

THE PRESIDENT'S INTELLIGENCE REVIEW

ISSUED BY THE
CENTRAL INTELLIGENCE AGENCY



28 - 31 MARCH 1964

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~~TOP SECRET~~

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1. Brazil: In the wake of last week's bizarre episode with the navy enlisted men we seem closer than ever to an outright attempt by the military to toss Goulart out.

For his part, the wily Goulart gives little evidence of backing down. In an inflammatory speech last night, he in effect threw down the gauntlet to the military. We are not sure yet just who, if anyone, will pick it up.

One prospect is the governor of Minas Gerais who today issued an anti-Goulart manifesto. Another is the commander of federal troops in the state, General Mourao Filho, who has begun moving his troops into the hills on the state border.

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We have no news yet that Generals Krueel and Castello Branco are joining the Minas Gerais action.

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If the military does move toward a showdown, much will depend on how effective Goulart's efforts to neutralize army opposition have been.

2. Cyprus: After a conspicuously peaceful start, the UN Force has had its baptism of fire.

A UN patrol came under Greek Cypriot fire Monday. Fortunately no one was hurt and the Greek Cypriots are now saying it was all a mistake.

We doubt this, however, and believe that the Greek Cypriots were in fact testing the UN reaction. They have not been happy with the terms of reference of the UN force or General Gyani's refusal to give them information on UN patrols beforehand.

For their part the Turkish Cypriots refused to let a Canadian UN contingent into their strongpoint in the mountains north of Nicosia.

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Makarios drove a wider wedge between the two Cypriot communities on Saturday when he refused to let Vice President Kuchuck and three Turkish Cypriot ministers return to the government and a leading figure in the Turkish community back on the island.

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3. Cambodia: In yet another of his flip-flops, Cambodia's capricious Prince has withdrawn his several deadlines for a Geneva conference on Cambodian neutrality and in fact has given up his efforts to stimulate one for the time being.

(Cont'd)

He also says he will not be making a pilgrimage to Peiping, or Hanoi, to seek help there.

Instead, he plans to devote himself to his family, to the Khmer New Year's celebrations, and to preparations for his May-June trip to France.

We are never confident just how constant Sihanouk will be. This latest position, should it stand, would take the urgency out of the crisis.

One thing that could set him off again would be another incident along the border with South Vietnam.

A second source of friction is the hoary problem of the Khmer Serei. Phnom Penh returned to this on Sunday, alleging that some 1,000 of them were ranged along the frontier

[redacted]

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4. Indonesia-Malaysia: Not only does Sukarno intend to keep right on infiltrating guerrillas and saboteurs into Malaysia, but he wants to make them more effective

[redacted]

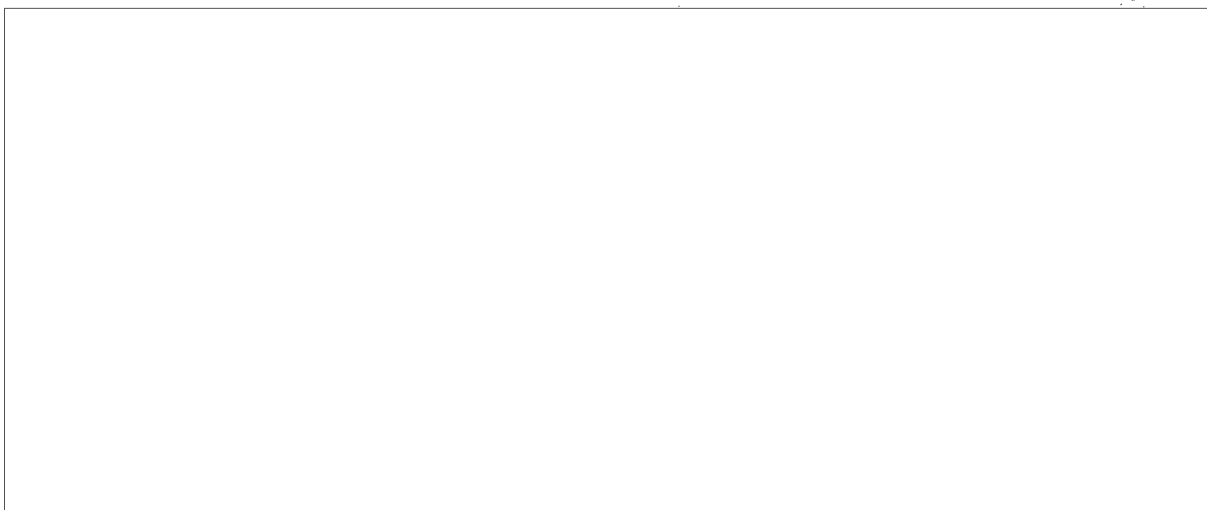
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[redacted] Sukarno has never deviated, despite an occasional tactical diversion like the January "ceasefire," from his goal of dismembering Malaysia and toppling Rahman.

