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6 April 1966

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CENTRA INTELLIGENCE

CURRENT INTELLIGENCE RELATING TO NATIONAL SECURITY

State Dept., JCS reviews completed

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*Vietnam: (Information as of 4:30 AM EST)

Political Developments in South Vietnam: Premier Ky, who yesterday postponed a test of strength in the Da Nang area, apparently remains determined to make a show of force in that city.

Ky has arranged to airlift 10 Vietnamese tanks from Saigon to Da Nang today in US C-124 Globemaster transports. On arrival, these tank elements are to accompany troops from the three Vietnamese Marine battalions already at the Da Nang air base in an attempt to enter the city and seize the mayor's office, the police headquarters, and the radio station.

Ky had apparently been persuaded by I Corps commander General Chuan, while at Da Nang air base yesterday, not to risk a conflict with I Corps units brought into the city. These forces consisted of at least one Ranger battalion, an army battalion, and armored personnel carrier detachments. Ky now states that, while he wishes to avoid bloodshed, the mayor of Da Nang and other antigovernment elements have permitted Communists to penetrate the city and that he intends to "teach them a lesson."

Both Chief of State Thieu and Deputy Premier Co, who is now at Da Nang, have advised Ky against committing the marines, according to a general close to the Premier. Ky, however, reportedly feels assured of the loyalty of the army's 2nd Division commander whose headquarters is in Quang Ngai Province in I Corps. Ky has also disparaged the ability of the 1st Division commander in Hue, General Nhuan, who yesterday publicly threatened to resist any move against that city.

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In contrast General Nhuan today advised US officials in Hue that his relations with Saigon were back to normal and that he has ordered a regiment now in the city to return to its base. Corps commander Chuan, whose loyalty is uncertain, has said that he was withdrawing the Rangers from Da Nang.

The Hue radio yesterday continued to announce plans for further protest meetings and for "defensive" measures in I Corps, including the training and arming of antigovernment students. In Saigon, police and security troops again had to use tear gas and to fire occasionally in the air to disperse several small demonstrations.

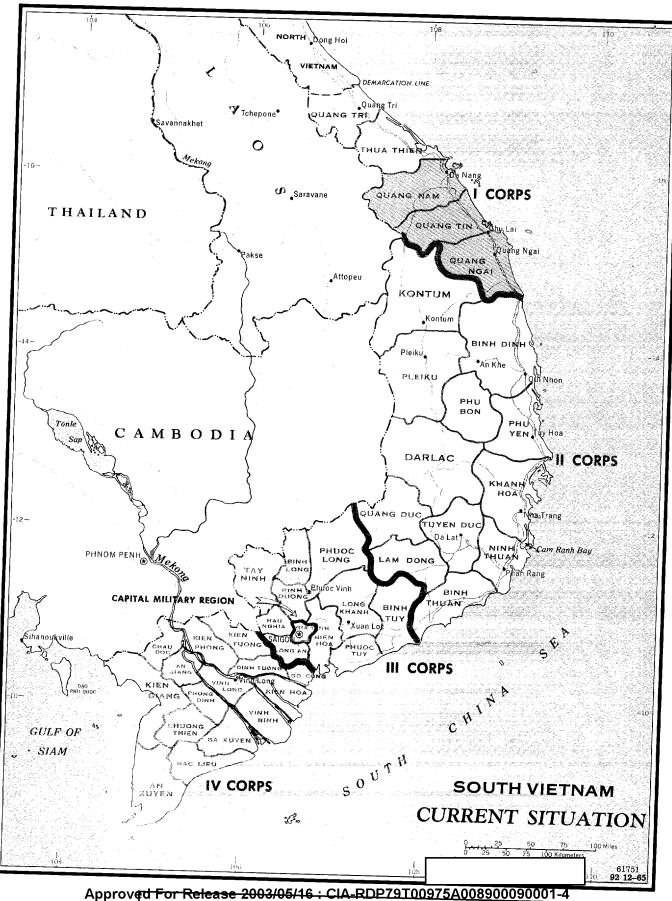
While preparing to resort to force, the government has also been following up its plan to convene a national political congress to discuss transitional steps toward civilian rule. Buddhist leaders have shown a willingness to continue discussing a possible political settlement, but have displayed little flexibility in their demands and some tendency to inject new ones. According to a Vietnamese general, Ky saw several Buddhist leaders in Saigon yesterday and later implied that he had offered to give up the premiership in six months if they would cooperate in bringing the present crisis under control.

