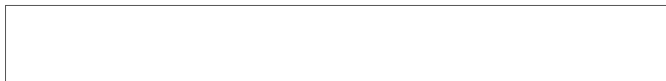




CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF



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25 JULY 1966

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DAILY BRIEF
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1. North Vietnam

A muting of the drums continues evident in Hanoi's current propaganda comment on the US prisoners. Ho, according to an East German press service, said today that North Vietnam intends to treat the captured pilots humanely-- "the chief criminals are not the pilots," said Ho, "but those who sent them" Press sources also cite other North Vietnamese denying any plans to stake out US prisoners at likely bombing targets.

Meanwhile, Communist China may be meeting some of North Vietnam's petroleum needs following the strikes on storage facilities.

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2. South Vietnam

Tam Chau, moderate head of Saigon's Buddhist Institute, has temporarily given up his job, according to Vietnamese press reports. Tam Chau, who excused himself for "reasons of health," will be replaced for some two months by the venerable Tien Hoa, a monk generally considered nonpolitical.

3. France

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4. Sudan

The ouster today--through a no-confidence vote in the Assembly--of Prime Minister Mahjoub may end the prolonged bickering within the dominant Umma Party that has practically paralyzed the government.

The new prime minister will probably be vigorous 30-year-old Sadiq al-Mahdi, whom a substantial number of Umma parliamentarians have wanted in for some time. The Umma's coalition partner is also backing Sadiq.

A powerful Moslem spiritual leader and strong supporter of Mahjoub has called large numbers of tribal followers into the Khartoum area, but the security forces have been alerted and should be able to maintain order.

Sadiq will probably get the government functioning again, but is unlikely to make much of a dent in the basic problems of dissidence in the south and economic stagnation.

5. Congo

Premier Mulamba has not succeeded in pacifying the mutinous Katangese troops in Kasangani (Stanleyville). The city is generally calm, however, with the mutineers and the rest of the garrison apparently in a sort of stand-off.

The mutiny does not seem to be spreading, and since most Congolese have their price, Mulamba may yet be able to buy off the malcontents.

All Americans have been evacuated from the city.

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6. Soviet Union

Soviet statistics for the first half of this year show no improvement over the unsatisfactory economic performance of recent years.

The consumer seems to have made out little better than last year. There was only a slight increase in the growth rate for machinery production, and an actual decline in the rate of growth of the principal civilian users of it. This suggests a further increase in the share of durables being devoted to military and space programs.

A virtual stagnation of investments in new plants and equipment and the lack of growth in the energy industries point to difficulties in the economy. Only petroleum production maintained last year's rate of growth; that of electric power consumption was the lowest for any six-month period in the last decade.

Some progress does appear in the program to remedy the traditional neglect of agriculture.

7. Indonesia

The cabinet announced today is a victory for General Suharto and a further eroding of Sukarno's position. Suharto made one major concession--inclusion of an opportunistic crony of Sukarno

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During the negotiations, Suharto is said to have demanded that certain portfolios--in the fields of economics, finance, home affairs, and information--not go to politicians. He seems to have made this stick, all these posts going to either military men or technicians.

Adam Malik, aside from Suharto probably the ablest man in the cabinet, remains foreign minister as well as sort of a watchdog over internal political affairs.

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