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THE PRESIDENT'S INTELLIGENCE REVIEW

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CENTRAL INTELLIGENCE AGENCY

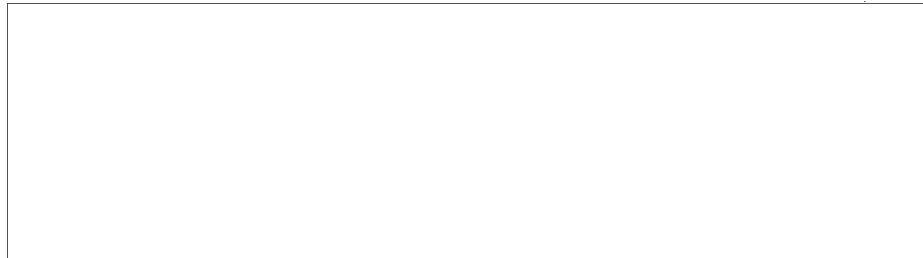
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~~2-5~~ MAY 1964
~~TOP SECRET~~

5 May 1964

1. Laos: Souvanna has had his first session with Souphannouvong and has come back "optimistic" saying there would be another meeting "in a few days." The two princes presumably have gotten no where.

The coup group maintains the upper hand in Vientiane with Siho controlling the military units there. Stringent controls have been placed on financial transactions, news media, and the movements of foreigners.

The latest deadline imposed by the Revolutionary Committee is 15 May, after which time it plans to form a new government if Souvanna has not come up with something it can accept. Although deadlines have a way of evaporating in Laos, the problems do not.



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photography discloses that Hanoi is making substantial supply deliveries to South-Central Laos, probably to ensure ample supplies for Communist forces in the area before the rainy season sets in.

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2. Cyprus: The long Easter weekend brought a halt to the intra-Cypriot skirmishing and it has yet to pick up again.

The Turks, who had given evidence of once more being on the brink of intervention, seem to have taken some solace in the more forceful actions of the UN contingent on the island.

However, they are not letting their guard down. On 5 May they began a combined amphibious operation, "Exercise Attila," in the Gulf of Iskenderun. The Turkish press describes it as "the country's greatest combined maneuver to date."

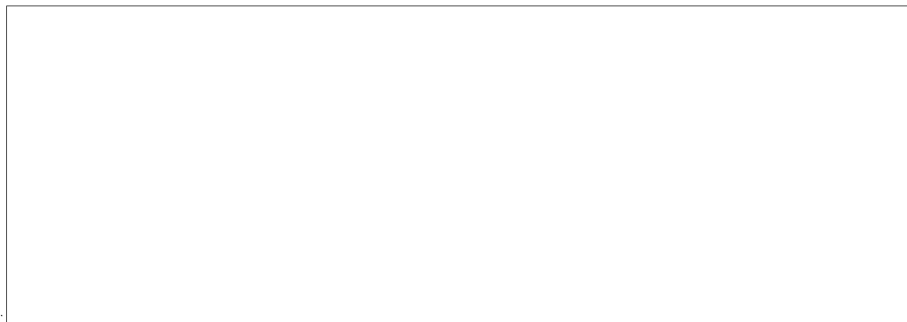
UN mediator Tuomioja has completed his round of Ankara, Athens, and London but has come up with nothing new on a solution.

He says he opposes radical measures which are not acceptable to all parties, such as partition or union with Greece. Instead, he favors a unitary state with Turkish Cypriot political privileges sharply reduced.

3. Cuba: Castro devoted about a fifth of his May Day speech to the issue of US overflights. He stressed Cuba's determination to bring about an end to them, by force if necessary, but stressed even more his regime's determination to exhaust every peaceful means before taking action against the flights.

(Cont'd)

Press reports that the SA-2 surface-to-air missiles deployed in Cuba have been replaced by other models are false.



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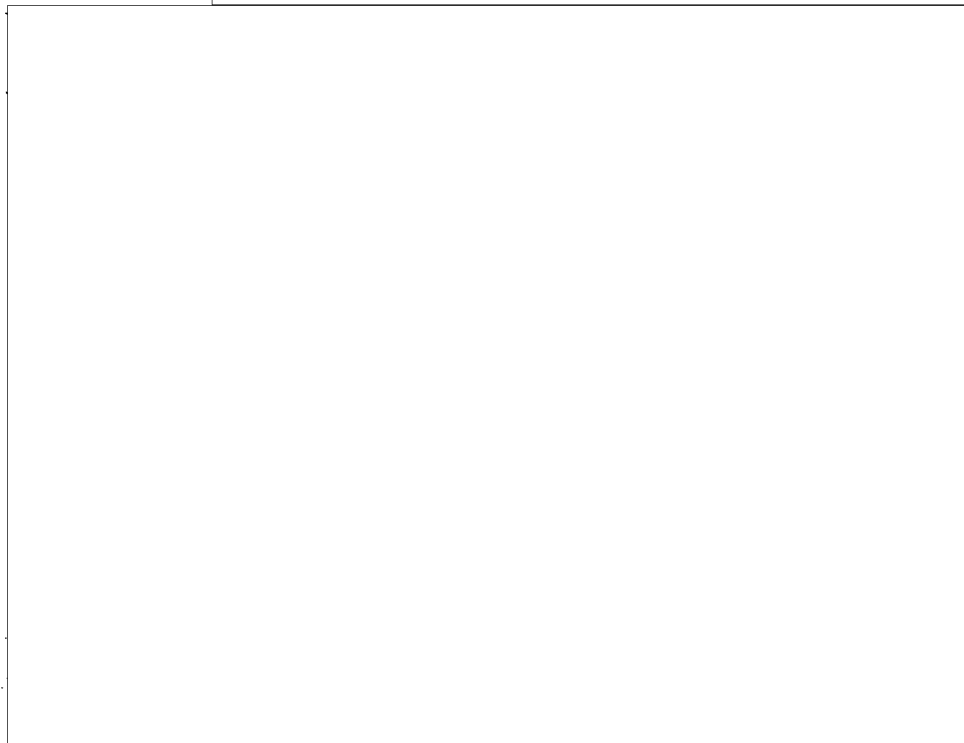
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UK:



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5. Zanzibar: Babu, to no one's surprise, is already beginning to vent his anger over the way things have gone for Zanzibar.

