



CENTRAL INTELLIGENCE AGENCY

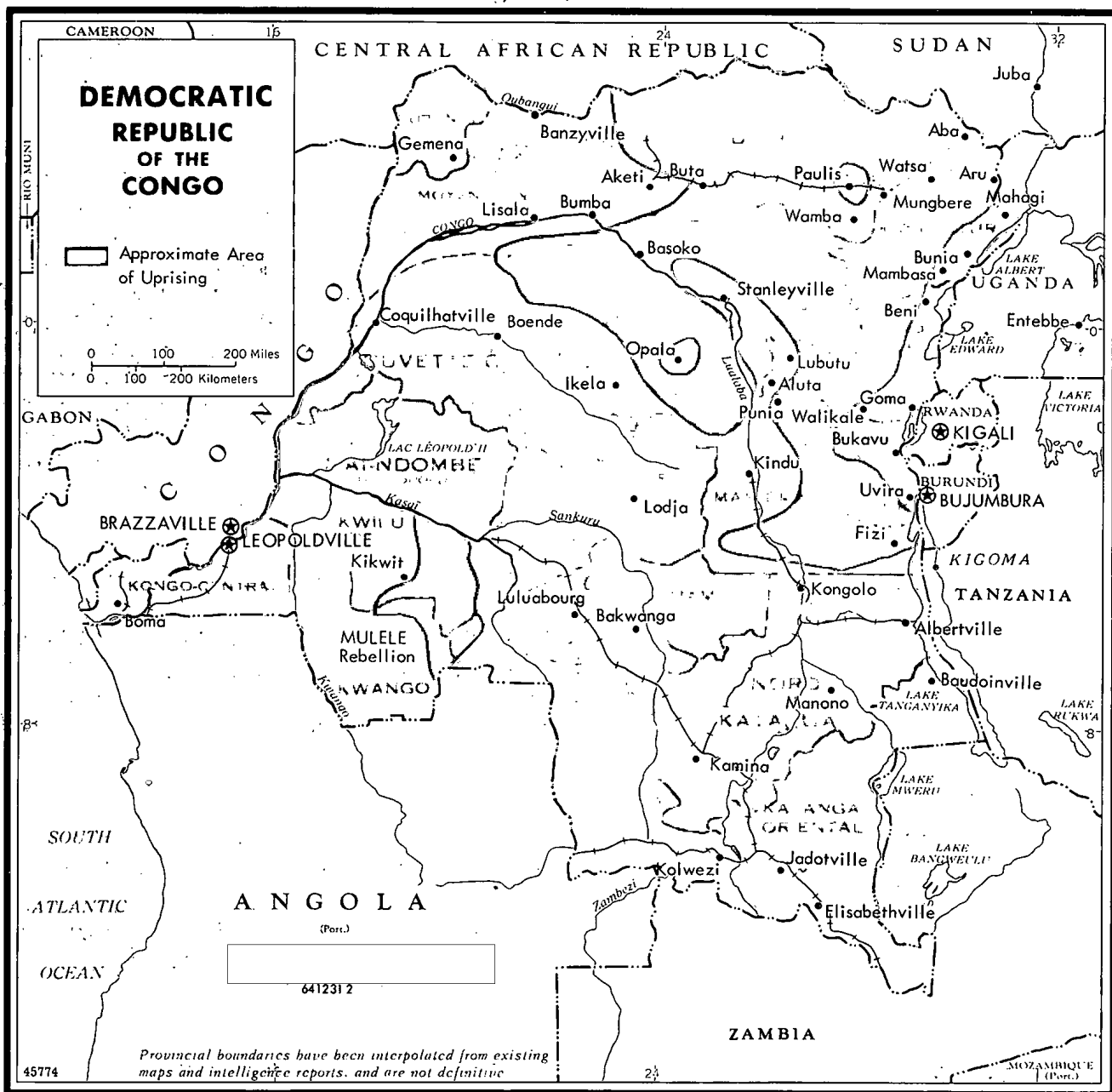
THE PRESIDENT'S DAILY BRIEF

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7 JANUARY 1965

~~TOP SECRET~~



DAILY BRIEF
7 JANUARY 1965

1. South Vietnam

According to press reports, the Communist force which fought at Binh Gia is still active in the area. An assessment of the Binh Gia action forms Annex 1.

