~~TOP SECRET~~

~~NO FOREIGN DISSEMINATION~~

~~CONTROLLED DISSEMINATION~~

3 JANUARY 1966
DIA INTELLIGENCE SUMMARY 1-66

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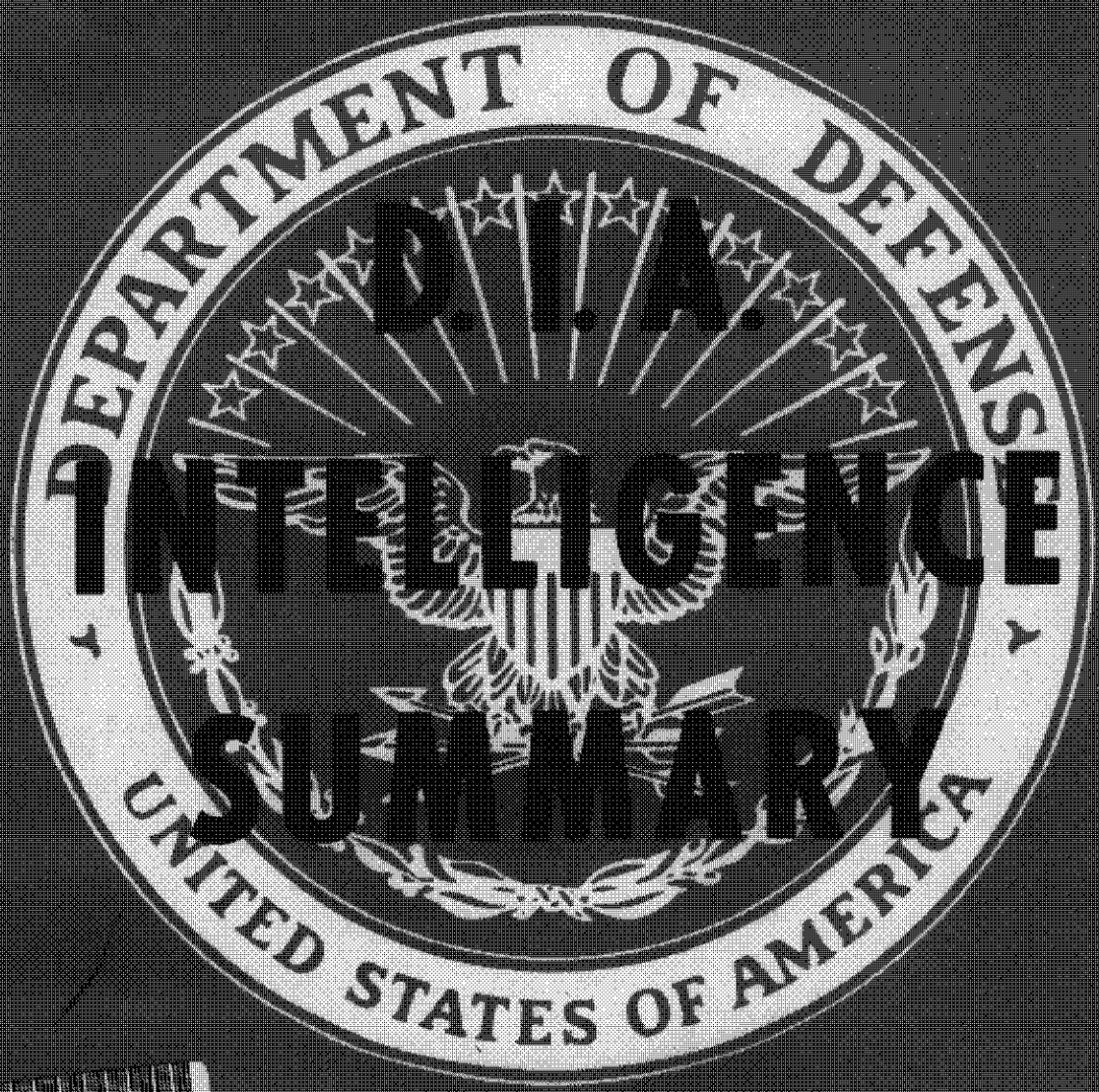

D.I.A. INTELLIGENCE SUMMARY

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3 January 1966

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DEFENSE INTELLIGENCE AGENCY

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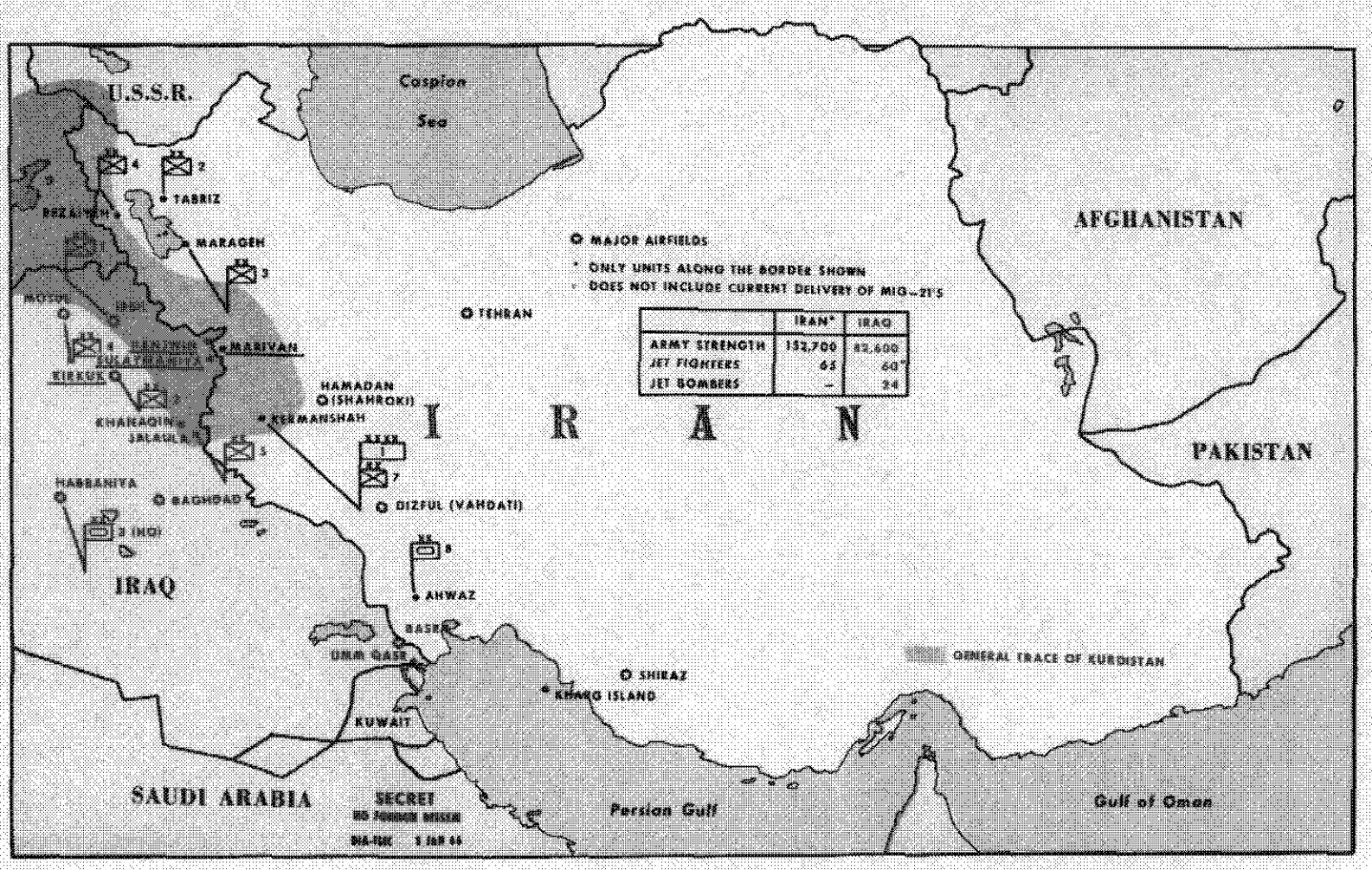
Shelepin's Visit to Hanoi

The time when Soviet Communist Party Secretary Shelepin will leave for Hanoi and his mission while there remain uncertain.

A Soviet Foreign Ministry official specializing in Southeast Asian affairs has told a US Embassy officer in Moscow that Shelepin will depart on 6 or 7 January. The First Secretary of the Soviet Embassy in Bamako stated on 30 December that Shelepin would try to persuade the North Vietnamese to agree to a cease fire.

Chinese Communist and Albanian propaganda sees Shelepin's mission as an effort to persuade the North Vietnamese to attend an international Communist conference rumored to be scheduled in Moscow for late March. Peiping's People's Daily on 30 December accused the Soviets of seeking to undermine Chinese-Vietnamese friendship and asserted that the USSR was hatching "a big plot for a general attack on China and a split in the international Communist movement." An Albanian press item the following day charged that the USSR was scheming to draw North Vietnam away from Peiping by means of a meeting with "socialist-camp parties" on the subject of Vietnam.

The USSR's public reactions to the US efforts to bring peace to Vietnam remain critical. Radio Moscow and press statements say that the US is maneuvering to improve its world-wide image while continuing its military buildup in preparation for a wider war in Southeast Asia. Izvestia on 31 December featured an interview between Japanese journalists and Premier Kosygin in which the latter repeated all the well-known Soviet positions on Vietnam. (CONFIDENTIAL NO FOREIGN DISSEM)



	IRAN*	IRAQ
ARMY STRENGTH	152,700	82,600
JET FIGHTERS	63	60
JET BOMBERS	–	24

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Clashes on Iraqi-Iranian Border

Sharp clashes between Iraqi Army units and Iranian-supported Kurdish forces in the Panjwin area over the past few days have evidently occurred in retaliation for recent Iraqi incursions into Iran.

