



CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF



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31 MAY 1966

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DAILY BRIEF
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1. South Vietnam

Saigon was quiet today, but we cannot be sure how long the lull will last, or whether it represents a deliberate effort by the Buddhist leadership to calm things down. However, Buddhist Institute leaders reportedly met this evening with Ky and Thieu. As yet we have no hard information about what was discussed.

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Both Tri Quang in Hué and Buddhist Institute leaders in Saigon have called for an end to self-immolations.

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Hué was also calm, with some indications that the province chief--now beginning to show some backbone--is making headway against the unruly students, who appear to have given up control of the radio station. Barricades in the city, however, were still manned by armed students at 11:00 p.m. (Vietnam time).

The province chief has also withdrawn most of the troops of the politically shaky First Division from Hué. This has deprived the struggle force of any organized military support--but also leaves the city vulnerable to attack by the Viet Cong. Although Saigon reportedly has no immediate plans to re-occupy Hué, this vulnerability might provide a pretext to move in loyal troops.

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2. Soviet Union

A recent CIA study shows that Moscow last year was able to cut its hard currency deficit almost in half as compared with 1964--a drop from about \$600 million to between \$300-350 million.

This reduction came largely from a cutback of some \$300 million in imports of Western wheat and machinery. Gold sales--Moscow's chief means of financing its chronic hard currency deficit--were accordingly reduced to just over \$300 million, in contrast to the record sales of more than \$500 million in 1964.

This year, the Soviets will probably again hold back their imports from the West in order to conserve foreign exchange. Trade with Communist countries is expected to grow a little faster than the 1965 rate of less than four percent.

3. Soviet Union

The antimissile defenses under construction in the Moscow area are being expanded. The latest satellite photography shows early construction preparations for what will probably be another radar and launcher installation for defense against ballistic missiles.

This will make a total of five positions forming an arc around the northern and western sections of the city. We still expect that at least one and possibly three more of these positions will be built.

The same satellite mission also provided further evidence that the two huge missile detection and tracking radars in the northwestern part of the Soviet Union are nearing completion and could begin operating soon.

4. Pakistan

Other satellite photography shows that there are now at least 29 MIG-19 aircraft at one airfield in West Pakistan. Another 20 of these planes may well be under camouflage and in packing cases nearby.

Earlier photography had shown only 14 aircraft:

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5. Iraq

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6. Congo

Congolese-Belgian relations are headed for even rougher sledding as a result of the abortive plot against President Mobutu over the weekend. Mobutu is convinced the Belgians were involved and he has already ordered one Belgian Embassy officer expelled. The president has said, however, that he will not break relations.

Our embassy believes that the Belgians were guilty of nothing more than indiscretion, but warns that this latest affair has all the potential for blowing up into a highly dangerous source of anti-Belgian tension.

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