



# CENTRAL INTELLIGENCE AGENCY

## THE PRESIDENT'S DAILY BRIEF



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5 FEBRUARY 1966

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1. North Vietnam

Continuing radio traffic analysis strongly suggests that the previously noted senior Chinese Communist military authority in the Hanoi area has important air defense functions.



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Communications intelligence also points to preparations to activate a new airfield in South China near the Vietnamese border.

These developments add to the growing signs of increased air defense coordination between China and North Vietnam.

2. Pakistan

Drought, described as unprecedented, has cut into the winter grain crop. The governor of West Pakistan believes that the upcoming crop will be reduced by at least 30 percent. This crop accounts for about one-fifth of the country's annual grain production.

3. France



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#### 4. Soviet Union

Figures released this week in Moscow mean that there was little improvement in the performance of the Soviet economy last year as compared with the previous year.

The Kosygin-Brezhnev team did manage to reverse the decline in the industrial growth rate from the postwar low of 1964. However, they may have trouble sustaining the improved industrial rate this year. State investment, which largely governs industrial growth, was below expectations last year, and the 1966 plans favor agriculture over industry.

Moscow's statistics indicate that grain production last year dropped by more than 20 percent, and our own estimates confirm this. Our studies point to a grain production of around 100 million tons. The output of animal products went up sharply, however.

#### 5. Egypt

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#### 6. Panama

Ambassador Adair feels that Arnulfo Arias' Thursday press conference, at which he denounced in advance a new canal treaty, was directed as much at the US as at the Panamanian public. The veteran troublemaker was, in the ambassador's opinion, putting us on notice that a satisfactory solution to the canal problem can only be reached through him.

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## 7. Brazil

President Castello Branco is willing to back War Minister Costa e Silva as the administration candidate in this year's presidential election if the war minister will agree to continue present government policies. Castello Branco also wants a new war minister who will keep the armed forces united behind the administration.

If something can be worked out along these lines, a potentially explosive confrontation between the two men will be avoided.

## 8. Rhodesia

The British have begun to work on Zambian President Kaunda in hopes of persuading him to postpone a total trade break with Rhodesia beyond the 15 February date previously agreed upon between him and Wilson. The British are optimistic, but Kaunda is under pressure from firebrands in his own government.

There are reports that meaningful quantities of petroleum products are finding their way into Rhodesia from Mozambique and South Africa. These are without confirmation, and it is doubtful that the amounts involved are yet significant from a nationwide viewpoint.

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