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CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF



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28 MAY 1966

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1. South Vietnam

Today Ky gave an embassy officer his version of his meeting yesterday with Thi. Ky said he appealed to Thi on the basis of their old friendship and the need to unite the country. He said Thi agreed to leave Hué "in a few days" for somewhere in II Corps area, where Thi could "talk things over with his colleagues." Among "things" to be discussed would be a job for Thi, since Ky said he had not offered him any specific position.

Ky said he believed the next month would see a good deal of political progress. He appeared determined to press on against the Buddhists, especially to "isolate" Tri Quang, whom he characterized as the representative of a "small group of fanatics" and a "small-minded man."

Ky may be underestimating Tri Quang's influence. Yesterday Foreign Minister Do told an embassy officer he felt the crisis was far from ended, and that there was a real danger of Ky's become overconfident after his "Da Nang victory."

Both Hué and Da Nang were quiet today. Firm action by riot police in Saigon has dispersed demonstrations without serious incidents.

2. Iran

The prime minister has declared that the Western oil consortium's decision to raise this year's oil exports from Iran by only 9 to 11 percent is "unacceptable" and further evidence that the West is turning its back on Iran. The Shah has been insisting that a 17.5 to 20 percent increase is necessary to finance needed economic and military programs.

3. Dominican Republic

The pre-election scene was thrown into confusion this morning by the announcement that Balaguer and his Reformist Party have withdrawn from the election. This might be a political gambit aimed at capturing center stage only four days before the election. A Reformist Party rally scheduled for tonight in Santo Domingo may provide the answer, although there are some reports that the rally has been cancelled.

Except for the weather, things had been going fairly well for Balaguer in the past few days. Only a few hours before his announcement, the vice presidential candidate of third-running Bonnelly had publicly thrown his support to Balaguer.

The withdrawal was, at least ostensibly, in response to rejection by election officials of Balaguer's request that women be allowed to vote without identity cards. Garcia Godoy will surely do all in his power to get Balaguer to reverse the decision.

4. Cuba

Fidel Castro's blast last night was typical of those he has used in past years to divert attention from problems at home by accusing the US of various kinds of "imperialist plots."

He bitterly denied official US statements on the recent incidents around the Guantanamo Base and professed to see them as an indication of impending US aggression. He responded by declaring that the Cuban armed forces would be placed on alert.

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It seems likely, however, that there will be another major propaganda campaign and further incidents.

5. Congo

Belgian officials say that never before has it been so hard to fathom the goals and tactics of Congolese leaders. Mobutu, they fear, is running completely out of control.

Mobutu's recent actions to cut off direct communication and transportation between the outside world and Elisabethville, the center of Belgian commercial and industrial interests in Katanga, is a case in point.

They seem on the surface aimed at bringing these Belgian interests under closer supervision by Leopoldville. However, they are hurting native Katangan interests and could be a reflection of Mobutu's distrust of the people in Tshombé's old stronghold.

There are also new signs of coup plotting in Leopoldville. One group known to be plotting does not have the strength for a successful attempt and Mobutu is probably aware of their plans.

6. Nigeria

The military leaders who have been ruling since last January's coup may soon face a serious challenge. The most immediate issue is the status of the middle-grade officers who carried out the coup and were subsequently arrested. They are regarded as heroes by a good many in the military as well as in the general public.

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7. Ethiopia

Relations between Ethiopia and the Soviet Union have been sliding downhill rapidly in recent weeks.

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