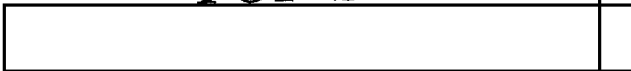


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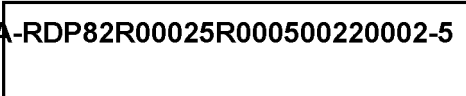
1 July 1965

DCI BRIEFING FOR  
RIVERS' CIA SUBCOMMITTEE  
OF HOUSE ARMED SERVICES  
COMMITTEE

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1 July 1965

DCI BRIEFING

NORTH VIETNAM

I. There has been some further evidence of continuing Soviet aid in the build-up of North Vietnam's defense.

A. There are now four SAM sites in the Hanoi area. Three to the South and Southeast and the latest one to the Northwest. We still have no evidence of missiles or any information which indicates that any of the sites is fully operational.

B.



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- C. Our aircraft have shot-down three MIGs. Two were shot down on 17 June by two US jet fighters using Sparrow air-to-air missiles. On 20 June two MIGs jumped two US piston-engine attack planes but the US planes shot down one of the MIGs with automatic weapons fire.
  - D. We have been hitting targets in northwest North Vietnam which include major barracks areas at Son La and ammunition dumps.
- II. North Vietnam is still showing no interest in the subject of negotiating rather than fighting in Vietnam.
- A. Both Hanoi and the Liberation Front have criticized the Commonwealth Peace Mission in harsh terms, reserving particular invective for Prime Minister Wilson.
    - 1. While Hanoi has thus far avoided a formal refusal to accept the Commonwealth Mission, it has made clear in its propaganda that it considers the current mission effort useless.

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- B. Hanoi's confidence in ultimate Communist victory in spite of stepped-up US air attacks on the north was reaffirmed recently by top-level North Vietnamese leaders.
1. On 18 June Ho Chi Minh in an interview with Pravda stated flatly that "the American imperialists are in for an inevitable defeat. The Vietnamese people are bound to win a full victory."
  2. On the 19th Premier Pham Van Dong told a Peiping TV interviewer that "The Vietnamese people will win; the US imperialists will be defeated--this is the unalterable trend."

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- III. All evidence indicates that Peiping is encouraging the DRV and Viet Cong to reject any settlement in Vietnam short of a complete Communist victory and to keep the pressure on--and possibly to step up the pace of the war.
- A. The Chinese have contemptuously rejected the latest effort to promote talks leading to a peaceful settlement--calling the Commonwealth Peace Mission proposal a scheme worked out by a "nitwit" in collusion with the US.
1. They have also reiterated their position that there is no possibility of a UN role in solving the Vietnam problem.
- B. Peiping's recent actions suggest that the Chinese believe this hard line has increased the chances of a US escalation which might lead to Chinese involvement in the war. However, the Chinese appear determined to continue this policy rather than to accept a compromise solution and in the past few weeks Peiping has made a concerted effort to deter the US by a series of warnings over the possible consequences.

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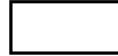
1. While not increasing Peiping's present conditional commitment to send men "if needed," recent Chinese propaganda statements appear designed to give the impression that China has moved closer to direct military involvement in Vietnam.
  2. Peiping has at the same time been putting out the word through a variety of channels that although the Chinese do not want war with the US but are prepared for it if necessary and will intervene directly as they did in Korea if the US bombs China or if a collapse of the DRV appears imminent.
  3. Both in their propaganda and in private statements by top leaders the Chinese have been expressing arrogant confidence in eventual victory over the US in the event of a larger war involving an attack on China. Chou En-lai has even claimed that Peiping would prefer to have the Soviet Union stand clear in such a case.
- C. The Chinese warnings have been accompanied by increased civil defense preparations, which probably reflect genuine fears that the warnings may have no effect.

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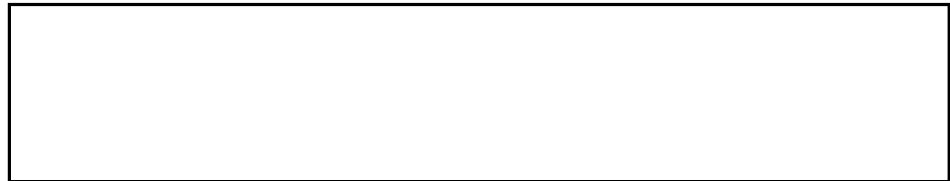
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1. The authorities in South China appear to be deliberately fanning fears that China will become directly involved in the Vietnam war, apparently to stimulate greater compliance with civil defense and other related policies.

2.



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3. One heavily publicized type of "preparation" is militia training, which apparently was further intensified in early June.

D. There have, however, been no major troop movements or other significant military developments which would be expected if Peiping were about to launch a Korean-type mass intervention.

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1 July 1965

DCI BRIEFING

SOUTH VIETNAM

IV. After slackening off following the major battle in mid-June around Dong Xoai, a district town about 55 miles north of Saigon in Phuoc Long Province, the Viet Cong have resumed their summer offensive with what seems to be a major thrust in the central highlands.

A. Over the weekend, on 25 June, a force of two to three Communist battalions attacked and overran a district capital in the northeastern part of Kontum Province, which borders southern Laos.

