciding whether to retaliate--the Israelis may see fit to administer another warning to Syria.

6. Burundi

The political scene is more than usually murky since Prince Charles "deposed" his father some ten days ago. Actually, he simply filled a vacuum, because his father--who has been in Europe for the last nine months--is quite content to stay there as long as the remittances keep coming. Charles will probably soon be proclaimed king.

The danger is the unclear political orientation of his government. Many of its leaders are said to have an almost pathological fear of the US, and there are rumors and reports of pro-Communist moves. The Chinese Communists, who were unceremoniously ejected in January of 1965, will probably jump at any opportunity to get invited back.

50X1

7. France

50X1

8. Cambodia

Sihanouk is preparing for some more talks with the Viet Cong.

50X1

Sihanouk has recently been increasingly critical of the Communist camp, and has held out the prospect of improved relations with Bangkok and Saigon. However, he probably still wants to obtain formal Viet Cong recognition of what he takes to be his border with Laos and South Vietnam as well as a pledge of support for Cambodia's "neutrality."

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9. India



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CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF



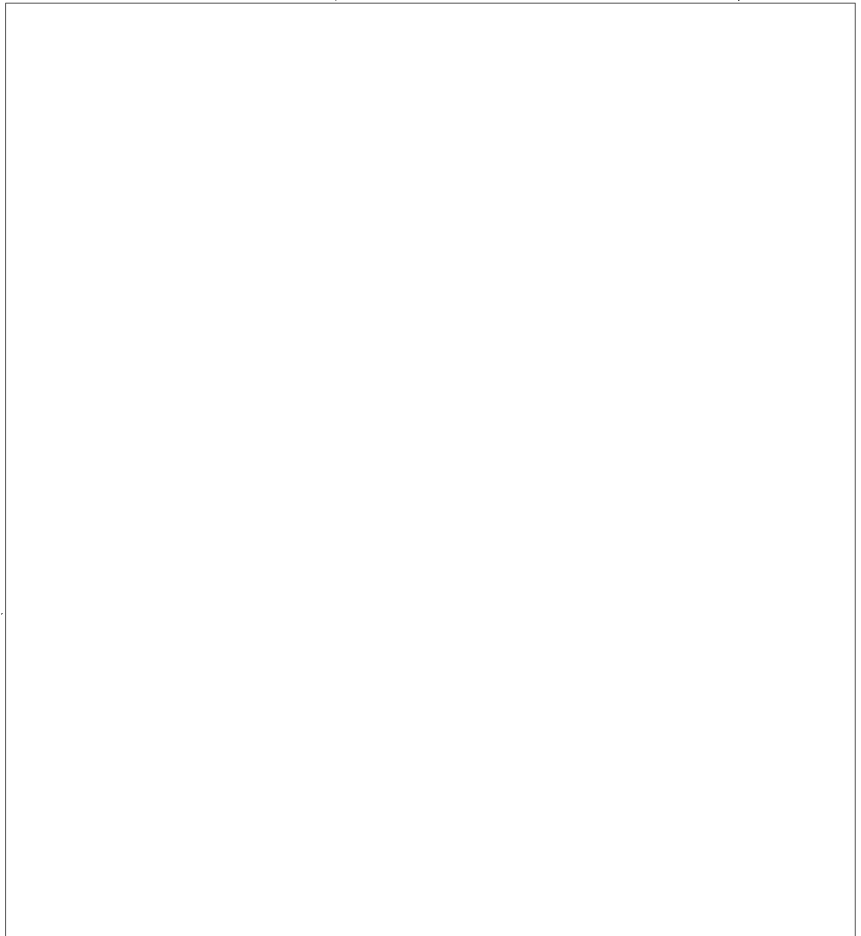
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21 JULY 1966

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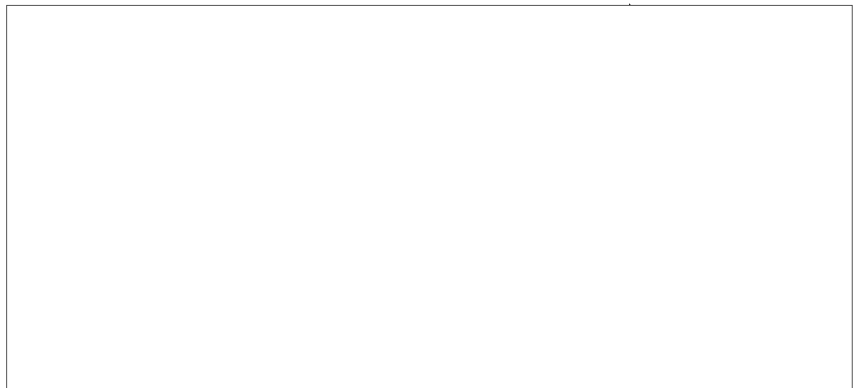
DAILY BRIEF
21 JULY 1966

1. South Vietnam



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2. Egypt

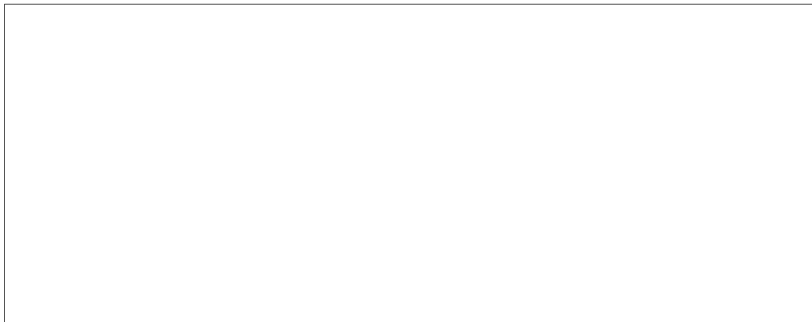


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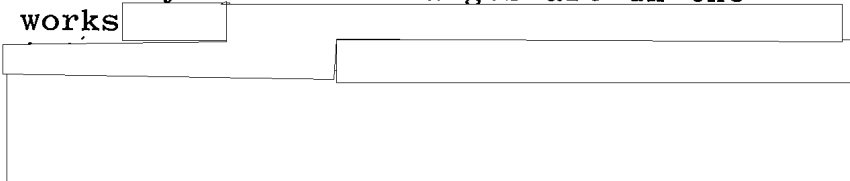
3. France



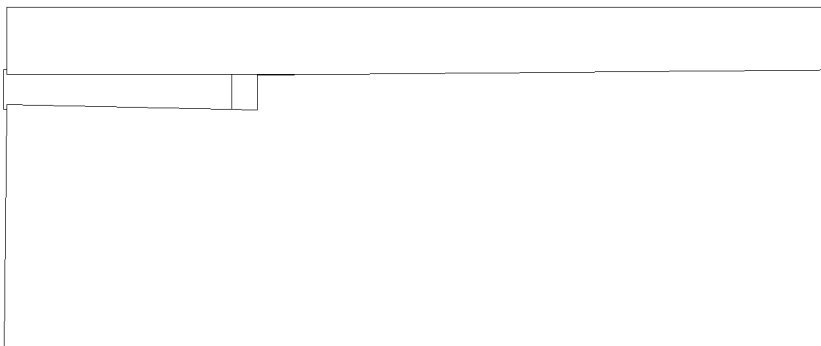
4. Soviet Union

The word is beginning to go around Moscow that a number of cabinet-level personnel shifts are in the offing. It is expected that an announcement on this will come early next month when the "legislature"--the Supreme Soviet--will be in session for a few days.

