



# CENTRAL INTELLIGENCE AGENCY

## THE PRESIDENT'S DAILY BRIEF

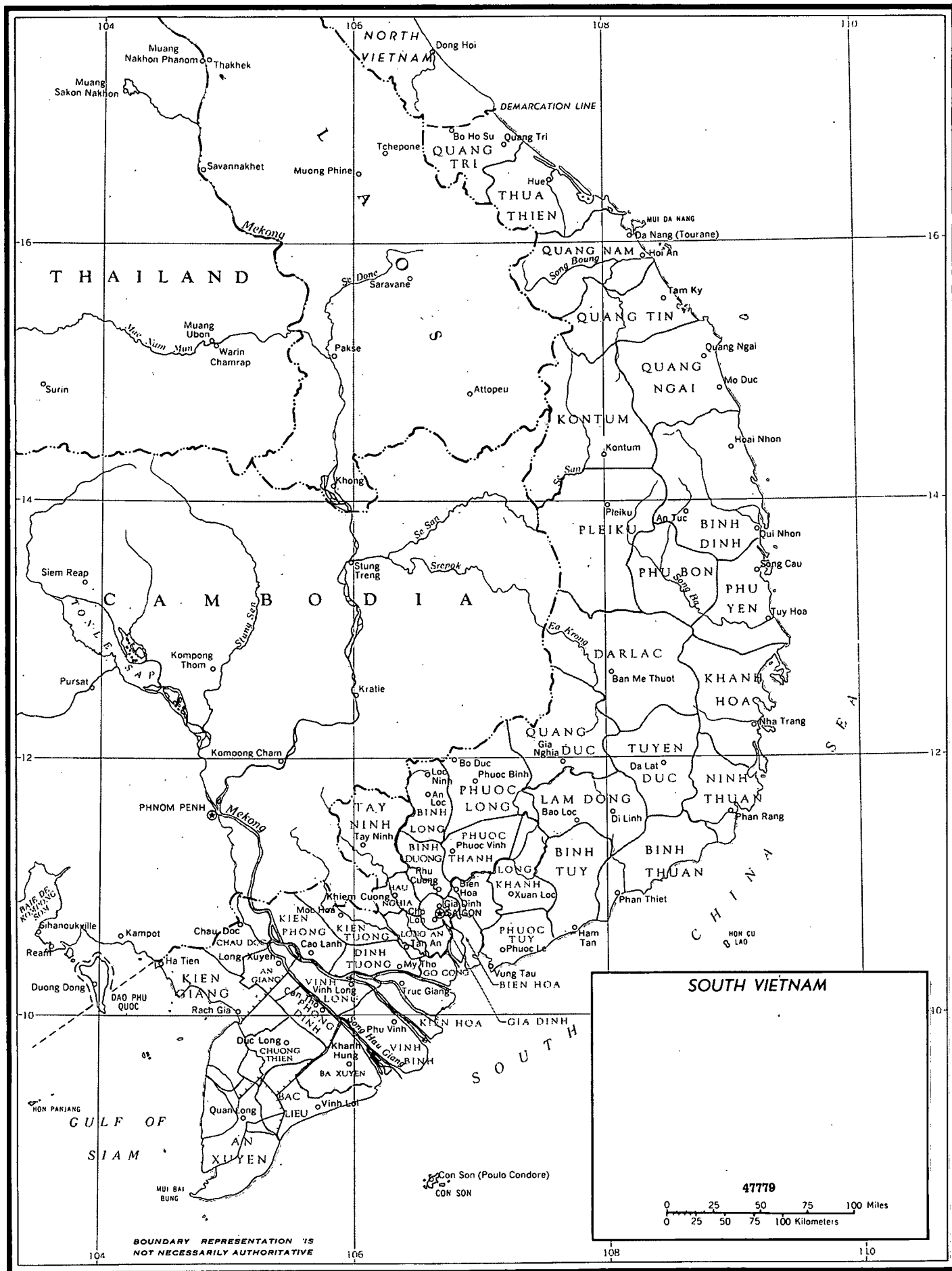


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16 MAY 1966

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DAILY BRIEF  
16 MAY 1966

1. South Vietnam

There was minor small-arms fire in Da Nang tonight, Vietnam time; Saigon and Hué were quiet. By all accounts this is only a temporary lull while the "struggle" forces plan their retaliatory moves against the government.

The hard core of the opposition, in fact, met in Hué this morning. Former I Corps commanders Thi and Dinh, 1st Division commander Nhuan and Tri Quang were all present.

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## 2. West Germany

Bonn's firm line on the conditions for French troops remaining in Germany is coming under open attack from those in favor of a softer approach.

Franz-Josef Strauss, Adenauer's defense minister and a long-time enemy of Erhard, is the most outspoken critic. He agrees that there should be no reversion to occupation status, but considers the government's tactics too hard and legalistic. Strauss would apparently go quite far to obtain a compromise permitting French troops to remain.

For a variety of reasons, many Germans still shy away from a showdown with France. Some feel a break with France would bury forever all hope of European unification. Others fear a confrontation now would cause De Gaulle, while in Moscow, to take positions inimical to German interests.

## 3. United Kingdom

The seamen's strike could literally paralyze the British economy if it lasts more than a couple of weeks. Any settlement seems remote at this point. Dockworkers have pledged to support the seamen by refusing to unload strikebreaking foreign vessels.

Wilson is considering a wide range of emergency measures, some of them quite drastic. He may be obliged to use the navy to move strikebound ships from the docks and to use troops to replace dockworkers.

## 4. Israel

If the Israelis were looking for a pretext for a reprisal raid into Syria, they now have one. Two Israeli farmers were killed by a land mine near the border today. The Fatah terrorists, who will probably be blamed, are supported by the Syrian Government.

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## 6. Rhodesia

Tomorrow, the Africans will have their day in the Security Council on the Rhodesian issue. The British are still hoping to head off a vote on an African resolution. They intend to review the steps they are taking and stress that now is not the time for a substantive resolution. If it does come to a vote, they are confident there will be sufficient abstentions to block a resolution.

## 7. Ghana

The new government has extended an old contract, initiated by the Nkrumah regime, to import Soviet crude oil. It has also increased the amount it will buy.

This move, seemingly inconsistent with the Western orientation of the new leaders, is a reflection of Ghana's continuing foreign exchange crisis. The oil deal may encourage continued major Soviet purchases of cocoa, Ghana's principal export.

## 8. Dominican Republic

Little more than two weeks before election day, there are some signs that a swing may be developing toward Balaguer.

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President Garcia Godoy also thinks he senses a trend toward Balaguer, who he believes will get the votes of people who want, first of all, peace and jobs. If such a trend does materialize, it will tend to gather in those many voters who are still undecided but want to vote for a winner.

Bosch may sense a swing against him. His speech yesterday was an angry one in which he charged that his enemies were preparing to cheat him of victory. He implied a threat to withdraw from the campaign. This may be only the first of a series of speeches in a similar vein.

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## 9. Ecuador

Ex-president Velasco now definitely plans a triumphant return from exile next week. His friends and enemies alike are saying that all the old demagogue will have to do is to start talking and the people, politicians, and probably some military will sweep him to power again.

Interim president Yerovi, oppressed by the government's seemingly impossible financial problems, may simply throw up his hands and take off. Characteristically, Velasco is reported saying he will demand legalization of the Communist Party when he returns next week.

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