

File

THE PRESIDENT'S INTELLIGENCE REVIEW

**ISSUED BY THE
CENTRAL INTELLIGENCE AGENCY**

26 - 28 AUGUST 1964

~~TOP SECRET~~

1. Cyprus: More trouble may be brewing over the Turkish plan to rotate troops on the island next Monday.

Cypriot Foreign Minister Kyprianou has turned thumbs down on the Turkish proposal. He and Makarios have asked the US and UK to persuade Ankara to postpone the rotation for a month or two. The Turks, however, reportedly are determined to go ahead on schedule.

The situation may be complicated by new clashes in northwest Cyprus.

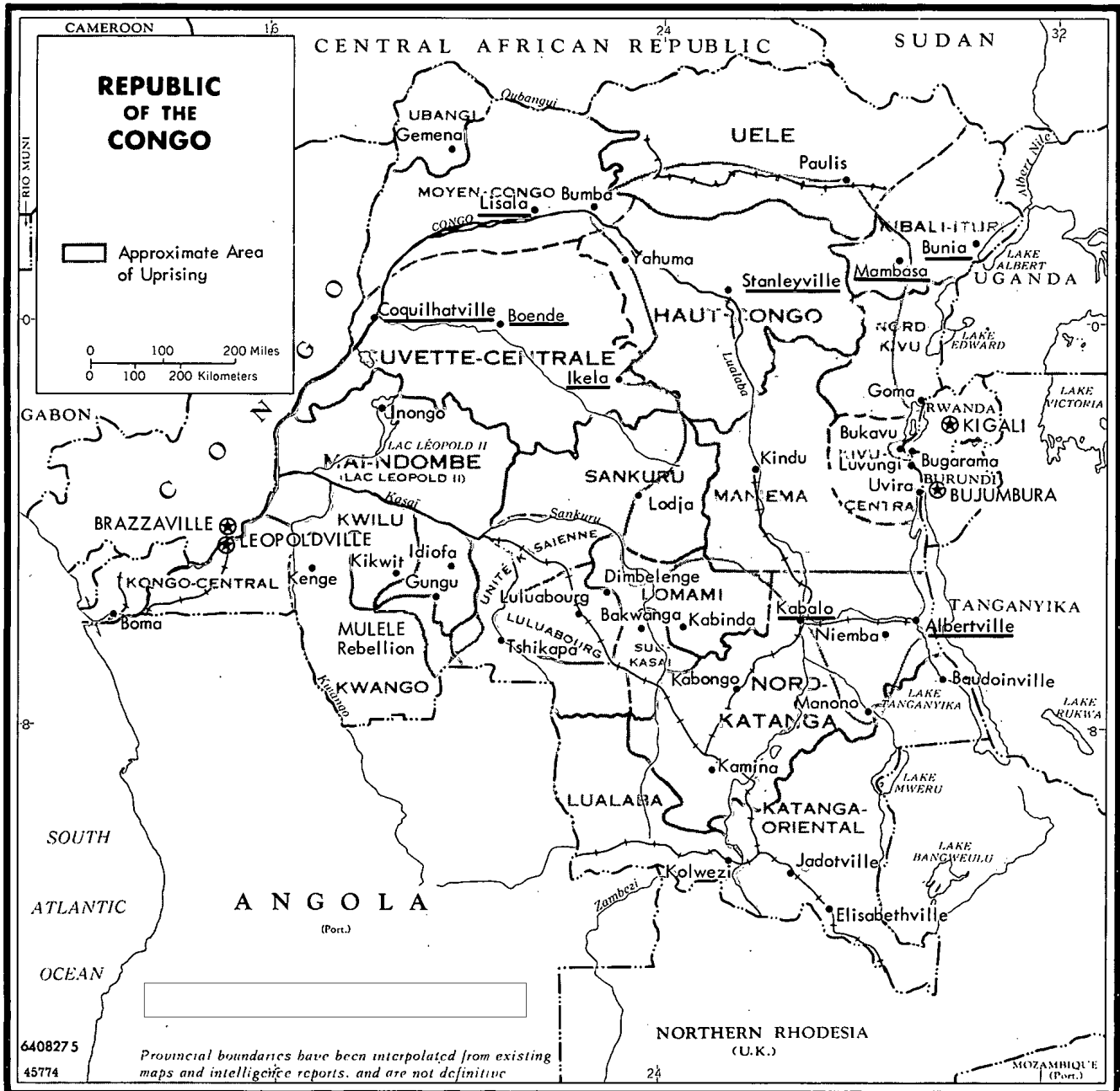
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Anti-American demonstrations in Ankara have been growing in size and intensity. They could lead to acts of violence against Americans.