1. This town, Tou Morong, is still in Viet Cong hands, and no effort may be made to recover it.

a. Most of the town's population, the district chief, and some 75 defending troops, escaped to a nearby district town, Dak To, on the road to the province capital, Kontum town; the fate of another 100 troops is

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unknown. Air reconnaissance, first hampered by bad weather, now suggests that Tou Morong is deserted.

2. There is good evidence that the attack on Tou Morong was mounted by one of the three regiments of the North Vietnamese 325th Division now believed to be in South Vietnam's highlands provinces.
  - a. Unusual silences, interrupted only by sporadic exchanges, have been maintained on communications serving the 325th elements in Kontum since mid-June, suggesting tactical deployment; at the same time the Viet Cong tactical command headquarters station in Kontum became more active.
  - b. A defector, who claimed to be from the 101st Regiment of the 325th, previously reported in the province, turned himself in to government troops the day of the attack on Tou Morong, and reported that the regiment would attack the town that night.

- B. We cannot tell whether the Communists are now making a full-scale attempt to seize Kontum

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Province, or the entire highlands areas; however, two other isolated district towns in Kontum--Dak To and Dak Sut closer to Laos, have been mortared since the attack on Tou Morong.

- C. Moreover, the Communists now seem to be launching a major operation that we have been expecting farther to the south in the highlands province of Phu Bon.
1. A district town in Phu Bon called Thuan Man, just south of the province capital of Cheo Reo, was overrun 30 June, trapping a government battalion. Two relieving South Vietnamese marine battalions, moving to evacuate Thuan Man garrison, have been engaged in heavy fighting with forces of possible regimental size.
  2. US authorities have calculated that there are some four Communist battalions in Phu Bon; they could threaten the province capital at Cheo Reo.
  3. A second regiment of the PAVN 325th Division has been reported by a defector to be in the Phu Bon - Pleiku Province area.

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4. In addition, recent communications developments showed the redeployment into Phu Bon - Pleiku of a regular Viet Cong regiment, the third, from the coastal province of Phu Yen to the east.

5. Moreover, a Viet Cong tactical command headquarters, [redacted] in the Quang Ngai area in late May when a major battle took place at Ba Gia, recently turned up in Phu Bon.

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D. This activity in the highlands could threaten the towns of Kontum, Pleiku, capital of Pleiku Province and headquarters of South Vietnam's II Corps command, and even the area as far south as Ban Me Thout, capital of Darlac Province.

1. The third infantry regiment of the North Vietnamese 325th Division has been reported by a defector to be in Pleiku. Earlier in June, when a series of large Communist ambushes occurred in Pleiku Province, a district town near the Cambodian border was attacked and lost; it remains in Communist hands and gives them control of Route 19 running west of Pleiku town to the Cambodian border.

IV. The Communist offensive this summer has been characterized primarily by a number of large attacks,

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in regimental or greater strength, centered generally in isolated areas where they have been able to harass, ambush, and inflict major damage on South Vietnamese forces, including the government's 11-battalion general reserve and the Ranger reserves of the corps areas.

A. Last week, US advisers reported a total of five South Vietnamese regiments and nine battalions--the equivalent of two and one-half divisions--combat ineffective; this is the result primarily of heavy losses in combat since late May.

B. In addition, much of the Viet Cong offensive has been conducted in rugged terrain along South Vietnam's borders from Cambodia north of Saigon to southern Laos, and they may end up in virtual control of this entire border strip.

C. Another significant feature of present Viet Cong activity is the high rate of sabotage which is having the effect of blocking major land communications northward from Saigon into the highlands, along the coastal plain leading to the northern provinces, and from the northern coast into the highlands.

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1. For the first time, this sabotage effort seems aimed at permanent denial of these routes, forcing complete government reliance on air and sea for re-supply and rescue, and imposing an economic squeeze on Saigon and populated centers in these provinces.

D. The effect of this sabotage and of Viet Cong intervention elsewhere in the economic picture is growing inflationary pressures in Saigon and the provinces, increased hoarding, and some local shortages.

1. Some truckers are now refusing to carry POL and other goods from Saigon and the coast into the interior; four rubber plantations have closed down, and others are threatening to do so.

V. US troop strength in South Vietnam remains at about 53,500 and is expected to total 75,000 to 80,000 by the end of July, with about 22,000-25,000 combat troops.

A. US Marine and Airborne troops already in place have begun aggressive patrolling and some combined search-and-destroy operations with the South Vietnamese forces and the Australian battalion.

1. It is hoped that they will be able to serve as a back-up to the now hard-pressed South

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Vietnamese general reserve, as well as to undertake, in conjunction with air strikes, such as the B-52 raid on 18 June, combined operations to find and destroy hard-core Communist units so that the Viet Cong monsoon offensive will not have the result of depleting government units until their will to fight collapses.

VI. Saigon's new military government has now organized its machinery, at least formally, and seems determined to carry out a drastic program of harsh controls together with radical political, economic, and social reform in an effort to mobilize the country's resources behind the war effort.

A. The country is actually being run by a ten-man Directory of generals, which is under chairman, and simultaneous chief of state, General Nguyen Van Thieu.