There are no signs at this point that any dramatic changes are in the works

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50X1
50X1

5. Soviet Union



50X1

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50X1

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50X1

6. Cyprus

President Makarios is contemplating a visit to the US--Washington as well as the UN--and Latin America this fall. Makarios sees this as part of a major diplomatic push aimed at garnering support for the Greek-Cypriot position since he evidently expects the latest Greek-Turkish talks to break down.

Meanwhile, Makarios is maintaining his hard line against the Turkish Cypriots

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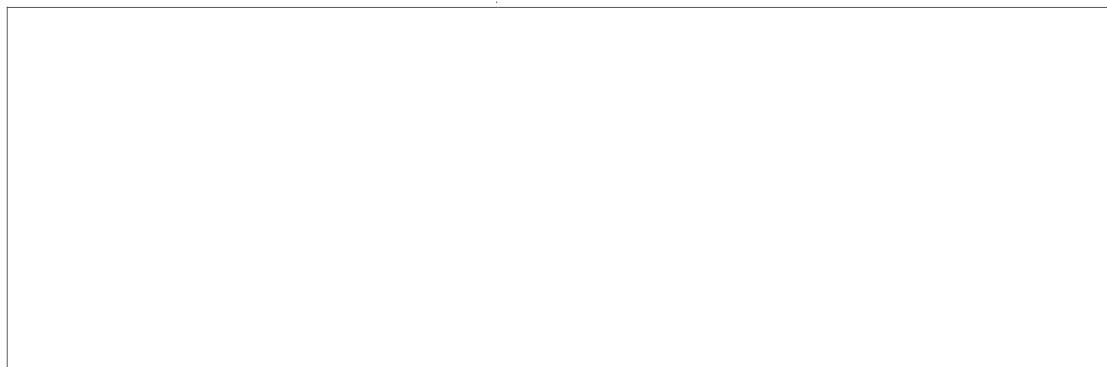
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CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF



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22 JULY 1966

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DAILY BRIEF
22 JULY 1966

1. South Vietnam

Ky mentioned to Ambassador Lodge today that he thinks the time has come to establish a rallying point in North Vietnam for what he believes are many fervent antigovernment elements there.

He advocates a parachute drop of a "battalion--about 400 men," all Vietnamese, at a point in the mountains south of the 19th parallel. The men would be close to the sea and could be supplied at night by planes.

The premier believes these troops could conduct sabotage operations, terrorism, and help political uprisings.

Lodge apparently made no comment.

2. Communist China

Peking is making new efforts to counter speculation in the West that North Vietnamese resolve may be weakening.

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50X1

3. Communist China

The regime's announcement that it intends to "reform" higher education in China has apparently produced a strongly adverse reaction among university students.

The son of Cambodian Premier Sihanouk, who had been studying at Peking University until a month ago, is reported to have declared on his way home that life at the university had become so unbearable that he will never return. He spoke of violent riots and mass student arrests there. He believes like conditions exist at other Chinese universities.

There have been similar reports

[redacted] last month student demonstrations were occurring daily in Peking. [redacted] reported brawling between rival student factions there. Early this month, anti-Mao shouts were being heard at night coming from the campus at Peking University.

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Little has actually come yet of the university "reforms," but students are being held at the schools for indoctrination this summer instead of being given their usual working vacations.

4. Egypt

In a characteristically anti-Western speech today, Nasir dismissed the possibility of further US aid. He declared that Egypt needs about \$100 million worth of wheat again this year, but that US conditions are such that "we will have to rely on ourselves."

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5.

50X1
50X1

6. Congo

The Congo's leaders were warned in no uncertain terms yesterday that continued Belgian assistance is dependent on an end to Mobutu's actions against Belgian business interests.

50X1

Brussels declared that talks "at the highest level" not later than September are "indispensable" if the Congo wants Belgian "cooperation."

Most observers believe Belgium's considerable military and technical aid is all that keeps the Congo from anarchy.

Mobutu's reaction to the Belgian warning can only be a matter of speculation at this point. He was strongly uncompromising in a speech to the diplomatic corps yesterday, but his vulnerability to foreign pressures was evident in the recent settlement of a test of strength with foreign oil companies. This was apparently settled on terms favorable to the companies.

50X1

7. Malagasy Republic

The incapacitating illness of pro-Western President Tsiranana has brought on a period of political uncertainty in this former French island of Madagascar. The president's constitutional successor is a nonentity and power is expected to fall to the ambitious interior minister, André Resampa.

Resampa's takeover would probably raise tensions between the country's competing tribal groups and presage the introduction of socialist domestic policies. On the international scene, he would be inclined to broaden the country's contacts with Communist countries.

50X1

8. Pakistan

Ayub has gained more flexibility in implementing his policies as a result of his recent cabinet changes. Bhutto's dismissal as foreign minister last month was subsequently balanced by the departure of the pro-Western finance minister. Both the recently appointed replacements are considered able technicians uncommitted to any specific political line.

No major foreign policy shifts are in sight, but such adjustments as do take place will now be more clearly Ayub's own.

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CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF



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23 JULY 1966

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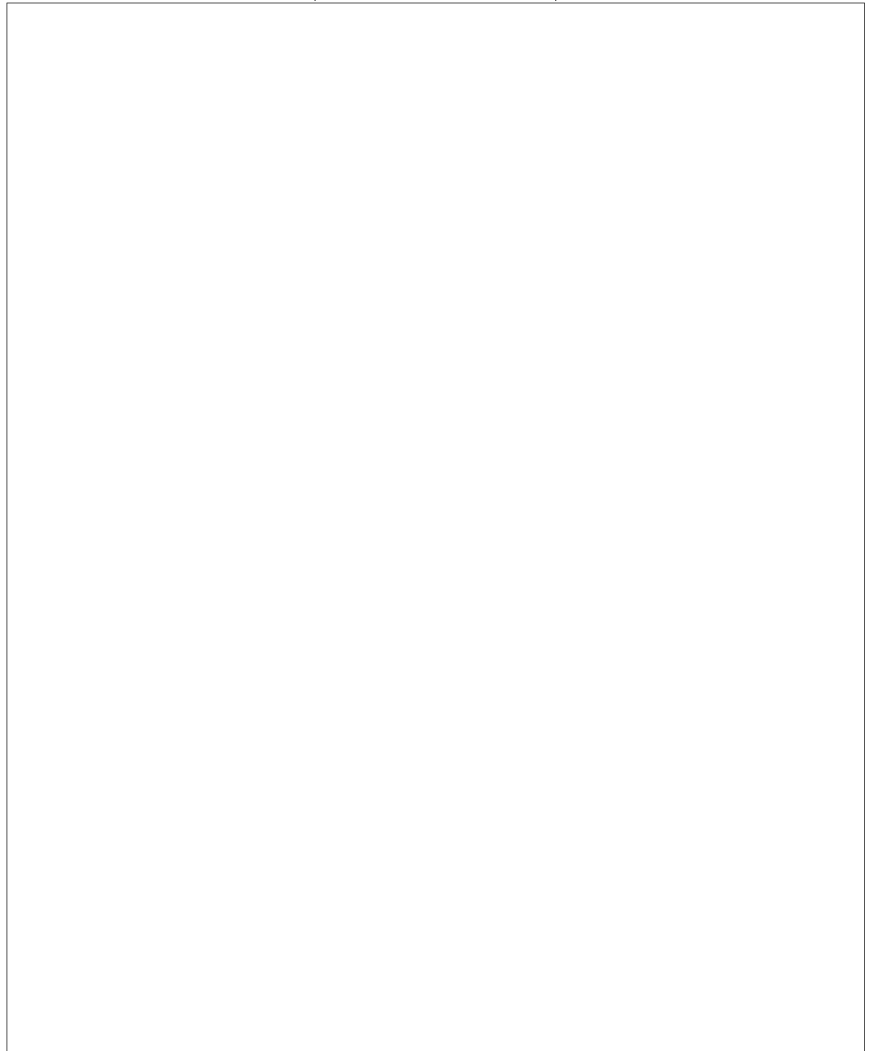
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DAILY BRIEF
23 JULY 1966