According to Iranian messages, the engagements began on the night of 30 December when Kurdish tribesmen made surprise attacks in an attempt to cut off several Iraqi outposts. The main operation, scheduled soon, will apparently be directed against the village of Buban, about two miles northwest of Panjwin. The Iranian Intelligence Agency SAVAK refers to the impending action as the "Mansur Plan" and indicates that certain Iranian Army elements will play a supporting role, including the provision of aircraft patrols and artillery spotters. The Shah has evidently personally ordered the attacks and other strong countermeasures, which include sabotage and assassinations in border villages and the recruitment of 2,000 to 3,000 border tribesmen to help the Kurds widen the area of insurrection.

Both Iraq and Iran have reinforced their military garrisons along the border, especially in the Panjwin region. The US Defense Attache in Baghdad says that the area between Sulaymaniya and Kirkuk is thick with newly emplaced tanks and artillery. The Iranians have brought additional troops forward to Marivan but are having difficulty transporting Kurdish equipment and forces because of bad weather and poor roads.

Iraqi Prime Minister al Bazzaz went to Jidda on 31 December, probably to seek King Faysal's assistance in solving the dispute with Tehran. He returned home on 2 January with a message from Faysal for President Arif but gave no indication of its contents or the success of his visit. Al Bazzaz is trying hard to restore the situation to normal and has even ordered the Iraqi Army to fire on the Kurds only in self-defense. (TOP SECRET TRINE NO FOREIGN DISSEM/ CONTROLLED DISSEM)

King Hussein Concerned Over PLO

Jordanian King Hussein has become even more concerned over the effects of recent Palestine Liberation Organization (PLO) attacks on his government.

Reliable sources in Amman say Hussein has reacted by cracking down on Palestinians and ordering a press campaign against PLO Chief Shuqayri. The King apparently believes that the PLO's ultimate objective is to establish a Palestine entity on the West Bank of the Jordan with which Israel could negotiate a favorable peace, and that Nasser may be supporting the PLO because this solution offers an easy way out.

Friction is said to be developing between Palestinians and Jordanians on the East Bank, and the King is worried that the same "mood" is taking hold within the army. He has, therefore, decided to (1) reduce the number of Palestinians within the army gradually, (2) crack down on Palestinian extremists, (3) tighten political ranks by including opposition elements in the government, and (4) attack Shuqayri and discredit the PLO by charging in the press and radio and among Arab diplomats that they are covertly sponsored by the Israelis. The press claims that many PLO and anti-regime political figures in Amman have already been arrested. (SECRET NO FOREIGN DISSEM/CONTROLLED DISSEM)

Developments in the Central African Republic

The Central African Republic (CAR) is quiet in the wake of the sudden military coup on 1 January, but the new President, Col Jean Bokassa, who is not known for his intelligence or executive ability, may be unable to control the course of events. In that case, extremists may be able to grab power.

The 450-man army, led by Chief-of-Staff Bokassa, met only token resistance when it moved into Bangui to seize power shortly after midnight; casualties were relatively light. The Gendarmerie Commander has reportedly been killed, but Bokassa may be lenient with former key government officials -- most of whom are now under arrest. He has guaranteed President Dacko's safety and has indicated that some former ministers may be offered positions in the new administration.

The US Embassy reports a general sense of anticipation and uncertainty among both Europeans and Africans, perhaps enhanced by several incidents of harassment by poorly disciplined army troops. Bokassa has reportedly ordered the army back to its camp, and it is said to have been disarmed. If so, the gendarmerie might act against the regime.

Bokassa was presumably motivated by his dissatisfaction over threatened cuts in the army budget and the widely forecast intention of President Dacko, his cousin, to appoint an Armed Forces Inspector General attached directly to the presidency; the latter in effect would have superseded Bokassa as Army Commander. The colonel may also have been encouraged by the examples of Col Boumedienne in Algeria, Gen Mobutu in the Congo (L), and Gen Soglo in Dahomey.

Although a staunch Francophile, Bokassa's coup apparently took the French Embassy in Bangui by surprise. It had been worried lest young leftists in the government take such action but not someone on the other side of the political spectrum like Bokassa.

(Continued)

Reports that Bokassa had ordered the Chinese Communists to leave the country within 48 hours were erroneous; he has told the press that the matter is still under consideration.

Prospects for the new regime are not bright, but if Bokassa can hold down the army and gain control of the more effective gendarmerie, he should be able to consolidate his position slowly. Leftwingers will, however, be alert for any opportunity to cause trouble.

The recent series of military coups is certain to cause uneasiness in Africa, particularly in those states with fragile regimes and ambitious military leaders. Bokassa may have even more difficulty than Soglo or Mobutu in winning recognition of his government. (SECRET NO FOREIGN DISSEM)

Zambia Rejects Rhodesian Offer

Zambia's President Kaunda has rejected Rhodesia's offer to resume oil exports to his country and to lift the recently imposed additional royalty and export tax on coal and coke.

Rhodesia's Prime Minister Smith, in a New Year's "gesture of goodwill," said he was making the offer to "induce a return to sanity" and as an "indication of the very real sacrifice which Rhodesia is prepared to make towards the cause." Kaunda believes, however, that Salisbury is beginning to feel the pinch of economic sanctions. The UK is, meanwhile, making a "cool-headed appraisal" as to when the sanctions will really affect Rhodesia and when it can tell Zambia with a "relatively clear conscience" that it can break economic relations with Rhodesia. The study is expected to be completed this week; one British official predicts that in both instances it will set early February as the date.

The British hope that they can prevent any action by Zambia before the completion of the report and that its conclusions will further restrain the Zambians. They have reiterated, however, that Kaunda is anxious to take retaliatory action against Rhodesia. (CONFIDENTIAL NO FOREIGN DISSEM)

Venezuela Considering Release of Controversial Political Prisoners

Venezuelan President Leoni seems determined to follow up the release of 240 minor political prisoners with the conditional freeing of three controversial leaders of the soft-line faction of the Movement of the Revolutionary Left (MIR).

The government is now negotiating with three former congressmen who have been in jail since September 1963; the talks center around a proposed agreement by the three to go into voluntary exile for at least six months, a move designed to assuage the anticipated reaction from the armed forces. While the administration is satisfied that there is no major military opposition to the release of the MIR leaders, there are reports that the head of the Armed Forces Intelligence Service and many younger officers are opposed to it. A high-ranking military security officer has said that the officer corps will not stand for the move and that certain elements may register their displeasure by supporting an attempt to overthrow Leoni.

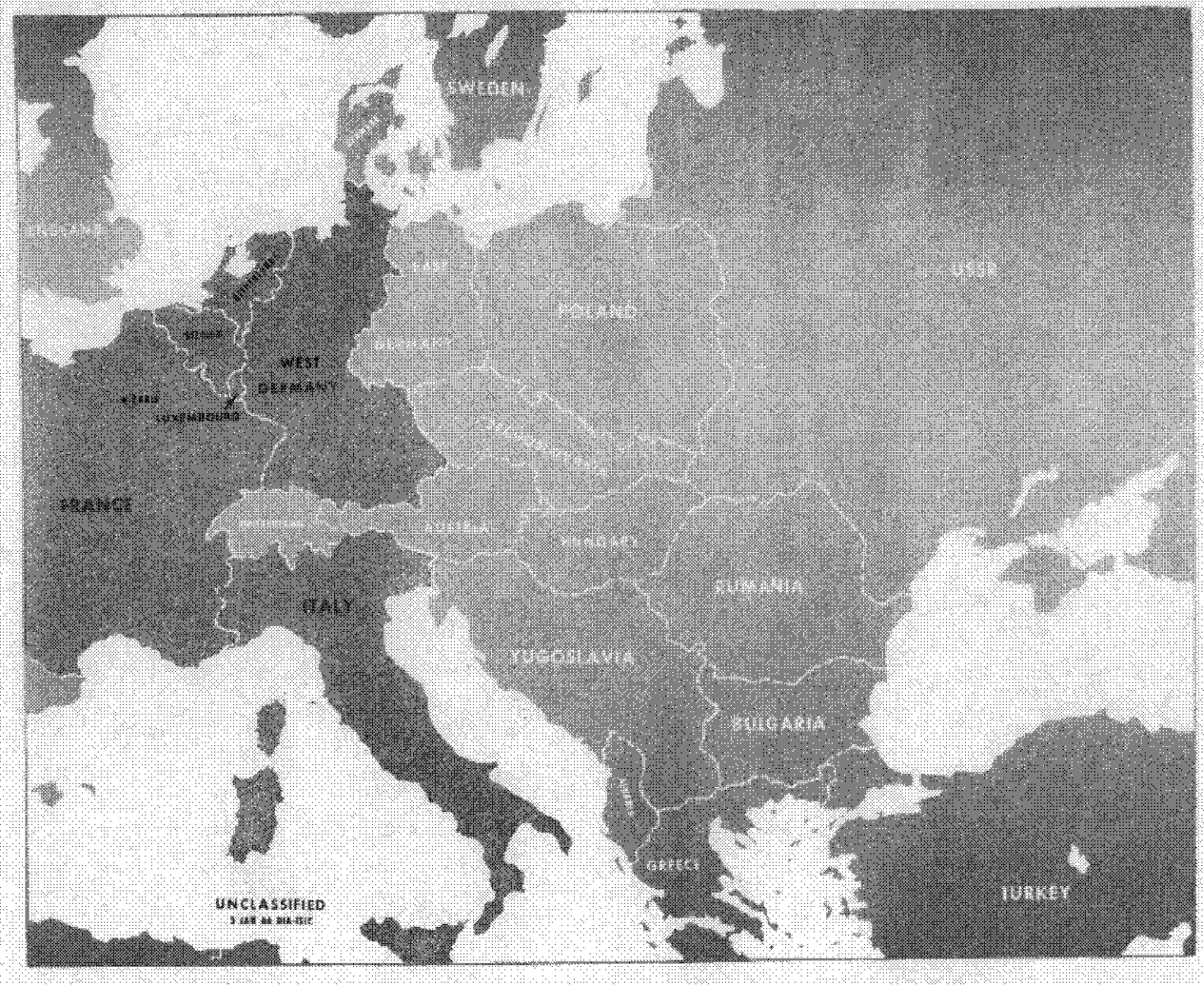
The President is apparently aware of the risks involved and will probably proceed with caution, but he is anxious to rehabilitate as many former insurgents as possible. The ex-congressmen seem to be good candidates for success in this regard, particularly since the most important, MIR founder, Domingo Alberto Rangel, has urged his followers to affiliate with legal parties. Some military personnel as well as members of Leoni's party, object to any concessions which reduce the pressure on dissidents and the freeing of extremists who might resume their antigovernment activities. (SECRET NO FOREIGN DISSEM/NO DISSEM ABROAD/CONTROLLED DISSEM)

