



CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF



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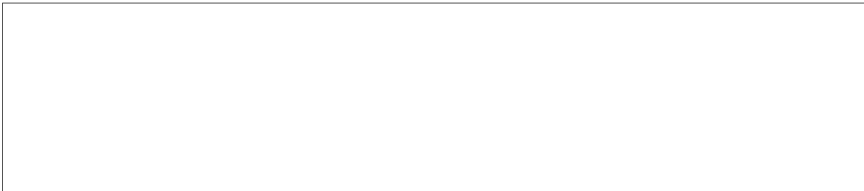
25 OCTOBER 1966

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1. West Germany

Erhard has been hit hard again. His coalition partners, the Free Democrats, have flatly refused to go along with his plan to raise taxes. They insist that the prospective budgetary deficit, which may exceed \$1 billion, can be avoided by cutting the budget. Even as it stands, the budget does not provide for sufficient funds to meet US offset obligations.



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2. Belgium

The economy-minded Belgian Government is considering a major slash in defense expenditures. This would require withdrawal of two of the six brigades Belgium now has in Germany. A final decision may await the defense minister's trip to Washington next week.

3. Nigeria

The trend toward anarchy in Nigeria is causing deep anxiety in London. There is mounting pressure to do something, but equally strong sentiment against risking a long and expensive entanglement.

London is now thinking of sending some high-level political troubleshooter to Nigeria. The British have also made preliminary soundings with Canada, Australia, and New Zealand on the notion of a Commonwealth mission.



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4. Dominican Republic

Juan Bosch has announced that he will be leaving for an extended trip to Europe after his party's convention next weekend. His announcement was accompanied by petulant blasts at President Balaguer for refusing to tolerate a "creative opposition" and at the US for "openly continuing its occupation" of the country. He hinted, not for the first time, that he may withdraw from party activities altogether.

Bosch's hopes of playing an effective role as opposition leader have been repeatedly frustrated in recent months and he could this time really be on the point of throwing in the sponge.

5. Haiti

Duvalier's normally tight grip on Haiti has slipped a little in recent weeks. Seemingly spontaneous outbreaks of open public resistance have taken place in three outlying cities so far this month. These have coincided with a period of more than usual restiveness in the military establishment, brought on partly by delays in salary payments.

Duvalier is reacting characteristically.

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