



CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF



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3 AUGUST 1965

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1. Vietnam

Ghana's President Nkrumah is still unsure whether to go on a peace mission to Hanoi.

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Nkrumah's special representative, on his way back to Ghana from Hanoi, is acting as if he "has something" and has told the press that peace moves are "on hand." It is difficult to reconcile this statement with the latest defiant blasts from Hanoi and Peiping.

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2. Communist China

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3. Malaysia

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intercepts continue to reveal that installations on the Malayan peninsula are being targeted for sabotage.

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EXCERPTS FROM REPORTS OF AGANBEGYAN'S MID-JUNE CRITICISM
OF SOVIET ECONOMIC ADMINISTRATION AND MANAGEMENT

The structure of Soviet production is the most backward of all developed nations.

Putting new technology into industrial use continues to become more difficult.

Unemployment is a great problem and is increasing.

In the past few years there has been practically no rise in the standard of living.

Soviet defense expenditures are about the same as those of the United States but the Soviet economic base is only about half that of the US. This is a principal reason for economic difficulties.

Today's planning system is the same as that of the thirties. Gosplan's efforts to balance supply and demand plans result in serious errors.

[REDACTED]

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The USSR has senselessly followed a policy of over-industrialization for many years.

The faults of the Soviet system were summed up in the following categories:

- 1) The incorrect direction of the economic development of the USSR
- 2) The lack of coordination between the system of planning, incentives, and administration of the Soviet economy and the current demands of life

In response to a question on whether the United States or the Soviet Union had the most powerful economic system, Aganbegyan [REDACTED] said facetiously that the Soviet one must be the more powerful because only it could have survived such unparalleled waste of resources.

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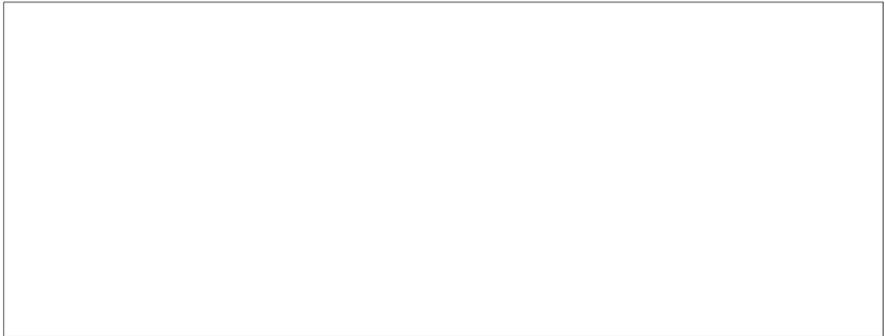
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4. USSR

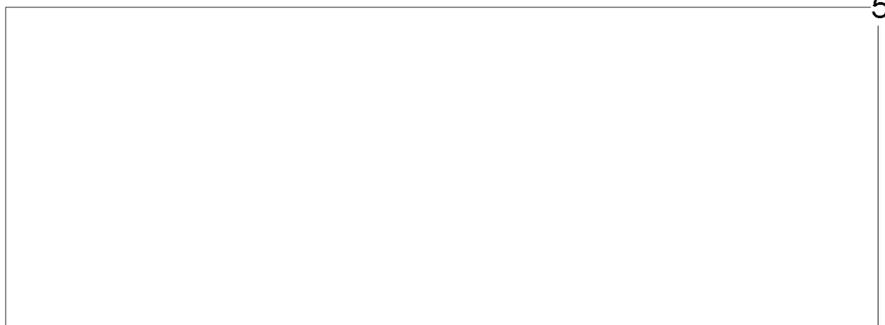
The Soviets appear to be having difficulty in arriving at decisions on the economic reforms promised by the new regime last fall. A continuing debate among Soviet economic administrators and academic economists has created a stir in Moscow and probably is complicating decision making.

Part of that debate, a frank criticism of the Soviet system made in a mid-June lecture by one A. G. Aganbegyan, a 33-year-old member of the Soviet Academy of Sciences, is summarized on the facing page. US Embassy sources in Moscow indicate that Aganbegyan's comments have had a major impact. 50X1

Aganbegyan's criticisms appear to US intelligence experts to be generally valid.



5. Cyprus



6. Greece

With no resolution of the political impasse in sight, an increasing number of responsible Greek political leaders are beginning to wonder how long the Greek parliamentary system can stand the strain.

Defense Minister Kostopoulos, for example, believes the situation is promoting the possibility of a nonparliamentary government appointed by the King and based on military support. He views such an alternative, however, as ultimately disastrous to the stability of the country.

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