



CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF



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10 DECEMBER 1964

~~TOP SECRET~~

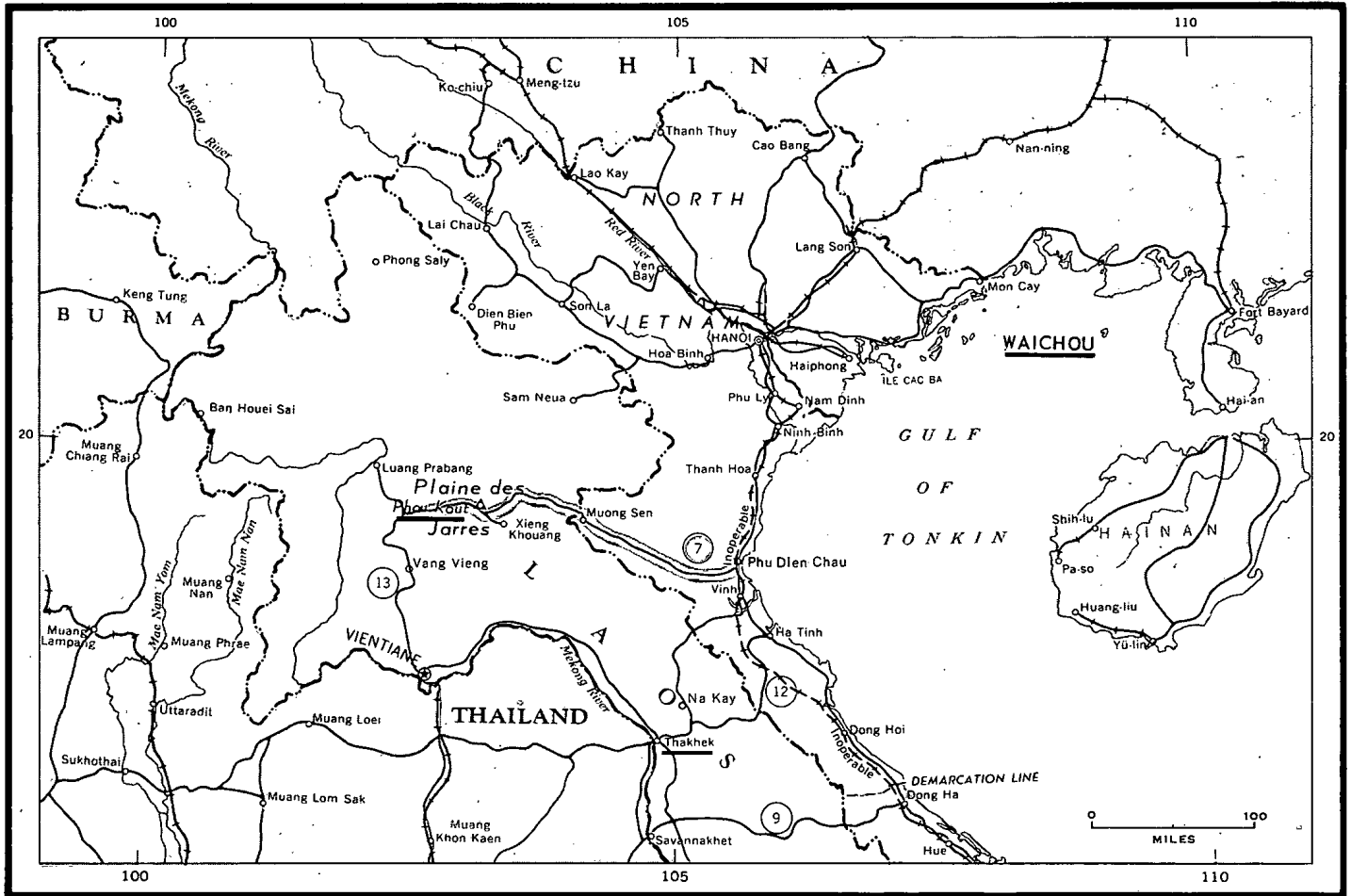
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<div style="border: 1px solid black; width: 100px; height: 15px; margin: 0 auto;"></div> SELECTED (OFFICIAL) SOVIET ECONOMIC DATA FOR 1964 AND 1965 Percentage Increases Over the Output of the Previous Year Data for 1965 are Soviet scheduled increases over 1964 output. Data for 1964, for the most part, are increases scheduled for 1964 and estimated from Soviet 1965 goals that were promulgated in 1963.		
	1964	1965
Industrial Production	7.8	8.1
Group A (Capital Goods)	8.2	8.2
Group B (Consumer Goods)	6.5	7.7
Chemical Industry	16.6	About 15
Fertilizer	28	31
Plastics & Resins	28.5	28
Cellulose	15.8	20
Paper	14.0	12
Electric Power	9.7	12.5
Natural Gas	20	11
Crude Oil	7.7	(combined figure, gas & oil)
Metallurgy	(Steel, 4.7) X	6.0
Machine Building & Metal Working	10	9.0
Refrigerators	40.6	76
Housing	0	9
Freight Turnover	7.3	7.1
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ROUTE 7-NORTH VIETNAM AND LAOS



