



CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF



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22 JULY 1966

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1. South Vietnam

Ky mentioned to Ambassador Lodge today that he thinks the time has come to establish a rallying point in North Vietnam for what he believes are many fervent antigovernment elements there.

He advocates a parachute drop of a "battalion--about 400 men," all Vietnamese, at a point in the mountains south of the 19th parallel. The men would be close to the sea and could be supplied at night by planes.

The premier believes these troops could conduct sabotage operations, terrorism, and help political uprisings.

Lodge apparently made no comment.

2. Communist China

Peking is making new efforts to counter speculation in the West that North Vietnamese resolve may be weakening.

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3. Communist China

The regime's announcement that it intends to "reform" higher education in China has apparently produced a strongly adverse reaction among university students.

The son of Cambodian Premier Sihanouk, who had been studying at Peking University until a month ago, is reported to have declared on his way home that life at the university had become so unbearable that he will never return. He spoke of violent riots and mass student arrests there. He believes like conditions exist at other Chinese universities.

There have been similar reports

[redacted] last month student demonstrations were occurring daily in Peking. [redacted] reported brawling between rival student factions there. Early this month, anti-Mao shouts were being heard at night coming from the campus at Peking University.

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Little has actually come yet of the university "reforms," but students are being held at the schools for indoctrination this summer instead of being given their usual working vacations.

4. Egypt

In a characteristically anti-Western speech today, Nasir dismissed the possibility of further US aid. He declared that Egypt needs about \$100 million worth of wheat again this year, but that US conditions are such that "we will have to rely on ourselves."

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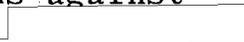


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6. Congo

The Congo's leaders were warned in no uncertain terms yesterday that continued Belgian assistance is dependent on an end to Mobutu's actions against Belgian business interests. 

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 Brussels declared that talks "at the highest level" not later than September are "indispensable" if the Congo wants Belgian "cooperation."

Most observers believe Belgium's considerable military and technical aid is all that keeps the Congo from anarchy.

Mobutu's reaction to the Belgian warning can only be a matter of speculation at this point. He was strongly uncompromising in a speech to the diplomatic corps yesterday, but his vulnerability to foreign pressures was evident in the recent settlement of a test of strength with foreign oil companies. This was apparently settled on terms favorable to the companies.

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7. Malagasy Republic

The incapacitating illness of pro-Western President Tsiranana has brought on a period of political uncertainty in this former French island of Madagascar. The president's constitutional successor is a nonentity and power is expected to fall to the ambitious interior minister, André Resampa.

Resampa's takeover would probably raise tensions between the country's competing tribal groups and presage the introduction of socialist domestic policies. On the international scene, he would be inclined to broaden the country's contacts with Communist countries.

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8. Pakistan

Ayub has gained more flexibility in implementing his policies as a result of his recent cabinet changes. Bhutto's dismissal as foreign minister last month was subsequently balanced by the departure of the pro-Western finance minister. Both the recently appointed replacements are considered able technicians uncommitted to any specific political line.

No major foreign policy shifts are in sight, but such adjustments as do take place will now be more clearly Ayub's own.

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