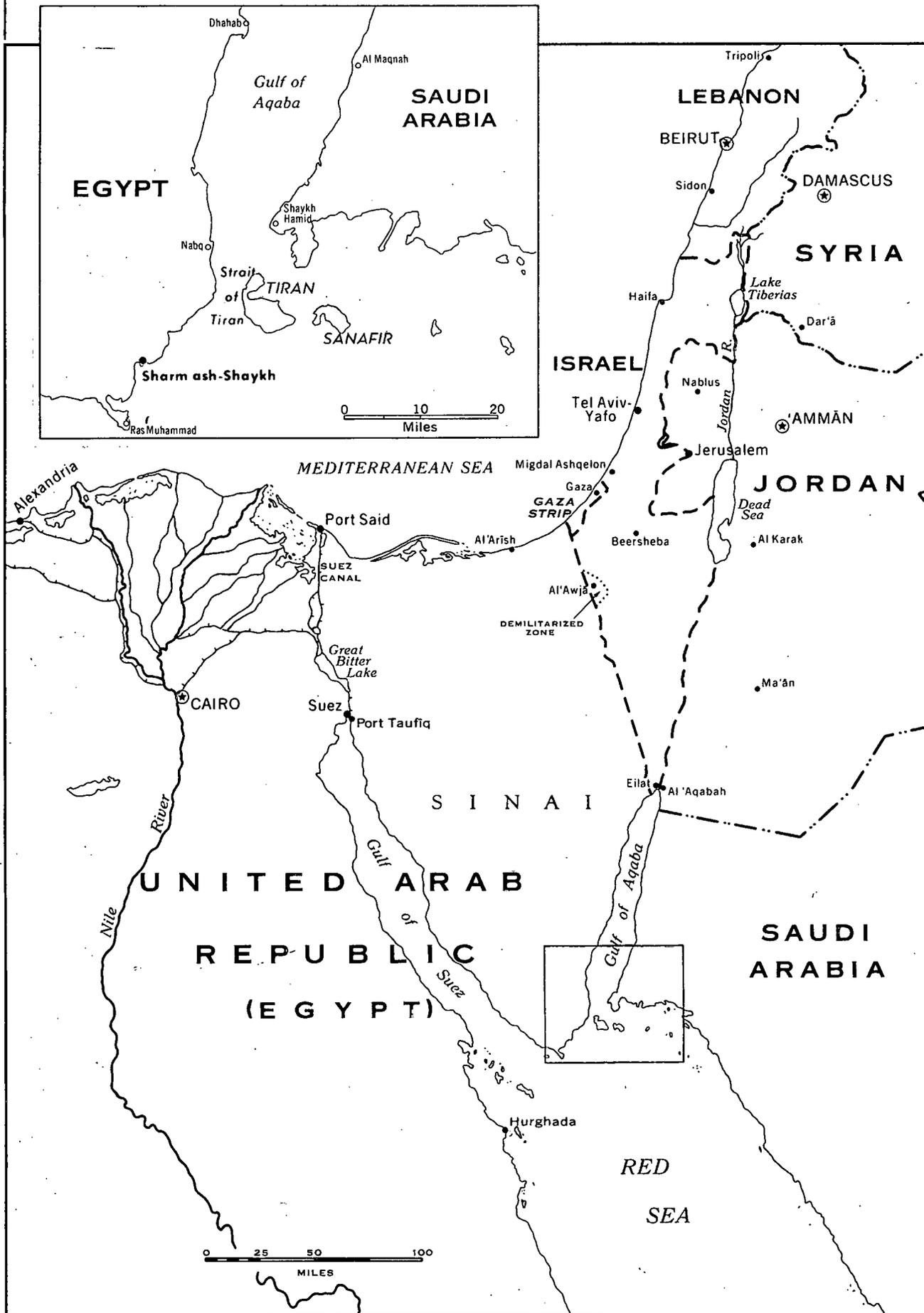


The President's Daily Brief

~~Top Secret~~ 24 May 1967



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DAILY BRIEF
24 MAY 1967

1. Arab States -
Israel

No major new developments have taken place in the area during the past 24 hours. It has become even clearer, however, that Cairo is deadly serious in its blockade of Israel's southern port and that Moscow is out to give the Arab side strong propaganda support.

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The Israelis are continuing strongly to reaffirm their determination to ensure freedom of navigation in the gulf.

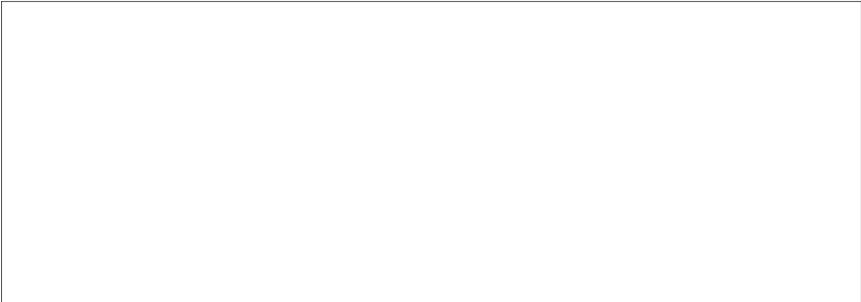
The Soviet position is ambivalent. Moscow's official statement yesterday stressed its strong support for the Arabs against anyone who tries "to unleash aggression" in the area.

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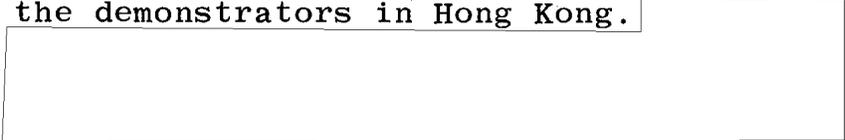
2. Hong Kong

The Colony was relatively quiet yesterday and there has yet been no challenge to the government's ban on public gatherings. More trouble is almost sure to come, however, and the authorities are becoming concerned over the strains that are beginning to show on the local police.



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Peking is still out to keep the pot boiling. It has now formally demanded a quick reply to its "statement" of last week calling for British capitulation to the demonstrators in Hong Kong.



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3. South Vietnam

Uncertainty concerning the presidential aspirations of Thieu and Ky-- which stems from the inability or unwillingness of the two men to reach a clear, frank agreement--seems to be generating dangerous tensions among their adherents.

Some of Ky's friends, for instance, say they will resign their government posts if Thieu runs, whereas some close to Thieu blame the lack of agreement on Ky's evasiveness. Yesterday, two well-placed Vietnamese told embassy officers they felt the situation between Ky and Thieu "was approaching a critical point." The Vietnamese indicated they still had hopes, however, that the matter could be resolved.



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4. Peru

President Belaunde is working desperately to head off a government financial crisis, but the opposition-controlled Congress is in no mood to give him the necessary authority. There are signs that the President is thinking seriously of dissolving Congress for at least long enough to implement tax measures by decree. He could probably get military backing for such an extralegal move.

5. Cuba

Castro is proclaiming openly his determination to continue helping revolutionary movements in Latin America and elsewhere. Last week his party publicized a defiant communiqué acknowledging Cuban participation in the landing of a guerrilla team in Venezuela early this month. The Cubans declared that this kind of assistance will go on. On Monday, Castro's United Nations delegate treated the General Assembly to a violent diatribe along the same lines.

Just what Castro hopes to gain by these flamboyant proclamations is unclear. They follow a series of recent Cuban reverses in Latin America and could be designed simply to impress other Communist movements with Cuba's determination to play a leading role in the "world revolution."

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