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5. South Korea: Last week's student demonstrations tapered off after five days of noisy agitation against the government's attempt to normalize relations with Japan.

Opposition elements who sparked these outbursts are casting about for new issues which will bring the students out on the streets again. These elements would, if possible, like to point the students toward a climax on the 19 April anniversary of the 1960 student uprising against Rhee.

Aware of such possibilities the Pak government has publicly called for a cooling-off period on the sensitive Japanese issue.

Pak would hope to use any time he can buy with this maneuver to undercut opposition to talks with Japan.

He will have to move fast, however, since the Tokyo negotiations must be completed within the next few weeks if the Japanese Diet is to have time to ratify the results before it adjourns in mid-May.

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6. South Vietnam: The Viet Cong over the past week has sustained a steady pattern of harassment against hamlets, paramilitary units [redacted]. Activity has been heaviest in the southern provinces.

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The Communists are also stepping up terrorism against more successful local South Vietnamese officials. In the last few days they have assassinated two quite competent provincial officials and tried without success to murder a good divisional commander.

7. UAR-UK-Yemen: Cairo's relations with London, long strained, threaten to get even worse.

Nasir last week nationalized British oil interests, including Shell investments worth at least \$30 million. He was reacting to a Home statement justifying the British course during the 1956 Suez crisis.

Nasir's response has also included agitation, which has met with some success, against British base rights in Libya and Cyprus.

British and Egyptian interests also clash in the Yemen-Aden area.

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[Redacted]

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8. Zanzibar: Faced with the prospect of a Commonwealth Communist state, [Redacted]

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[Redacted]

9. Congo: Adoula, sensitive to public criticism that he has a "do-nothing" government, has in mind a reshuffling of his cabinet to weed out incompetent or politically dangerous ministers.

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One of these is his defense minister, Anany, who has annoyed the prime minister with his freewheeling maneuvers to promote himself and his Congolese Democratic Party.

Faced with the prospect of being left out, Anany might attempt a coup, although his plans do not appear far advanced.

UN forces are scheduled to begin leaving Katanga in mid-April and to be clear of the area by June, a month earlier than previously planned. The ability of the Congolese army to deal with ensuing disturbances, questionable at best, has been seriously eroded by demands placed on it elsewhere.

10. Sino-Soviet Dispute: The Chinese have unburdened themselves of yet another attack on the Soviet leadership. It reinforces our conviction that the dispute is beyond compromise.

In a vituperative statement published Tuesday, the Chinese call on all Communist parties to "repudiate and liquidate" the revisionism of Khrushchev, "the greatest capitulationist of all time."

The Chinese, by insisting that they went too far in earlier meetings to meet the USSR point of view, make it quite clear that in any new world Communist conference they will refuse to make concessions.

This bears out the view of the Italian and other parties opposed to Khrushchev's requests for an international Communist conference on grounds that it could only lead to a greater split or an unsatisfactory compromise.

(Cont'd)

11. Somalia-Ethiopia: Fighting goes on along the Ogaden border despite Monday's agreement that there be a ceasefire. While the political leaders in Addis Ababa and Mogadiscio may be able to get the lid back on, they will find it as difficult as before to keep it there. The local military on both sides are still in full cry and likely to keep the exchanges going.

12. Saudi Arabia: The latest go-around between Saud and Faysal has come out about as expected. Though still King in name, Saud has been stripped of all organizational, executive, administrative, and juridicial responsibilities. 50X1

13. Libya: According to Muntassir's most recent timetable, base talks with the US and UK ought to show "plausible progress" by September and lead to an agreement around the end of the year. The agreement 50X1

could provide for the closure of these bases in about three years.

14. USSR-India: The USSR delivered 50X1
transports to India 50X1
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15. Mexico-France: 50X1
De Gaulle has invited Diaz Ordaz, who will be Mexico's next President, to visit France as soon after his 1 December inauguration as feasible.