Bolivian Elections Set for 3 July

In a move primarily designed to strengthen military unity, the Bolivian junta announced in an end-of-the-year message that direct general elections would be held on 3 July for president, vice president, and seats in the bicameral legislature. All elected officials will take office on 6 August for a term running through 1970.

Co-President Gen Barrientos will be a candidate and believes that he will have the support of ex-President Siles Suaso, whose half-brother, Luis Adolfo Siles, will be his running mate. The far left may also present a candidate, and so may the relatively rightwing Bolivian Socialist Falange.

The announcement of elections will probably reduce much of the factionalism in the armed forces, which have grown weary of more than a year of direct involvement in politics. The delicate issue of whether Barrientos must resign six months before the voting remains to be resolved, however, and could lead to new military tensions. There are indications that the armed forces might agree to his resignation 90 days in advance. (SECRET NO FOREIGN DISSEM)



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Common Market Council of Ministers To Meet

France, whose walkout last July sparked the six-month Common Market crisis, has agreed to meet with the other members in Luxembourg on 17 and 18 January. In view of French sensitivities, the Executive Commission, led by West Germany's Dr. Walter Hallstein, will not be present.

Common Market officials are not optimistic that the talks will solve their difficulties. A highly placed French official believes it will be difficult for Paris to take constructive initiatives over the next year or two. The West Germans believe that France should again be asked to cooperate in a reasonable solution of the problem of Common Market budgets but should be told that if this is impossible, the other five nations will vote on them by 31 January. The Dutch are contemplating challenging Paris' thesis that its absence from their preparation precludes acceptance; Belgium, however, is apparently trying to play down the financial impasse in the hope of gaining some constructive results. Luxembourg's Common Market officials seem more hopeful and are reorganizing their small offices in anticipation of assuming the rotating chairmanship of the Council of Ministers. Italy has labored to set up the January meeting, and its overall position will probably be somewhat conciliatory.

The "five" will undoubtedly be faced with French intransigence at the forthcoming meeting but probably not to a degree that will cause them to go their separate way. French tactics and strategy in Luxembourg are likely to remain predicated upon Paris' objective of becoming the leading force in Western Europe. (TOP SECRET TRINE NO FOREIGN DISSEM/BACKGROUND USE ONLY)

President de Gaulle To Form New Cabinet by 8 January

An authoritative source in the French Government reports that President de Gaulle will announce the composition of his new government by the time he is invested as President on 8 January and that changes in the cabinet are almost certain.

Premier Pompidou's position is apparently solid, and the biggest outstanding question is whether Finance and Economic Affairs Minister Giscard d'Estaing should remain; he has been severely criticized by those who believe many of his policies were responsible for part of the opposition vote in the December elections. Pompidou does not trust Giscard and has disapproved of some of his ideas, but the latter controls a bloc of 35 independent republican deputies who have formed an integral part of de Gaulle's majority in the National Assembly. This and his good personal standing with de Gaulle may enable him to remain in the cabinet.

Despite any personnel changes, no marked departure from President de Gaulle's program is expected. Although the general's tactics will be fluid, his strategic concept of French dominance in Western Europe remains unaltered, and his "new" government can be expected to strive toward this goal. (CONFIDENTIAL NO FOREIGN DISSEM)

Castro Discloses Trade Difficulties with Communist China During Seventh Anniversary Celebration

The 2 January anniversary ceremonies in Havana, which set the stage for the Tricontinent Conference opening today, provided Cuba with a rare opportunity to impress the conference delegates. Surprisingly, however, the 30-minute parade appears to have been no more elaborate than last year, and no new pieces of hardware were in evidence. Castro's speech, like the parade, was one of the shortest since he seized power. The most surprising part of the speech came when he disclosed trade difficulties with Communist China, attributing these difficulties to a "misunderstanding" over the barter agreement of 1964, and advising that there would soon be a shortage of rice. This probably forbodes more belt-tightening for the average Cuban, and could have serious consequences for the economy when added to the country's expected failure to meet this year's sugar production target.

As to the military parade, Castro in his speech noted that "this year, not many new weapons were seen, but there are things that are not seen and there are many more weapons. We have grown in the volume of our military equipment and in its technical use." Most of the equipment seen was in fact exhibited last year: T-55 tanks, SNAPPER antitank missiles, FROGs (Free Rockets Over Ground), SS-N-2 STYX cruise missiles for the KOMAR-class guided missile patrol boats, SA-2 GUIDELINE surface-to-air missiles, modified KENNEL cruise missiles (coastal defense and ground attack variants), Armored Personnel Carriers (BTR-60s) mounted with twin 30-mm antiaircraft guns, self-propelled antiaircraft guns (ZSU-57/2s), and various pieces of artillery. MIG jet fighters and IL-14/CRATES -- prop-driven twin-engine transports -- participated in a fly-by.

At the outset of Castro's speech, he commented that 1965 was "one of the most profitable and fruitful years of the Revolution," and discussed in detail the refugee flow to the US. He observed that those persons who have indicated their wish to go to the US, and have thus lost their regular jobs, can obtain "agricultural work, for example in the sugarcane harvest," while awaiting transportation. Castro

(Continued)

charged that the delay in their emigration was not his fault, that the US had established the quota, and that it is "they (the Americans) who have established limits because as far as we were concerned we were in favor of a broad flow." The speech then briefly covered the growing efficiency of the Cuban military and the need to be prepared against "any criminal attack." The main portion of his speech dealt with agriculture, and noted that many achievements were attained during 1965 despite adverse weather conditions. He then touched upon the trade difficulties with the Chinese Communists, noting that he had understood that the mutually beneficial sugar-rice barter agreement in 1964 was a "long range" agreement, but "the other party did not understand it thus." He reported that the Chinese had other commitments for their rice, "a need to build up a reserve in case of attack by Yankee Imperialists," and their commitment to provide rice to Vietnam. Thus, Castro commented they (Cubans) would have to do with less.

In the name of the Cuban people, Castro greeted the delegates to the Tricontinent Conference, and stressed that all "fighting people" could always count on Cuba's "resolute and unconditional support." By hosting the Conference, Cuba hopes to bolster its prestige, focus attention on its potential role as a leader of world "national liberation movements" and to replace the present Afro-Asian Peace and Solidarity Organization (AAPSO), which is sponsoring the present conference, with an organization including representatives from Latin America. There are signs, however, that the Sino-Soviet conflict and the competition between these countries for dominance over "national liberation movements" may detract somewhat from the luster of the conference. While a majority of the delegations, including those from Latin America, are expected to line up with Moscow, the Communist Chinese are apparently determined to make their presence felt. One of the principal and most explosive items on the agenda is Vietnam. China has accused Russia of behind-the-scenes bargaining with the US on Vietnam, and the Soviets have charged that Communist China has obstructed the flow of Soviet aid to Hanoi. (CONFIDENTIAL)

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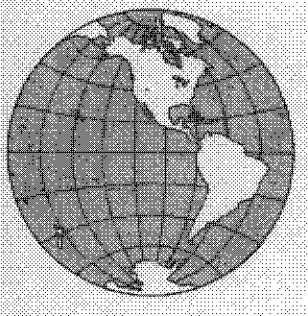