50X1

1. Vietnam



2. Indonesia

The shadow boxing between General Suharto and President Sukarno continues over the formation of a new cabinet. Sukarno is using what maneuverability he has left in an attempt to assure that he has some influence in the new cabinet and Suharto feels he cannot directly challenge the President. The resulting cabinet list, expected to be announced next week, is likely to be a compromise and perhaps only transitory.

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50X1

3. Congo

Belgian officials in the Congo doubt that Mobutu will respond favorably to Brussels' warning this week that he must change his ways if he is to continue receiving Belgian aid.

50X1

Mobutu was faced this morning with another potentially serious challenge to his authority in the interior. Long-smoldering tensions between Katangese and other troops in the military establishment erupted into open fighting in Stanleyville. Thus far the trouble is confined to that city, but there is some danger that it might spread. Some of the Katangese soldiers involved are known to be sympathizers of Tshombé.

4. Rhodesia

It has been nearly nine months since Smith's independence declaration.

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50X1

5. Venezuela

The military is alert for possible new Communist violence next week, perhaps tied to the Cuban 26 July holiday.

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CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF



50X1

25 JULY 1966

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DAILY BRIEF
25 JULY 1966

1. North Vietnam

A muting of the drums continues evident in Hanoi's current propaganda comment on the US prisoners. Ho, according to an East German press service, said today that North Vietnam intends to treat the captured pilots humanely-- "the chief criminals are not the pilots," said Ho, "but those who sent them" Press sources also cite other North Vietnamese denying any plans to stake out US prisoners at likely bombing targets.

Meanwhile, Communist China may be meeting some of North Vietnam's petroleum needs following the strikes on storage facilities.

50X1

50X1

2. South Vietnam

Tam Chau, moderate head of Saigon's Buddhist Institute, has temporarily given up his job, according to Vietnamese press reports. Tam Chau, who excused himself for "reasons of health," will be replaced for some two months by the venerable Tien Hoa, a monk generally considered nonpolitical.

3. France

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50X1

50X1

4. Sudan

The ouster today--through a no-confidence vote in the Assembly--of Prime Minister Mahjoub may end the prolonged bickering within the dominant Umma Party that has practically paralyzed the government.

The new prime minister will probably be vigorous 30-year-old Sadiq al-Mahdi, whom a substantial number of Umma parliamentarians have wanted in for some time. The Umma's coalition partner is also backing Sadiq.

A powerful Moslem spiritual leader and strong supporter of Mahjoub has called large numbers of tribal followers into the Khartoum area, but the security forces have been alerted and should be able to maintain order.

Sadiq will probably get the government functioning again, but is unlikely to make much of a dent in the basic problems of dissidence in the south and economic stagnation.

5. Congo

Premier Mulamba has not succeeded in pacifying the mutinous Katangese troops in Kasangani (Stanleyville). The city is generally calm, however, with the mutineers and the rest of the garrison apparently in a sort of stand-off.

The mutiny does not seem to be spreading, and since most Congolese have their price, Mulamba may yet be able to buy off the malcontents.

All Americans have been evacuated from the city.

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50X1

6. Soviet Union

Soviet statistics for the first half of this year show no improvement over the unsatisfactory economic performance of recent years.

The consumer seems to have made out little better than last year. There was only a slight increase in the growth rate for machinery production, and an actual decline in the rate of growth of the principal civilian users of it. This suggests a further increase in the share of durables being devoted to military and space programs.

A virtual stagnation of investments in new plants and equipment and the lack of growth in the energy industries point to difficulties in the economy. Only petroleum production maintained last year's rate of growth; that of electric power consumption was the lowest for any six-month period in the last decade.

Some progress does appear in the program to remedy the traditional neglect of agriculture.

7. Indonesia

The cabinet announced today is a victory for General Suharto and a further eroding of Sukarno's position. Suharto made one major concession--inclusion of an opportunistic crony of Sukarno

50X1

During the negotiations, Suharto is said to have demanded that certain portfolios--in the fields of economics, finance, home affairs, and information--not go to politicians. He seems to have made this stick, all these posts going to either military men or technicians.

Adam Malik, aside from Suharto probably the ablest man in the cabinet, remains foreign minister as well as sort of a watchdog over internal political affairs.

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CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF



50X1

26 JULY 1966

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DAILY BRIEF
26 JULY 1966

1. Vietnam

We have now established that during late May and early June Hanoi infiltrated an entire division--some 5,000 men--across the Demilitarized Zone into South Vietnam's northernmost province.

This is the first North Vietnamese unit known to have infiltrated across this zone. All three regiments slipped in within a few weeks of each other, the quickest entry into South Vietnam for a unit of this size.

Hanoi may intend to use the Demilitarized Zone as an avenue for further infiltration, since it has many advantages in both security and ease of entry. Recent photography of the area just north of the zone shows that some road construction activity may be under way, possibly similar to that which has facilitated infiltration through the Laos panhandle over the last year.

2. South Vietnam

Our embassy comments that although Thien Hoa, moderate Tam Chau's temporary replacement as head of Saigon's Buddhist Institute, is considered relatively non-political, he will probably be dominated by the militant supporters of Tri Quang.

There was speculation in Saigon today that the Buddhist Institute would soon issue a policy statement reasserting Buddhist opposition to the government.

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3. Soviet Union

It is clear that the Soviets have been having trouble with their manned space program. [redacted]

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[redacted] another

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[redacted] scheduled

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launch was subjected to further postponements.

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The trouble may be in the Voskhod capsule. The only long-duration test of a capsule of this type took place last February when the two dogs were orbited for 23 days. Something must have gone wrong, since the mission was terminated about a week early. The last manned Soviet space flight was in March 1965.

