

THE PRESIDENT'S INTELLIGENCE REVIEW

ISSUED BY THE
CENTRAL INTELLIGENCE AGENCY



19-22 SEPTEMBER 1964^{50X1}
~~TOP SECRET~~

22 September 1964

1. South Vietnam: As Khanh continues his efforts to form a Supreme National Council which is to prepare the country for civilian rule, he has new thorns in his side.

US and Australian advisers have persuaded most of the Rhade strike force elements who revolted on Sunday to return to their bases, but the tribesmen could still cause trouble. They complain of mistreatment and demand autonomy. Some Viet Cong inspiration is suggested by Rhade complaints of US "imperialism."

On the other hand, Khanh told Ambassador Taylor on Monday that he suspected some US Special Forces personnel had encouraged the Rhade plot or, at least, withheld foreknowledge of it from the government. He agreed to keep his suspicions to himself pending receipt of more facts.

Students in the capital of Binh Dinh Province carried out noisy demonstrations over the weekend, presenting the government with the familiar demands that alleged Diem remnants be thrown out of office. As is becoming usual in these cases, local authorities stood aside and gave the demonstrators their head.

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The labor walkout which paralyzed utility and transport services in Saigon on Monday has been called off. The labor leadership is crowing that the government was forced to give in.

Viet Cong incidents over the past several days have been at near record levels.

2. Congo: The OAU's committee on the Congo wound up dissatisfied with Tshombé's performance at the Nairobi meeting. They feel he should have agreed to talk with Congolese rebel leaders there. Tshombé left abruptly on Monday to go to Elisabethville.

Christophe Gbenye, "President" of the "Congolese People's Republic," and other top rebel leaders are now expected in Nairobi, where they can appear as "true" nationalists devoted to ousting the foreigners.

The Africans feel US support, especially the use of US aircraft in the fighting, encourages Tshombé to resist compromise with the rebels. The OAU's secretary general says that the [] unanimous opinion of the special committee is that US planes must be removed, since this is a precondition to rebel acceptance of a ceasefire. They want now to send a delegation to Washington.

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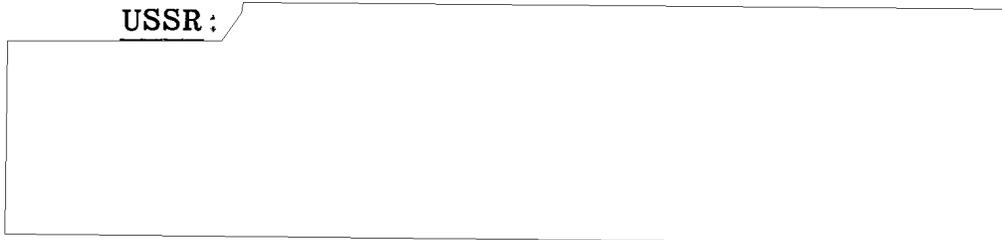
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A rebel column approaching from the west appears to offer a threat to Bukavu, but elsewhere government forces continue to make some limited progress. The Red Cross still hopes to get a chartered Swiss plane in to Stanleyville with medical supplies.

3. Cyprus: The island has been relatively quiet, aside from the usual shooting incidents. The Turks still talk of carrying out their troop rotation before the end of September. They are now trying to work out an arrangement through the UN.

