

CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF

50X1

17 MAY 1966

TOP SECRET

23

1. South Vietnam

The standoff continues, but clashes between opposing South Vietnamese troops in the I Corps area could occur without warning. Ky sent more combat police to Da Nang today and intends to send a Ranger battalion there tomorrow to replace one of doubtful loyalty.

A column of Saigon troops moved up the road from Da Nang toward Hué, apparently only to block the road at a pass some ten miles from Da Nang. But the possibility of a move on to Hué was treated as a certainty by the Hué radio which called on all units today to prepare to defend the city.

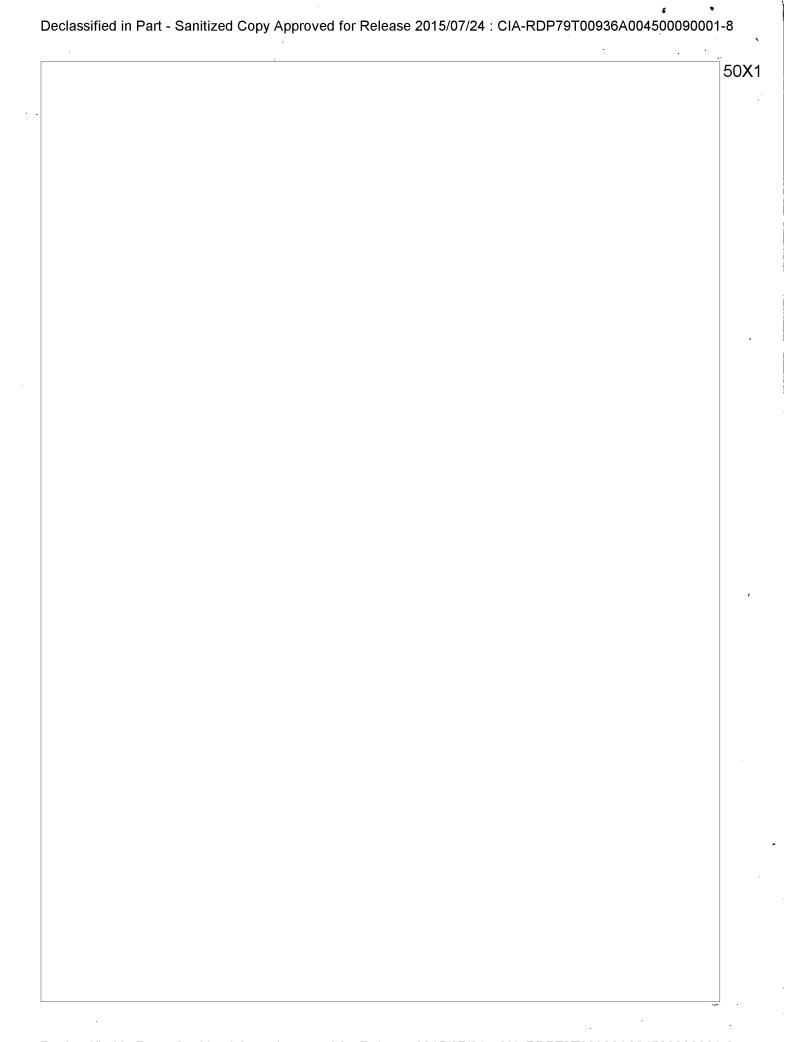
General Cao, Ky's new I Corps commander, made a number of efforts during the day to bring under his control the rebellious troops in the corps area.

50X1

First Division commander Nhuan refused to see him when he went to Hué. Cao's tactics, thus far, seem carefully designed to avoid undue provocation.

Buddhist leader Tri Quang also seems to be counseling moderation among his followers. He seems to have headed off an angry anti-US demonstration after the incident in Hué when a US helicopter gunner killed the South Vietnamese lieutenant who had fired at General Cao's helicopter. Later, he told the US vice consul that "I have saved American lives this morning."

A Hué radiobroadcast subsequently featured the "tragic massacre" of Hué citizens at the airport, but blamed this "criminal act" solely on the "bloodthirsty Thieu-Ky clique."



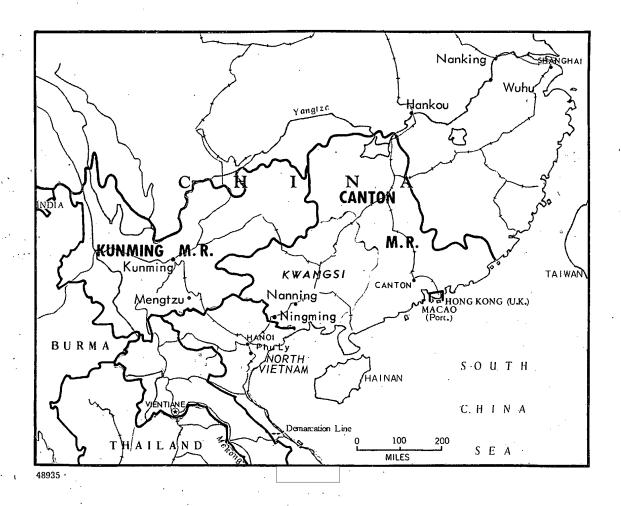
2	Franc	6
~ .	riand	$\overline{}$

3.	Communist	China

50X1

4. Communist China

Peking radio announced today that China is publicizing photographs of the missile remains and jettisoned fuel tanks from the US plane that shot down the Chinese fighter near the North Vietnamese border last Thursday. These, of course, could be faked, but it does carry the Chinese propaganda on this incident another notch higher.



5.	Communist	China	The Chinese may be improving their surface-to-air missile defenses in South China.	50X1 50X1
		e	on I mai,	JUXI
	,			
		· ·		
		•		
				·
		•		
			military regime has not developed any firm power base. Some key military units are still not giving it full support, and factionalism among the coup group itself appears to be increasing. An open conflict among the military leaders could break out at any time.	. · . L
7.	Canada		Prime Minister Pearson, who beat down the opposition in a close censure vote early this month, may soon be faced with a crisis of confidence within his own Liberal Party.	
	1			,
				,
	•			
		· · · · · · · · · · · · · · · · · · ·		
		;		

50X1

8. Dominican Republic

In a ten-minute speech this afternoon, Bosch gave the government an ultimatum of 48 hours to end what he described
yesterday as the "panorama of mounting
violence" against his followers. This
is probably a Bosch ploy to get back in
the headlines and to justify his reluctance to campaign in person. However,
if he becomes convinced that he will not
win, there is a good chance of his using
this claim of violence to withdraw.

9. Congo

The financial talks between the Congolese and Belgians, which opened in Brussels last week, promise to be long and difficult. Mobutu is determined to show that he runs the Congo, and his large delegation appears ready to call into question Belgium's whole position in the country.

Specifically, the delegation is bent on renegotiating the settlement the Tshombé government made concerning the interlocked Belgian-Congolese public and private debt servicing—a dreadful can of worms dating back to preindependence days.

The Belgians are not prepared to reopen this question. Concerned, however, about the vulnerability of the 35,000 Belgians and the country's large investment in the Congo, they probably will be civil to the Congolese and hope that Mobutu will soon cool down.

TOP SECRET

TOP SECRET