



CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF



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19 OCTOBER 1966

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1. South Vietnam

Ky has his cabinet crisis under the rug, but only for the time being.

Five of the seven dissident ministers have agreed to stay on until after the Manila Conference. One minister is undecided and another, Minister of Economics Au Truong Thanh, apparently refused to go along with the others.

The ministers, who saw the conference as a chance to put pressure on Ky, may reconsider when he leaves town. In any event, he probably will be looking apprehensively over his shoulder next week.

2. Communist China

More signs of serious political tension are showing up in Peking.

The Red Guards, almost surely under high-level direction, are turning on new targets. Several of the party officials now under attack were active and, from all appearances, in good repute as recently as the first of this month.

The mass rally in Peking on Tuesday was a most unusual affair. After days of preparations, a crowd of more than a million Red Guards and others was kept waiting for about ten hours before Mao and other top leaders showed up. When they did appear, they simply drove by at about 20 miles an hour and the crowd was told that the rally was over. There were none of the customary speeches.

This probably means that top party leaders had been unable at the last minute to agree on who was to speak or what was to be said. It suggests that some of the leaders under Red Guard attack are strong enough to fight back.

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3. Laos

General Kong Le, founder and chief of the Laotian neutralist forces, has apparently been eased out of his command.

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The next move will probably await Souvanna's return on 1 November, but it does seem clear that a step has been taken toward integration of the neutralists into the regular military. This in turn threatens to destroy what is left of the tripartite facade of Souvanna's government.

4. Soviet Union

The Soviets are preparing for one or more space launches in the next few days. The signs point to another moon probe this weekend, but there may well be some other launches before then for the benefit of the Soviets' high-ranking guests from Eastern Europe, Mongolia, and Cuba.

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The last Soviet moon probe, launched in August, failed in its mission to photograph the moon's surface from orbit. That may be the objective this time, though we cannot rule out the possibility of some kind of more spectacular effort. We have no evidence to support press reports that several men are to be put in orbit.

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5. Lebanon

Beirut's position as a world-important financial center is jeopardized by the government's continued refusal to back Intra, the country's biggest bank, in its present difficulties. The regime's hesitancy stems from domestic political considerations and from avarice among Intra's Lebanese competitors.

Stories of the Soviet Narodny Bank's interest in buying out Intra are believed to have been floated by Intra interests trying to stampede the US Government into helping the bank out. Narodny took front page ads in Beirut papers on Wednesday to deny these stories.

6. Nigeria

Authorities in the Eastern Region are fast becoming resigned to the prospect of a formal breakup of the federation. They are preparing to stand on their own



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In what Ambassador Mathews described as a "chilling" conversation, Eastern Governor Ojukwu told him this week that Nigeria is heading toward much more serious violence than anything that has yet occurred.



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