



CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF



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31 JULY 1965

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DAILY BRIEF
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1. South Vietnam

The Viet Cong are initiating actions close to Saigon.

A contingent of about 40 Communist guerrillas last night attacked a government watchtower about three miles from the Saigon airport. Casualties are reported to be heavy.

Another Viet Cong element, reportedly company sized, occupied an outpost some six miles southwest of the city. A clash between guerrillas and Australian troops was reported a dozen miles northeast of the capital.

In Saigon itself, Viet Cong terrorists exploded a grenade at an Australian troop billet and there was a bomb incident at the home of a Saigon police official.

In the north, the Viet Cong successfully mined a major bridge on the coastal highway. It will reportedly take at least two weeks to repair the 400-foot structure.

2. Laos

The situation in Vientiane remains uneasy.

On Thursday four rounds of 3.5 rocket ammunition were fired into a populated area, killing five and injuring 25. The perpetrators have not been caught but the evidence seems to point to diehard supporters of exiled General Phoumi who have been trying for months to discredit the local authorities.

The Chinese ambassador suddenly returned to Vientiane this week and the North Vietnamese ambassador is expected momentarily. Their abrupt appearance after a long absence has led to speculation that a new Communist initiative on Laos is in the works.

One possibility is an attempt to bludgeon Souvanna into curtailing US activities in Laos.

3. Greece

Novas has refused to accept yesterday's ruling by the acting speaker of Parliament that his government had "fallen." He maintains that his is still the legal government, and has asked a pair of eminent constitutional lawyers for an opinion on this.

Neither of the main protagonists appears in a compromising mood. The King seems as determined as ever to keep Papandreou out, while the latter sees his own hand as having been strengthened by the events of the past few days.

The next confrontation should come on Monday when another attempt will be made to gather a parliamentary quorum for debate on the Novas government. It is not clear whether the Papandreou forces will take part since the former premier has publicly agreed that Novas had "fallen."

The real beneficiaries of all this disorder and confusion are the Communists, who have taken a leading part in street demonstrations against Novas in the past two weeks.

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4. Soviet Bloc

A large Warsaw Pact air defense exercise got under way yesterday when about 150 medium bombers flew simulated air attacks over most of the European satellites.

Large numbers of Soviet and East European fighters reacted to the raid. Surface-to-air missile sites were also involved.

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It promises to be the largest in a series of exercises designed to improve readiness in Pact air defense forces.

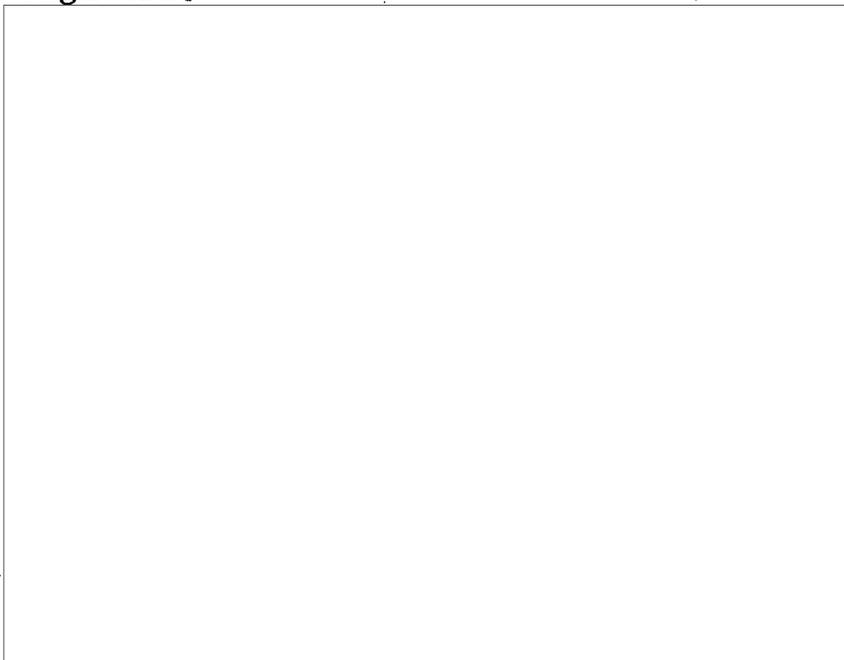
So far the Rumanians have been conspicuous in their failure to take part.

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5. Dominican Republic

Leftist extremists believe that the longer the present stalemate continues the greater will be their opportunity to recruit and train guerrilla fighters.

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6. Malaysia

A time bomb was discovered in front of the US Consulate this morning and dismantled by a bomb disposal squad. The squad reports that the bomb was similar to those used by Indonesian saboteurs.

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