



CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF

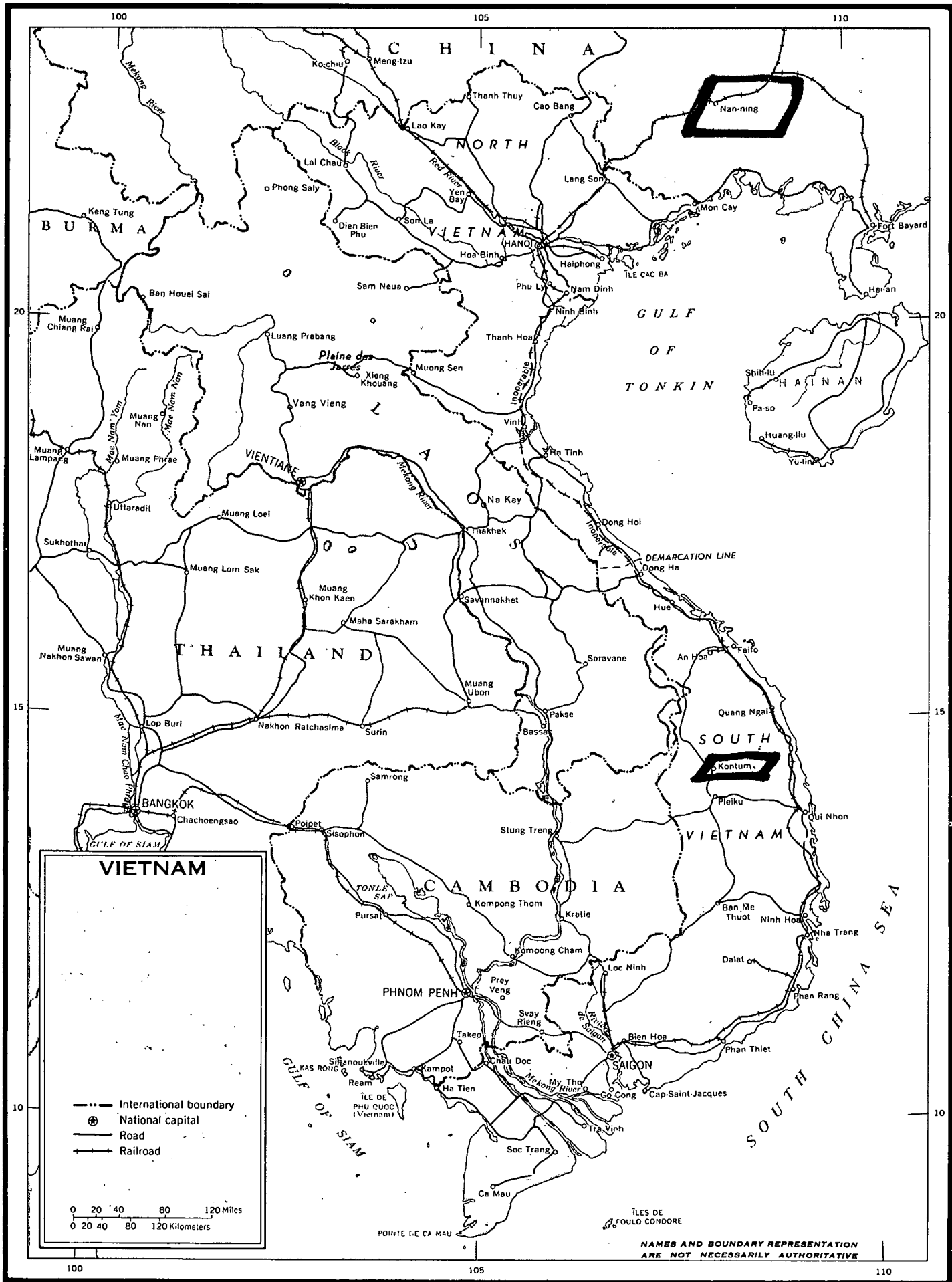


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29 JUNE 1965

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DAILY BRIEF
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1. Vietnam

Soviet efforts to deter a US escalation of the war are continuing.