In a broadcast yesterday, the Viet Cong "Liberation Radio" (LNA) declared that the "struggle" of the urban people against the "US imperialists" was developing momentum and a "decisive mass character," and could no longer be diverted by the manipulation of "US lackeys" such as Ky and monk Tam Chau to replace governments in Saigon.

The broadcast urged a step-up of both the "political and armed struggles," and a broadening of urban demands to include an end to US bombings and American withdrawal from South Vietnam. LNA declared that the "Liberation Front" was ready to unite with elements at all levels of the "rebel" South Vietnamese army to defeat the "US aggressors and their lackeys" and achieve "independence, democracy, peace, and neutrality" in South Vietnam.

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The Military Situation in South Vietnam: There have been no significant military actions reported during the past 24 hours.

According to the US Military Command, however, evidence continues to accumulate that the Communists are concentrating large forces in I Corps, particularly in Quang Ngai, Quang Nam, and Quang Tin provinces, apparently in preparation for offensive operations. Several agent and Special Forces reports indicate substantial additional infiltration from North Vietnam in recent weeks. If these reports are valid, there could be as many as 10 enemy regiments in the I Corps zone.

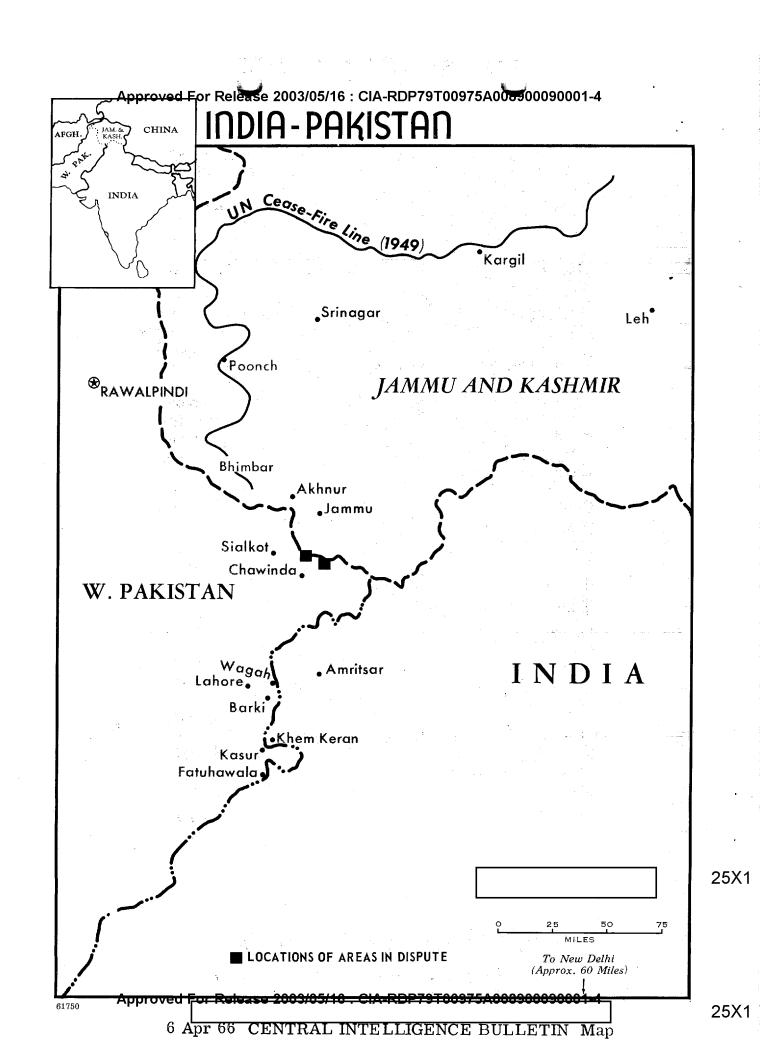
Indonesia: Statements delivered on 4 April lay the basis for a moderate course in Indonesian foreign and economic policy.

Foreign Minister Adam Malik and the Sultan of Jogjakarta, who directs finance and economic affairs in the revised cabinet, seem acutely aware of the chaos with which they are beginning to deal and of the complexity of redirecting the nation's course. They clearly indicated that they believe essential power has passed from President Sukarno to the new ruling group.

Malik made clear that Indonesia intends to pursue a middle road in foreign policy and take steps toward readmission to the United Nations. He specifically stated that Indonesia would welcome efforts toward ending the three-year paramilitary campaign against Malaysia, although he paid lip service to continuing the confrontation.

The Sultan emphasized that a program of economic stabilization must deal first with basic economic needs—an adequate rice supply, improved transport, and expanded exports. He welcomed "foreign aid without political strings" and said that Indonesia would have to negotiate a new repayment schedule for its large international debt.

