



CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF



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16 NOVEMBER 1965

~~TOP SECRET~~

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1. Rhodesia

The United Nations is still deadlocked over the Rhodesian issue.

The Ivory Coast, however, has drafted a new compromise resolution. It urges Britain to put down the rebellion and asks all governments to break diplomatic and economic relations. It also calls for an oil embargo. Britain may go along with this compromise in order to avoid a stronger statement calling for force.

In Salisbury, the situation is quiet. Smith's main problem at this point is how to handle the former British governor, Sir Humphrey Gibbs. The governor has considerable personal popularity in Rhodesia and he refuses to resign. If he continues his "sit in," Smith may have to resort to force before the issue presents a threat to the loyalty of the military establishment.

2. Indonesia

Sukarno has given in to army pressure and authorized a purge in the government.

This came out in the form of a presidential order today calling for the ouster of all government personnel involved in the 30 September movement. General Nasution put out a similar order yesterday applicable to the armed forces.

This latest move represents a considerable psychological gain for the military leaders. While they already had been engaged in a clean-up of the government, this is the first time that they were able to get Sukarno's formal approval.

Another mass rally against the Communists is scheduled for tomorrow in Djakarta.

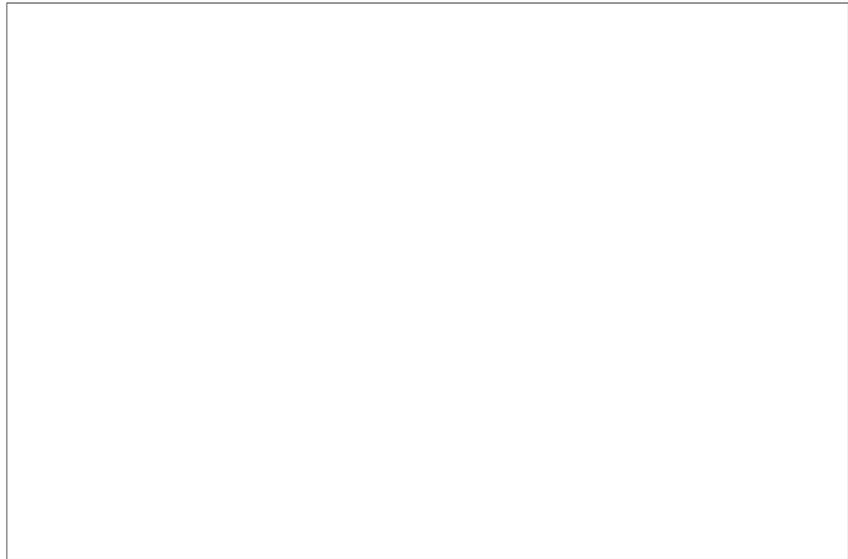
3. Communist China

The Chinese have reportedly concluded another agreement for the purchase of grain, but they will need still more to meet their 1966 requirements.

The latest deal for some 1.5 million tons is with Argentina. Earlier, Peking contracted for two million tons from Canada to be delivered between mid-1965 and mid-1966. Another half million tons will come from Australia.

Since the Chinese will apparently need to import about six million tons next year, they will probably begin canvassing the more expensive markets--such as France--to make up the difference. These imports form a small, but significant, part of China's overall food position, which is examined in the Annex today.

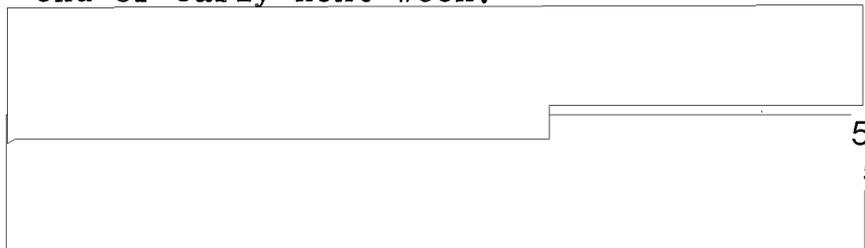
4. Communist China



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5. France

The French will probably attempt to launch their first satellite this weekend or early next week.



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6. Pakistan

Pakistan may have received a limited amount of military aid from Indonesia.

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7. Vietnam

The battle near Plei Me continues to take a heavy toll of North Vietnamese Army personnel who had been infiltrated into the south. The latest confirmed count of Communist dead in this fighting is 869, but the actual number is probably considerably higher.

Growing morale problems among Viet Cong supporters in at least one area of South Vietnam came to light in a recently captured document. Nearly half the members of a 240-man Viet Cong labor group had defected due to "poor indoctrination" which had left them without "proper motivation."

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ANNEX

Communist China's Food Position

China's collectivized agriculture is still demonstrably unable to provide sufficient food for its growing population. The grain harvest this year probably will not differ significantly from last year's mediocre harvest. We estimate that it will only come to 170-175 million tons. To reach even this poor level of grain output Peking had to use cotton and oilseed acreage, thus reducing production of these necessities.

The population continues to grow at better than 2 percent, or more than 15,000,000, a year. Since grain production has failed to increase, Peking's supply position in rice and wheat will inevitably be worse in the coming months than it was last winter.

Part of the decline in grain availabilities can again be made up by an increase in the supply of subsidiary foods such as vegetables and meat. Such foods are raised largely from the peasants' private plots and represent time and effort away from the collective fields where vital grain crops are grown.

From all food sources, the average Chinese should have available to him about 1,900 calories per day over the next year. This is substantially below the 1957-1958 levels, considered the last normal food years the Chinese have enjoyed.

The longer term outlook is no better. During the next five years China will be hard pressed to obtain substantial increases in food from private plots unless, as seems unlikely, the leadership is willing to shift land from collective fields. The increases in food output necessary to keep even roughly in pace with population growth will thus have to be obtained by in some way lifting grain output and by continued large-scale imports.

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ANNEX (Cont'd)

The Chinese are just now starting to approach this problem from the other side. They have launched a birth control campaign in urban areas. However, the campaign has scarcely begun in rural China where the real problem lies. In any case, it will take years of intensive and successful effort before a meaningful decrease in population growth can be achieved.

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