2. Indonesia

Although forces are being prepared for a large-scale military action against Malaysia, there is as yet no firm indication that this is imminent.

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3. Panama

Communists will be seeking new martyrs during Saturday's anniversary of the 1964 riots, and there are likely to be incidents of terrorism. President Robles, however, has made extensive preparations to control or avoid major trouble.

4. USSR

Moscow's reaction to the State of the Union Address suggests that the new leadership feels the time is not ripe for a summit meeting or a serious exchange on fundamental issues. A discussion is in Annex 2.

5. Congo

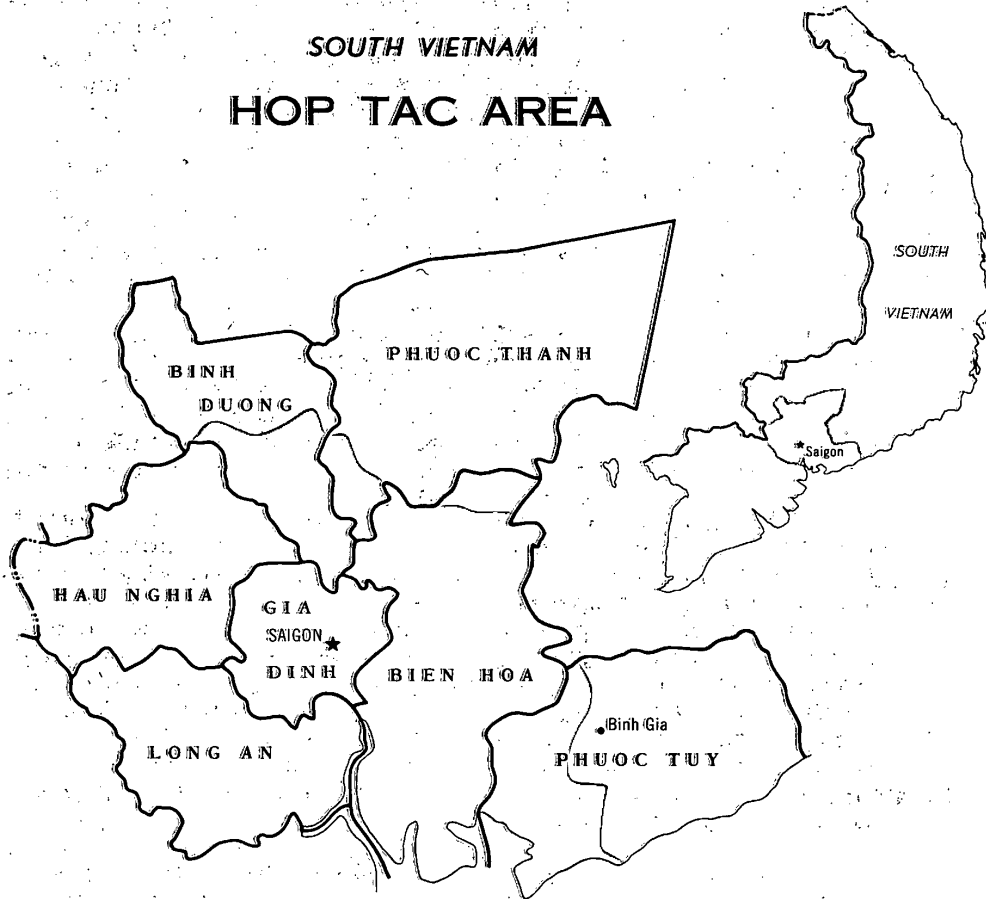
Although rebel bands in the east between Bukavu and Uvira and near Albertville still give trouble, resistance in the northeast is sporadic.

