

THE PRESIDENT'S INTELLIGENCE REVIEW

ISSUED BY THE
CENTRAL INTELLIGENCE AGENCY



16-19 MAY 1964

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~~TOP SECRET~~

26

19 May 1963

1. Laos: Kong Le has abandoned his few remaining positions on the Plaine des Jarres to the Pathet Lao and now has his headquarters west of Ban Khong.

Communist pressure continues, and the remaining Kong Le forces, shorn of their artillery, may soon have to join the Meos in the hills. Isolated Kong Le units north and northwest of the Plaine expect to be attacked

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A considerable disarray in Kong Le's entourage contributed to this debacle. Several of his battalion commanders late last week were threatening mutiny unless their demands on Kong Le and Souvanna that there be no rightist-neutralist "merger" were met.

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[REDACTED]

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Communist forces remain positioned south of Tha Thom. Elements have been contacted 20 miles north of Paksane, but do not at present seem to be moving closer to the Mekong.

2. South Vietnam: Khanh has indicated that certain changes in the makeup of his government are in the works.

He seems quite aware that some of his subordinates have not only been complaining of his way of doing things but have also been intriguing against him.

One of these is Deputy Premier Do Mau, who, rumor has it, has been maneuvering to replace Khanh. While discounting Do Mau's ability to pull this off, Khanh may nevertheless take some action to clip his wings.

We still think that a more likely source of a serious challenge to Khanh would be the ambitious and wily defense minister, General Khiem.

3. Tanganyika-Zanzibar: The Communists, foreign and domestic, still have Karume's ear. Zanzibari ministers in the new union remain on the island, doing business as usual under the old "Peoples' Republic of Zanzibar" banner.

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Babu, especially, continues to act like a full-fledged foreign minister. He refuses to alter customs duties and is dealing with Indonesia in cloves and military training without recourse to Dar-es-Salaam.

The Chinese Communists have brought in additional men and promised him a \$14-million loan if this money is not used in conjunction with the Tanganyikans.

The North Vietnamese have dispatched an individual to open their "embassy" in Zanzibar.

Karume this morning went a step further. He announced that he had signed a treaty of friendship with East Germany on behalf of the union.

Nyerere may finally be preparing to act.

[Redacted]

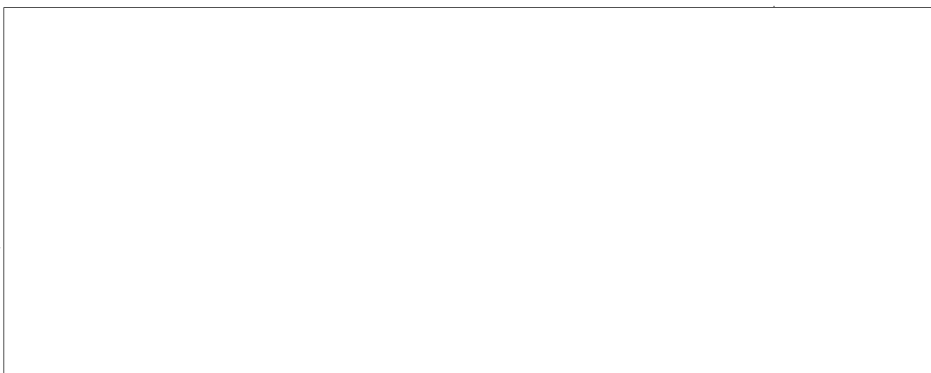
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4. Cyprus: The situation has been relatively quiet in recent days, but behind this facade, the potential for further and greater violence is growing.

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Greek Cypriot leaders have continued their efforts to get arms and military assistance from abroad, including, they claim, from the bloc. They also have said they are going to merge the police and gendamerie and enact a conscription law.

Tension is already on the rise again. over the issue of hostages. The UN announced on Monday that only 17 of 91 Turkish Cypriots taken hostage since late March are in government hands.

There is good reason to believe that at least some, although probably not all of the remainder, have been killed.