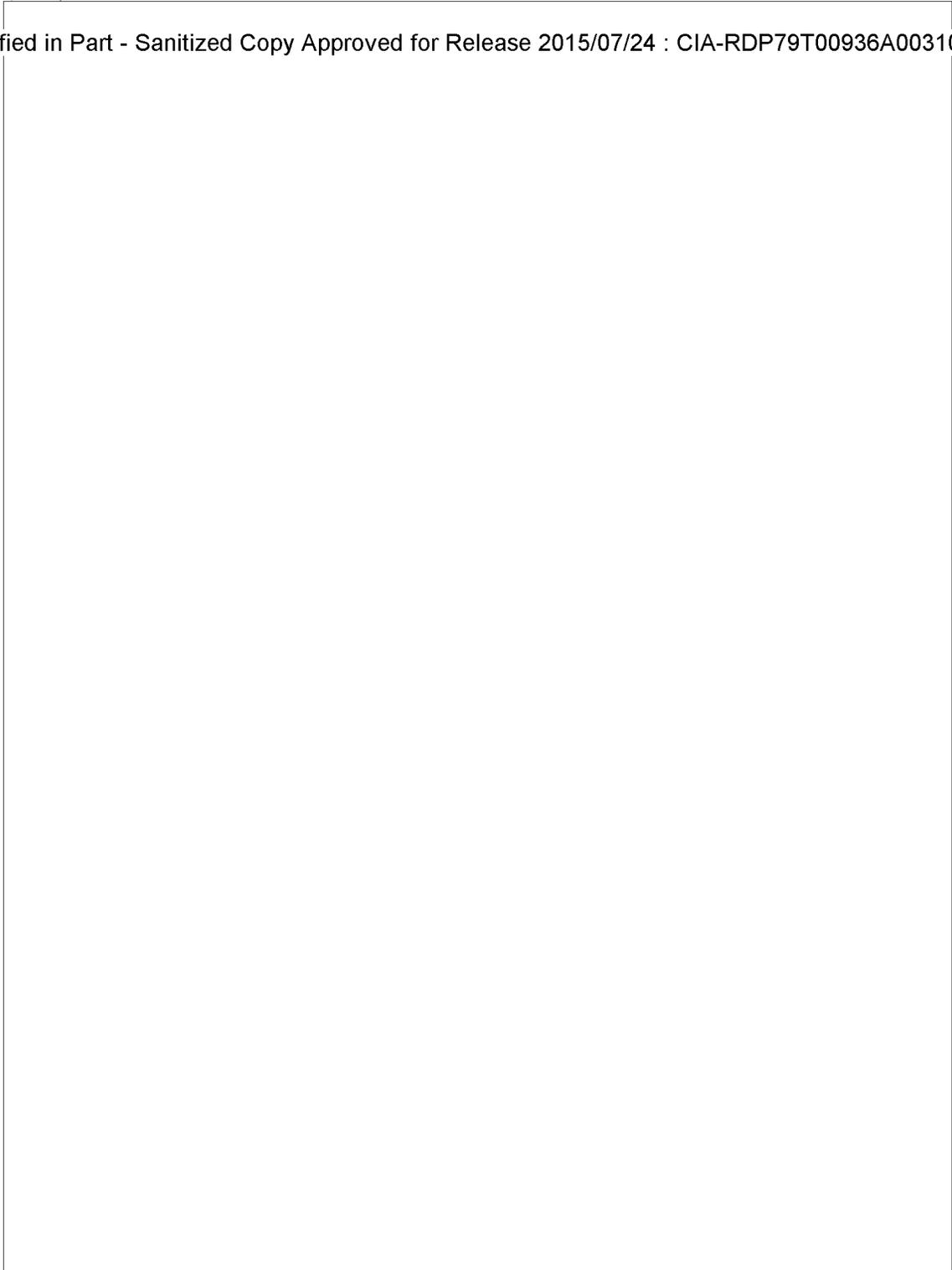
Khrushchev has met the Cypriot emissaries in Moscow looking for a military agreement, but the Soviets do not appear to be rushing to sign one. The US Embassy in Moscow, after studying Soviet news coverage of the negotiations, has the impression that Moscow may come up with economic aid rather than any military assistance or commitment.

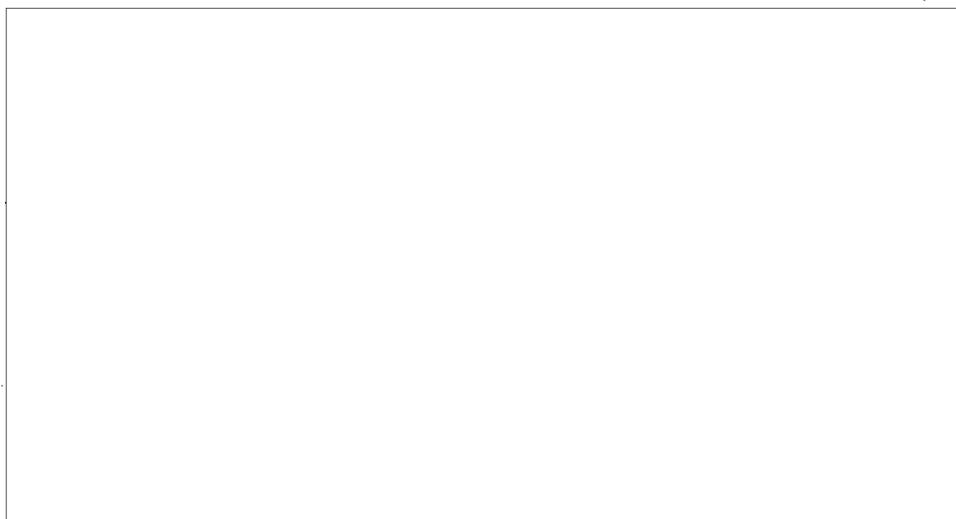
4. USSR:



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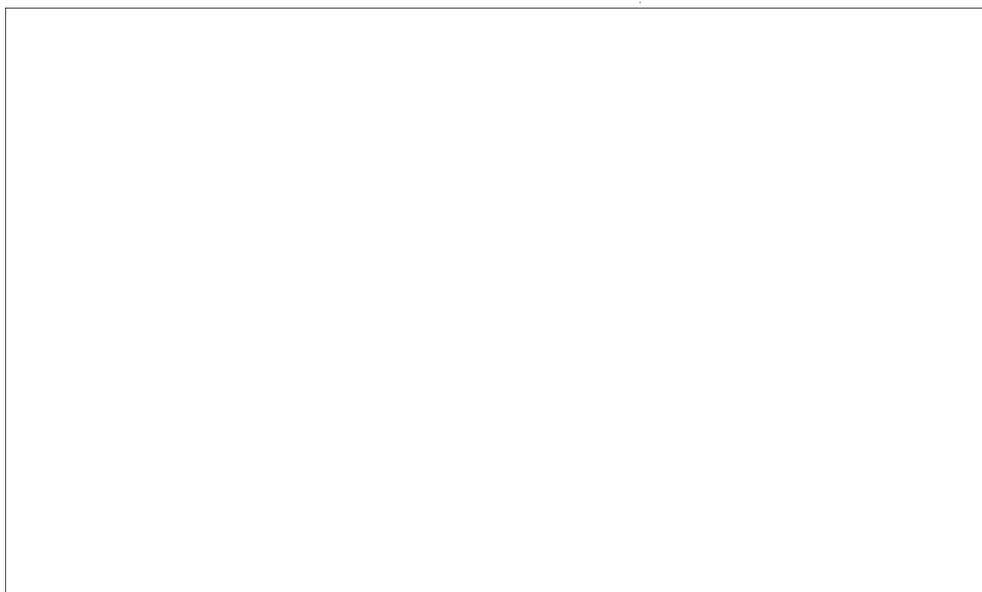


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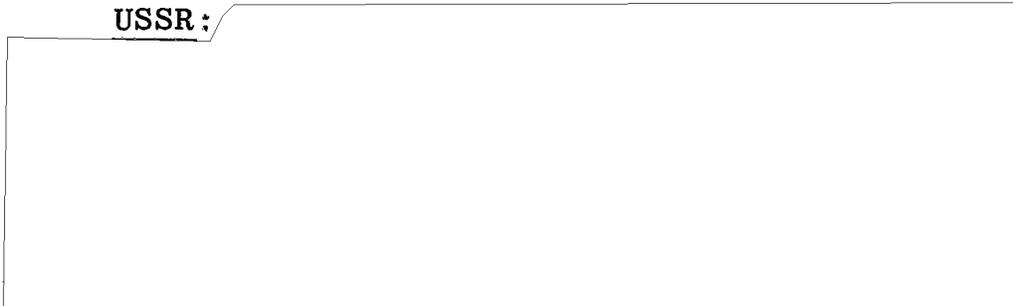
6. USSR: Four days after the furor caused by the various versions and interpretations of Khrushchev's remarks about a "terrible weapon" to Japanese parliamentarians, Moscow released an official English "text."

As issued for the record, Khrushchev's remarks were still cast in a Sino-Soviet context, but were most modest and made no new claim.

Khrushchev is quoted as saying: "...I had to spend the day yesterday inspecting new types of weapons. I stayed all day long with military, with the scientists and engineers who work in this sphere. I had to do this because there are still wolves in the world and one is compelled to have means to protect himself from them. This is why we are developing the most up-to-date means for the defense of our state, our people, means for defending international peace. We know very well the destructive power of this terrible weaponry and we should not like to use it ever."