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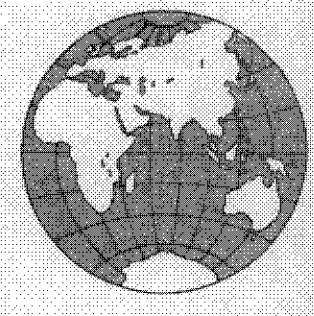
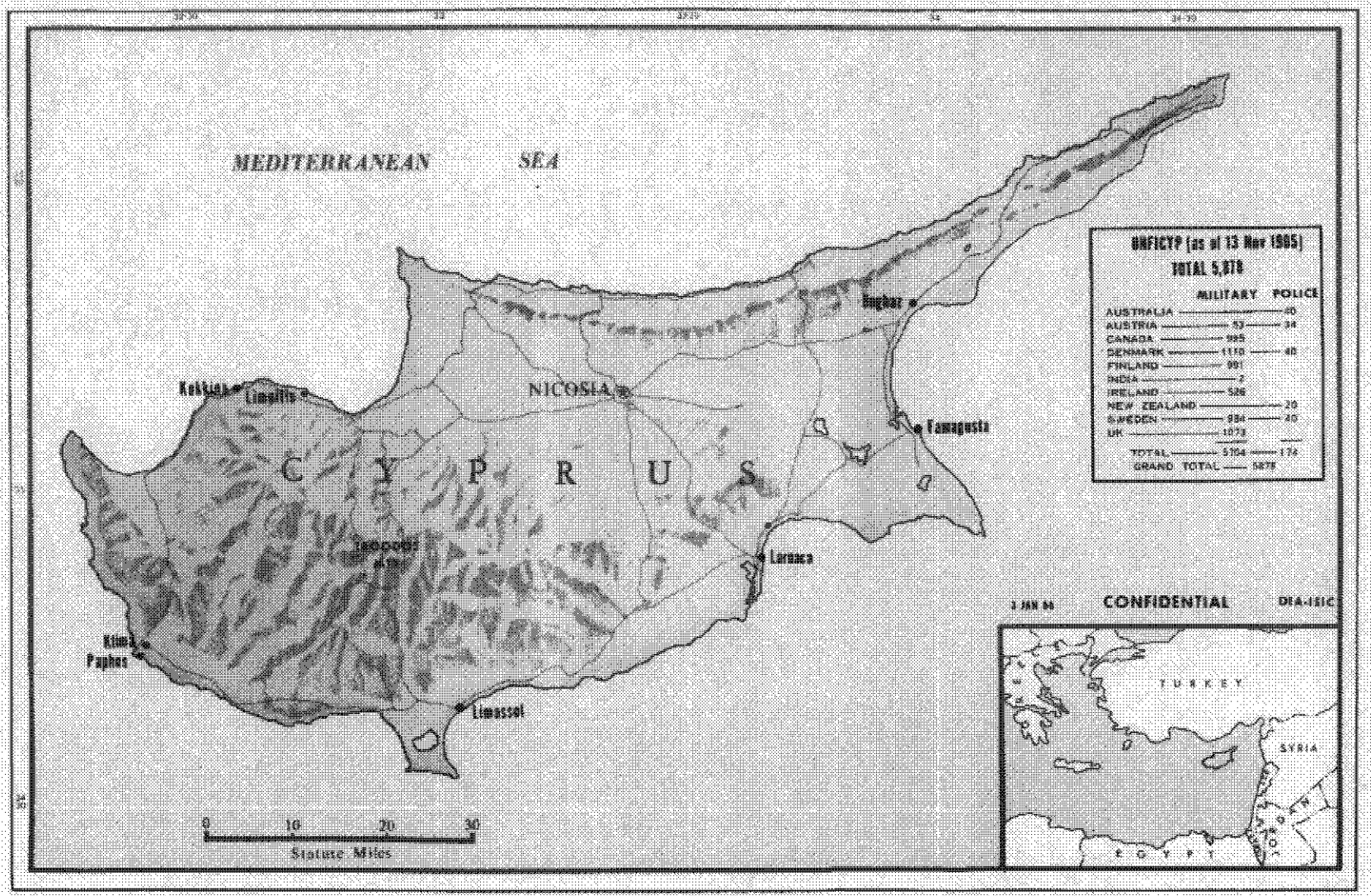


GUATEMALA: Chief-of-Government Col Peralta has ordered the commander of the Puerto Barrios military base to execute three troop deployments of 119 personnel each by air -- from Jutiapa to Puerto Barrios, Quetzaltenango to Puerto San Jose, and Jutiapa to Zacapa -- on 5 January. Why such precise instructions have been issued is not known, but the movements could be connected with recent coup plotting which might become more virulent following the end of the Christmas holidays on 6 January. (SECRET)

DOMINICAN REPUBLIC: There is an air of expectancy in connection with the statement President Garcia Godoy is expected to deliver today. It is believed that he will blame both the armed forces and the "Constitutionalists" for the 19 December incident in Santiago and announce that responsible individuals on both sides must leave the country. The armed forces are, however, not likely to go along with the ouster of any of their top personnel unless Garcia Godoy is willing to exile Caamano as well. Even though extremist labor leaders are threatening a general strike if the President fails to dismiss "military leaders responsible for the Santiago events," they seem to have little chance of seriously threatening the regime's authority. (CONFIDENTIAL NO FOREIGN DISSEM)

PANAMA: US observers expect no major violence against the government or US installations during the 9-12 January anniversary of the 1964 riots. Indicators for this favorable initial assessment are: (1) The national guard's improved security capabilities and the Robles administration's willingness to employ deterrent force; (2) the existence of splinter groups within leftwing and Communist student sectors; (3) the presence in Havana of prominent leftist leaders, for the Tricontinent Conference; and (4) the fact that volatile secondary school students are on vacation. (SECRET NO FOREIGN DISSEM)



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N O T E S

CYPRUS: Denmark will reduce the strength of its unit in the UN peacekeeping force from 1,150 to 650 personnel by 15 January because of the UN's financial difficulties. Senior UN officials in Cyprus believe the 5,878-man multi-national force could be cut by about 1,000 and still be able to accomplish its mission. They contend that a drop in the size of the overstrength and highly-paid Danish, Finnish, and Swedish contingents would be advisable and that such a move would cut the cost of operations by as much as 20 per cent. (CONFIDENTIAL NO FOREIGN DISSEM)

ECUADOR: New Year's Eve bomb explosions at the Quito residences of ex-President Galo Plaza and Air Force Commander Col Jorge Salgado were apparently the work of terrorists associated with presidential hopefuls Camilo Ponce and Col Guillermo Freile. The former was vowed to promote dissension among the armed forces and stir up disorders aimed at bringing down the Triumvirate; Freile, recently ousted from the junta, attributes his recent troubles to Salgado. Injuries to Salgado's wife and some of her guests and damage to nearby homes of foreign diplomats are likely to strengthen rather than weaken the regime, Col Salgado particularly. Latin Americans deplore violence which affects innocent families or brings international embarrassment. (CONFIDENTIAL NO FOREIGN DISSEM)

USSR: The travel ban imposed on US and British military attaches on 18 November has been lifted. The British were cleared on 30 December for trips to Leningrad on the 31st and to Smolensk on 3, 4, or 5 January. The US attaches were cleared on 31 December for an automobile trip to Zvenigorod today. Permission has not yet been received for two other trips -- to Tula and Ryazan on the 4th and 5th, respectively. The restrictions were imposed on order of Defense Minister Malinovskiy, who was piqued over the publication of the Penkovskiy papers in the US and Britain. (CONFIDENTIAL NO FOREIGN DISSEM)