1. The day to day government is a wartime cabinet, headed by vigorous but politically inexperienced air force chief General Nguyen Cao Ky; Ky has set up a government formed primarily of youthful but technically competent civilians equally imbued with a desire for social change.

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2. The government has already declared a state of war, under which it has laid down tighter curfews and controls in Saigon; it intends a major program involving youth, both in the military services and organized in vanguard groups to hold economic speculators, and hopes to force a more equitable distribution of economic benefits through wide-ranging government intervention.

B. So far, both Buddhist and Catholic leaders appear willing to give the government's program a chance and are reluctant to provoke serious opposition, even though leaders on both sides have strong reservations about certain government leaders.

1. The government's ambitious programs and harsh controls, however, may well overstrain its limited administrative capabilities and result, not only in serious political opposition or infighting, but severe economic dislocation.

2. Already, the government is showing signs of retreating on its crackdown on the undisciplined Saigon press, and is currying voluntary cooperation by the press in regulating itself.

3. The hasty execution of a Viet Cong terrorist by the new regime led the Viet Cong to

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retaliate by shooting a US sergeant who was their prisoner; Communist propaganda suggests that the Viet Cong intend to step up terrorism and try to drive a wedge between the US and Vietnamese by further retaliation if terrorism is punished.

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1 July 1965

**DCI BRIEFING**

**DOMINICAN REPUBLIC**

- I. Communists and extremists are protesting Caamano's decision to negotiate with the OAS, and the outbreak of fighting in San Francisco de Macoris indicates that they are attempting to take the struggle into the interior.
  - A. Elements in the extremist camp are divided in their response to Caamano's decision to negotiate with the OAS and accept many of its proposals.
    1. The orthodox Dominican Popular Socialist (Communist) Party generally approves Caamano's actions, as does part of the pro-Castro Fourteenth of June Political Group (APCJ).
    2. Opposition to the Caamano response is centered in the pro-Chinese Dominican Popular Movement (MPD) and a section of the APCJ. The MPD went so far as to mobilize 150-200 youths to demonstrate against Caamano in front of rebel headquarters. Caamano was reportedly planning a meeting with MPD leaders on

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[redacted]

29 June, probably in an attempt to gain their support for his position.

3. Available evidence indicates that the MPD and part of the APCJ were involved in the violence which broke out in the interior town of San Francisco de Macoris on Friday. Loyalist police and army forces repulsed an 80-man group led by Communists and pro-Castro extremists. [redacted]

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[redacted] had indicated for some time that the rebels were sending arms and men into the interior and pointed to San Francisco as a likely target for attack. A few days after the attack, a small rebel band unsuccessfully tried to storm a police post in the nearby town of Pimentel.

- B. There are many reports and rumors of future violence in the interior.
  1. The town of Moca is mentioned frequently as a possible target.
  2. The police and army are nervously on the alert and have tended to overreact to any provocation. This, in turn, has led to charges of brutality.

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3. However, one indication of a possible lessening of tension in the interior is the fact that strict curfews are no longer being enforced in some towns.

II. The extremists' actions have strengthened the Imbert government's desire to wipe out the rebels and heightened its resistance to accepting the OAS proposals.

A. Uprisings in the interior have heightened Imbert's criticism of the US for not allowing him to "clean up" the rebel zone in Santo Domingo. He has hardened his attitude toward the US and the OAS, and initially refused to allow the Inter-American Human Rights Commission to investigate conditions in San Francisco. Some elements in the loyalist military, who are distressed over alleged police atrocities, hold Imbert responsible for them and would like to see him step down when a provisional government is formed.

III. Meanwhile, the return of ex-President Joaquin Balaguer has focused attention on his possible role in any political settlement.

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- [REDACTED]
- A. Balaguer returned to Santo Domingo on Monday to visit his dying mother, and his supporters are flocking to see him. It is not known how long he will stay, as Imbert has reportedly stated that he cannot assure Balaguer's personal security.
  - B. Balaguer is a widely-known political figure in the country and has considerable support from a broad spectrum of Dominican society. He announced on his arrival that he endorsed the OAS proposals but would not take a post in a provisional government because he wanted to run for president in free elections.
- IV. The OAS committee is continuing its discussions with leading Dominicans, representing a wide range of political thinking, aimed at acceptance of the committee's proposed solution to the ten-week-old crisis.
- A. Although the Caamano regime and, to a lesser extent, Imbert's government of National Reconstruction have at times appeared amenable to negotiations, both sides have also remained firmly committed to demands which the other side unequivocally rejects.

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B. It now appears that the OAS committee is making progress on the formation of an acceptable provisional government. The leading contender to head the provisional government is Hector Garcia Godoy, a career diplomat and member of Balaguer's Reformist Party.

