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Central Intelligence Bulletin



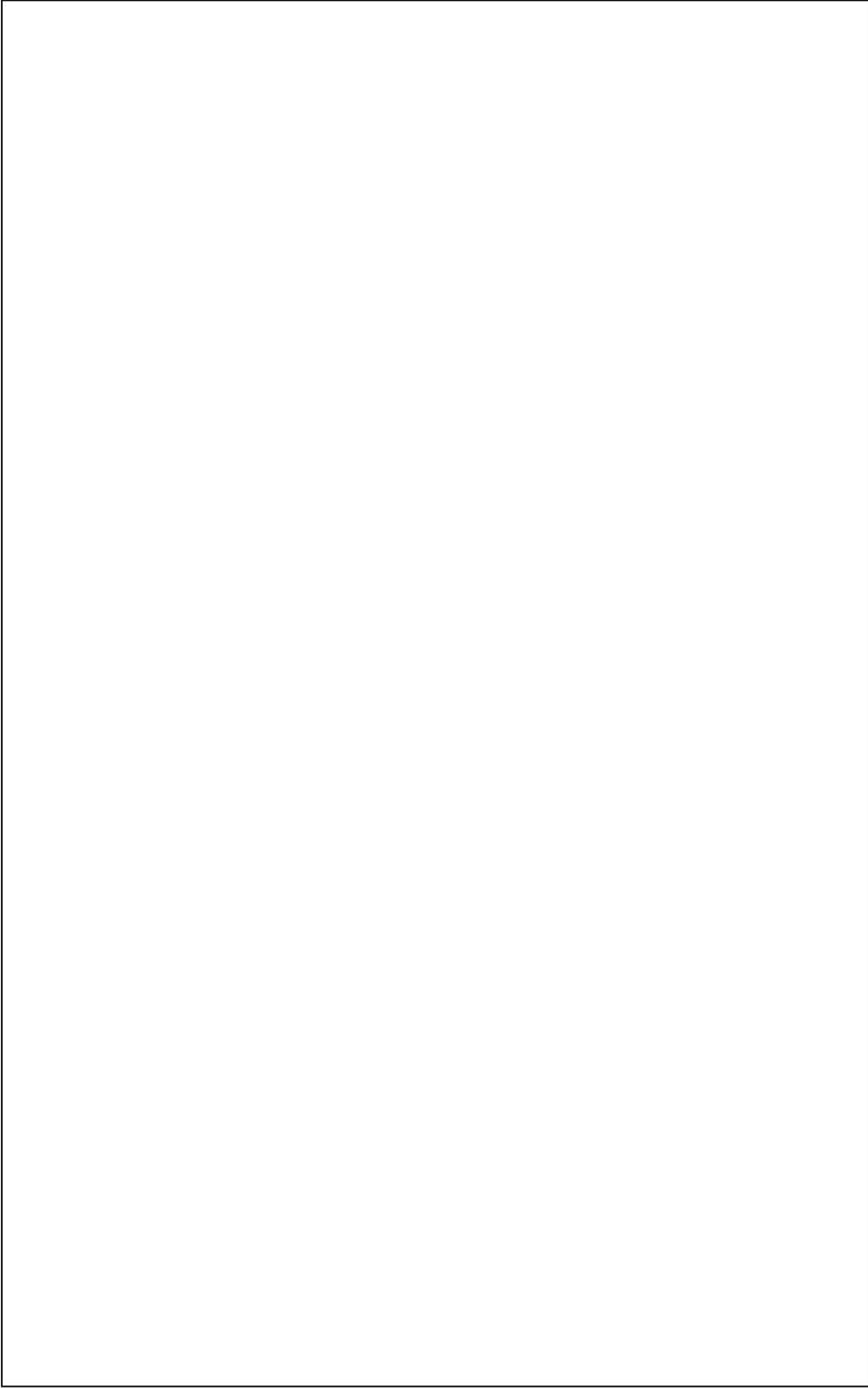
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18 July 1969

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~~TOP SECRET~~ [redacted]

~~TOP SECRET~~ [redacted]

[redacted]

Vietnam:

South Vietnam: Communist forces continue to prepare for attacks in several areas of South Vietnam, and a new "highpoint" could come this weekend.

Saigon was hit with four to six rockets on 17 July. Although the over-all level of significant military action remained low on 16-17 July, the Communists also shelled several important targets in the delta. Dong Tam, My Tho, and Ben Tre all received a sprinkling of rocket and mortar fire.

[redacted]

North Vietnam: Hanoi is having difficulty with coal production after months of high-priority efforts. The North Vietnamese leadership has insisted on a quick rehabilitation of its coal industry in an effort to generate increased foreign exchange. Coal has traditionally been Hanoi's principal source of hard currency, and the leadership's decision to restore production in this field quickly was probably prompted by the need for some earnest money for trade with non-Communist countries. High levels of North Vietnamese officialdom were brought to bear on the problem but without success.

Hanoi's inability to make any headway in this high-priority effort is almost certainly related to the criticism of workers and managers appearing in the press. It is probably another indication of the letdown that reportedly settled in shortly after the bombing halt of March 1968. Now, more than a year later, the gap between the leadership's ambitions and the response of the North Vietnamese people appears to be growing. [redacted] (Map)]

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~~TOP SECRET~~ [redacted]

[redacted]

NATO: NATO representatives have generally endorsed US intentions to enter into strategic arms limitations talks with the Soviet Union later this summer.