4. Congo

Mutinous Katangese troops in Kisan-gani (Stanleyville) were fighting government forces again today [redacted]

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[redacted] Pre-mier Mulamba is apparently still there continuing his peacemaking efforts. [redacted]

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5. Communist China

Peking

[redacted] will send a ship before the end of July to repatriate Overseas Chinese from Indonesia. This is little more than a gesture. Very few of the three million people of Chinese descent in Indonesia will choose to go to China, despite the persecution many have been suffering. The ship is apparently capable of carrying some 500 passengers.

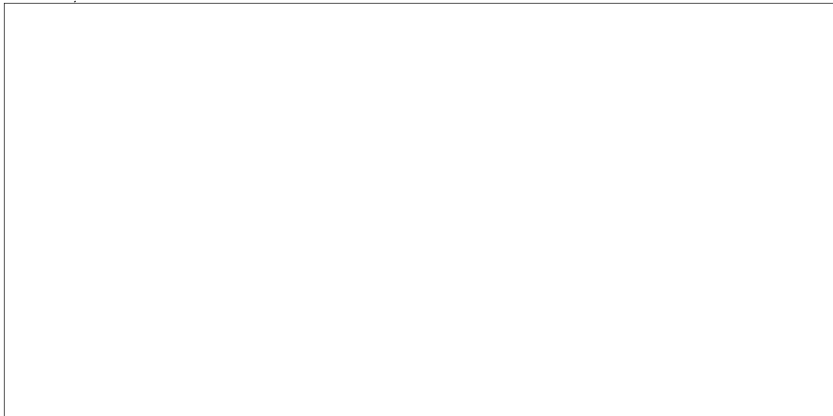
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6. Uruguay

Alberto Heber, this year's president of Uruguay's ineffective plural executive, has been taking steps that will make it possible for him to seize power unconstitutionally later this year if he chooses to do so. While there is no direct evidence that he is planning such action, his recent military appointments and promotions have strengthened his options.

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CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF



50X1

27 JULY 1966

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DAILY BRIEF
27 JULY 1966

1. Congo

The situation is deteriorating.

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President Mobutu, meanwhile, has either been unable to control his army or is deliberately acting against the mercenaries. He earlier had told US officials that he did not blame the mercenaries for the events in Kisangani; now, however, some of the mercenaries in remote areas have been imprisoned by government troops.

The Congolese Army is not capable of operating effectively against a combined mercenary-Katangese force in the Kisangani area. Loss of control there could create a situation favorable for a coup attempt or for a secessionist move.

2. Soviet Union

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3. Cambodia

Sihanouk insists that the Vietnamese Communists must formally accept his version of Cambodia's border with South Vietnam if he is to recognize the Viet Cong as "representative of the South Vietnamese people and nation." In a speech last week, Sihanouk said he is willing to exchange ambassadors with Hanoi and accept a Viet Cong "diplomat" in Phnom Penh if the Communists accept his border ideas.

Without the border agreement, however, "the affair will be terminated," he declared. He expressed some doubt that the Viet Cong will be willing to sign on his terms. There has been no hint from Hanoi or the Viet Cong as to their attitude.

Sihanouk's recent comments suggest that he is coming to have serious doubts of an early Communist victory in South Vietnam. He still thinks, however, that they will ultimately prevail and probably thinks that a border agreement now would establish "juridical" grounds for warding off future Communist pressure against Cambodia.

4. South Vietnam

The Communist psychological apparatus in South Vietnam has made a pitch to two key generals who may, in fact, be caught up in internal dissension within the South Vietnamese military. The Liberation Front radio was heard recently warning the II and IV Corps commanders that they are the next targets of a government purge.

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5. North Vietnam

The propaganda treatment which Hanoi has recently been giving to the Demilitarized Zone contrasts significantly with Peking's. The Chinese are saying that the zone really no longer exists. They imply that the North Vietnamese have the right to strike south in retaliation for US aggressive acts. Hanoi, on the other hand, has been cautious and has stressed its alleged compliance with zone regulations.

The recent major North Vietnamese infiltration across the zone clearly gives reason for Hanoi's sensitivity on the subject. Today Hanoi again formally protested US acts which, it charged, have "aggravated tension" in the area of the zone.

6. Brazil

Reaction in Brazil to the bombing incidents in Recife on Monday has been one of general revulsion accompanied by some fear that Castello Branco may overreact to the provocation. Leaders of the opposition Brazilian Democratic Movement immediately denounced the terrorist acts; their main concern apparently was that a wave of terrorism might lead the government to cancel the congressional elections set for November.

A number of Communists and other extremists have been rounded up, but the government seems disinclined at this point to take more drastic action. If bomb plantings continue, however, the government's attitude could quickly change.

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7. Cuba

Castro's remarks about Latin American Communists who "preach electioneering" instead of fomenting revolution were probably the most significant part of his anniversary speech yesterday. Barbs of this kind can only suggest that Castro and the other established Communist parties of Latin America are split again over the question of revolutionary tactics.

Castro in effect may be saying that Cuba now feels itself less bound by the accords of the Havana Conference of Latin Communist parties in November 1964. At that time, Cuba agreed with Moscow's position and stopped funding extremist groups not endorsed by the regular Communist parties.

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8. Argentina

The generals who brought the Ongania government to power are beginning to worry about the progress of their revolution. These people hoped for moderation, but now they feel that the influence of the Catholic nationalists in the government is growing and promoting a kind of conservatism that is bad for the country.

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CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF



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28 JULY 1966

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DAILY BRIEF
28 JULY 1966

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1. South Vietnam

During a talk with Ambassador Lodge today, Ky said that he would be too young to be a candidate for president under a new constitution. Instead, the premier said that he will become the "campaign manager" for General Thieu, and then return to duty in the air force.

As for Thieu, he is already giving the impression that he considers himself the front runner. He also indicated today that he would like to see the military with a prominent--if not pre-eminent--role in South Vietnamese affairs well after presidential elections.

2. North Vietnam

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3. France

Paris is maintaining its hard line in NATO negotiations.

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Paris probably hopes that a French-German agreement would cause other NATO members to relax demands for close ties between the French forces and NATO.

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The next French-German negotiating session is set for next week, and other NATO members, fearing Bonn will go too far in bilateral talks, are urging the Germans to mark time until the Fourteen as a group can make some progress with the French.

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4. Soviet Union

The government is embarking on another of its periodic campaigns against public drunkenness and hooliganism.

Yesterday Pravda announced sweeping new measures to this end. In addition to a new Ministry for Preservation of Public Order, these involve police authority to make preventive arrests and to impose fines on the spot for drunkenness or hooliganism.

Punishments for crimes against public order have been sharply increased. Petty hooliganism can now land the culprit in jail for 10-15 days, where he must pay "board and room." Pressure is also put on employers, who must report within 10 days what "social influence" has been exerted to reorient errant employees and must ensure that factory equipment is not used to manufacture knives.

All this is an implicit admission that juvenile crime has gotten to the point of national concern. Pravda left out the usual line that hooliganism and drunkenness are survivals of capitalist society.