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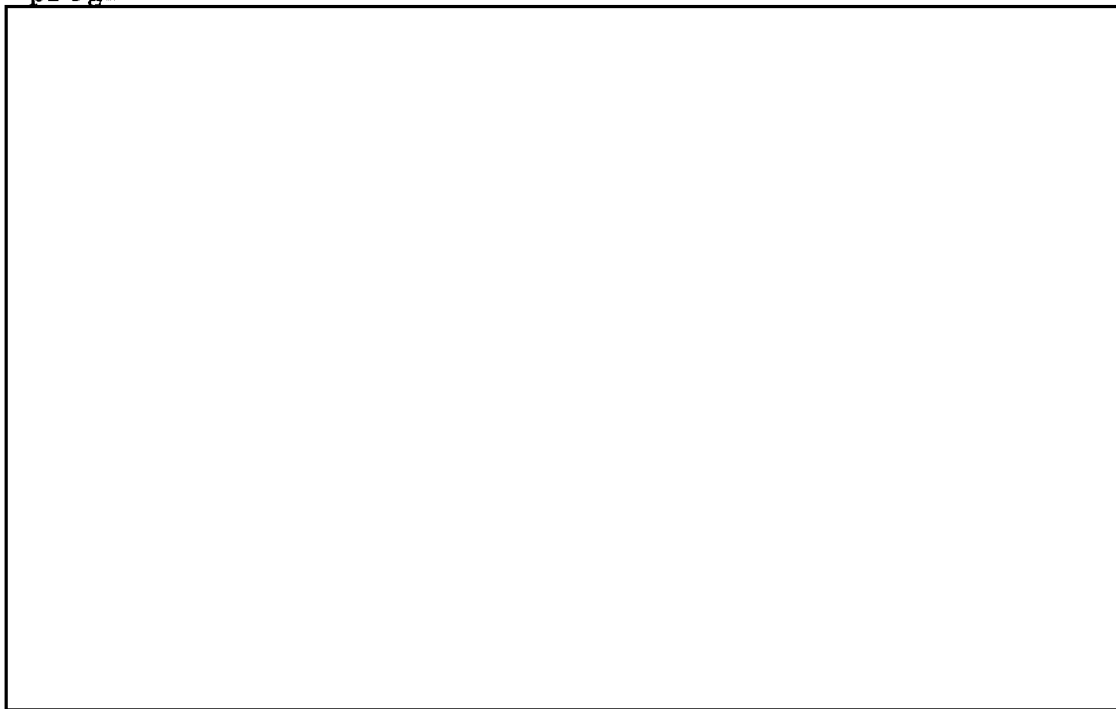
## DCI BRIEFING

SOVIET MILITARY DEVELOPMENTS

- I. As for military developments in the Soviet Union, we are continuing a very close watch but so far there is nothing to indicate any repositioning of forces in reaction to the Vietnam situation.
- A. Thus the Soviet military posture is not becoming any more belligerent, even if Soviet statements are. On June 27 a Soviet official in Moscow reportedly said that the Vietnam situation is confronting the Soviet leadership with increasingly "painful" policy choices.
- B. The Soviet official went on to say that this problem might compel the Soviets, as he put it, "to counterattack the other side where it is most vulnerable--that is, Germany."
- II. All elements of the Soviet armed forces have been active in exercises this spring, but the pattern generally follows what we have seen over recent years.
- A. For instance, in the Norwegian Sea the Soviet Navy is conducting the largest exercise it has ever held, ((MAP)) but the theme is the same defensive pattern of previous years. The unusual number of ships involved--some 30 submarines and 15 major combat units--is consistent with the general

expansion of Soviet naval operations observed over the past year and a half.

- III. The Soviet operational ICBM force remains constant at 224 launchers, with construction continuing on at least 150 single silos. None of these new silos is operational yet, but some could be completed by fall.
- IV. As I mentioned when I briefed you on June 16, the Soviets are running a very active satellite reconnaissance program.



- V. Soviet military problems with their satellites are apparently serious enough to be worth a mention.

[Redacted] Bucharest has told the Soviets that the Rumanian armed forces are no longer considered subordinate to the Warsaw Pact command.

25X1 A. [redacted] the Rumanian Defense Minister recently told Marshal Grechko, the Soviet commander of the Pact forces, that Pact decisions would have to be approved by the Rumanian government before Rumanian military forces would comply.

EVIDENCE OF SOVIET BOMBER DEVELOPMENT

I. After I briefed you two weeks ago on the Soviet development of transport aircraft, interest was expressed in the perennial question of whether the Soviets are or are not working to bring out a follow-on heavy bomber.

A. First of all, I want to assure you that we are not going to withhold or dismiss or downgrade any evidence pointing in this direction simply because the majority view in our estimate is that the Soviets are not now engaged in developmental work on a heavy bomber. We think it is unlikely, but we do not feel it is impossible,



any indication of such a development, especially since this is a debated issue in the intelligence community.

- B. To review the evidence we have, and which we have cranked into our reports and our existing estimates, There has been some R&D work on a successor to the aging BEARs and BISONs of Long Range Aviation.



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3. In the summer of 1961 the Soviets flew a modified version of this aircraft, BOUNDER-2, in an air show. This aircraft had improved engines, and was estimated to have a top speed of about Mach 1.4. Its configuration clearly suggested that it was initially designed as a bomber.