[redacted]

Many of the Allies see a moratorium on the testing of MIRVs and the deployment of ABMs as the most important goal of the US-Soviet talks. They foresee difficulties, however, in working out verification procedures for the limitation of these weapons systems.

[redacted]

~~TOP SECRET~~ [REDACTED]

Malaysia: A second round of communal violence appears imminent.

The recent ouster of a popular extremist leader from the executive council of the ruling United Malays National Organization has strengthened the determination of extremist elements within the party and the Malay community to force Prime Minister Rahman's resignation and precipitate an open confrontation with the Chinese. Rahman has been for both the Malays and Chinese the symbol of conciliation with the Chinese community.

[REDACTED], the extremists' strategy is to provoke further racial incidents, thereby forcing intervention by the predominantly Malay army, many of whose junior and middle ranking officers favor the extremists' position. This would be followed by the ouster of Rahman along with the entire Malay "old order," presumably including Deputy Prime Minister Razak, the moderate head of the emergency government. An extremist Malay government would be formed and the Chinese community would be suppressed. [REDACTED] maintains, however, that this time the Chinese are ready to retaliate with force.

An initial effort to carry out this strategy may have been made yesterday when an estimated 1,000 Malay students demonstrated at the University of Malaysia in Kuala Lumpur demanding Rahman's resignation. The students dispersed without provoking any Chinese reaction, but further demonstrations--which are expected--could well do so.

Whether communal violence resumes now depends largely on the government's firmness in suppressing Malay provocations and its swiftness in initiating policies acceptable to the extremists. Razak's indecisiveness suggests, however, that the government may well fail to halt the growing power and militancy of the extremists and to prevent the outbreak of further violence, which will almost certainly be on a much larger scale than before. [REDACTED]

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~~TOP SECRET~~ [REDACTED]

~~TOP SECRET~~ [REDACTED]

*India: A move to oust Prime Minister Gandhi appears to be in the making within the Congress Party.

Former deputy prime minister Morarji Desai's resignation from the cabinet has set in train furious political activity which has drawn into New Delhi virtually every Congress Party leader of any consequence. Despite strong pressure on Desai to avert an open break in the party, he says he is willing to fight.

A party vote of confidence on the issue of Mrs. Gandhi's leadership may be taken when the Congress Party members of Parliament meet on 20 July. The party's left wing is standing behind the Prime Minister while more conservative elements are being rallied by her old-guard opponents. Personality and other nonideological factors will also play an important role.

Mrs. Gandhi's supporters are asserting that they have more than enough votes to win a clear mandate from the 431 Congress parliamentarians, but they may well be inflating their strength. The Prime Minister's recent actions have aroused unprecedented opposition within the party, and some of her most steadfast supporters are shaken.

Key Congress leaders, including Home Minister Y. B. Chavan, are attempting to arrange a compromise. ^{EO 12958 3.3(b)(1)>25Yrs} They may be successful despite the tension which now prevails. If the parliamentary group should adopt a no-confidence motion, the ruling party could split so deeply that the country's present single-party Congress government would be in jeopardy. [REDACTED]

*Because of the shortage of time for preparation of this item, the analytic interpretation presented here has been produced by the Central Intelligence Agency without the participation of the Defense Intelligence Agency, Department of Defense.

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~~TOP SECRET~~ [REDACTED]

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[Redacted]

[El Salvador - Honduras: Some fighting appears to continue although there are signs that an effective cease-fire may come soon.

The major sticking point in the mediation has been the time allowed for a return to the status quo ante. Honduras insists that Salvadoran occupation forces withdraw within 12 hours of an effective cease-fire, but the Salvadorans are holding out for 96 hours. The OAS team hopes to move closer to a solution today.

Honduran officials, having agreed to accept a cease-fire, consider that El Salvador's failure to do the same automatically brands it as an aggressor under the Rio Treaty. There is feeling within the OAS that the immediate cessation of military occupation of Honduran soil is basic to the inter-American system and not subject to negotiation.

There were tentative indications that Honduran troops were gaining ground lost earlier. Both armies are short on arms and equipment, and both governments are seeking arms abroad.

[Redacted] that as of 16 July, over 1,000 Hondurans had been reported killed. The Honduran Government anticipates strong public reaction when the names and numbers of casualties become known.

Economic disruption is being felt throughout Central America. Costa Rican media are expressing pessimism over the future of the Central American Common Market. The Guatemalan foreign minister has indicated that his government is under public pressure to "do something," as some factories are laying off personnel because of trade interruptions.

[Redacted]

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[Redacted]

~~TOP SECRET~~ [redacted]

NOTE

USSR: The Soviet naval force scheduled to begin a one-week visit to Cuba on 20 July has split into two groups in the Gulf of Mexico. The main group of three guided missile ships and two F-class diesel submarines practiced antisubmarine warfare operations on 16-17 July in an area some 300 miles southeast of New Orleans. The support ships of the visiting naval squadron remained at anchor about 70 miles west of Key West, Florida. A Soviet N-class attack submarine, which has not been part of the visiting force, became the first known Soviet nuclear unit to operate in the Caribbean Sea when it was sighted moving south between Puerto Rico and the Dominican Republic on 16 July. [redacted]

~~TOP SECRET~~ [redacted]

~~TOP SECRET~~ [redacted]

[redacted]

NATIONAL INTELLIGENCE ESTIMATES

The United States Intelligence Board on 17 July 1969 approved the following national intelligence estimates:

[redacted]

SNIE 11-9-69 "Current Soviet Attitudes Toward the US" [redacted]

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~~TOP SECRET~~ [redacted]