



CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF



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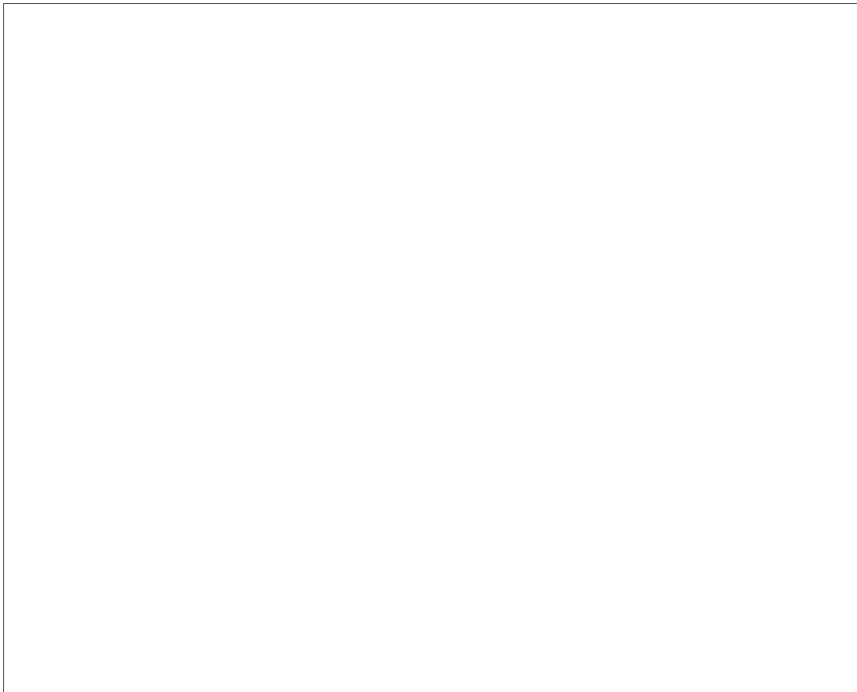
7 JULY 1965

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1. North Vietnam

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2. South Vietnam

The district headquarters of Dak Te in northern Kontum Province was overrun by the Viet Cong today. The military compound there came under both mortar and automatic weapons fire. More than 40 South Vietnamese casualties have been reported so far.

Fighting continues in the Ba Gia area, but the pace has slackened from yesterday. The government position has improved somewhat with the arrival of two companies of reinforcements.

3. Congo

The long-expected showdown between President Kasavubu and Premier Tshombe may be at hand.

Yesterday Kasavubu dismissed Tshombe's cohort and interior minister, Godefroid Munongo. The US Embassy reports that this has caused a political furor in Leopoldville.

The embassy believes that unless the dispute is soon brought under control, either Kasavubu or Tshombe will try to throw out the other. US and Belgian officials in Leopoldville are considering making a joint effort to persuade the two men to compose their differences.

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4. Iraq

Nasir has decided to keep hands off the cabinet crisis in Iraq, according to one of his advisers.

The adviser told a US Embassy officer in Cairo today that President Arif's government might collapse at any minute. Several pro-Egyptian cabinet members have resigned and, according to the adviser, various Iraqis are asking Cairo for support. Nasir, he said, has ordered no interference.

The adviser expressed relief that Cairo had been able to stall Arif for months on the unity (with Cairo) question, saying, "Think what it would have been like if we had united with those people."

5. Israel

The Israelis are urging US officials to discourage Lebanon from continuing work on the Arab water-diversion project.

The Israelis do not appear to share the US view that the Lebanese activity is only a token effort designed to avoid Arab criticism for inaction, and the Israeli military are apparently pressing their government to approve an attack if the work continues.

Two Israeli strikes against the Syrians slowed diversion activity in that area earlier this year.

6. Paraguay

The recent arrests of Paraguayan Communists were not as dramatic as some press stories suggest. Those arrested were low-level party members, mostly from rural areas.

The police have been consistently effective in harassing the few Communists who are not in exile. The exiled party members are plotting but there is little evidence that they represent a serious threat to the Stroessner regime.

7. Laos

Military factionalism is again threatening the Souvanna government.

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The US Embassy is taking steps to remind the various principals of the need for unity. The embassy believes the odds are against a coup attempt, but expects a rise in political temperature.

8. Dominican Republic

The Organization of American States committee is still going over the rebel and loyalist counterproposals on the draft institutional act. The rebel demands, which Ambassador Bunker feels are "completely unacceptable," will probably be rejected. The loyalist proposals, on the other hand, apparently can be worked out with the committee.

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