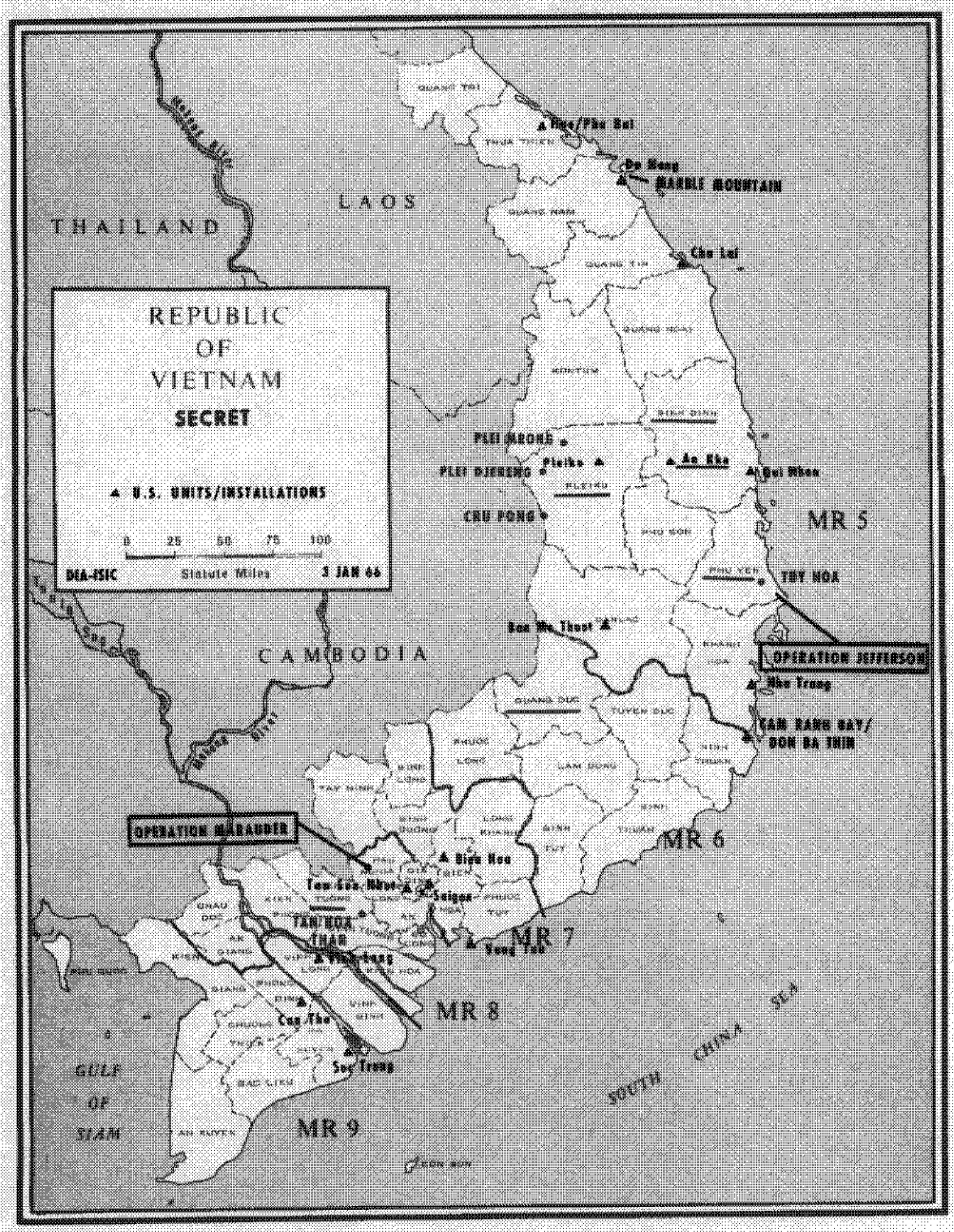
N O T E S

USSR: The Ambassador in Tel Aviv has tried to enlist Israel an an intermediary in reestablishing relations with the Congo (L). The approach was made through the Israeli Ambassador-designate to Rome, an African expert, who has told the US Ambassador that his government wants no part in returning the Soviets to Leopoldville. The staff of the Soviet Embassy was ordered out of the Congo in November 1963 for having engaged in subversive activities. In December 1964, the only Congolese diplomat left in Moscow, a Charge, was told to leave because of "hostile activities" against the USSR and Soviet citizens. (CONFIDENTIAL NO FOREIGN DISSEM)

DAHOMEY: Gen Soglo apparently hopes to lessen domestic political tensions by assigning key political figures abroad. He told the US Ambassador on 31 December that former President Apithy would be offered the Embassy in Washington; he said it would be well for Apithy, who had not always appeared friendly to the US, to gain first-hand knowledge of the US and to better appreciate the differences separating East and West. Soglo plans to offer President Ahomadegbe the Ambassadorship to West Germany and former President Maga the post in Paris. Soglo also said that he was ordering the Chinese Communists to quit the country within 48 hours; he is, however, meeting strong opposition on this issue within the Council of Ministers. (CONFIDENTIAL NO FOREIGN DISSEM)

CONGO (B): French sources say that there are at least three guerrilla-warfare training bases in the Congo (B) now and that Chinese Communists, Cubans, and Ghanaians are providing the instructions. They claim that a group from tbe base at Dolisie attacked a Portuguese position in Cabinda on 6 December and reportedly wounded 22 Portuguese. The French expect a major effort to be mounted against Cabinda soon and are also worried over the threat to other neighboring states. They report that security forces in Cameroon have already intercepted a Chinese Communist arms shipment from the Congo (B) to dissidents there. (SECRET)

FAR EAST/ASIA SECTION



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Developments in South Vietnam

Military

There have been no apparent reactions or reflections to the lull in US air strikes against North Vietnam noted in Viet Cong military or party communications during the radio day of 2 January. Viet Cong-initiated incidents are still at a high level, but recent large-scale engagements have resulted from friendly actions.

On 3 January in Phu Yen Province, an estimated Viet Cong platoon attacked a South Vietnamese company with flamethrowers and grenades while simultaneously mortaring two friendly command posts. The attacked company maintained contact and pursued the enemy. Friendly forces suffered only three wounded while the Viet Cong lost 10 killed.

In Binh Duong Province, 3d Corps, the 1st Brigade, 1st Infantry Division (US) commenced Operation QUICK KICK on 3 January. In an encircling maneuver, one battalion will establish a blocking position while a second battalion will sweep south along the Song Be River and link up with two other battalions on 5 January. Thus far, no contact has been reported.

During Operation MARAUDER in Hau Nghia Province, the Viet Cong lost 201 killed (US body count), 60 confirmed guerrillas and 444 suspects captured, and 29 individual and seven crew-served weapons and 20 sampans. Friendly casualties were 39 killed (eight US) and 141 wounded (44 US). Tear gas was used against the insurgents on three occasions, but its effectiveness is not known.

Eighteen B-52 aircraft struck Viet Cong positions about 25 nautical miles north of Saigon on 2 January. The target complex reportedly consisted of storage huts with oil drums and trucks, and photography indicated new weapons emplacements. No ground follow-up is planned.

(Continued)

On 1 January, during the Vietnamese Army (ARVN) - South Korean Operation JEFFERSON, a Korean battalion encountered stiff resistance about 12 miles south of Tuy Hoa. Cumulative losses for the Koreans are four killed, 27 wounded, and four missing and 11 killed and 16 wounded for the ARVN; one American was wounded, and one UH-1D helicopter was shot down. The Communists lost 121 killed (body count), and eight confirmed guerrillas and 42 suspects were captured.

Tan Hoa Than outpost was attacked by a force of unknown size on 1 January. Friendly losses were eight killed, 11 wounded, three missing, and 15 weapons. According to the ARVN's body count, five Viet Cong were killed.

The extremely high volume of communications involving the main-force regiment of the Southern Front in Military Region (MR) 5 (probably the Viet Cong's 3d Regiment) may be a precursor of a major military operation in Binh Dinh Province. This headquarters was noted attempting to contact five of its subordinates on 22 occasions on 1 January -- four contacts is considered usual -- and 26 messages were exchanged as compared to the daily norm of one or two. This main-force regiment was last located by medium-range direction finding on 23 December in the vicinity of An Khe.

Agents and defectors have reported that the Viet Cong plan to attack Plei Djereng and Plei Mrong early this month. An aerial observer has seen antihelicopter stakes in a potential landing zone between Pleiku City and Plei Mrong. A villager claims that on 25 December 1,000 Viet Cong were located in Cambodia, northwest of the Chu Pong Massif (mountainous area). He says they were able to ferry across the Ia Drang River and had the mission of attacking Plei Djereng. The North Vietnamese (PAVN) 32d Regiment was reported in this area on the 18th, and it may be preparing to reenter Pleiku Province.

Documents captured in the 28 December battalion-size attack against a Regional Force post in western Quang Duc Province reveal that the Communist unit consisted of elements from two Viet Cong main-force battalions and two PAVN infiltration groups, one of which had arrived in MR 6 on 20 November.

(Continued)

A light aircraft on 23 December is said to have dropped anti-American leaflets in Kien Tuong Province, about nine miles from the Cambodian border. According to uncorroborated ARVN reports, the aircraft, a silver-colored L-19 type, came from and returned to Cambodia. No friendly aircraft is known to have been operating in this area at that time, and Cambodia has some L-19s. There is no other information on the supposed flight.

The Viet Cong are reportedly planning to use one of their older deception tactics again. Numerous fires are to be lighted after darkness several hundred meters from actual encampments in order to entice pilots into expending their ordnance on the dummy positions. (SECRET SAVIN)

Political

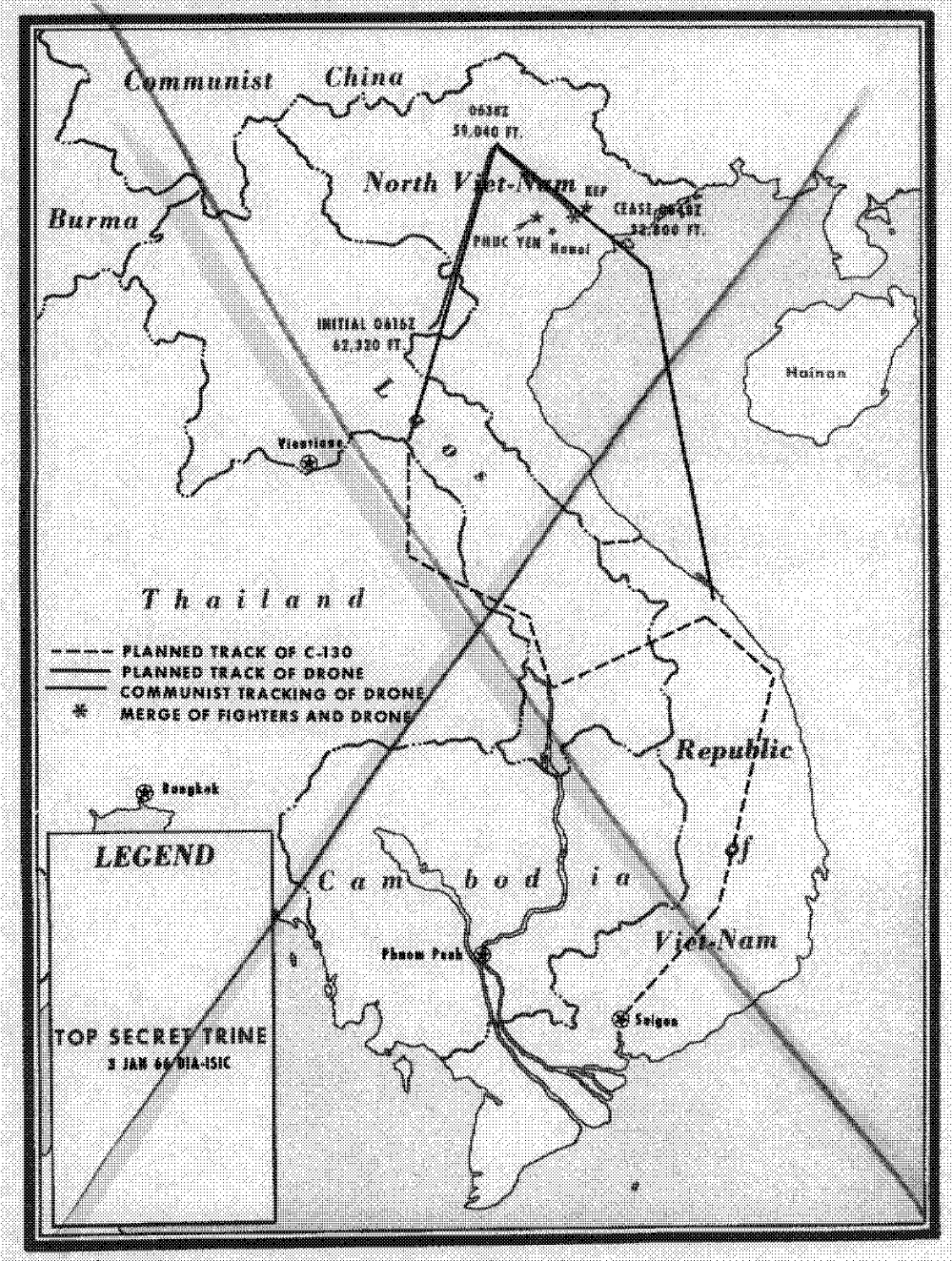
The US announcement that it intends to try Sergeants McClure and Smith on charges of aiding the enemy while in captivity has drawn a response from their former captors. The Viet Cong reportedly broadcast an appeal for the men's release on 2 January.