5. Congo

The mutiny in Kisangani is still unresolved despite continuing peacemaking efforts by Premier Mulamba. As evidenced by an outbreak of gunfire last night--cause unknown--the situation is still dangerous. So far, however, the mutiny is still confined to the immediate Kisangani area.

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6. Sudan

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7. Guatemala

The government is making another attempt to bring politically disaffected elements, including guerrillas and exiles, back into the fold.

A congressional decree effective yesterday provides amnesty for persons who have committed political crimes since 1 November 1960.

The government is turning the other cheek here, since the Communist guerrillas vehemently rejected the "open hand" Mendez Montenegro extended to all disaffected elements in his 1 July inaugural address.

The government seems to be playing this straight

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We do not look for business at the collection points to be very brisk.

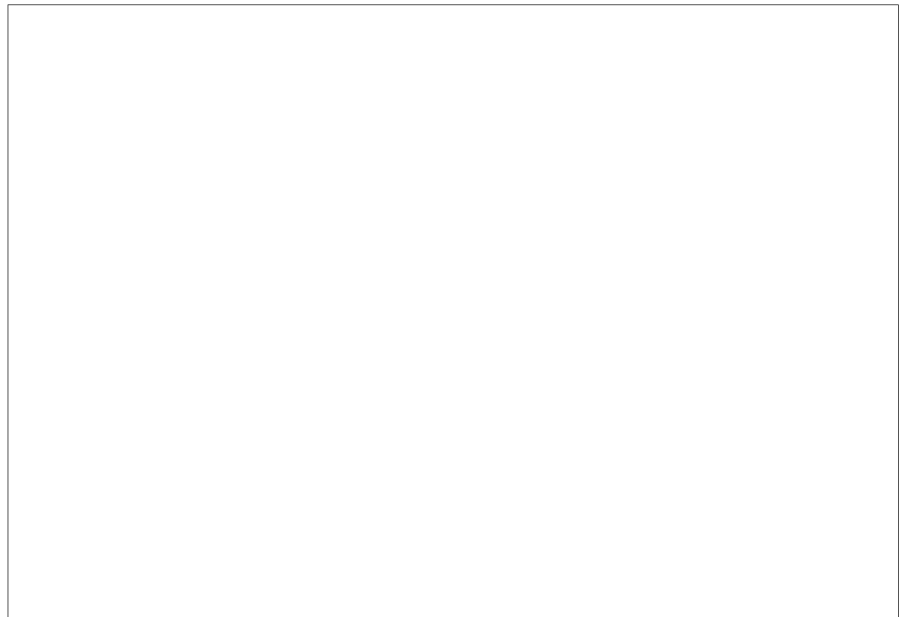
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8. Cuba



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9. Venezuela



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CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF



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29 JULY 1966

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DAILY BRIEF
29 JULY 1966

1. Nigeria

Rebellious northerners within the Nigerian Army launched a major effort today against General Ironsi's military regime. Ironsi himself may be dead. Fighting is said to be spreading to various parts of the country, though at last word Lagos was quiet.

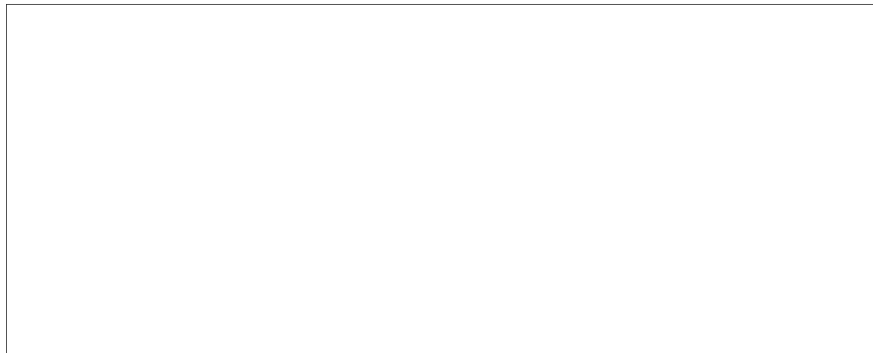
This could well develop into prolonged and bloody intertribal warfare. The army, which is all that has been holding the country together since the military coup last January, is in immediate danger of disintegration.

There were some 6,000 American citizens in Nigeria at latest count. The embassy has initiated the warning phase of the evacuation plan.

2. South Vietnam

During a recent conversation with US officials, Tran Van Tuyen, a former deputy premier, showed some interest in the subject of negotiations to end the war. He said he felt the main responsibility for settlement should rest with the Vietnamese, albeit with the agreement of the US. He suggested that Vietnamese be used more extensively in sounding out both Hanoi and the Viet Cong. Tuyen is an astute politician and he may be reflecting the views of other civilian politicians in Saigon.