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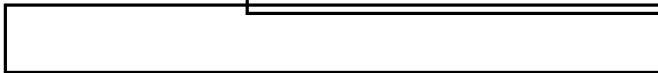
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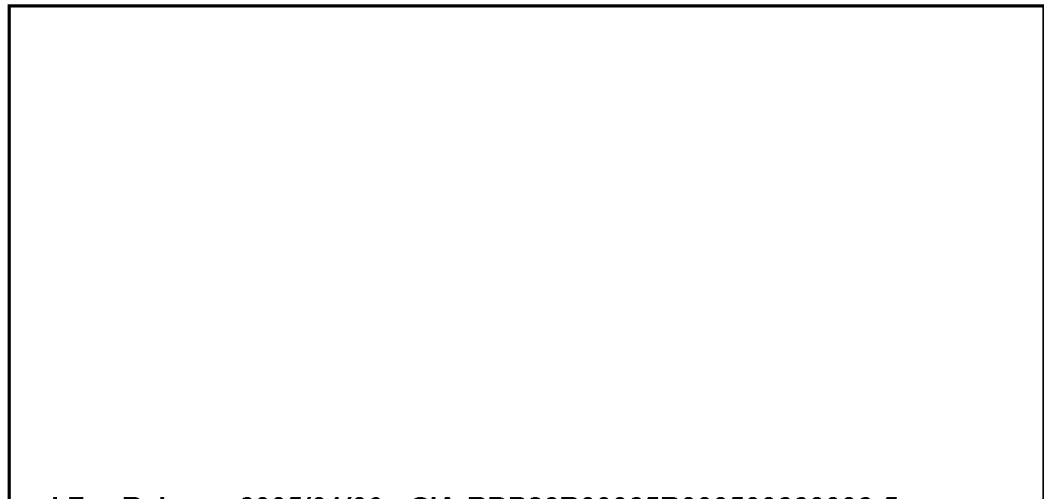
III. The initial stages of a heavy bomber development program, under tight security wraps, might escape our notice, but we would expect satellite reconnaissance to detect a new prototype soon after it is rolled out.

A. There are only 10 Soviet airframe plants with final assembly areas large enough for heavy bomber production. [redacted]



B. Two of them, both at Moscow, are unlikely candidates because their runways are too short for supersonic heavy bombers. The other eight are known to be producing other aircraft at present.

C.



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E. It has been suggested that a highly publicized program for development of a Super-Sonic Transport-- like the TU-144 shown in scale model at the Paris Air Show--might be used to conceal the development of a supersonic bomber in early stages, including flight tests. Our technical analysts should be able to determine the military potential of such an aircraft fairly early in the game, and conversion from an SST to a military bomber is by no means simple.

1. Complex subsystems, including advanced electronics or possibly compatible stand-off missiles, would have to be added, and we would expect a tip-off from the testing of these systems.

IV. In sum, we are quite certain that there is no flying prototype of a new Soviet heavy bomber at this time. If such an aircraft is in the early stages of development, we feel confident that our intelligence resources will reveal its existence early in the two-to-five year period

between the initial flight testing and the final operational deployment. I want to assure you again that when and if we obtain any such evidence, you will be informed.

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1 July 1965

DCI BRIEFING

ALGERIA

- I. Algerian President Ahmed Ben Bella--who in 1964 was made a "Hero of the Soviet Union" and was awarded the Lenin Peace Prize--was overthrown on 19 June by a well-organized military coup staged by Defense Minister -Defense Minister Houari Boumedienne.
  - A. Boumedienne was apparently motivated by apprehension that he and several of his henchmen were slated for early dismissal from the government.
  - B. The Algerian people apparently accepted the turnover, and the country remains calm. However, the administration is paralyzed awaiting the outcome of efforts to form a new government, which seem to have bogged down on selection of a respected chief of state.
  - C. The only expressed opposition has been in the form of student demonstrations--in the larger Algerian cities and in foreign capitals--and an emigré organization which

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- denounced the coup as a "fascist" plot.
- II. Boumedienne is a former school teacher who was educated in Cairo. The precise composition of his ruling National Council of the Revolution is still unknown.
- A. Boumedienne is an ascetic, uncommunicative individual. He is unlikely to want to head a government, but will remain the real power.
- III. Ben Bella achieved power in 1962 largely through Boumedienne's support. Friction has long been apparent. Boumedienne objected to Ben Bella's leftward swing, his close relations with France, his attempts to isolate Boumedienne's followers, his recent "deal" with Berber dissidents in the Kabylie, and ultimately a Ben Bella order to arrest some 150 opponents.
- IV. The Boumedienne clique has announced it will not change Algeria's policies of nonalignment and support for liberation groups. However, it is likely to pay more attention to the faltering Algerian economy than to foreign adventure. The regime will be very touchy; Boumedienne has already reacted strongly and adversely to "foreign meddling." Boumedienne reportedly brusquely refused Egyptian Vice President Amir's demands

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to see Ben Bella; his foreign minister has summoned most diplomats accredited to Algiers to warn them against meddling in Algerian affairs.

V. Although the Boumedienne regime has said it did not intend to solicit formal recognitions, it seems concerned that few countries--so far only Syria, Indonesia, Communist China, and Ethiopia--have granted formal recognition.

- A. It also is reported embarrassed by the strong open support of the Chinese Communists.
- B. It is proceeding with petroleum negotiations with France. An accord in these was nearing the signature stage at the time of the coup.
- C. Morocco and Tunisia--who regard Boumedienne as a determined, malevolent extremist--continue to be uneasy. Both backed Ben Bella as the lesser of possible evils. Both can be expected to press for increased US and Western military assistance against the possibility of Algerian aggressions.