Other developments suggest a further reduction of Sukarno's influence. The controlled Djakarta press is increasingly directing criticism against Sukarno himself. Army chief Suharto stated on 4 April that under Indonesia's constitution the congress--not the president--holds supreme power.

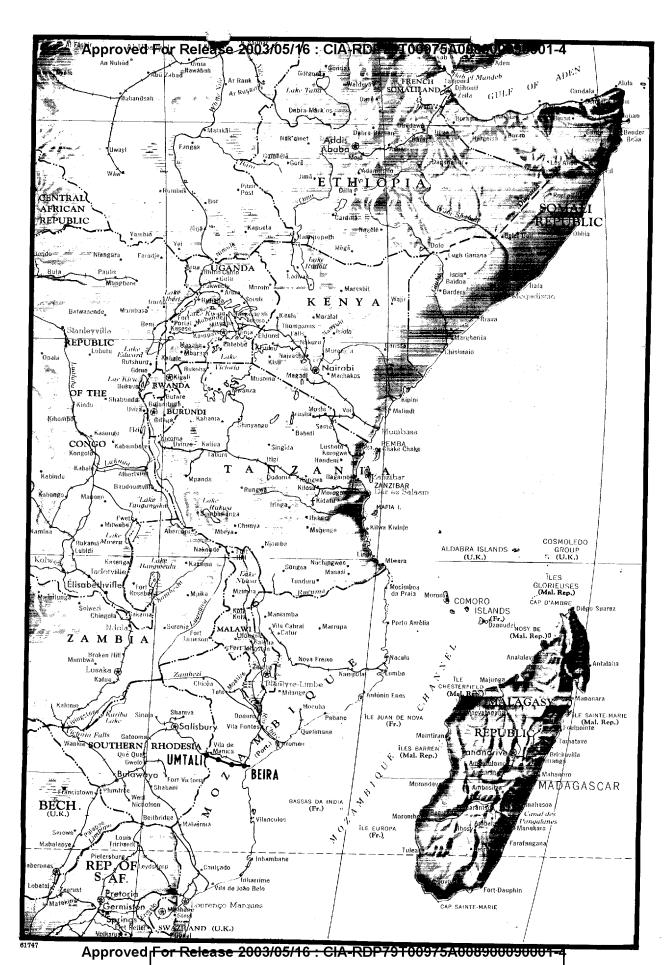


India-Pakistan: /Implementation of the Tashkent agreement of last January appears stalemated. Cabinet-level meetings between the two sides in early March failed to produce any significant results. Now each country is trying to lay the blame on the other for the stalemate.

The Pakistanis have filed a formal complaint with the UN, charging the Indians with failure to vacate three small salients--totaling no more than 40 acres--in the Sialkot area. Rawalpindi claims these were held by Pakistan prior to the 1965 hostilities.

New Delhi, for its part, is complaining that the Pakistanis are engaging in increasingly hostile propaganda against India in direct violation of the Tashkent accords.	25X1	
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Map

UK-Rhodesia-Portugal: Delivery of oil to Rhodesia from a tanker now at the Mozambique port of Beira would confront Britain with the most serious challenge yet to its four-month embargo of oil shipments.

A Greek-registered tanker, the Joanna V, is now at Beira after having been temporarily halted by a British frigate. The British were unwilling to use force to divert the tanker from Beira. It is still not clear whether the cargo will be unloaded there or whether the ship will proceed on--as the captain has claimed--to French Somaliland for unloading there. Another Greek-registered tanker, the Manuela, reportedly was due at Beira late on 5 April.

The oil sanctions program already has been seriously breached by heavy shipments of oil to Rhodesia through South Africa and Mozambique, but the flow could be stepped up considerably if oil is pumped through the pipeline to the refinery at Umtali in Rhodesia. The pipeline has been out of use since December, and its reactivation would require approval of the Portuguese-dominated pipeline company. The oil from one tanker would increase Rhodesian stocks by roughly one month of consumption at current rationing levels.

The British are now stepping up their diplomatic efforts in an attempt to persuade the Portuguese Government to deny use of the pipeline. The British will probably raise the specter of African demands for tougher action against Rhodesia, which may actually be forthcoming. Thus far there has been no indication that Lisbon would reverse its policy of permitting normal commercial operations.

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Dominican Republic: Former rebel leader Caamano Deno may receive a top position on the electoral ticket of Bosch's Dominican Revolutionary Party (PRD).

