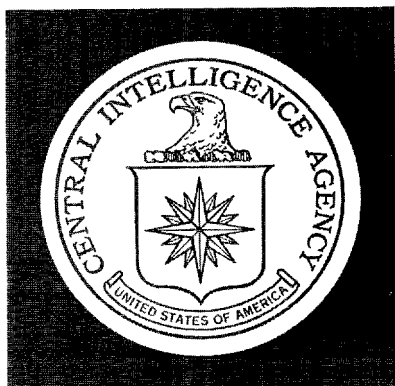


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DIRECTORATE OF  
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# *Central Intelligence Bulletin*

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NOTE

This is a new Secret daily publication, the Central Intelligence Bulletin. It replaces the Current Intelligence Digest, which no longer is being published.

The new publication is prepared in consultation with the Departments of State and Defense. It should provide the readership with more timely treatment of relevant intelligence than its predecessor.

Any comments on the new daily will be welcomed at the Office of Current Intelligence, Central Intelligence Agency.

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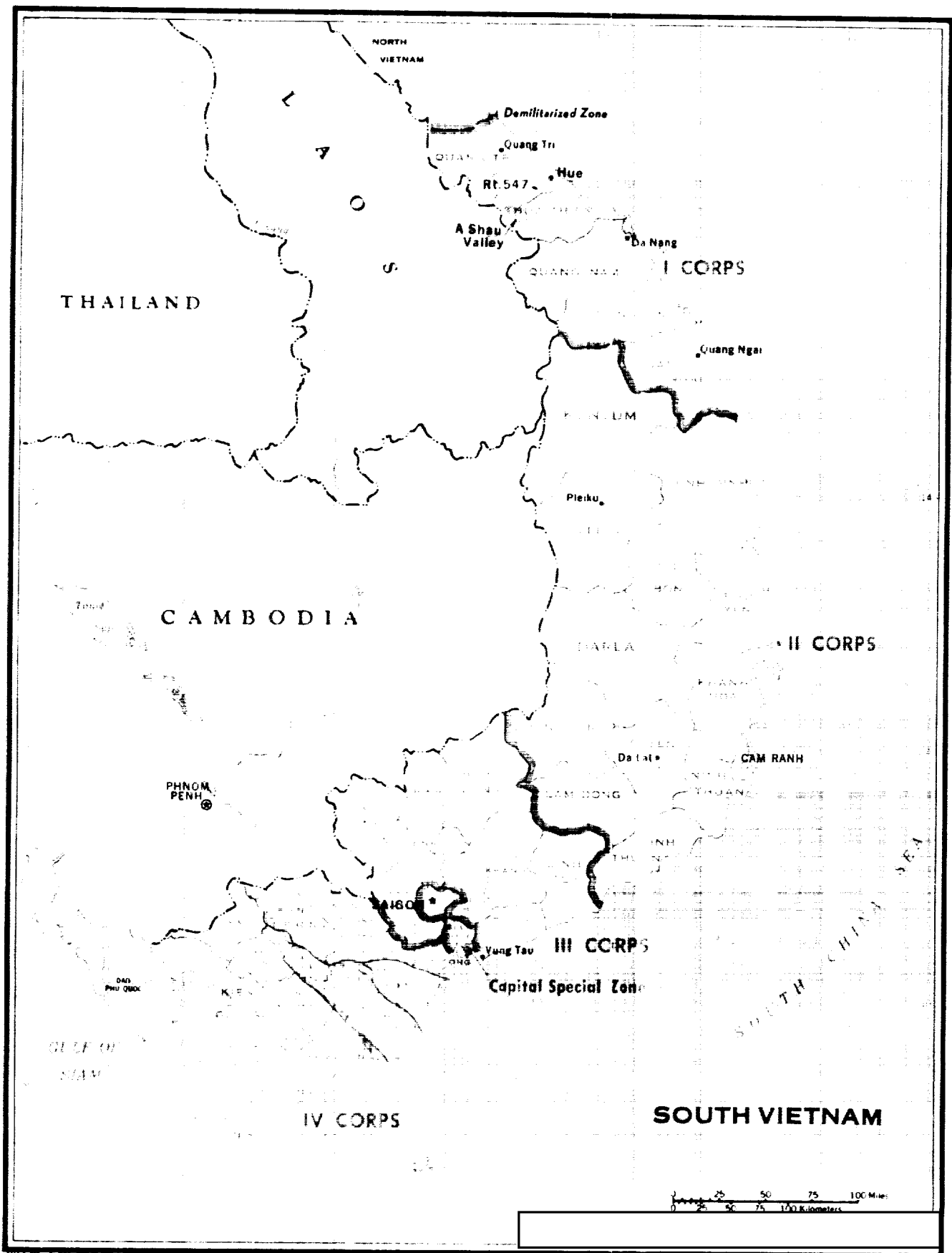
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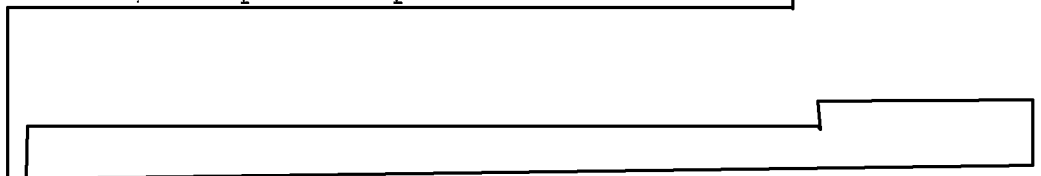
[South Vietnam: Allied operations in several parts of the country may be frustrating, at least temporarily, any Communist plans for early offensive action.