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USSR:



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8. North Vietnam - Communist China: We have no evidence thus far that Hanoi ordered an attack on the "Desoto" patrol on 18 September although naval units had been alerted to its movement.

North Vietnamese naval messages transmitted after the incident have been concerned with defensive action and appear to reflect fear of US attack.

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Hanoi and Peiping, in their quite prompt propaganda exploitation of the incident, claimed among other things that the US is seeking "once again to have a pretext for attacking the DRV."

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9. Communist China: With a deal for 400,000 tons of Argentine wheat, Peiping has now contracted for about six million tons of foreign grain this year. The 1963 total was 5.7 million tons.

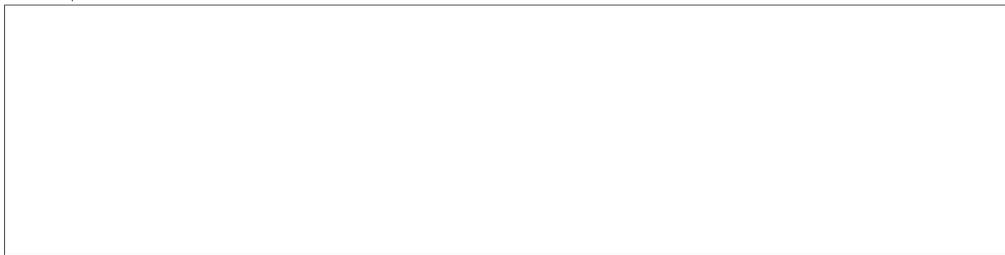
China will get 300,000 tons annually from Argentina in 1965 and 1966. Negotiations for 1965 are also under way with France, Canada, and Australia.

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10. Indonesia-Malaysia: Sukarno, now in Europe, is pushing his current line of negotiation and peaceful settlement. He has also just invited himself to Moscow.

In Djakarta, General Nasution has told Ambassador Jones that no new military actions against Malaysia are planned but political actions will continue. He admits that a peaceful settlement is unlikely. Nasution told Jones that the Indonesia Communist Party has the "bit in its teeth." He foresees further deterioration in US-Indonesian relations.

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11. Laos: Souvanna has left the Paris talks, after a stormy session on 21 September where the three Laotian provinces argued for four hours over his preconditions for a 14-nation conference. Their deputies are to continue the talks. We expect little from them unless there should be a substantial shift in the military or political balance in Laos.

12. India-USSR:



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13. Western Europe: No decision on credits to the Soviet bloc was taken during the EEC Council of Ministers' meeting last week. Belgium and the Netherlands are apparently looking for a way to break the five-year limit, and the West Germans say they are under pressure from industry to do so. The French, who may offer ten-year terms during commercial negotiations with the USSR next month, apparently sought to keep a free hand.

14. Cuba: The Algerians apparently expect Castro in mid-October. He has twice postponed visits to Algeria. He may be going to the Cairo "nonaligned" conference 5-9 October and may plan to visit Algeria on the way back.

