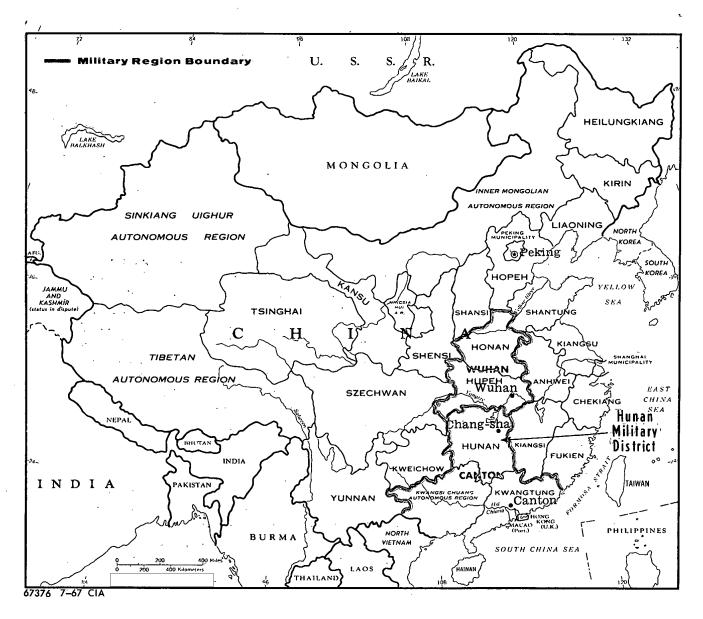


The President's Daily Brief

Top Secret 1 August 1967

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DAILY BRIEF 1 AUGUST 1967

1. Communist China

More trouble is shaping up as Peking continues trying—with few signs of success—to get rebellious military district commanders back in line.

All indications point to a crisis in Canton similar to the one that has wracked Wuhan. There has been serious rioting in Canton;

There has also been a new outbreak of violence in Changsha,

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2. Arab States

Arab foreign ministers gather in Khartoum this week to set the stage for the much advertised Arab summit conference. Among the agenda items will be discussion of the oil embargo and some stocktaking on Arab military capabilities now that the dust has settled a bit. Given the wide spread in political outlook and the Arab propensity for arm-waving oratory, we anticipate an acrimonious session.

3. India

Mrs. Gandhi suffered another political setback on Saturday when the Congress Party government of Madhya Pradesh state collapsed. A coalition dominated by Hindu nationalists has replaced the government of D. P. Mishra, who was one of Mrs. Gandhi's strongest boosters.

This is the third Congress Party state government to fold since March--a record which is weakening Mrs. Gandhi's position in the party. Congress now controls only 7 of 17 state governments.

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4. Nigeria

Bloody little clashes continue to mark the pace of Nigeria's slow-motion civil war, but neither side is chalking up any real gains.

Federal troops still hold the island that blocks access to Biafra's Port Har.50X1 court and may be getting ready to move on the port itself.

Yesterday Biafra took over the oil installations of Shell-British Petroleum; the company's manager is being held hostage for a royalties bill the Biafrans claim is owed them.

5. Canada

De Gaulle seems to have chosen Canada as another stage on which to dramatize his personal vendetta against Anglo-Saxon power.

After a long cabinet meeting yester-day, De Gaulle issued a statement on his Canadian visit that can only be construed in Canada as a definite gesture toward Quebec separatists. While the statement was ambiguous on just how France would help French Canadians achieve their "liberating goals," De Gaulle has made it clear he anticipates a special role in forwarding such aspirations.

The statement made a point of emphasizing the differences between French and English speaking Canadians at the same time it drew a distinction between the federal government in Ottawa and the French Canadian regime in Quebec.

There has been no official Canadian reaction noted yet, but De Gaulle's foray into Canada is going to be debated with a good deal of vigor in the days ahead.

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