Ambassador Kohler reports that a colleague in Moscow has passed along a comment from a Soviet official that if the situation in Vietnam continues along present lines, Moscow may have to "counter-attack the other side where it is most vulnerable--that is, Germany."

The Soviet added that both Moscow and Washington want to prevent Chinese domination of Southeast Asia. The solution, he said, is an independent, neutralized Vietnam, guaranteed by the US and the USSR, "as in Laos."

Kohler's source gathered that Moscow wants discussions, but cannot see how to participate without laying itself open to Peiping's attacks.

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2. South Vietnam

The Viet Cong are keeping up the pressure in Kontum Province. They shelled two district capitals last night and are still apparently in control of the town of Tou Marong. Government forces in Kontum town have not attempted to retake Tou Marong because they anticipate a large-scale attack against the provincial capital. (See map.)

Viet Cong sabotage of roads and bridges continues to increase. For the week ending last Sunday, there were 36 incidents reported, a rise of 8, most of them in the II Corps area of north-central Vietnam.

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3. France

De Gaulle appears to be taking cautious steps toward closer French-British relations.

Since the cordial De Gaulle - Wilson discussions in April, the two countries have exchanged views on a variety of issues and stepped up cooperation in industrial affairs, including joint military aircraft production.

De Gaulle may have in mind something beyond the more obvious benefits of close French-British ties. He may be beginning to lay the groundwork for replacement of NATO with a series of bilateral treaties, a plan he has broached in several recent conversations.

4. Rumania

Rumania has told the USSR that its armed forces are no longer considered directly subordinate to the Warsaw Pact command [redacted].

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Marshal Grechko, Soviet Commander of the Warsaw Pact, visited Bucharest in mid-June to complain of Rumania's insubordination. Rumanian officials replied that decisions of the pact must be approved first by the Bucharest government before Rumanian armed forces can comply.

The Rumanians also rebuffed Grechko's efforts to have them order more equipment from Moscow. He was told the Rumanian armed forces were adequately equipped and that local industry would take care of future needs as much as possible.

5. Ecuador

The army mutiny noted in yesterday's Brief was short-lived. It was caused by local troop grievances, and is now under control.

Other trouble may be in store, however. Civilian elements opposing the ruling military junta are threatening to hold demonstrations in Quito and Guayaquil on 9 July. They hope to pressure the regime into speeding up the selection of a civilian president, now scheduled for mid-1966.

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6. Dominican Republic

Juan Bosch still is planning to leave Puerto Rico, but apparently not for the Dominican Republic. Although he has been trying to get to Venezuela, French officials still believe he is going to Paris, as reported in Saturday's Brief.

Rebel spokesmen claim that fighting broke out yesterday in a small mountain town about 40 miles north of Santo Domingo, 50X1

The Organization of American States team has now received expressions of willingness to serve in a provisional government from a number of respectable and respected Dominicans. This does not include former president Joaquin Balaguer, now creating a popular stir in Santo Domingo while he visits his mother. Balaguer has stated publicly that, while he endorses the proposals of the Organization of American States, he wants to be a presidential candidate in the next election. This would rule out his serving in a provisional government.

7. India

Today's signing of an Indian-Pakistan cease-fire in the Rann of Kutch takes the issue out of the crisis category and relieves serious domestic pressure on Shastri. The boundary remains to be settled, however, and the expected drawn-out negotiations may well bring new frictions.

8. Ethiopia

The US Embassy believes that Ethiopian recognition of Communist China--an issue that has been blowing hot and cold for more than a year--will be delayed until at least 1966. The embassy's optimism is based on signs of Ethiopian satisfaction with the recent US decision to honor the Emperor's request for budgetary aid.

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