[redacted]
Cuban decision to do nothing whatsoever that might cause Mexico to break relations. [redacted]
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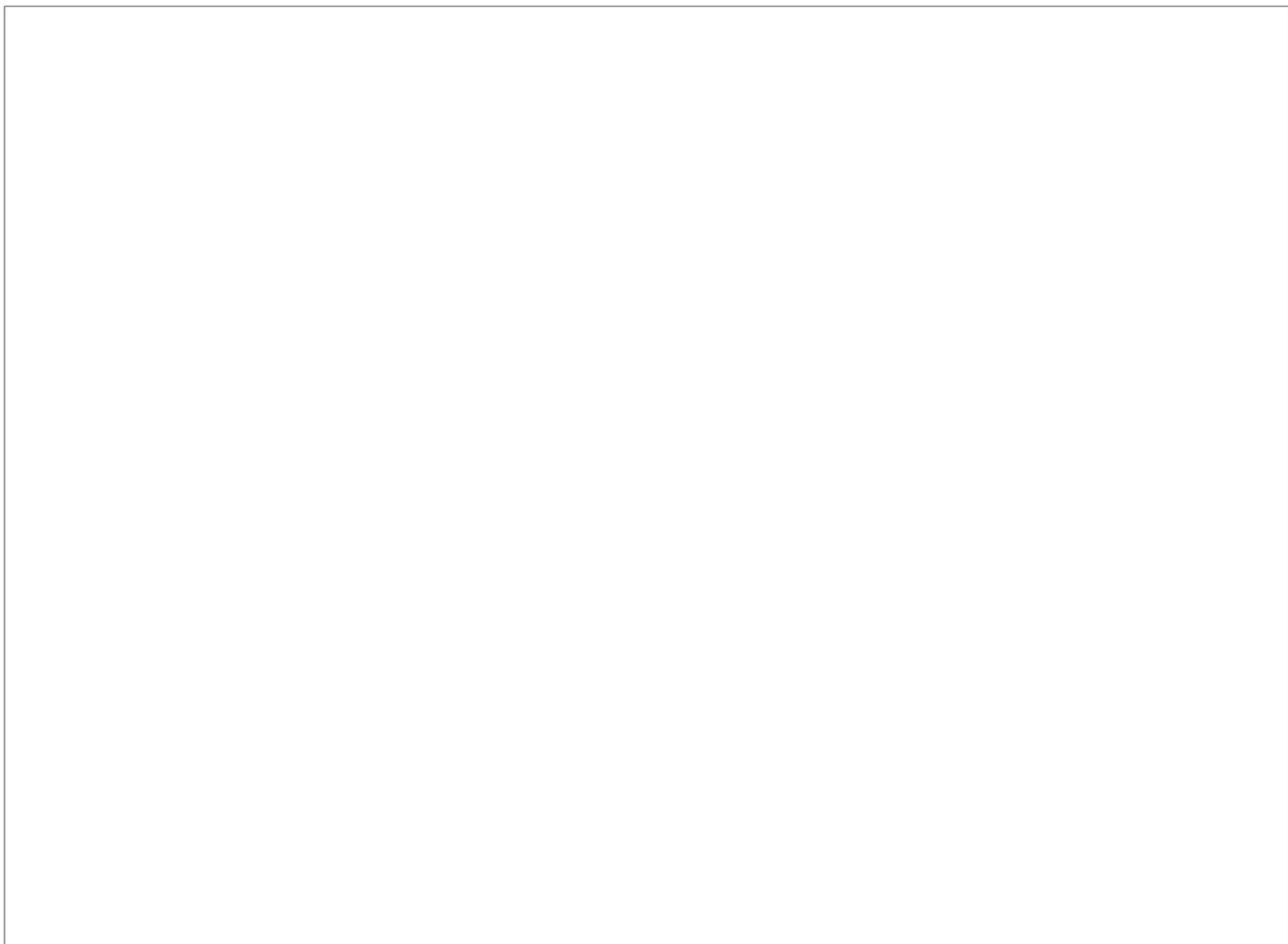
15. Bolivia: The situation is quiet following the discovery and suppression on 20 September of an alleged plot to overthrow President Paz, but the "state of siege" declared then continues.

There is no evidence of a genuine plot sufficient to justify the government's stringent action. The government could have cooked it up as a pretext for moving against opposition elements before they capitalized on labor unrest. Another factor could be a desire to avoid incidents during De Gaulle's visit next week.

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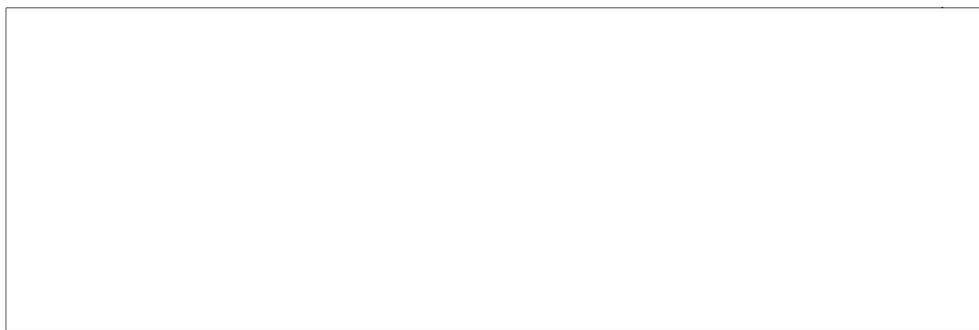
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