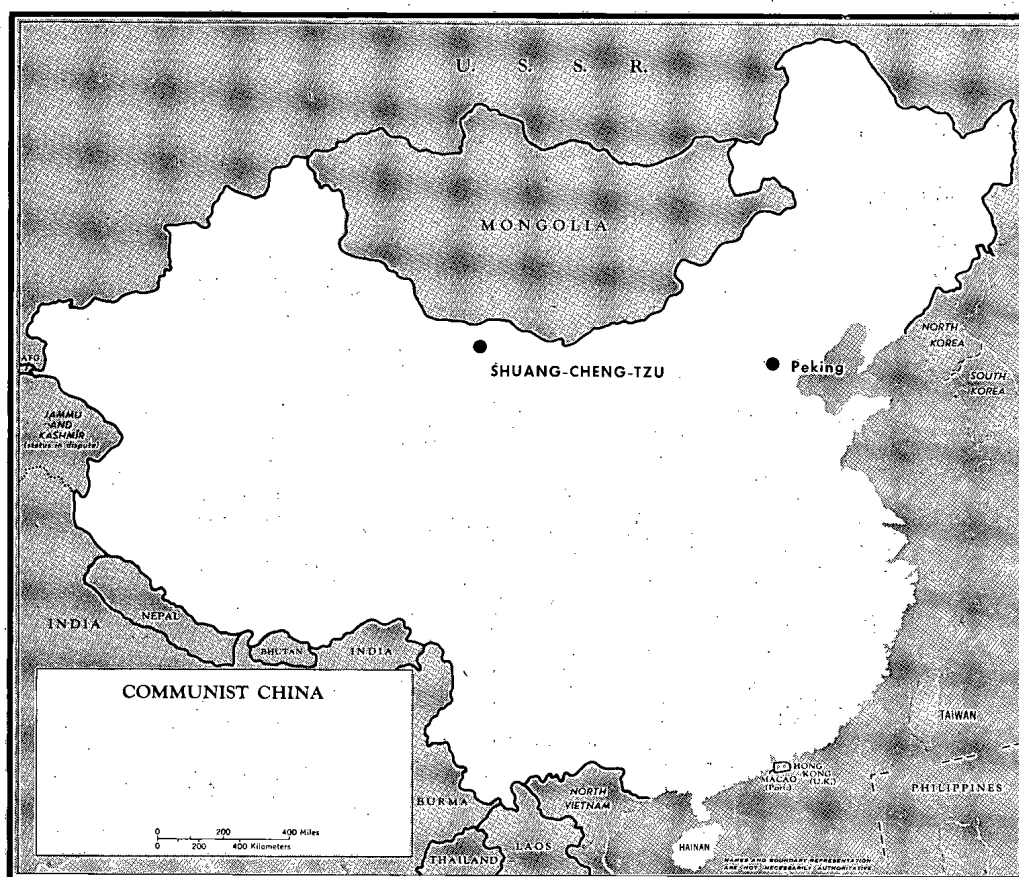
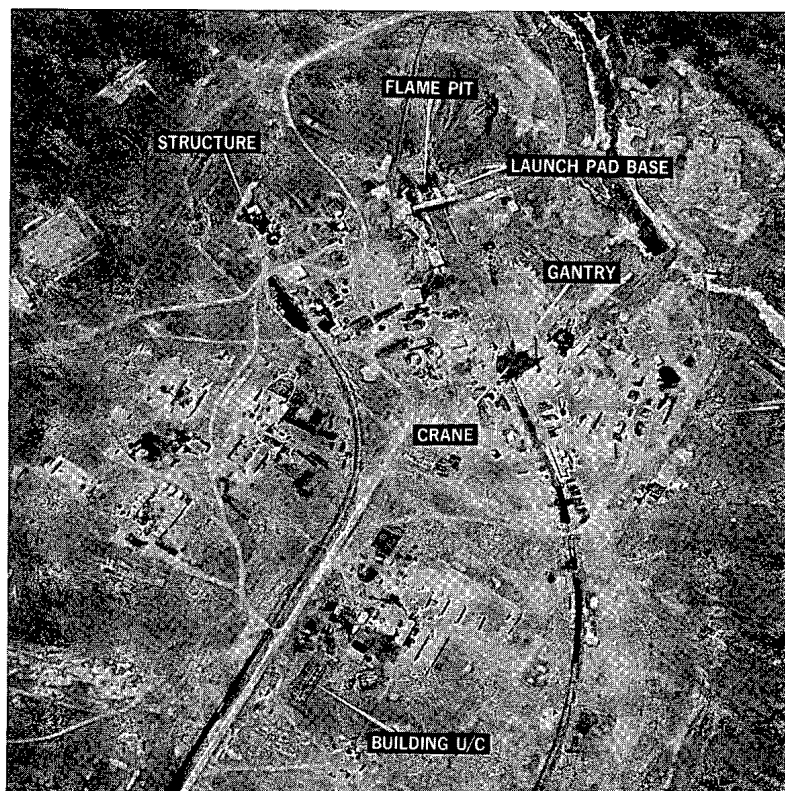
3. North Vietnam



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Shuang-Cheng-Tzu Missile Test Center



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4. Communist China

Mid-July photography of the Chinese missile test range (see photo) shows continued rapid construction on a new launch facility that clearly appears designed ultimately for a developmental program for very large missiles. For the past year, construction on this site has gone ahead at a pace extremely rapid, even by US and Soviet standards.

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5. Laos

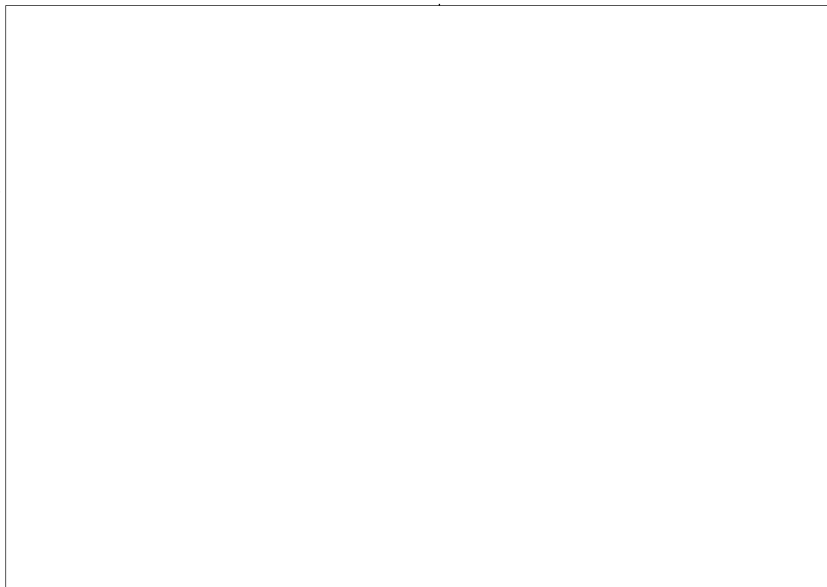
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6. Congo

There are some signs that the Kisangani mutiny is spreading and may be part of a plot against Mobutu.

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Mobutu is aware of the plot story and the upshot is likely to be more harassment of Belgians, especially in Katanga. Mobutu is already shipping another army battalion there.

7. Berlin

At the moment we are inclined to discount the mounting rumors that the Soviets and East Germans are getting ready to launch new harassments in and around Berlin. These rumors are almost a reflex reaction whenever the US undertakes new foreign policy initiatives, in this case the bombings near Hanoi and Haiphong.

