



CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF



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28 JANUARY 1965

~~TOP SECRET~~

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1. South Vietnam

General Khanh's immediate plans for a government apparatus appear to be shifting. Clearly, however, he envisages tight military control.

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Acting premier Oanh, whose term of office has not yet been specified, has been friendly to Americans, but the US Embassy does not have a high regard for him.

Further trouble from the Buddhists may be in store. They are protesting the scheduled execution of three Viet Cong terrorists and the continued detention of monks arrested in recent demonstrations.

2. Communist China

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3. Congo

Government military operations are stalled for the moment. Partly this is because Brussels has ordered a slowdown. The Belgians want to assure their economic interests; they also want Tshombé to improve his image in Africa. They may negotiate a new understanding with Tshombé, now in Brussels.

The OAU Commission on the Congo meets tomorrow in Nairobi. Radical Africans will continue their efforts to topple Tshombé.

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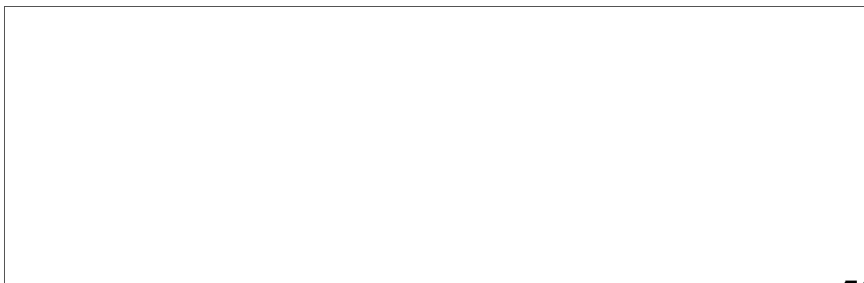
4. USSR

The new leadership has made some important economic changes to encourage local and private initiative. Besides a considerable degree of autonomy promised to some plant managers, the government is encouraging private initiative in housing and agriculture. A brief survey is at Annex.

5. Syria

The Syrian press is linking the US Embassy with the recent demonstrations against the government, and a full-scale anti-American campaign may be in store.

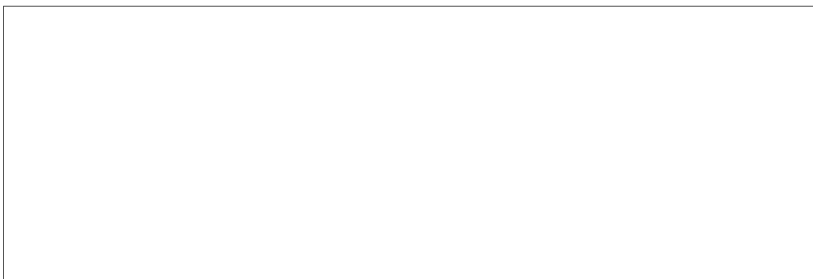
6. Cuba



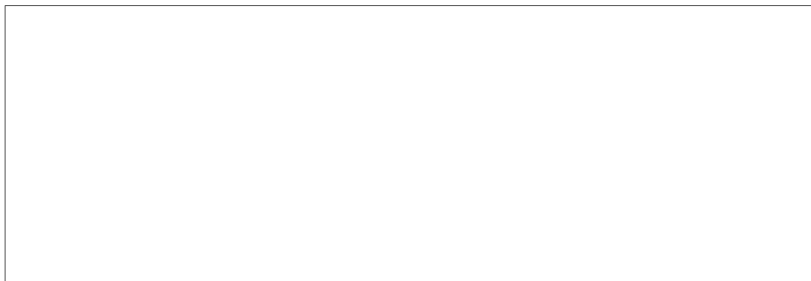
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7. Burundi



8. North Vietnam



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ANNEX

Changes in Soviet Economic Policy

Last month Premier Kosygin announced plans to expand a production-marketing system which has been tried out experimentally in light industry.

In July, some 400 clothing and shoe factories will start producing according to estimated consumer demand instead of quotas established by the government. Plant managers will make the estimate of demands, and they will have the authority to buy raw materials, hire workers, and set wages.

Kosygin said that this system will eventually be extended beyond light industry. Experiments are already in progress in a truck-lift factory and a coal mine in order to determine whether the demand system will work in heavy industry.

Soon after the new regime took power, it announced that Khrushchev's restrictions on the private use of land and ownership of livestock in the countryside would be eased. The government is now trying to develop private initiative in rural areas by extending credits for the purchase of cattle and by selling fodder grains from state supplies for privately owned livestock.

In another effort to stimulate private initiative, the new regime has unobtrusively restored credit privileges to individuals building their own homes. The government apparently recognizes that housing construction, which has fallen off badly in recent years, cannot reach its goals without a large increase in private effort.

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