A leading PRD member in Santiago told a US Consulate official on 4 April that he believed Bosch would nominate Caamano for the vice-presidency at the party's convention scheduled for 9-10 April. Bosch's aim would be to prevent Caamano's popularity from being used by other political groups.

If Bosch selects Caamano, the convention will probably approve his choice, according to the Santiago party member. Numerous other PRD leaders are seeking the second position on the assumption that Bosch will head the ticket.

The mercurial Bosch, however, continues to enumerate electoral proposals, the latest being that Caamano will be offered the presidential slot on the PRD ballot.

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Bosch indicated that he would dedicate himself to guiding the PRD in its task of providing a victorious Caamano with proper advice and counsel.

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Common Market: [French sources in Brussels have taken advantage of EEC Commission President Hallstein's recent illnesses to circulate rumors that he will not be able to accept reappointment. Paris wants to get rid of Hallstein in order to weaken the role and composition of the commission. Although there may be nothing seriously wrong with Hallstein, he is presently resting with friends in Germany--apparently on doctors' orders. Doubts about Hallstein's health, however, might give the French a better chance for promoting the candidacy of Dino Del Bo--the somewhat erratic president of the Coal-Steel Community High Authority--or former Belgian Foreign Minister Spaak, who may also be pushed by the present Belgian Government.]

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USSR: According to official summaries, Premier Kosygin's report to the 23rd Party Congress largely rehashes the 1966-70 economic plan announced last month. Kosygin made a strong statement on defense, asserting that the leaders "will, as before, consider it their prime task to reinforce our armed forces." He prefaced this remark, however, with the notation that, "by strengthening our economy we strengthen the defense potential of the Soviet Union and the might of the whole socialist camp." On the subject of catching up with the developed Western countries, he said only that this task "has started to acquire increasingly realistic features with the strengthening of the USSR's economic positions."

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Lebanon: Yesterday's selection of a moderate Arab nationalist, Abdullah Yafi, to succeed Prime Minister Rashid Karami is not likely to bring any major changes in Lebanese domestic or foreign policies. Karami resigned last week and was expected to form a new "political" cabinet to replace the group of technicians he had headed since mid-1965. President Hilu apparently appointed the "neutral" Yafi as a compromise to avoid choosing between Karami and the other leading candidate.

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Cyprus: The Greek Cypriots remain convinced that they are gradually eroding the position of the Turkish community and therefore do not need to make significant compromises. Makarios' recent public statements have also reflected great confidence in his situation vis-a-vis Athens. The final outcome of his struggle with the Greek Government over the control of the Greek and Greek Cypriot armed forces remains uncertain. Ankara, meanwhile, continues to insist that early diplomatic progress toward a settlement is essential, but is waiting for Athens to make the first move.

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*Bolivia: General Rene Barrientos has announced his resignation as co-commander of the armed forces under pressure from his close military associates. Their actions apparently are intended only to force Barrientos to announce his candidacy for president in the 3 July elections and do not appear at this time to represent withdrawal of support for him. According to press reports, Barrientos will formally announce his candidacy on 9 April.

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THE PRESIDENT
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Executive Offices of the White House

Special Counsel to the President

The Special Assistant for National Security Affairs

The Scientific Adviser to the President

The Director of the Budget

The Department of State

The Secretary of State

The Under Secretary of State

The Under Secretary of State for Political Affairs

The Deputy Under Secretary of State for Political Affairs

The Counselor and Chairman of the Policy Planning Council

The Director of Intelligence and Research

The Treasury Department

The Secretary of the Treasury

The Under Secretary of the Treasury

The Department of Defense

The Secretary of Defense

The Deputy Secretary of Defense

The Secretary of the Army

The Secretary of the Navy

The Secretary of the Air Force

The Assistant Secretary of Defense (International Security Affairs)

The Chairman, The Joint Chiefs of Staff

Chief of Naval Operations, United States Navy

Chief of Staff, United States Air Force

Chief of Staff, United States Army

Commandant, United States Marine Corps

U.S. Rep., Military Committee and Standing Group, NATO

Supreme Allied Commander, Europe

Commander in Chief, Pacific

Commander in Chief, Atlantic

The Director, Defense Intelligence Agency

The Director, The Joint Staff

The Assistant Chief of Staff for Intelligence, Department of Army

The Director of Naval Intelligence, Department of Navy

The Assistant Chief of Staff, Intelligence, Department of the Air Force

The Department of Justice

The Attorney General

The Federal Bureau of Investigation

The Director

National Aeronautics and Space Administration

The Administrator

The Atomic Energy Commission

The Chairman

The National Security Agency

The Director

The United States Information Agency

The Director

The National Indications Center

The Director

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