Carlucci reports Babu clearly does not want to go to Dar-es-Salaam to take up his ministerial duties there and plans to be as difficult as possible.

Nyerere has been pushing London for a quick infusion of development aid for Zanzibar. He fears that the bloc representatives are exerting a good deal of pressure on Karume to promote Zanzibar separatism and preserve their own position on the island.

The East Germans have been particularly active in this regard.

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6. USSR-India: The USSR has offered to help India build the first stage of the Bokaro steel plant; a team of Soviet experts will visit India soon to work out details.

The Soviets have assisted with another steel plant at Bhilai with an expenditure of over \$200 million. All told, the USSR has made available to India \$800 million in economic aid since 1955.

7. USSR-Egypt: Khrushchev is presently scheduled to arrive in Cairo next Saturday to inaugurate the first stage of the Aswan high dam. He will depart from Odessa on Wednesday for a leisurely boat trip. While in Egypt, Khrushchev will probably promise new credits for Nasir's second five-year plan.

8. Congo: Leopoldville has airlifted more troops into southeast Kivu Province after a terrorist attack on Congo Army forces there last week.
 from one to "several" thousand self-styled "Mulelists" have been operating in this area. Mulele is one of Lumumba's ex-lieutenants who has been leading a rebellion in Kwilu Province.

9. Rumania-US: The Rumanian Government's industrial and commercial delegation hopes to begin talks in Washington next Friday. Included in its shopping list are rubber plants, chemical and synthetics factories, several oil industry plants, a nuclear power station, and a glass factory.

10. Communist China: Prospects for the winter wheat crop are not bright. The crop, plagued with unseasonal cold and excessive moisture, is now threatened by an infestation of wheat rust, which the Chinese are ill-equipped to handle. At present, Chinese grain purchases abroad are running at about the same rate as last year's record level.

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11. Japan - Communist Bloc: [redacted] the Japanese Ministry of International Trade and Industry is circulating sweeping proposals for doubling trade with Communist countries.

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Our embassy thinks such proposals would be drastically modified before the government would adopt them.

However, strong elements of the Liberal Democratic Party favor expansion of trade with Communist China, and Prime Minister Ikeda might find it expedient to go along to some extent with a liberalization program.

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12. Burma: Ne Win has avoided a showdown with the Buddhist monks by stipulating that only religious organizations engaged in "political activities" must register with the government. The monks had resolved to defy the regime's registration order, and a direct clash had appeared likely.

13. Maphilindo Talks: President Macapagal's formal proposal to Tunku Rahman and Sukarno that the three hold a summit meeting in Tokyo by 10 May does not look promising. We see no real signs of give on either side.

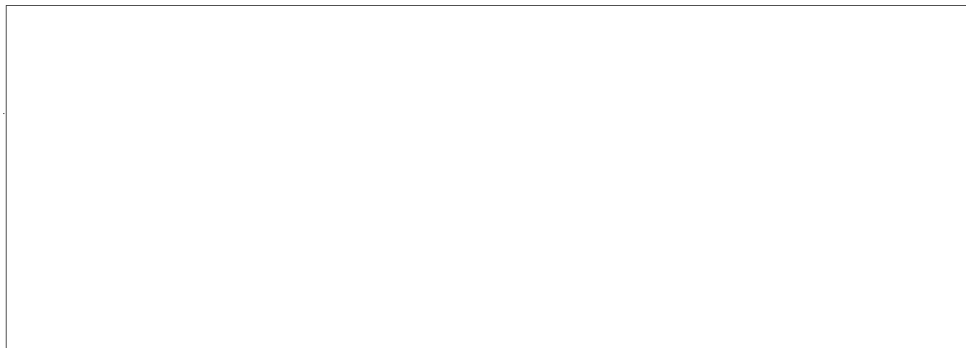
14. South Korea: Student leaders are planning renewed demonstrations soon calling for the ouster of Kim Chong-pil.



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16. Argentina: We expect a period of labor unrest to begin in Argentina this month. The General Confederation of Labor plans to set off nationwide demonstrations on 18 May to protest the government's failure to curb inflation and enact a minimum wage law.

17. Panama: Arnulfo Arias is still the front-runner in the presidential campaign. The elections are scheduled for 10 May and could well be preceded by violence.



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USSR: [redacted]

[redacted] very good photography, though cloud cover affected about 60 percent of it.

At the Leningrad suspect anti-missile missile complex there has been no significant change since about mid-1963 in the southwest installation--the one considered to be in the most advanced stage of construction.

This information, together with that obtained on the northeast installation [redacted] [redacted] suggests that the complex will not be used or is awaiting modification.

[redacted] also sighted E-class nuclear powered submarines equipped with cruise missiles in the Northern Fleet. This is [redacted]

[redacted] another indication of the Soviet Navy's heavy commitment to the cruise missile weapons system.

In China a 350-foot tower has been identified at a possible nuclear weapons test facility near Lop Nor [redacted] [redacted]. We do not know its purpose.

Several other structures were noted, including small buildings and a possible bunker, but the entire installation appears to be in an early stage of construction.

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