The Cyprus situation could force "important changes" in Turkish foreign policy, according to an influential Turkish paper. The changes would involve an independent foreign policy and removal of some privileges accorded Americans in Turkey.

Makarios and Kyprianou are in Cairo and are expected to stay there until at least late Monday.

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2. Congo: Government forces have been ineffective in coping with the rebels over a large part of the country.

The government's claim that it had retaken Albertville appears to have been more wishful thinking than fact. The poorly organized attack on the city, mainly by mercenaries, seems to have been repulsed with the attackers fleeing in confusion.

There are signs that the rebellion is spreading toward the Congo's northern frontier as we expected. "Unrest" is reported in upper Uele, but we are not certain whether the dissidents are local inhabitants or members of the "Peoples' Liberation Army." One unit of the "army" is in Mambasa, west of Bunia, capital of Kibali-Ituri.

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[redacted] Bukavu as "tense and confused." In Leopoldville, the disturbances planned by the Committee of National Liberation for yesterday did not come off and the city is quiet.

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The rebel regime in Stanleyville apparently is having trouble governing the city. It is trying to stem "disorder and confusion" but has announced that no Europeans would be harmed.

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We have no first-hand evidence of the present status of the US Consulate staff in Stanleyville



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Brussels evidently still thinks that the military situation can be redeemed and is going ahead with the Van Der Walle plan for supplementing the National Army with Belgian officers.

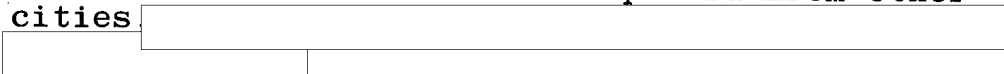
An emergency meeting of the Organization for African Unity on the Congo problem seems virtually certain for 5 September, but there is no consensus on what action should be taken. Some governments, even the moderate ones, appear to favor a formula involving "negotiations" between Leopoldville and the dissidents.



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3. South Vietnam: Although mob fighting in Saigon appears to be subsiding, the situation remains volatile.

Some new deaths resulting from clashes between armed Buddhists and Catholics have been reported and a Catholic newspaper office was burned. No new violence is reported from other cities



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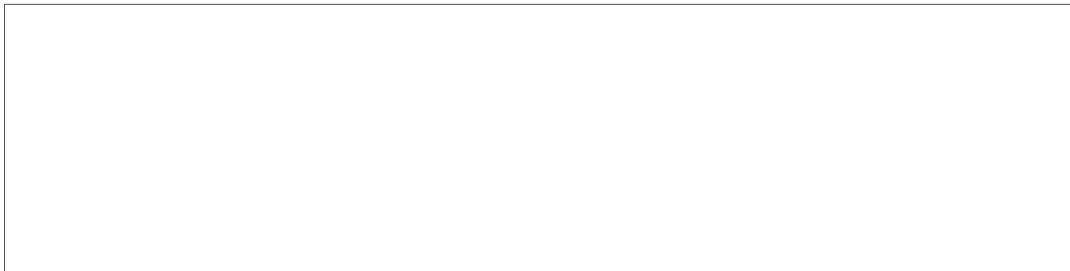
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Khanh has told reporters that he had submitted his resignation as premier yesterday but it had not yet been acted upon. Before his press interview, Khanh apparently agreed, under US prodding, not to resign if "Big" Minh publicly endorsed him. Minh indicated to Ambassador Taylor that he would do this on condition that he himself stayed on as chief of state.

Khanh subsequently told Taylor that he now intends to announce that his resignation was rejected and that he will remain premier. He intends to add that he will take a short vacation and in his absence Vice Premier Oanh will be authorized to sign state papers in his name.

Khanh said that the next step would be the formation of a "Committee of National Unity" composed of notables and members of religious groups and parties, with Minh as chairman. The committee would have the power to approve the change from a ministerial to a presidential form of government, "approve" the president and some of his acts, and establish a national assembly.

Our embassy thinks Khanh's chances of pushing this plan through and having himself named president are questionable.