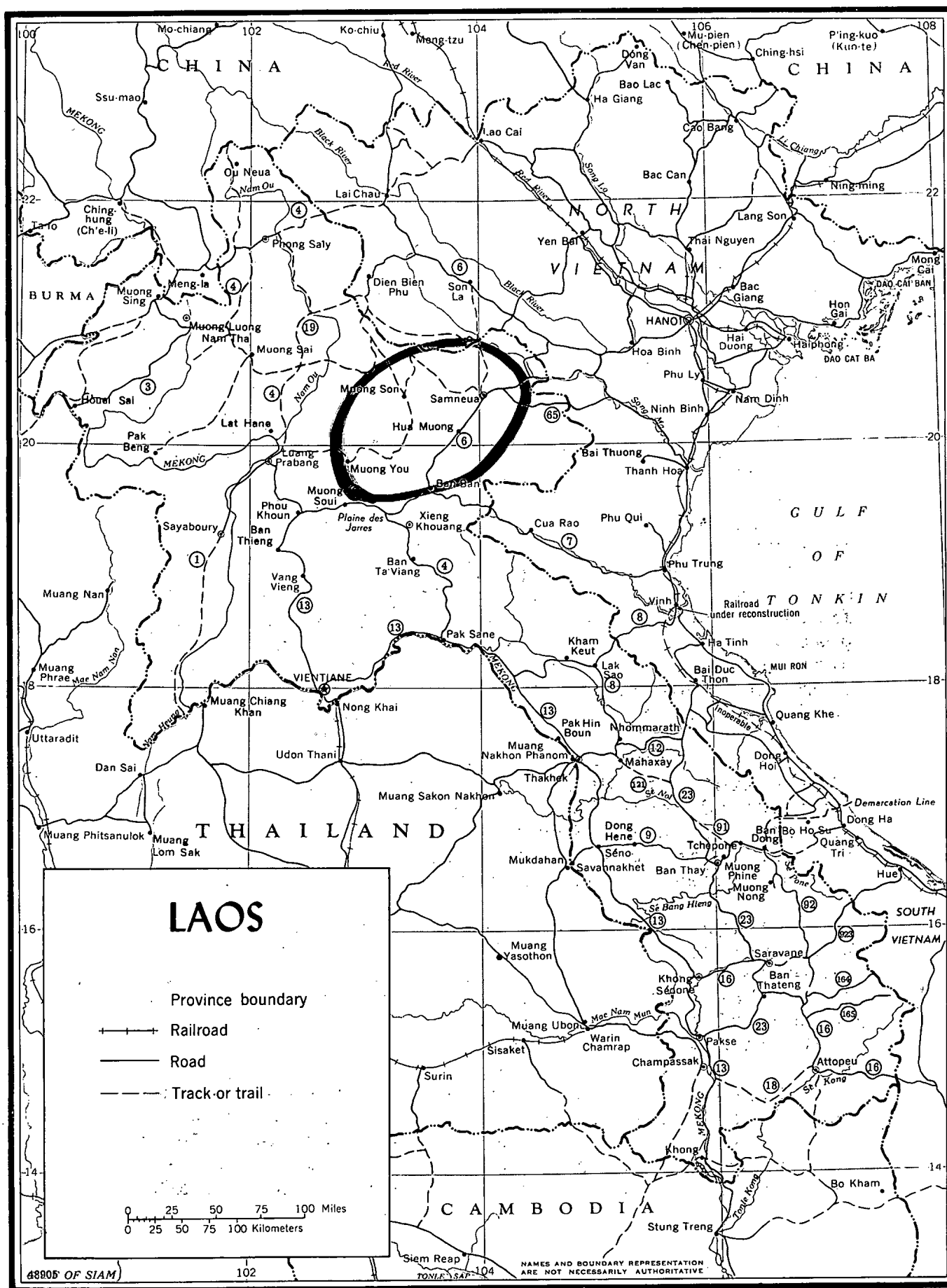
Actually, Soviet policy toward the Allies and toward West Berliners has recently been leaning more toward cooperation than harassment. Soviet and East German military leaves have indeed been cancelled, but this has been an annual precaution with the approach of the 13 August anniversary of the Berlin Wall.

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8. Soviet Union

There are increasing signs that Brezhnev has clipped the wings of the once fast-rising young Shelepin. There have been suggestions since the party congress last March that Shelepin is no longer charged with the important job of overseeing the security apparatus. He has, on the other hand, been made party watchdog over the consumer goods sector of the economy--a job which certainly did no good for the career of his predecessor.

Shelepin is still a man to be reckoned with. But right now it does seem that he has slipped well down from the second or third spot he held in the hierarchy before last March.

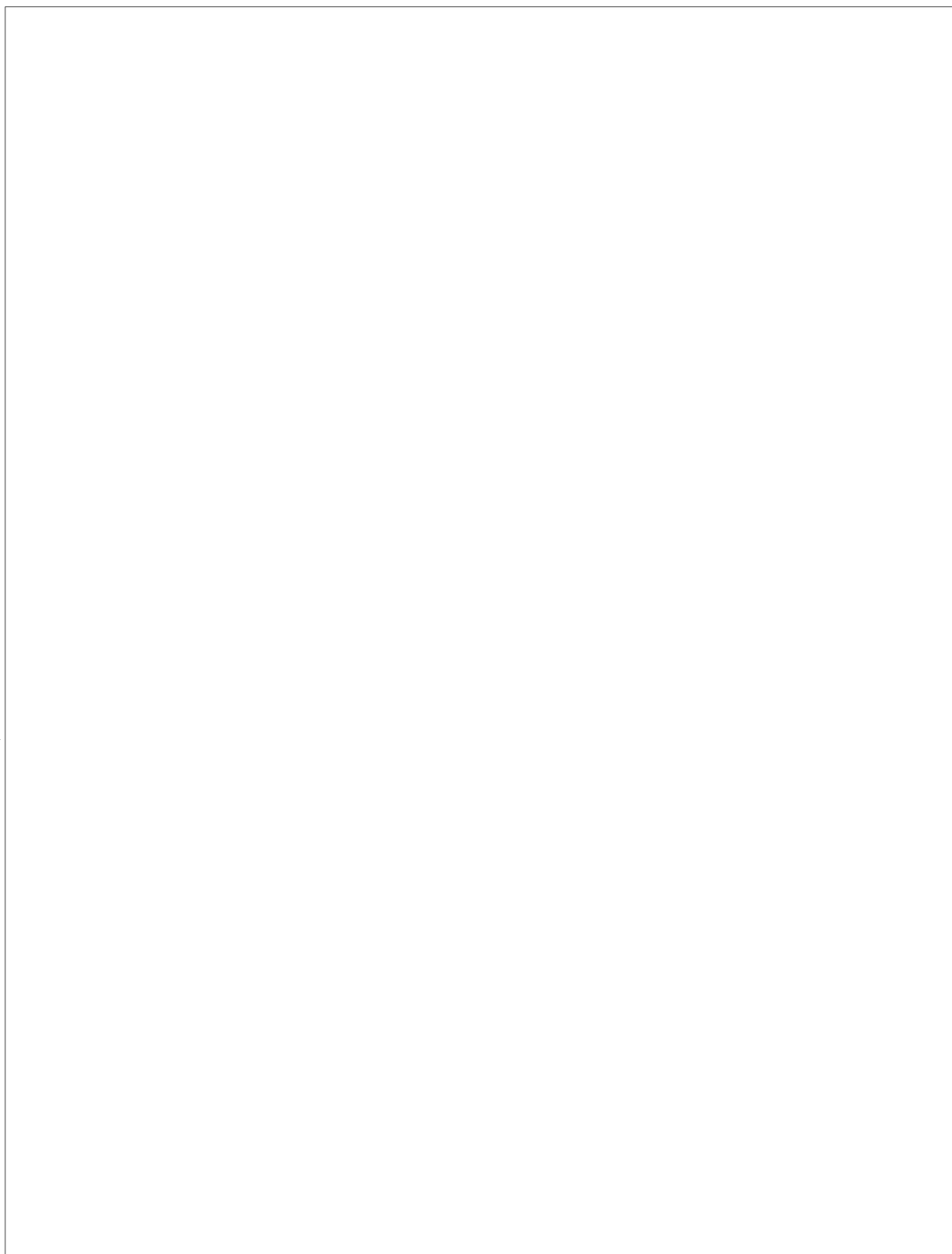




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CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF



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30 JULY 1966

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DAILY BRIEF
30 JULY 1966

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1. North Vietnam

Hanoi may lose its major Free World source of convertible foreign exchange. The Japanese buyers of North Vietnamese coal are now said to be seeking other suppliers, in part because of the unreliability of shipping from North Vietnam coal ports.

Last year these coal sales to Japan provided Hanoi with about half its total hard currency earnings. This has financed much of the continued North Vietnamese purchasing in the Free World, principally Japan.

2. South Vietnam

Former civilian premier Phan Huy Quat is pessimistic over the prospects for elections in September.

