



CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF



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17 AUGUST 1966

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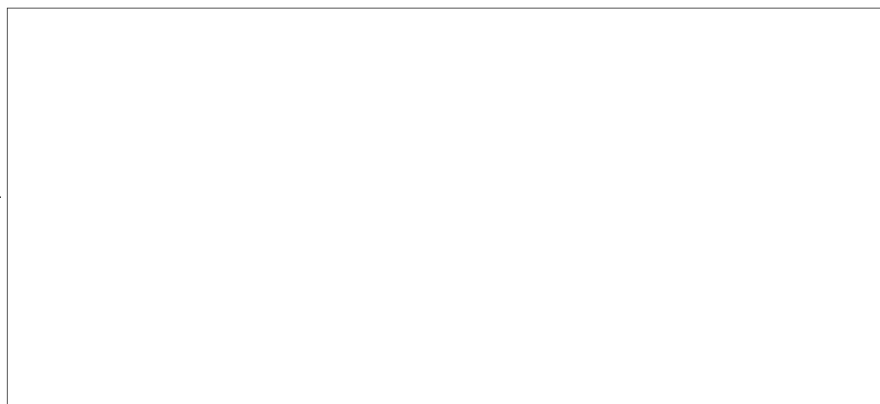
1. South Vietnam

Public concern over high prices has not abated and worry over the high cost of living still seems to be the dominant issue in most areas, and especially so in the Delta.

There was a moderate rise in Saigon retail prices during the first week of this month. This followed a period in which prices had seemed to be leveling off. US experts in the field are confident, however, that inflationary pressures can be kept within bounds for the remainder of this calendar year.

Public concern may be raised further by a recent report drafted by Professor Vu Quoc Thuc, a member of the civilian-military advisory council and generally regarded as one of his country's most eminent scholars and economists. The professor is very critical of Saigon's economic policies and blames the US for many of the difficulties. Ky's minister of economy has taken to the rostrum in an attempt to answer some of Thuc's points.

2. Soviet Union



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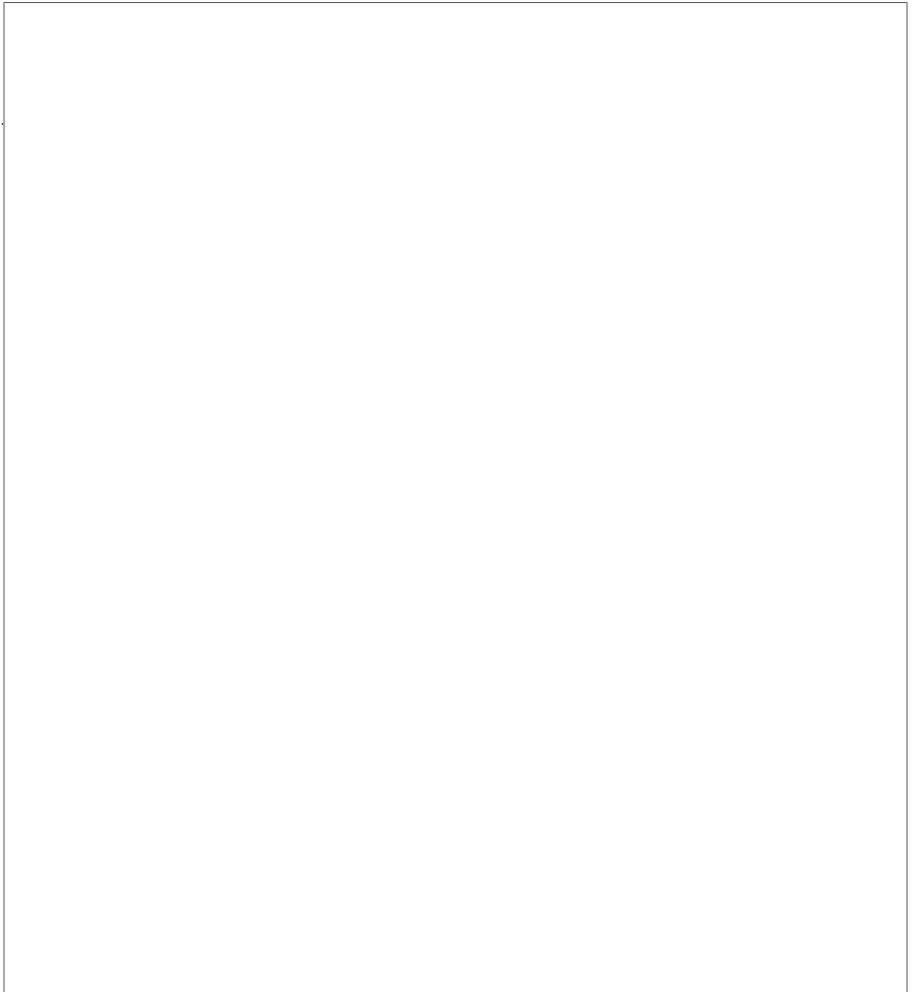
3. Soviet Union

The Soviets seem to have finally made the grade in weather satellites. Moscow announced today that data from Cosmos 122, launched 25 June, would be provided to weather services in other countries. The Soviets have had an agreement to exchange satellite weather information with us since 1962 but, until Cosmos 122, none of their experimental weather satellites had worked properly.

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4. Iraq

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5. Indonesia

In marked contrast to the enthusiasm of years gone by, half a million Indonesians stood in stony silence today to hear President Sukarno's speech marking the nation's sixteenth year of independence. The speech was less of a blockbuster than we had anticipated although he did his best to sow some seeds of discord.

Sukarno castigated the US on Vietnam and said now was not the time for Indonesia to rejoin the UN--the latter a direct challenge to one of the ruling triumvirate's key foreign policy objectives. Ambassador Green believes General Suharto will overrule Sukarno on the UN issue and that today's speech may prompt the military to move more forcefully against the president.

6. Ethiopia

There is likely to be some tough bargaining ahead as we begin another round of negotiations with Addis Ababa on military aid. The Ethiopians are most uncomfortable about the Soviet arms going into Somalia, and Ethiopian officials have warned that they expect us to be forthcoming.

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