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A captured Viet Cong document, dated in May, furnishes guidance to Viet Cong units in exploiting an anticipated coup in Saigon. Political, military, and subversion units are to be deployed along with Viet Cong guerrillas and the local populace in a three-pronged effort to destroy governmental outposts, security mechanisms, and "New Life" hamlets. Major Viet Cong units are to mount direct assaults, leaving ambush operations against government reinforcement units to small Viet Cong groups.

4. Cuba: Havana is trying to maintain an official presence in Chile despite the recent break in relations.

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Montevideo will break relations with Havana, probably on 3 September. [Redacted]

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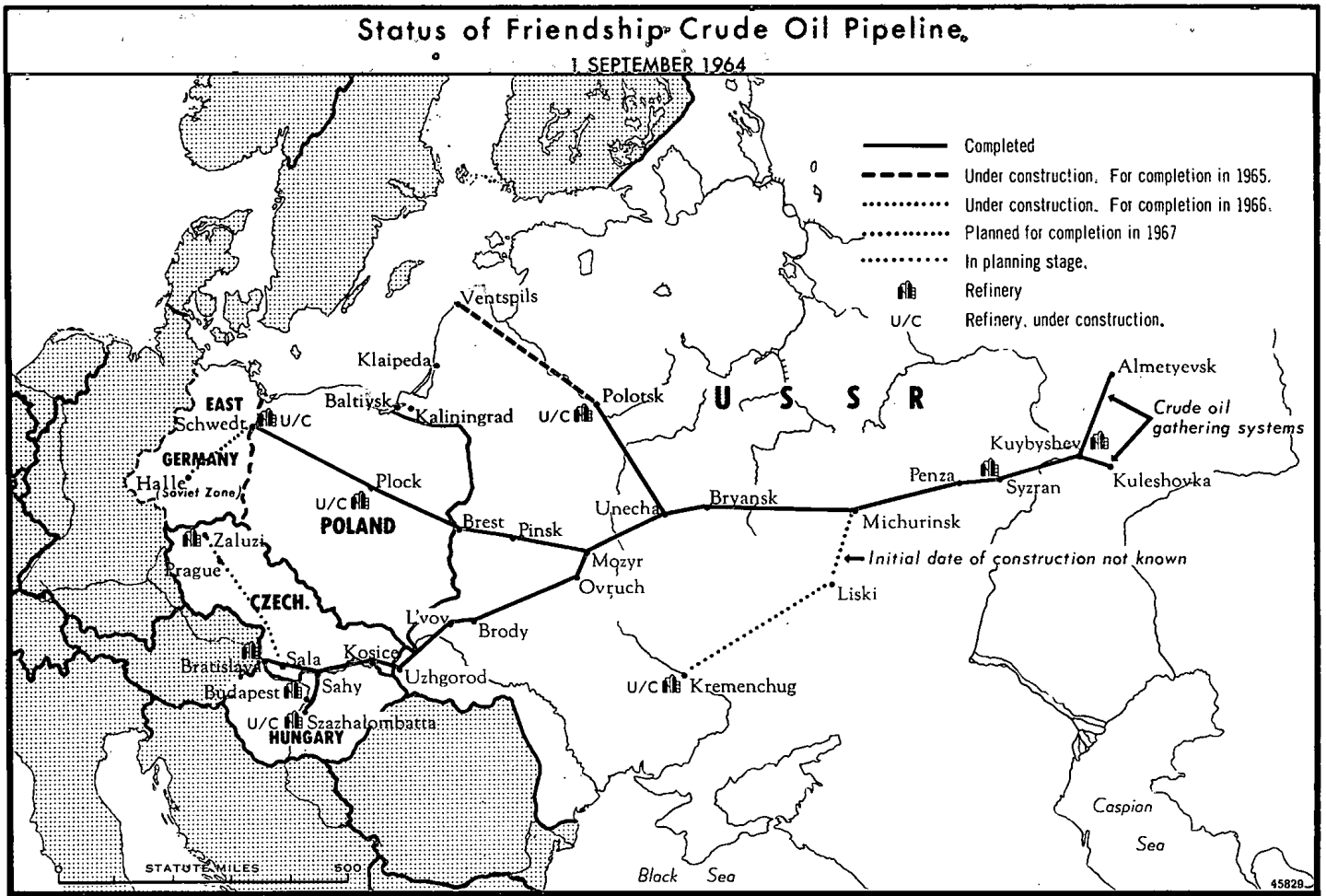
With sugar prices down, Cuba's foreign exchange position has become tighter, and a general effort is being made to straighten out foreign purchasing. We understand that Castro's 1965 economic plan will call for a substantial cut in imports from one billion pesos, as initially planned, to 830 million pesos. Purchases from nonbloc countries are to be particularly affected.