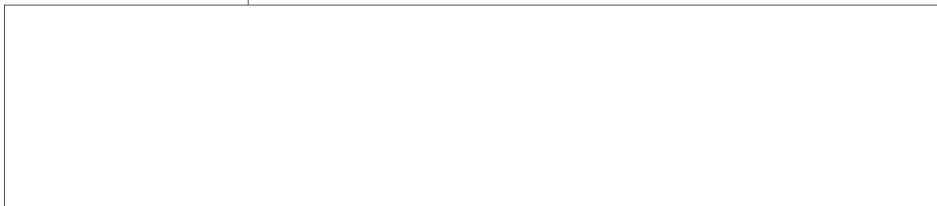
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USSR:



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6.

USSR:



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7.

UK-USSR: An official of Britain's Imperial Chemical Industries has announced that contracts worth \$140 million for a synthetic fiber complex will be signed within the next two weeks. Discussions involving "very large sums" for fertilizer production equipment also have been started.

Long-term credits, the first offered to the USSR by the West, will cover these deals.

The British government offered last year to guarantee long-term credits to the USSR up to a total of \$280 million. It was only recently, however, that private British financing and insurance was assembled to enable ICI to proceed with negotiations.

The Soviets must expect these deals to jar loose competitive credit offers elsewhere.

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Mikoyan, in Japan, has offered to buy \$350 million worth of Japanese industrial plants if Tokyo would relax its present five-year credit terms. The Japanese, we understand, turned Mikoyan down. However, a Japanese chemical plant mission is scheduled to visit the USSR next month.

8. Sino-Soviet Border Dispute: Sino-Soviet border talks have made no progress.

[REDACTED]

Peiping is insisting on a written Soviet acknowledgement that the present borders are the product of unjust treaties imposed by Tsarist Russia.

The Soviets are afraid the Chinese will use any such statement eventually to support major territorial claims against Russia.

[REDACTED]

The Soviets want to confine the talks to settling a few geographic points in dispute on the existing frontier.

9. Rumania: The Rumanian party has followed up last month's declaration of independence with an intensive indoctrination campaign which, by accounts reaching US officials in Bucharest, is taking on a pronounced anti-Soviet and anti-Khrushchev cast.

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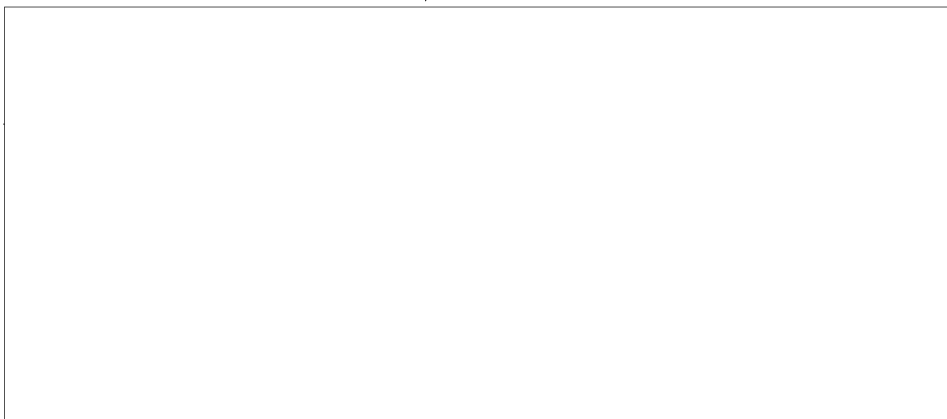
At meetings throughout the country, the Soviets are being criticized for 20 years of economic exploitation and for infiltrating the Rumanian secret police.

Khrushchev has been called a "thief" and a "corn and pig specialist" who lectures Rumanian farmers but does not know what he is talking about.

The dominant theme, however, seems to be about the same as in the April party documents, that "Khrushchev and Mao can do what they want, Rumania will go its own way."

10. Yemen-Aden: Tribesmen from the South Arabian Federation have been seen of late in "large numbers" on the streets of Taiz in Yemen.

Many are said to be on their way to Sana and Egypt for military training.



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11. Communist China - US:

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12. Cuba:

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