The recent acquittal of Gen Tran Tu Oai and others of corruption charges is said to be widely criticized and could become a major political issue. Capital Military Region Commander Gen Le Nguyen Khang says Deputy Premier Nguyen Huu Co personally ordered the military court to acquit the principals. Premier Ky is supposedly upset over the verdict because there is no doubt about the officers' guilt; he is trying to find some way to rectify it. The military rank-and-file are described as concluding that their superiors have no intention of stamping out abuses and injustices. The affair has further widened the breach between Ky and Co and could lead to a schism in the government leadership.

Gen Le Nguyen Khang, Commander of the Capital Military District, says that his office has been in receipt of an increasing number of coup reports, none, however, involving the 1st Corps Commander, Gen Nguyen

(Continued)

Chanh Thi or the National Police Director, Col Phan Van Lieu. One of three coup reports reportedly involves retired Gen Tran Van Don which Khang discounts as nothing more than talk. Khang does believe that Don is attempting to build a political base for himself. Khang does not place too much credence in these reports but he does not discount the possibility of an alliance between some unknown forces or groups in an attempt to forcibly seize power. (CONFIDENTIAL NO FOREIGN DISSEM)



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Recent MIG Operations in North Vietnam

MIG flying and GCI exercises have increased during the lull in the air offensive against North Vietnam.

North Vietnamese communications reveal that although MIG flight forecasts have remained steady since the pause in the bombing started, actual flights have been more numerous. There is no evidence, however, that they have extended outside the normal operational areas; Kep-based MIGs are still flying in the northeast section of the country, and Phuc Yen-based MIGs are ranging over wider areas but still no farther south than Nam Dinh, southeast of the capital.

MIG flight activity during the pause has also included stepped-up GCI practice, Soviet-piloted checkout flights of MIG-21/FISHBEDs -- including some at 72,000 feet -- and the apparent involvement of North Vietnamese fighters in the shootdown of a US drone on 1 January. (TOP SECRET TRINE)

North Vietnamese Fighter Shoots Down Drone

One of three fighters -- apparently North Vietnamese MIGs from Phuc Yen -- shot down a drone on 1 January. Communist tracking of the drone merged with that of the fighter near Kep Airfield, and the former probably crashed 15 nautical miles southeast of Kep. This would be the first instance where North Vietnamese fighters have intercepted and destroyed a drone.

This was the 14th drone lost to hostile action. Chinese Communist fighters have accounted for seven; North Vietnamese surface-to-air missiles, six; and North Vietnamese fighters, one. Two of the shoot-downs by Chinese Communist fighters occurred over North Vietnam. The first, on 2 Jan 65, had first overflown Chinese territory before being downed over northeastern North Vietnam. The second, on 24 December, did not cross the border and was destroyed northwest of Hanoi while heading for the North Vietnamese capital. (TOP SECRET TRINE)

North Vietnam Restoring Lines of Communication During Bombing Lull

Hanoi seems to be accelerating the restoration of interdicted lines of communication during the suspension of US air strikes.

A 27 December message from the Ministry of Communications to an unlocated branch read: "Enemy aircraft have stopped bombing activities. Please resume your operations as in a normal situation." The ministry concerned is responsible for directing the national effort to maintain lines of communication and the movement of war materiel, and the instructions may refer to carrying out daylight activities that had been inhibited by the air strikes. (TOP SECRET TRINE)

Dim Prospects for Vietnamese Peace Negotiations

The absence of any response from Hanoi to US diplomatic efforts to obtain peace talks and the tenor of its New Year's messages suggest that North Vietnam is still confident that it can successfully defend its "main base" and win the struggle in South Vietnam.

Hanoi launched a propaganda counteroffensive on 29 December with an international broadcast entitled "We Are Determined To Smash All Maneuvers of War Expansion and All Peace Tricks of the US Aggressors." In reviewing the progress of the fighting in 1965, the regime noted with sarcasm what it called the parallel growth of the US troop buildup and "peace hoaxes" and ridiculed the "peddling of peace merchandise" by President Johnson's emissaries. It labeled the UN, British Prime Minister Wilson, and President Tito of Yugoslavia as "stool pigeons" for US peace efforts. Referring to the allusion to economic aid for all Southeast Asia in the President's 7 April Baltimore speech as "bait" to allure the Vietnamese people, the blast concluded with the unprecedentedly flat assertion that the cause of the war was US "imperialist aggression" and that the fighting could only be ended by the withdrawal of US troops from South Vietnam.

Radio Hanoi on the 30th reiterated that the US must accept its "four points, the "five points" of the Viet Cong's National Liberation Front, and that the settlement of affairs in Vietnam "must be left to the Vietnamese themselves." With an eye to anti-US opinion abroad, which generally claims that Washington is bent on escalation, and possibly relying too much on information supplied by the Staughton Lynd group which is now in Hanoi, the statement affirmed that "our people highly treasure peace but they will never allow the US imperialists to invade their country and enslave them."

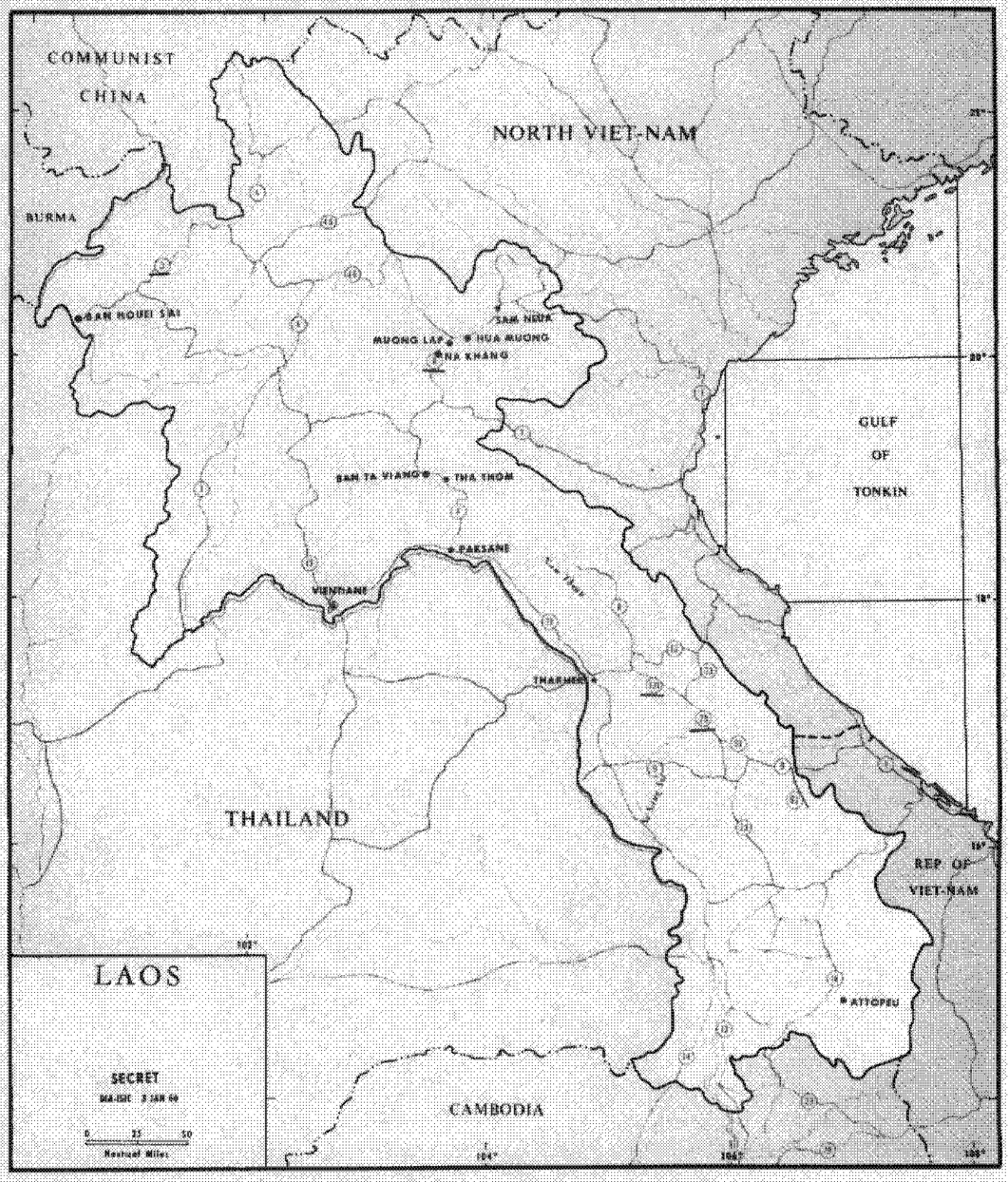
President Ho Chi Minh on the 31st urged the Viet Cong, via domestic propaganda channels, to "new and greater victories" in the South -- an insinuation that the South Vietnamese people were unifying against the "US aggressors and the traitor's clique." In his New

