

The President's Daily Brief

~~Top Secret~~ 7 November 1966



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DAILY BRIEF
7 NOVEMBER 1966

1. South Vietnam

Major General Do Cao Tri, a former I Corps commander who is now picking up his military contacts after two years in exile, says that morale in the South Vietnamese officer corps is deteriorating all the time. He blames this largely on favoritism in promotions and on corruption among the armchair generals.

Tri says that the army's new stress on pacification will make this situation considerably worse. Company and field grade officers will feel that they are being relegated to jobs beneath the dignity of fighting men.

Tri claimed dissatisfaction was already at such a level that a relatively minor incident could easily touch off a major explosion. The general obviously has a number of axes to grind, but he also has influence and contacts.

2. Soviet Union

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3. Congo

Mobutu has been granted his wish-- Moscow has agreed to re-establish diplomatic relations with the Congo and is prepared to open an embassy there.

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4. West Germany

The Hessian elections yesterday disappointed all three major parties. Nothing has happened to move the national government crisis any closer to a solution.

The Social Democrats failed to make the big gains they hoped would add to their political leverage nationwide. The Free Democrats lost strength in Hesse and thereby lost status and bargaining power in Bonn. Erhard's Christian Democrats predictably declined, but not dramatically so.

The unexpected gains made by the neo-Nazi National Democratic Party in Hesse can probably be attributed in part to public disgruntlement over the maneuverings in Bonn. It probably is not an indicator of a nationwide trend.

5. Uruguay

The government is wearing thin as Communist-inspired strikes and slow-downs continue. Agitation has disrupted the capital for over two months.

Top security officials want emergency action to squelch the agitators. Political leaders, however, have their eyes on the important national election less than three weeks away. They are reluctant to do anything that might cost votes.

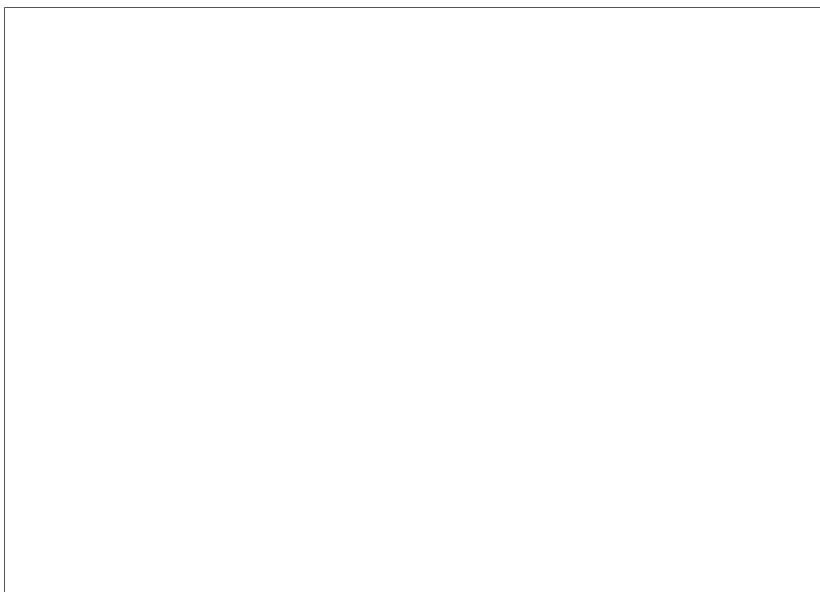
Talk of an impending coup is again being heard in Montevideo. It may not come to that for a while, but clearly the situation is steadily becoming more tense and unsettled.

6. Indonesia

Soviet leaders are taking an extremely hard-nosed position with Indonesian officials seeking some relief from the very heavy schedule of debt payments due Moscow. The Soviet Union is Indonesia's biggest creditor--well over \$1 billion is involved, representing about half of Indonesia's medium and long-term foreign obligations.

Moscow may well ease up after Djakarta's Western creditors make official the much more liberal terms they have already agreed to in principle.

7. Iran



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