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1. Congo

US and Belgian officials in Leopoldville are concerned about the decline of Tshombé's military assets while outside aid to the rebels is on the rise. The morale of the mercenaries is slipping; some are leaving, and their chief, Major Hoare, is rumored about to be fired. Some Belgian military advisors, including Van Der Walle, may be pulled out before long.

2. Cuba

A discussion of the available evidence on strife within the Castro regime is at Annex.

3. USSR

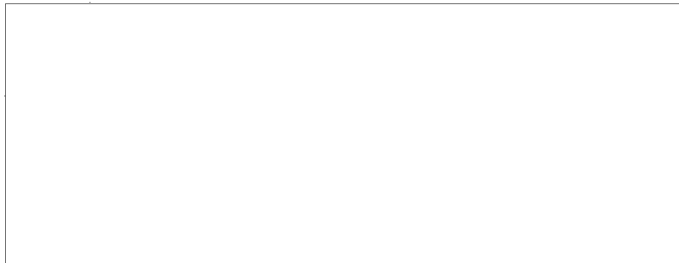
The 1965 budget and plan announced yesterday indicate that long-term growth goals in investment and industrial production will not be met. The military budget is down a little on paper, but this is not a reliable indication that actual military spending will be cut. Kosygin's advocacy of a system of consumer contracts throughout the economy-- which some liberal Soviet economists have been recommending for years--is, however, highly significant. (See chart).

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4. Laos

Government forces are now getting air support and have renewed their attack on Phou Kout. Bad weather and stiffened Pathet Lao resistance had stalled the offensive for the past few days. Government troops have also reoccupied the positions abandoned near Thakhek last week when Pathet Lao forces cut Route 13. (Map)

5. Communist China



6. Indonesia

The head of US Rubber in Indonesia said this morning that he had been reliably informed that an attempt to take over both US and Belgian enterprises would be made this month. The embassy had heard from another source that the government had recently decided to encourage labor strikes and protests as an excuse for taking over all American rubber estates.

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ANNEX

An Assessment of the Evidence Concerning
Unrest in Havana

The ouster of Cuban labor minister Martinez Sanchez and his attempted suicide on Tuesday took place after nearly a month of rumors that serious divisions have developed among Cuban leaders. These rumors have included dramatic stories of a plot to oust Fidel Castro and accounts of a basic policy split between Fidel Castro and President Dorticos. We are inclined to doubt these tales.

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On present evidence, we strongly doubt that Fidel Castro's personal predominance in the regime is being challenged.

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Fidel Castro and other Cuban leaders are seriously concerned over the intractable economic problems besetting them, and their anxiety about these basic problems could easily explain the rumored "tension" in Havana. Thus, the tardy Cuban recognition, last summer, of the gravity of their exchange problem led to the dismissal of the ministers of economy and foreign trade. The ouster of Martinez Sanchez this week came after growing public attention to the problem of low labor productivity, which has long plagued the regime. Further ministerial changes may be imminent in the regime's continuing effort to make the "socialist" system work.

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