Intensive allied patrolling around Saigon, part of the heavy security screen in response to reports of a possible new enemy drive on the capital, resulted in several small-scale skirmishes over the weekend. Although it is possible that these reflect contact with enemy units attempting to infiltrate in small bands, there is little evidence of any advanced enemy preparations for a major assault.

Fighting in the northern provinces is at its highest level in three weeks, largely as a result of allied initiatives against enemy regular forces and their base areas. Although large Communist units are in most cases still maneuvering to avoid battle, several sharp encounters were reported along the Route 547 approach to the A shau Valley and near Hue, where the enemy appears reluctant to give ground. Enemy shelling of allied positions south of the Demilitarized Zone picked up over the weekend.

Reports persist, particularly in the northern provinces, that the Communists are preparing for a major offensive during May and June. A prisoner captured last week in southern I Corps claimed that another regiment was being formed there by the consolidation of local force battalions. Similar mergers were noted in this area prior to Tet.

More personnel apparently involved in the current large-scale North Vietnamese infiltration effort have been picked up in South Vietnam.



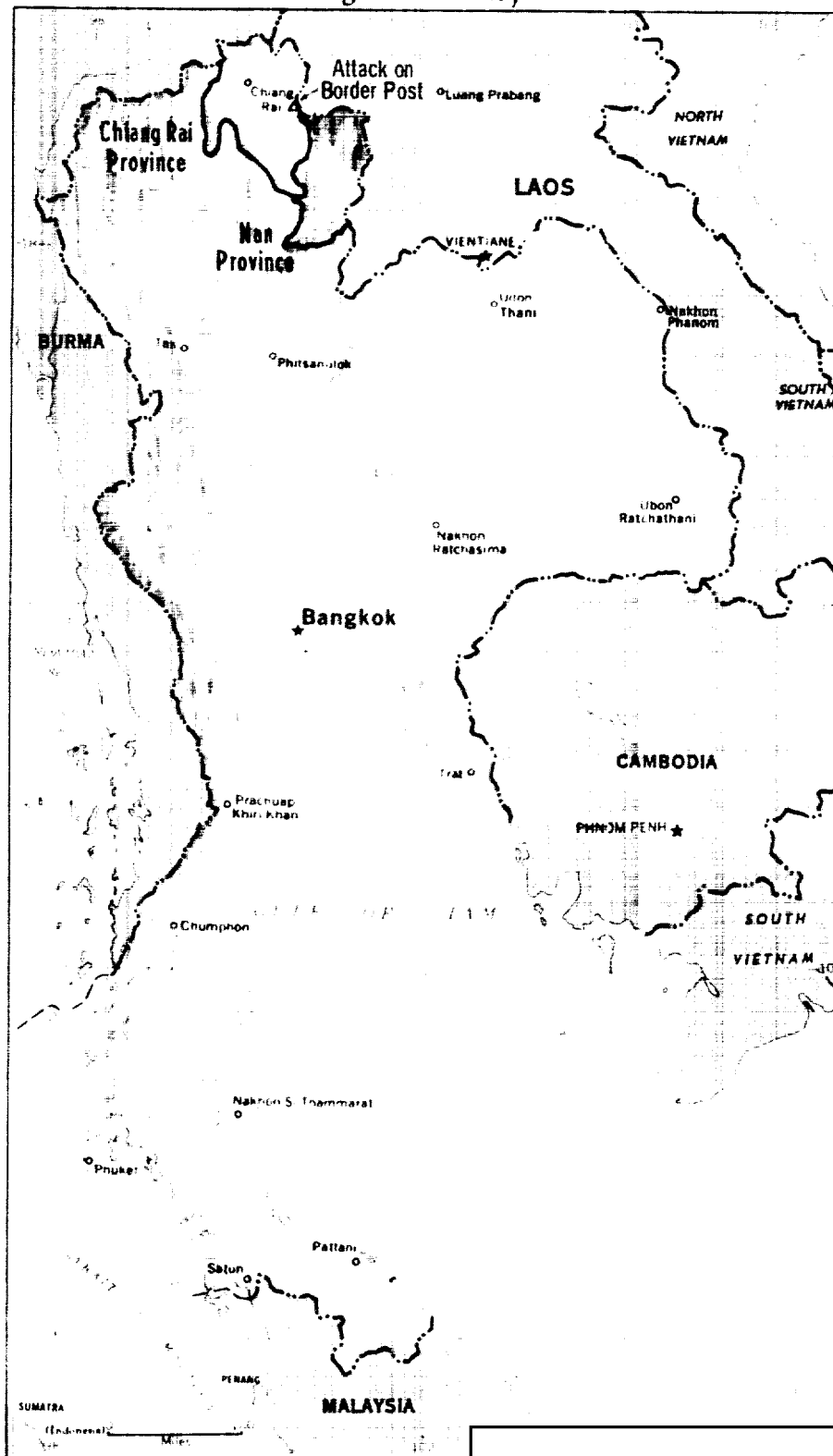
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### Thailand: Area of Insurgent Activity



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[Thailand: The government has suffered another sharp setback in north Thailand.