(Continued)

Year's message to all Vietnamese people, Ho promised an ultimate victory for the Viet Cong since "the higher the American aggressors escalate, the heavier their defeats." The North Vietnamese Council of Ministers on the 31st also issued a communique on State plans for 1966 which said that the aim of the Council was to "heighten the spirit of determination to fight and to win." Stressing the need for the people to increase production, the statement concluded with a reiteration of a slogan heard on many sides in Hanoi today: "Defend the North; Liberate the South; and Achieve Peaceful Reunification of the Fatherland."

Ho's New Year's greeting to the American people reflected Hanoi's fixation on the alleged schism between the "Johnson clique" and the American people. He urged the latter to insist on troop withdrawal and a return to the spirit of the Geneva Accords and to "demand" that Washington "end the aggressive war in Vietnam." In reply to international inquiries about the possibility of peace, Ho either referred back to his interview with British journalist Felix Green or simply repeated that the US must accept the four points.

These public declarations were notable for their lack of reference to the lull in US bombing or the forthcoming visit by Soviet Party Secretary Shelepin. North Vietnam, possibly concerned that Shelepin will exert pressure on it to moderate its position on peace negotiations at the same time as greater amounts of aid are coming from the USSR and Eastern Europe, limited itself to a statement of gratitude in Moscow's Pravda by trade negotiator Le Thanh Nghi. He was thankful for the "aid of the Soviet Union and other brother countries of the socialist camp" and "for the support of the international Communist movement and of the movement of national liberation." (CONFIDENTIAL)



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Military Situation in Laos

The situation around Na Khang, in northeastern Laos, is more or less stabilized. Some Communist probes have come to within five miles of the town, and the local Royal Lao Army (FAR) commander estimates that his four battalions of regional and volunteer forces are opposed by six Pathet Lao and North Vietnamese battalions in the Hua Muong-Muong Lap area and five battalions 10-15 miles to the south toward Ban Ban. His estimate is probably exaggerated despite some increase in enemy strength in the vicinity. Communist elements are apparently being resupplied via Route 6 from the northeast.

Near Tha Thom, FAR units are consolidating their defenses against any enemy attack toward Ban Ta Viang and Tha Thom.

In the northwest, some recent Pathet Lao raids east of Ban Houei Sai have been reported, and the Pathet Lao apparently abducted a local Auto Defense Company Commander and several of his troops on or near Route 3 on 29 December. This was probably a Communist response to harassing actions by friendly regional forces. No important operations have been reported in the Nam Theun or the Se Sang Soi defense sectors. Patrols from Groupe Mobile 18 probing east of the Se Sang Soi have made no contact with the enemy.

Roadwatch reports indicated no traffic on Route 23 from 23 December -- when 154 trucks passed an observation point near the junction with Route 121 -- until 2 January when nine trucks went north and seven south. The reasons for there being no truck movements for nine days are not known. The team at this point is considered fairly reliable and has regularly described the traffic on Route 23 as medium to heavy since at least mid-November. There is also said to be little movement on Route 12. Roadwatchers east of Sam Neua are still reporting a high level of traffic there. (CONFIDENTIAL NO FOREIGN DISSEM)

Political Developments in Laos

King Savang went to Vientiane on 28 December to address Lao political leaders. He reportedly told his audience that "Laos must adhere to the Geneva Accords and neutrality" and that it must defend itself against aggression but not make war. He added that Laos should not allow itself to get into the position of South Vietnam.

Premier Souvanna expanded on the King's remarks by explaining that US pressure in Vietnam had forced the Communists to consider opening a "second front" and that Laos and Thailand were the most likely areas for this. Souvanna allegedly said that there had been signs that "certain parties were seeking to insert themselves in Laos and were on the lookout for provocations." He warned that Laos should be careful not to anger Communist China.

This political seminar was probably held because of several recent actions and apparent trends in Laos. The North Vietnamese aggression at Thakhek, a general increase in Communist pressure in Khammouane and Savannakhet Provinces, and Pathet Lao and North Vietnamese attacks in other widely scattered areas from Sam Neua to Attopeu have had some corrosive effect on political stability. The King and Souvanna may also have been responding to a reported telegram from Vice Premier Souphanouvong which charged that the US planned to expand the war in central and southern Laos and to turn Thailand, Laos, and South Vietnam into one battlefront; he is said to have called on the King to exercise his power to influence developments. Souvanna's reference to "certain parties" seeking to insert themselves in Laos may refer both to the Chinese Communists, who have recently emphasized their diplomatic ties in Vientiane, and to Souvanna's rightwing opponents.

Souvanna interprets the King's remarks as an endorsement of his administration. They should help calm down his adversaries and have a stabilizing influence on the government. (CONFIDENTIAL NO FOREIGN DISSEM)

Developments in Communist China

No Chinese Communist military reaction to the pause in US air strikes in North Vietnam has been detected.

Peiping has, however, issued a stinging restatement of its position on Vietnam. An editorial in the authoritative Party organ, People's Daily, of 1 January asserted that the US was merely spreading a peace smokescreen to conceal preparations for an expanded war and that "unconditional discussions" really meant "unconditional surrender." Chinese efforts to prevent any peace talks are, therefore, likely to continue.

A spate of year-end reports out of Peiping noted Chinese industrial achievements during 1965 and announced the beginning of the long-awaited Third Five-Year Plan on 1 January; increased agricultural production is to be emphasized. The Chinese expect progress to be slow and calculate it will take from 20 to 30 years for their economy to surpass those of "advanced countries."

The new plan shows some signs of being especially tailored to meet commitments in Vietnam and to a possible showdown with the US. People's Daily said on 31 December that national defense would be bolstered and basic industry, communications, and transport strengthened. New factories were to be built, and industry -- probably as a civil defense measure -- dispersed throughout the country. Chinese leaders indicated that they were still primarily concerned with economic priorities and feared that emphasis on military production would have adverse effects on food production.

The regime has been unusually quiet about Soviet Party Secretary Shelepin's upcoming visit to Hanoi but apparently remains concerned over the effect and extent of Soviet influence on North Vietnam. (CONFIDENTIAL NO FOREIGN DISSEM EXCEPT UK, CANADA, AUSTRALIA AND NEW ZEALAND)

Indonesian Situation

The Indonesian Army's anti-Communist campaign is apparently subsiding, and several reports have it that President Sukarno may soon order major political changes and then depart the country.

The army's drive against the Communist Party (PKI) in Central Java has apparently met with success, and the situation there seems easier. Some 2,000 paracommandos have returned to Djakarta from Central Java, but others have been deployed to Bali, probably to restore control over fanatic anti-Communist Moslem groups there.

Rumors persist that President Sukarno will leave Indonesia this month. A reliable source says that the President and an entourage of 100 -- perhaps including some cabinet ministers out of favor with the military -- will leave on 6 January. In the past, however, when a trip like this was planned, a security detachment preceded Sukarno by one month; no such detachment is now abroad.

Dissatisfaction with Sukarno has increased markedly during the past month as more top army leaders and informed Indonesians have become convinced he was involved in -- or perhaps primarily responsible for -- the abortive coup. The army is, however, apparently still divided over whether it is advisable to depose Sukarno quickly or attempt to "contain" him while he lives, with the thought this will not be long.

The (b)(3):10 USC 424 in Djakarta has heard that former Air Force Chief Air Marshal Dani was executed on 20 December immediately after he returned to Indonesia. The army reportedly had so much evidence against Dani that it didn't even bother to interrogate him.

First Deputy Premier Subandrio has told the US Ambassador that some major changes in the organization of the government and of political parties will be made before 24 January but that the multiparty

(Continued)

structure will remain. The Ambassador comments that, if Sukarno does leave, a major reorganization on top of the economic crisis would make it almost impossible for anyone to run the government. Sukarno would then be able to return some weeks later and straighten things out in his own style.

Subandrio's remarks are backed up by a report that several Ambassadors will be shifted and that some are to be replaced by certain cabinet ministers. Among others, Harsono Reksoatmodjo will move from Tokyo to London, a post that has been vacant because of the Indonesian "confrontation" of Malaysia. Reksoatmodjo has experience in the commercial field and may be given the mission of sounding out the British on ways to end the confrontation without Djakarta's losing face. ~~(SECRET NO FOREIGN DISSEM)~~

Next five pgs. are non responsive

Singapore Invites Soviet and Bulgarian Trade

Singapore's Foreign Minister Rajaratnam recently confirmed that he was awaiting replies from the USSR and Yugoslavia about their setting up press and trade missions.