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D. Some small improvement in relations with the US may be anticipated. The US ambassador has been assured that Algeria wants "fruitful cooperation with the US."

VI. The Afro-Asian Conference, which was slated to open on 29 June in Algiers, was postponed until 5 November.

A. Communist China--with Indonesia, the prime mover for the conference--pushed hard to hold it on schedule. Most other participants either favored postponement or dropping the matter altogether.

B. Feverish diplomatic maneuvering, among 36 (out of possibly 50) delegations, preceded the actual announcement of postponement.

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1. Several informal caucuses formulated separate proposals for postponement for presentation to the foreign ministers' meeting, ultimately rescheduled from 24 to 26 June. Morocco and Tunisia led the Arab States; India and Japan led moderate Asians. Algeria, after meeting with ten African states, apparently agreed to postpone.
  2. The decision actually was made at a special meeting of the 15-nation preparatory committee even as the foreign ministers were assembled at another site.
- C. Peiping had a large stake in the conference, and the Chinese kept pressure on until the last minute for some kind of meeting. Their tactics appear to have backfired; the Chinese are now accusing imperialists of sabotaging the conference.
1. Tanzania, Guinea, and Congo (Brazzaville) resented Chinese persistence. They criticized the immediate Chinese recognition of the Boumedienne regime.

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- [REDACTED]
- D. Indonesia originally took a hard line that the conference proceed as scheduled, but they privately hoped for postponement as it became apparent Malaysia would most likely be seated.
  - E. Although the Soviets remained largely in the background in Algiers, they quietly postered sentiment for postponement; undoubtedly they are pleased at the outcome, which they regard as a setback for Peiping.
  - F. Algeria suffered a further loss of prestige when European Communist sources connected with the forthcoming Ninth World Youth Festival, scheduled to begin 28 July in Algiers, indicated it would be moved to Bulgaria.

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1 July 1965

DCI BRIEFING

INDONESIA

- I. In Indonesia, President Sukarno has told us not to expect any improvement in US-Indonesian relations during the immediate future.
  - A. No serious anti-American incidents have occurred, however, in the last three months.
    1. Presumably Sukarno felt he and the Communists had pushed matters as far as they should at this time. Last winter and early spring, the Indonesian Government progressively closed the five USIS installations and took over American-owned rubber estates, and oil properties.
    2. Perhaps also contributing to the lack of anti-American headlines has been the preoccupation of both Sukarno and the Communists in recent months with various national and international conferences.
  - B. The Communists appear eager to push anti-Americanism to greater lengths than does Sukarno.

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1. The Communists' anti-American program is now relatively low-keyed, but they are still calling for a break in Indonesia-US relations and the seizure (as compared with the previous "takeovers") of US business holdings and the expulsion of remaining Americans.
- C. We think it unlikely that Sukarno will seek a break in relations unless severely pressed by the Communists, but business probably can expect further harassment.
  1. The oil companies, although nominally taken over in March, have so far encountered relatively little interference from the government.
  2. The reduced American staffs that remained at the rubber estates, however, have not been permitted to work.
- II. The postponement of the Afro-Asian conference in Algiers was a great piece of luck for the Indonesians.
  - A. Sukarno probably faced defeat at the conference on the Malaysian issue. Chances were good--despite Indonesia's intense opposition--

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for Malaysia's being seated at a conference which Indonesia and later China had been instrumental in scheduling.

- B. Sukarno probably will now place major emphasis on creating support for his Conference of the New Emerging Forces (CONEFO) scheduled to be held in Djakarta in mid-1966.

III. Isolated domestic opposition to the Communists still occurs, but the prevailing trend continues toward the left.

- A. The army is carrying out a limited political offensive in Sumatra to counter Communist advances.

1. In North Sumatra, where the Communists have made great progress toward controlling the province, the army has succeeded in starting three non-Communist newspapers.
2. It has also won the conviction of 23 members of the Communist-front peasant organization for the murder of an unarmed army officer in mid-May.

- B. Moslem peasant resistance to the Communists continues in East Java, but it is at a

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greatly diminished rate to that which prevailed earlier in the year.

IV. Indonesia has continued to press its military confrontation of Malaysia.

A. There has been a recent spate of largely ineffectual Indonesian guerrilla operations against both peninsular Malaysia and Malaysian Borneo.

1. This increase in small-scale Indonesian activity apparently was in response to Djakarta's recent order to create disturbances in Malaysia before the convening of the Algiers Afro-Asian Conference.

2. Djakarta, to gain support at the conference, had recently circulated fabricated reports of an imminent large-scale British attack against Indonesia.

B. In lieu of a settlement, which appears unlikely, Sukarno probably intends to gradually expand the scale and intensity of military attacks against Malaysia.

1. In Borneo, Indonesian battalion-sized attacks are a possibility. It is unlikely,

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however, that Indonesian bases directed against the Malayan Peninsula and Singapore will, in the near future, be able to mount significantly larger infiltrations than the 10-50-man missions of the past year.

2. Meanwhile, Indonesia's large military buildup around the periphery of Malaysia is nearing completion. The Borneo border area and Sumatra are each being reinforced by over 12,000 troops.