Tribal insurgents recently overran a border security post in Chiang Rai Province, possibly killing as many as 15 defenders. They also captured weapons, communications equipment, and security-related documents. The attack may prove to be the most successful the Communist insurgents have mounted in Thailand to date.

Although possibly only an isolated incident, the attack may represent an expansion of activity from adjacent Nan Province, which has been the center of insurgent activity over the past several months. It provides further evidence that the tribal insurgents are well led and highly motivated.

The government's reaction to the attack has been relatively circumspect thus far. Although air strikes have been targeted against suspected insurgent locations, the Thais are apparently reluctant, on the basis of recent experience, to commit ground troops into the rugged mountains.

In Bangkok, Thai strongman General Praphat has referred to "drastic action" to counter the threat in the north, but so far there is no indication that the leadership is backing off from the decision it made last month to de-emphasize the purely military aspects of the counterinsurgency effort. The army, for example, is moving ahead with plans to recruit a tribal security force, one of the steps proposed as a longer range solution to the security situation in the north.

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Mexico: Rioting students in the state of Tabasco have made their goal the ouster of Governor Manuel Mora.

Federal troops occupied the center of the capital city, Villahermosa, on 26 April. Students controlling radio stations were demanding Mora's resignation and seeking to bring in support from neighboring towns. The student demonstrations, which have resulted in one death, were initially directed against a normal school director who has now resigned.