Rajaratnam, who headed a mission to Moscow and Belgrade in late November, said the Soviets had indicated that they were ready to give aid to Singapore on a "state-to-state" basis, but only for major projects -- possibly a steel mill or plastics or other such factories. Singapore would probably be permitted to pay off credits by supplying some consumer goods, but the Soviets would also expect hard currency. It was Rajaratnam's impression that the USSR expected Singapore to resume entrepot functions for Indonesian exports and thought a trade mission in Singapore would help improve its economic relations with Djakarta. He also stated that Moscow and Singapore had pledged mutual support in Afro-Asian affairs.

Rajaratnam had made informal contacts in Moscow with Polish, Bulgarian, and Rumanian diplomats and said Singapore was also willing to receive economic and press missions from their three countries.

The five-month old Singapore Government is looking for increased capital investment and diversified trade activities to ensure its future and is determined to maintain a neutral position between East and West. Establishing trade relations with the USSR and other East European nations fits into this policy. (SECRET NO FOREIGN DISSEM/CONTROLLED DISSEM)

Forthcoming Indian-Pakistani Meeting at Tashkent

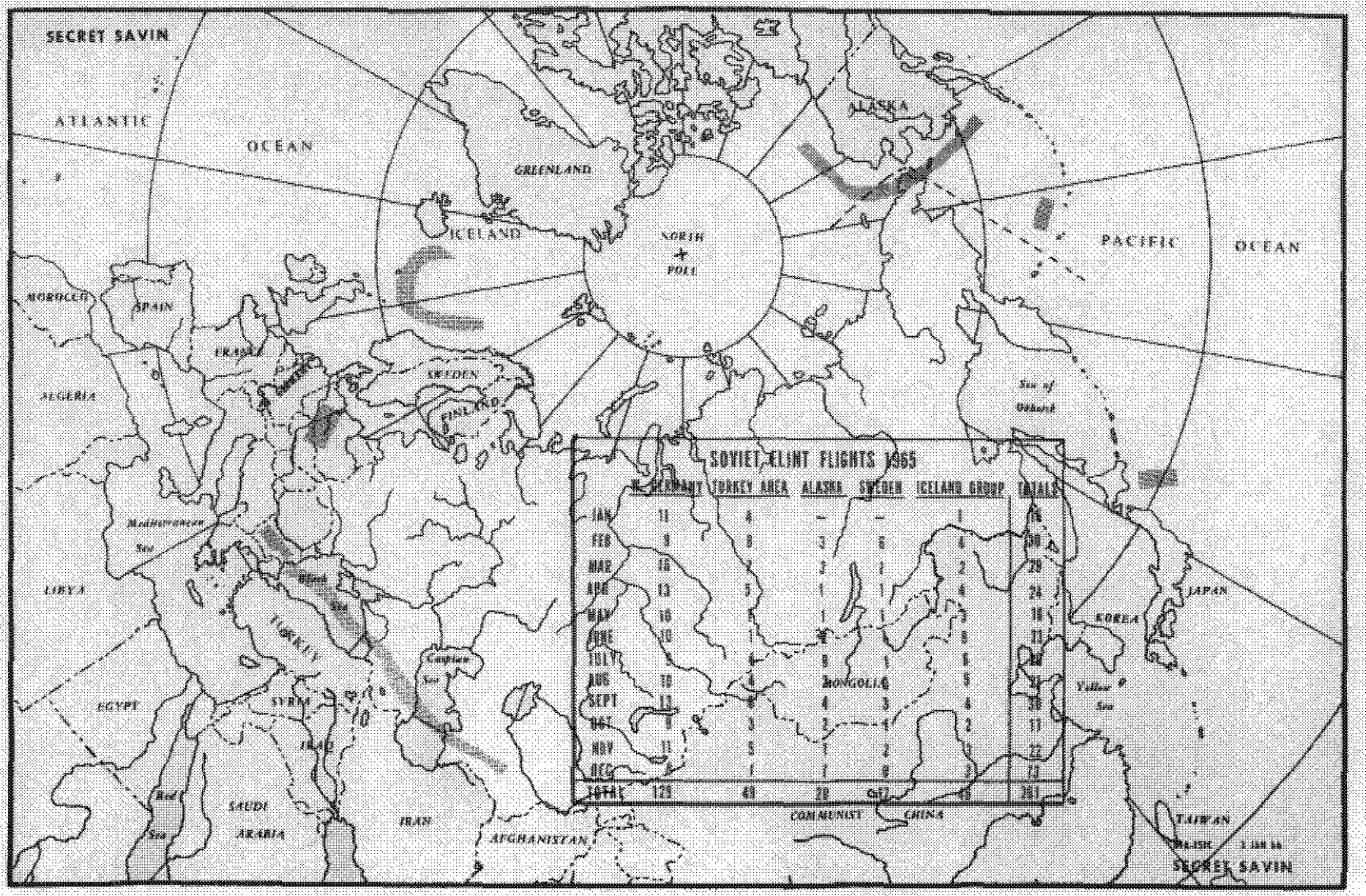
The USSR is insisting that the talks between President Ayub and Prime Minister Shastri in Tashkent produce tangible results; India, without compromising its basic claim to Kashmir, seems ready to try for some measure of success in order to retain Soviet support. Although the conference is unlikely to produce a final settlement of the Kashmir dispute, the two parties may reach agreement on certain issues or at least start discussions in that direction.

The Soviets can be expected to press for a military withdrawal to preconflict positions. A pullback south of Kashmir will probably be easier to arrange than an exchange of salients along the cease-fire line in Kashmir. This may lead the Indians to propose negotiating a modified Kashmiri border based on recently occupied territory. New Delhi also seems disposed to discuss the resettlement of persons displaced during the fighting, the exchange of Ambassadors again, the resumption of sea and air transport, and the signing of a nonaggression pact.

The extent of Soviet participation at Tashkent is uncertain, but Premier Kosygin is expected to preside at the first session and take part when called upon. His impressive entourage of Foreign Minister Gromyko, Deputy Foreign Minister Firyubin, Defense Minister Marshal Malinovskiy, Marshal Sokolovskiy, and the Soviet Ambassadors to India and Pakistan shows that Moscow considers the meeting of prime importance and is ready to mediate a wide range of issues between the Indians and Pakistanis. (CONFIDENTIAL NO FOREIGN DISSEM)

Indian-Pakistani Military To Begin Withdrawal Talks

Indian and Pakistani military representatives are to meet with Chilean Brig Gen Marambio in Lahore, in the Punjab, today in the first round of discussions to arrange a troop withdrawal under UN auspices. Subsequent sessions are to alternate between Lahore and Amritsar, across the border. The political climate resulting from the talks between Shastri and Ayub in Tashkent could determine the success or failure of this UN effort. (CONFIDENTIAL)



SOVIET ELINT FLIGHTS 1965

	W. GERMANY	TURKEY AREA	ALASKA	SWEDEN	ICELAND GROUP	TOTALS
JAN	11	4	—	—	1	16
FEB	9	8	3	6	4	30
MAR	16	7	3	1	2	29
APR	13	5	1	1	4	24
MAY	10	1	1	1	3	16
JUNE	10	1	2	1	8	23
JULY	9	4	8	1	6	28
AUG	10	4	2	1	5	21
SEPT	13	6	4	3	4	30
OCT	9	3	2	1	2	17
NOV	11	5	1	2	3	22
DEC	6	1	1	0	3	13
TOTAL	129	49	20	17	46	261

COLLECTION AREAS

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SUPPLEMENT

SOVIET ELINT COLLECTION FLIGHTS IN 1965

Soviet efforts to collect electronic intelligence from Allied land-based facilities continued apace throughout 1965, when flights were more than double those of 1964. New collection platforms, techniques, and procedures were also seen for the first time.

The most noticeable increase was in missions flown by the 24th Tactical Air Army (TAA) which jumped from 65 flights against NATO radars in West Germany in 1964 to 118 in 1965. Transports were responsible for all the 24th TAA's collection effort during the latter part of the year, which suggests that IL-28/BEAGLEs assisting in this mission may be phasing out. Also, 24th TAA flights over Czechoslovakia during that period dropped sharply.

Soviet Long Range Aviation (LRA) gradually turned over its long-held responsibility for ELINT collection to TAA and naval units based closer to the target areas. As a result, LRA missions dropped from 47 in 1964 to 35 in 1965. Naval aircraft, which had participated on only a limited scale in previous years, performed more than 100 missions during 1965.

The first known ELINT reconnaissance flight by LRA TU-22/BLINDER supersonic-dash jet bombers occurred in November when two BLINDERs penetrated Czechoslovak, East German, and Polish airspace on a collection mission against NATO radars. In April, an LRA TU-95/BEAR crossed the Black Sea three times and overflew Bulgaria twice on the first flight by BEAR aircraft against Turkish and Greek radars. BEARs of naval subordination were first seen on this type of mission in March when a BEAR E (specially configured for ELINT collection) was intercepted while in the Iceland-Faeroes Gap area. Two LRA BEARs also engaged in the first night operation in this same region during March.

LRA TU-16/BADGERs operating against Alaskan facilities were usually seen in groups of three last year. Two of the BADGERs engaged in the collection effort while the third remained over the Chukotskiy Peninsula, probably serving as an airborne radio relay or COMINT collector. (TOP SECRET TRINE)

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