C. Malaysian and British authorities are concerned over the possibility of an outbreak of Communist Chinese insurgency in Malaysian Borneo.

1. In a recent raid, Indonesian troops supported by local Chinese elements overran a Malaysian Borneo police station. Four pro-Government Chinese civilians were assassinated.
2. The Chinese insurgents were probably members of the anti-Malaysia, pro-Peiping, Clandestine Communist Organization (CCO) which in the past has refrained from

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armed opposition to the government.  
Commonwealth and Malaysian security  
forces would be hard pressed to cope  
with widespread CCO terrorism and  
active cooperation with Indonesian  
infiltration efforts.

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reaffirmed the need for intensifying terrorist activity.

A. The party hopes to give the FALN's new campaign clearly defined objectives calculated to produce maximum propaganda effect.

III. Guerrilla activity continues about 100 miles east of Caracas, and has been resumed in the west.

A. The army has stepped up its antiguerrilla campaign in both regions.

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DCI BRIEFING

1 July 1965

BOLIVIA

- I. In Bolivia, military occupation of all nationalized mines was completed in early June without resistance, thus bringing at least a temporary respite in the month-old political crisis.
  - A. Military occupation of the mines is the first step in the junta's rehabilitation program for Bolivia's all-important mining industry.
    1. The miners, undisciplined and led by extremists, have resisted effective government authority since the 1952 revolution.
    2. The Bolivian government, finally faced up to this, realizing that it cannot begin to cope with its economic problems before it establishes sound management of the nationalized mines.
    3. The deportation or arrest of extremist mine leaders; and a military show of force has apparently overcome miner resistance to the reform program.

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B. The junta now faces the important task of proving to the miners that conditions will improve under the new program.

1. The miners will tolerate peaceful occupation of the mines for a while, but resistance will stiffen and another crisis will loom if the junta does not provide tangible results to back up its promises.

II. The power struggle between the co-presidents of the junta, Barrientos and Ovando, remains a disturbing element in the political picture.

A. It stems from the ambitious character of the two generals. Each wants to be president, and both have significant military support, but only Barrientos has popular political support.

B.



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C. Relations between the two men came dangerously close to the breaking point on May 24.

1. At that time Barrientos, then sole head of the junta, had begun deporting the principal extreme leftists and was moving the army against the armed workers' militias and striking workers.

2. Ovando, who was commander of the armed forces, signed a cease-fire pact with the workers without consulting the rest of the junta. The agreement in effect gave the workers almost everything they demanded, and would have denied the government the necessary means of controlling the mines.

D. Barrientos moved Ovando up to the co-presidency and took over joint command of the armed forces, in order to keep an eye on him, to neutralize his power, and, most importantly, to maintain unity in the armed forces. A split in the military would probably have plunged the country into

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civil war, and still could. So far this maneuver by Barrientos has succeeded. Ovando is lying low, and unity of the armed forces has been preserved, but a final showdown between the two seems inevitable.

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1 July 1965

DCI BRIEFING

PERU

- I. In Peru, the MIR, or Movement of the Revolutionary Left, which is pro-Cuban and pro-Peiping, appears to have begun guerrilla activity.
  - A. On June 9th a group of about 13 armed men attacked two ranches and a mine near Huancayo in the rugged mountainous jungle area of Central Peru, stealing dynamite, clothing, money, food, and other articles.
  - B. Another ranch was raided on 12 June and similar raids in the central region have continued intermittently. Although reports of these attacks are piecemeal, we do know that the MIR had planned such raids as the first steps in the "armed action" stage of the MIR revolution.
- II. The MIR has about 1,000 members, at least 150 of whom have received extensive guerrilla training in Cuba, Communist China, and North Korea. Another group of foreign trainees reportedly will return to Peru by early July. The MIR has been preparing for guerrilla warfare now for two years.

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A. Twenty-three foreign-trained guerrillas plus several hundred partly trained collaborators from nearby villages are located at three camps near the general location of the June attacks.

B. MIR also has a guerrilla camp near Cuzco in Southern Peru and three in the northern part of the country. Guerrillas in the southern camp reportedly will begin small-scale attacks there sometime in July.

III. The MIR is not an immediate threat to the Peruvian Government.

A. Government security forces are now in pursuit of the guerrillas, but are hampered by the rugged terrain, the hostility of the peasants, and the concealment tactics of the guerrillas. The police have killed three and captured or arrested at least seven others. These, however, probably are peasant collaborators and not any of the foreign-trained guerrillas.

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1 July 1965

DCI BRIEFING

ECUADOR

- I. Political critics of the ruling junta are planning large demonstrations in Quito and Guayaquil on 9 July, two days before the second anniversary of the junta's accession to power.
  - A. Permission to hold demonstrations has been requested by the recently created National Patriotic Junta (JPN), a relatively minor group headed by an officer of the Conservative Party, but the demonstrations would probably draw the participation of students, labor unions, and other critics of the junta.
  - B. The junta has not granted permission and may not do so, but might find it very difficult to prevent demonstrations. Antijunta elements would probably welcome repressive government measures and the creation of martyrs.

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1 July 1965

DCI BRIEFING

CUBA

I. The Cuban transport plane shot down by Cuban forces on 19 June was hit by a surface-to-air missile, [REDACTED]

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[REDACTED] The missile was apparently fired on the authority of the SAM site commander.