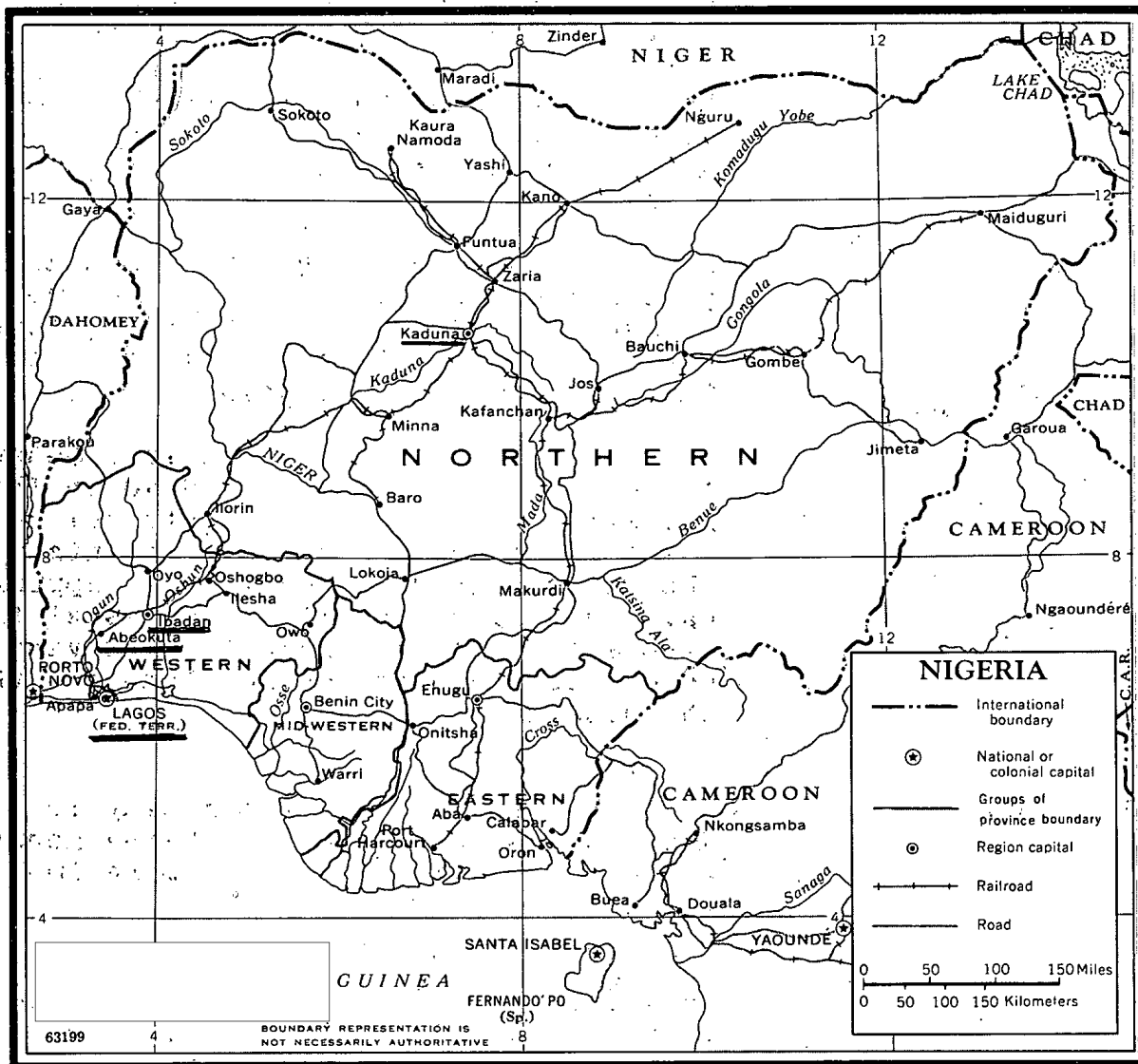
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3. Guatemala

One of the major Communist factions has already spurned the congressional amnesty decree passed on Wednesday. The leader of this group, in an unprecedented "press conference," vowed to continue its violent struggle against the army, which he claimed still dominates Mendez Montenegro's government.

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4. Nigeria

The situation remains highly confused and explosive.

The international airport west of Lagos remains in the hands of military units dominated by rebellious northerners, as do the cities of Abeokuta and Ibadan. (See map) Troops sent from Lagos to recover the airport were ambushed with heavy casualties, and two Europeans caught up in the action were killed.

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Nothing has been heard from General Ironsi, and he may well be dead in Ibadan. Ironsi's deputy and the deputy police chief in Lagos are trying to maintain the government's authority, but appear to have no reliable military forces at their disposal. They are said to be trying to negotiate a compromise settlement with the dissidents.

5. Congo

The still unresolved mutiny in Kisangani seems to be unsettling Mobutu and driving him to more and more impulsive acts.

Mobutu, apparently believing the mutiny is part of a Belgian-sponsored plot against him, today considered closing the Belgian Consulate in Lubumbashi (Elisabethville).

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6. Turkey

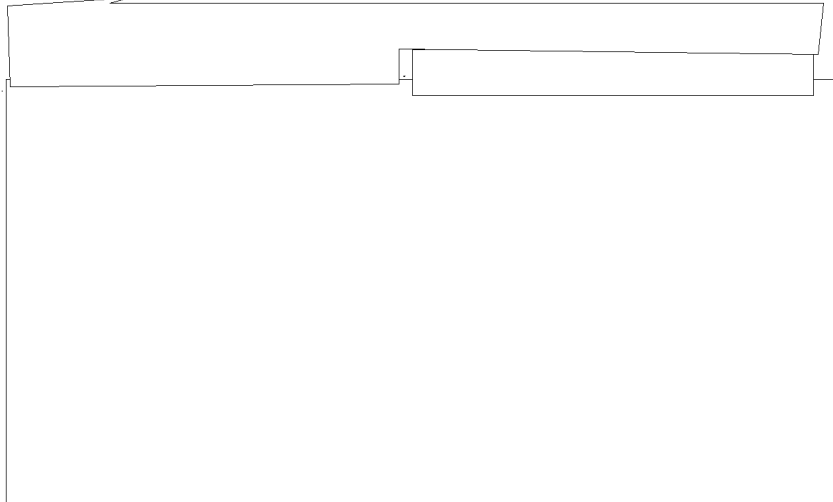
Italian Foreign Minister Fanfani, recently back from Turkey, has passed on his observations.

He said he found the Turks concerned by a feeling of isolation from the center of NATO, and apparently believing the US to be more favorably disposed toward Greece than Turkey. He felt the military, although strongly pro-NATO, was experiencing some uneasiness.

Fanfani noted that the Soviets are moving cleverly to improve relations with Turkey and are buttering up the opposition party. He did not say there was a tendency toward neutralism, but he feels there is a danger of such a feeling developing.

We agree with this reading, and believe that maintenance of the US presence and operations in Turkey will become more difficult--and more expensive in terms of quid pro quo--in the months immediately ahead.

7. Egypt



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