6. Cuba

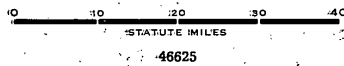
Three cruise missiles shown in the 2 January parade are probably a variant of a Soviet 25-35 mile coastal defense missile, modified for use against ground targets. Some 60 missiles stored 40 miles north of Guantanamo could be of this type.

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SOUTH VIETNAM
HOP TAC AREA



Hop Tac area



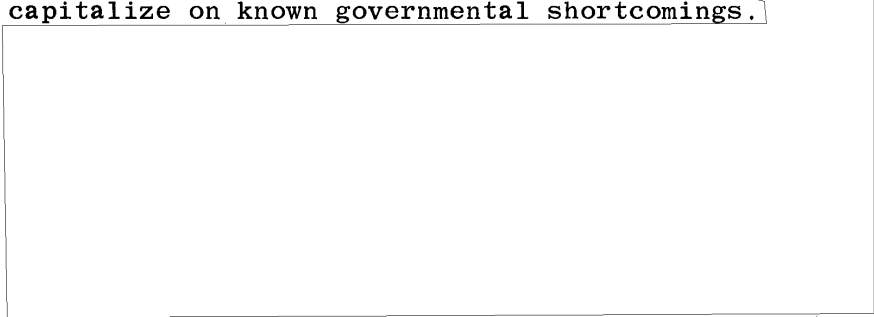
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ANNEX 1

The Battle at Binh Gia

At Binh Gia, a hitherto relatively quiet area, some 2,000 Viet Cong regulars stood for six days and battled a total of 4,200 government troops. The action involved an 18-hour standing defense of the village by Communist forces, followed by several deceptive withdrawals and repeated ambushes. The Communists have fought three other similar actions since January 1963, but this one involved more troops and lasted longer. Several weeks ago they began, for the first time, to draw regimental units from base areas north and northwest of Saigon, 50 to 100 miles from the eventual scene of the fighting.

Tactics used by the Viet Cong were designed to capitalize on known governmental shortcomings.



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The action was probably planned by the Communist leaders to take advantage of the political confusion in Saigon and what they regard as the partial paralysis of a high command more intent on political maneuvering than military responsibilities. The Communists evidently intended to draw off troops from the government's Hop Tac program--a concentrated effort to free the area around Saigon of Communists. The Communists also had an eye on the psychological impact of their ability to administer yet another setback to government forces, which already have a high desertion rate.

The Communists doubtless regard Binh Gia, in spite of relatively heavy casualties, as a victory. One Communist soldier, captured in the delta area southeast of Saigon, said that they have been directed to take and hold small areas for up to a week. Hanoi sees Binh Gia as a portent of "still greater victories to come."

We do not regard the battle as marking a shift by the Communists away from guerrilla tactics toward a final conventional warfare stage of the conflict. We do expect to see more such actions in the coming months, perhaps at a quickening tempo. Primary reliance will still be on guerrilla tactics and terrorism, but the Viet Cong will whenever the opportunity permits field large units for longer periods of time in more complex actions.

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ANNEX 2

Soviet Reaction to State of Union Message

The generally hostile tone of Soviet comment on the State of the Union message probably reflects the new Soviet leaders' preoccupation with domestic and international Communist political problems and a wish not to furnish ammunition for renewed Chinese charges of Soviet collaboration with the American "imperialists." Moscow is bound to be particularly sensitive to this during the period preceding the scheduled 1 March meeting to prepare for a new world Communist conference.

The Soviets apparently intended to dampen speculation on an early heads-of-government meeting without completely closing the door. They probably feel more time is needed to assess developments in NATO and Southeast Asia before responding to the suggestion of a visit to the US. In addition, Premier Kosygin and other Soviet leaders already have made commitments on meetings with foreign statesmen which extend into mid-summer.

Over the longer term, the Soviet leaders probably have a real interest in renewing direct contacts with the President. In view of their customary preoccupation with strict protocol prestige, it is likely that the Soviets would first propose that the President visit the USSR in exchange for Khrushchev's trip to the US in 1959. They would regard a presidential visit as a valuable manifestation of the authority and legitimacy of the new post-Khrushchev regime.