Governor Mora has had continual difficulties with Tabascan students and other groups since he took office in 1965. Mora partisans have blamed the state's political turmoil on subversion by Carlos Madrazo, former governor and ousted chairman of Mexico's ruling party.

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The anti-Mora campaign is the first student effort to bring down a state governor in some time. In 1966, the governor of Durango was forced out of office, but that same year massive federal support for the governor of Michoacan prevented a student victory in that state. The current student uproar in Tabasco may inspire agitators to try spreading such activity to other restive areas in Mexico.

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Guatemala: Dissatisfaction with the regime is growing among junior army officers.

These officers are reported to be concerned over the government's apparent unwillingness to continue active anti-Communist counterinsurgency programs. Since the dismissal of three ranking officers on 28 March, there has been confusion regarding the counterinsurgency policy.

Morale within the military is reported to be low and many officers have voiced a lack of confidence in the new defense minister. High ranking officers are aware of the present discontent and they fear that precipitate action by their juniors could split the military establishment.

Some ranking officers and rightist civilians have expressed doubt that anti-Communist efforts will be effective without resumption of the use of clandestine military-civilian units--whose terrorist actions ultimately caused the military dismissals of 28 March. At the time of the dismissals, many officers appeared willing to give the President the benefit of the doubt. Nevertheless, they are probably willing to join in action--possibly even a coup--if they believe that Mendez is seeking an accommodation with the Communists.

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Venezuela: President Leoni's release of 84 political prisoners may pose problems for his administration.

One of the most important factors in the decline of the Communist movement in Venezuela in the past few years has been the imprisonment of its experienced leaders. The release now of several prominent Communists, some formerly associated with the guerrilla movement, is obviously designed to bolster the democratic image of the government prior to the presidential election in December. It will also strengthen the Communist Party and the several guerrilla groups now active in eastern and western Venezuela. The government is expected to announce a further amnesty this week, possibly including Communist Party chieftain Gustavo Machado.

The US Embassy believes that the Leoni government's current policy toward extremists is not likely to contribute to increased confidence between the strongly anti-Communist military and the government.

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Chile: President Frei continues to try to develop an economic policy that will permit development investment without a large inflationary budget deficit.

The government's latest move was to ask the US-based copper companies for a "voluntary" loan to help finance the anticipated deficit. The companies refused, preferring a forced loan on corporate revenues that would include Chilean firms. The government made this approach as part of a deal with the conservative National Party to ensure its support for the controversial wage adjustment bill now before congress.

One source of pressure on the budget is the government's decision to increase military pay without waiting for congressional approval. The US Embassy attributes this decision to the rising number of Communist-inspired strikes and the effectiveness of antigovernment propaganda on underpaid junior officers.

If the wage adjustment bill now before congress provides compensation for the 1967 cost-of-living increase entirely in cash, the government will have to transfer expenditures from investment to current operating costs or incur an increased budget deficit. As a result, Frei will have trouble carrying out his promised stabilization and development programs.

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Belgium: No early solution to the political crisis is in prospect. In a pessimistic appraisal of the situation, caretaker Prime Minister Vanden Boeyants told Ambassador Knight that the only feasible formula for Belgium in this period of linguistic tensions is a coalition of the three major parties--his Social Christians, the Socialists, and the Liberals. Socialist leader Leo Collard, who for the past week has been trying to put together a postelection cabinet, apparently is still searching for a compromise on linguistic issues that would be acceptable to both the Flemish and French-speaking wings of the deeply divided Social Christians. [REDACTED]

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Bermuda: The island's lucrative tourist industry--as well as the campaign for general elections to be held on 23 May--could be upset if the rioting that broke out over the weekend is resumed. Extensive burning and looting by Negro gangs forced the government to declare a state of emergency and mobilize the 300-man militia to reinforce Hamilton's hard-pressed riot police. A British frigate with a contingent of marines has been sent to the area, and a company of infantry has been airlifted from England. The disorders seem to have been predominantly racial, but with political overtones. Preparations are well under way for the coming elections in which the main Negro opposition party expects to make gains at the expense of the largely white governing party. [REDACTED]

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