A. He may have regarded the plane as hostile even though it was operating in the general area of a previously assigned training flight route.

B. This was the first known SAM firing in Cuba since October 1962.

II. This incident, and the possibility of another live firing in a coming air defense exercise, probably do not reflect a change in Cuba's attitude toward US overflights. There is no indication of any modification of past orders that Cuban SAM sites are not to fire unless attacked or given permission by higher authority.

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- III. Although the Cubans have begun to adopt a Soviet system to improve the coordination of air defense elements, they will probably not be able to rule out the possibility of accidental or uncoordinated SAM firings in the future.
- A. Double-lock security systems are not feasible in SA-2 complexes, so it is always possible for individual site commanders to give a unilateral order to fire on any aircraft.
- B. Firings on US reconnaissance aircraft would more likely be intentional, not accidental, because the high altitudes at which such missions are flown reduces the possibility that they could be confused with other aircraft.

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1 July 1965

DCI BRIEFING

BERLIN

The East Germans in recent weeks have been putting pressure on West German rail and barge access to West Berlin and also flaunting Allied regulations concerning use of airspace over the city.

- A. The East German actions are designed to promote and give substance to the regime's long-held claim of being a sovereign state.
- B. Moscow has apparently given its consent for this activity but is clearly exercising careful control over the East Germans.
- C. Communists do not seem to have in mind taking such extreme steps as to bring on a firm Western response.

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D. Intermittent East German pressures are likely to continue this summer but not, we now believe, to such a degree as to bring on a full-blown "Berlin Crisis."

BULGARIA

- I. The crisis posed for the Bulgarian Government this spring by an attempted coup against the ruling Communist clique by dissident party members was temporarily resolved with their arrest and trial.
- A. The underlying factors responsible for the abortive coup remain, however.
- B. The Bulgarian leadership is still faction-ridden and, despite Soviet assurances of backing for the leading members, remains at best unstable.
- C. While our limited information does not provide us with any clear indications of how the situation may develop, we do feel that matters are far from settled and the likelihood of further dramatic events, including the ouster of regime leader Zhivkov, cannot be ruled out.

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1 July 1965

DCI BRIEFING

YEMEN

- I. The number of Egyptian troops in Yemen now stands at between 53,000 and 58,000 men.
  - A. They have recently been withdrawn from several outlying areas to help protect the main population centers. In consequence, the royalists have seized the military initiative.
  - B. The Yemeni republican government of Prime Minister Numan has been trying to follow a course which would neither lose him Egypt's support nor alienate the anti-Egyptian republican tribes. Nasir is suspicious of Numan's government but apparently intends to allow it to continue in its present form while he continues to try to get together with King Faysal on a face-saving settlement.
  - C. Numan also hopes to improve his relations with the British, but the Egyptians persist in using Yemen as a base for operations against Aden and the British-protected South Arabian Federation. Numan admits that he is powerless to stop them.

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1 July 1965

DCI BRIEFING

CYPRUS

- I. Negotiations between Athens and Ankara are stalled over Turkey's demand for territorial compensation in exchange for agreeing to union of Cyprus with Greece.
  - A. The Turks, whose ethnics amount to about 20 percent of the island's population, want the equivalent of 20 percent of the island's area--about 715 square miles, either on Cyprus or in Thrace.
  - B. Greek Cypriot leaders view the Greek-Turkish dialogue with deep suspicion and oppose any concessions by Cyprus to achieve union.
  - C. Greek Premier Papandreou, facing increasingly serious domestic political problems, is reluctant to expose himself to new criticism by agreeing to suggestions from his subordinates that territorial compensation could be granted using Greek rather than Cypriot territory.

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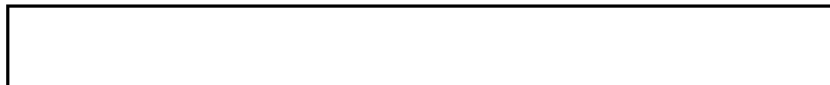
1. Seeking "less painful" methods to placate Turkey, the Greeks have approached the British regarding the possibility of the latter sharing control with Turkey of one of the two British military bases on Cyprus.

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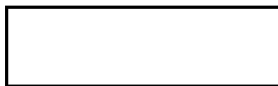
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1 July 1965

DCI BRIEFING



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- I. The Congo is quieting down fitfully, although some rebel resurgence has been reported from the eastern Congo, and tension between President Kasavubu and Premier Tshombé seems to have been increasing, especially since Tshombé and his allies did very well in elections for a new parliament.
  - A. Arms supply from Algeria and Egypt through the Sudan has halted, and exile rebel leaders continue to fight among themselves. Rebels, probably aided by Nyerere's Tanzania, are mounting renewed operations near the Uganda border and along Lake Tanganyika but European mercenaries are likely to rout them fairly easily.

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Remarks: **In connection with the last item mentioned in the attached memorandum, the Director said perhaps we should give the Subcommittee, at our next meeting, a brief discussion of the current Agency situation. I am initiating such a briefing paper with BPAM in the first instance and will develop with the Executive Director-Comptroller next week.**

**L.Houston**

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**General Counsel** **7/1/65**  
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