5. USSR-Cuba: Moscow is apparently shifting its tactics in its efforts to rally international diplomatic support for a relaxation of US pressure against Cuba.

The Soviets have been cautiously trying to arouse concern among UN members over the recent OAS resolution. They have implied that they intend to take some action in the UN General Assembly this fall to isolate the UN on the issue.

Moscow is claiming that the OAS action was illegal since it was taken by a regional group under UN aegis and that prior Security Council consent was not obtained as required by the UN charter.

The Kremlin may reason that this approach is less risky for Soviet-US relations than a head-on attack on the question of US overflights of Cuba.



6. Chile: Christian Democrat Senator Frei will win the 4 September presidential election, in the opinion of most observers in Santiago.

They are concerned, however, that the margin will be close and that this will touch off charges that Communist-Socialist candidate, Senator Allende, was counted out. Allende followers might, in this event, resort to violence.

7. USSR - Eastern Europe: The much ballyhooed Soviet Friendship Oil Pipeline to Eastern Europe will begin operation in October, almost a year behind schedule.

Even so, the Soviets reportedly used 32-inch pipe for the 690-mile stretch between Penza and Mozyr, apparently reserving prized 40-inch pipe--much of it imported--for domestic natural gas lines. The use of smaller pipe, and related problems, will cut the estimated 48-million-ton annual capacity of the line nearly in half.

As a result, plans have apparently been drawn up to parallel the entire system.

8. USSR-Czechoslovakia: Moscow has sharply increased the delivery to Czechoslovakia of its new model ground attack fighter, the Fitter (SU-7).

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Yemen:

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10. Indonesia: The 27 August cabinet reshuffle falls far short of what the Indonesian Communists probably hoped for after Sukarno's left-leaning 17 August independence day speech.

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Sukarno "attached" a top Communist party official to the presidium--the group of three deputy prime ministers who largely administer the government.

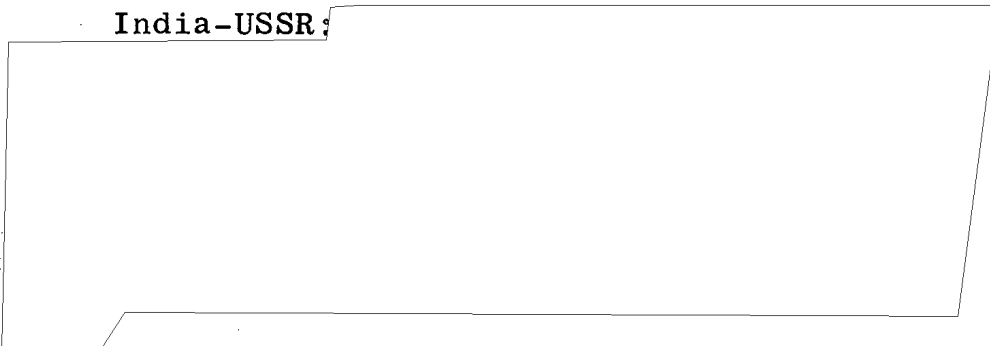
This appointment seems to give the Communists direct access to the full scope of government administration, but the balance of power among the top figures of the regime apparently remains unchanged.

11. North Vietnam:



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12. India-USSR:

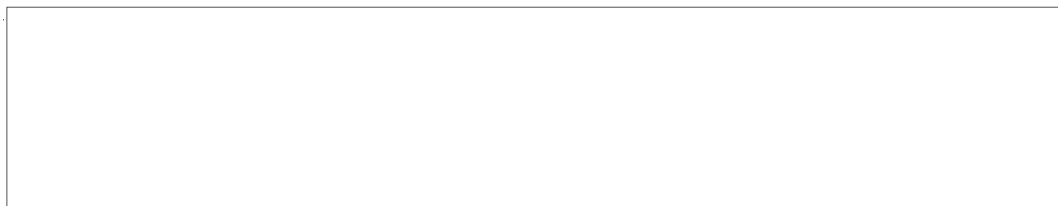


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Yugoslavia: Satellite photography of early August reveals two SA-2 (SAM) sites and a possible SAM support facility in the Belgrade area.

