



# CENTRAL INTELLIGENCE AGENCY

## THE PRESIDENT'S DAILY BRIEF



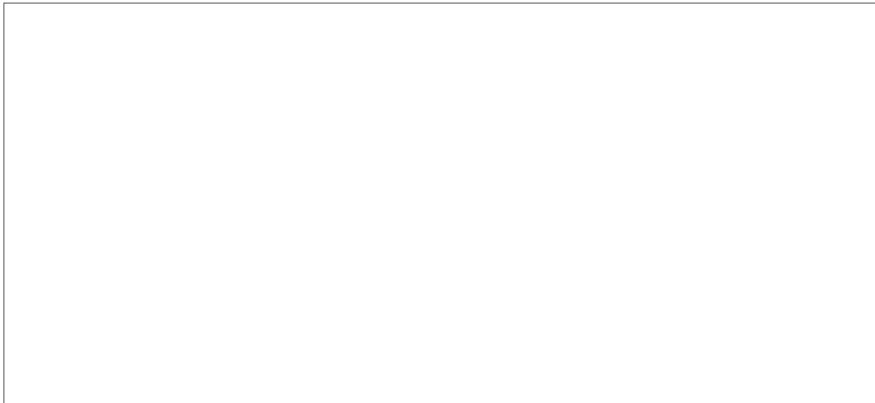
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7 SEPTEMBER 1966

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1. Vietnam



2. United Nations

U Thant has passed the word that he would like to see the Security Council proceed cautiously in a serious search for his successor. Thant remarked to the Italian delegate that a move to draft him could only be made after such deliberations.

3. United Kingdom

Prime Minister Wilson won an unexpected measure of support today from British trade unions. The Trades Union Congress' vote to support Wilson's wage-price freeze gives him needed leverage for his austerity program. It will also help convince overseas observers that the program has a chance of success.

Britain's foreign exchange reserves fell again in August for the sixth straight month in spite of the government's measures.

4. NATO

As expected, France has rounded out its disengagement from NATO with formal notification that it will cease contributions to the general military budget and will pay nothing toward relocation expenses. Acceptance of the French terms would open the way for other NATO members to avoid financial contributions but the Fourteen Allies are in no position to force the French hand.

## 5. Communist China

Foreign Minister Chen Yi's statements to visiting Japanese parliamentarians yesterday--if correctly reported by the press--are in marked contrast to previous ranting performances put on by Chen. His motives are unclear, but may be related to the current political turmoil in Peking.

Chinese Ambassador Wang in Warsaw today broke an 11-year precedent by releasing to the press the full text of his opening statement in his talk with Ambassador Gronouski. The statement reiterated Peking's standard attack on US aggression and reaffirmed Chinese support for North Vietnam.

Wang had earlier told Gronouski he would do this in retaliation for past leaks from the US side. This is probably not the whole story. The Chinese may have wanted to counter widespread press interpretation of Chen Yi's remarks as a softening of the Chinese attitude toward the US, or to reply to recent US statements on withdrawal from Vietnam.

## 6. Indonesia

Sukarno's involvement in financial corruption is receiving increasing attention in the trial of a former cabinet minister in Djakarta. Charges that Sukarno received bribes up to \$600,000, provided import licenses to several of his mistresses, and diverted state funds to his political supporters are being freely reported in the press. We suspect these stories understate the truth.

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## 7. Turkey

The Soviets are bringing heavy pressure on the Turks to cancel a scheduled courtesy visit to the Black Sea by the US guided missile destroyer Pratt. They claim that passage of the Pratt through the straits would be contrary to the Montreux Convention. The Soviets have raised no objections to earlier visits by similar destroyers.

The Convention was signed before guided missiles were heard of, but it does forbid passage of ships armed with guns larger than 203 millimeters. The Pratt's missiles, while defensive in nature, are of larger diameter than this.

The Turkish General Staff has ruled that the passage would indeed be contrary to the spirit of the Convention, and the Foreign Ministry has asked that the Pratt's visit be cancelled.

This affair is not intrinsically very important, but it is stirring up considerable public interest in Turkey and could well develop into a major tempest in the international teapot.

## 8. Ecuador

Interim President Yerovi is again threatening to quit, as he has in the past when problems have piled up. The country's current difficulties include a strike by port workers, a month-old teachers' strike, and threatened student demonstrations. Should Yerovi carry out his threat to resign before the constituent assembly scheduled in November, authority would revert to the military junta that put him in office.

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