All construction is completed, and some equipment is in place. The sites could become operational in a matter of weeks--the time required to move in the remaining equipment and the actual missiles.



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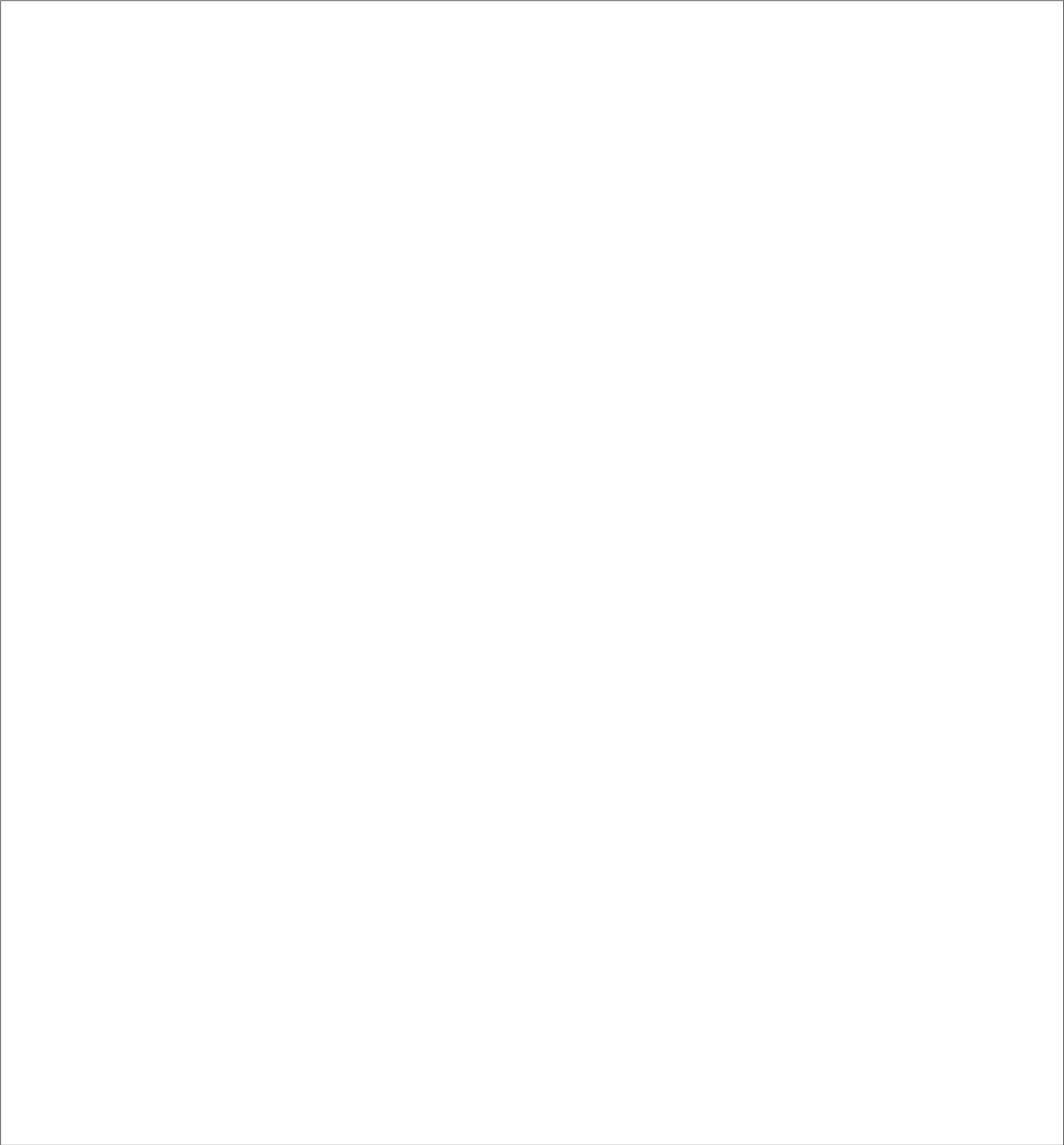


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