

THAI INSURGENTS MAY OPEN NEW AREA OF OPERATIONS

Communist insurgents may be planning to set up a new area of operations in northeast Thailand. A recent compilation of reports indicates that since early this year perhaps as many as 200 North Vietnamese - trained cadre have been infiltrated across the Lao-tian border into southern Ubon Province.

The capture of some modern weapons, the recent attack on the Ubon Air Base, and reports by low-level village informants of Communist proselytizing could be harbingers of a substantial insurgent effort in southern Ubon. Such an effort would be facilitated by Ubon's proximity to Communist bases in Laos and by the familial and other ties of many people on the Thai side of the border to Lao Communists.

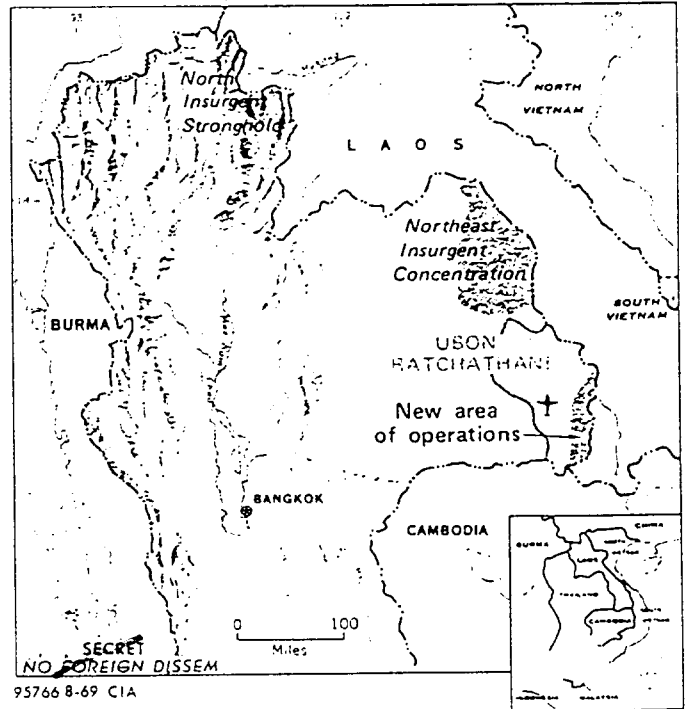
There is no evidence to indicate what the Communists expect to achieve if they do establish a new area of operations. They may hope that southern Ubon can be developed into a firm toehold for further expansion in the strategic northeast region. They have been trying for several years to build a viable organization in other northeast areas but have not made much progress.

One reason for the Communists' difficulties has been the activity of the Thai Army, which has pressed them hard, particularly in the northeast. There is some evidence, however, that the army now wants to cut back its effort in this area. The army's chief of staff reportedly has seized on the deteriorating situation in Laos as an excuse

to put into effect contingency plans calling for the partial withdrawal of army units engaged in the counterinsurgency effort. If such a withdrawal takes place, it would give the insurgents a respite from government pressure.

The government, meanwhile, has once again restructured its counterinsurgency apparatus. A Communist Suppression and Prevention Command has been established under the direct control of Deputy Prime Minister Prapat. Aside from further strengthening Prapat's voice in Thai affairs and ostensibly "regularizing" the counterinsurgency effort, it is not yet clear what this new setup will accomplish. (~~SECRET~~
~~NO FOREIGN DISSEM~~)

Communists Setting Up New Insurgency Area in Thailand



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CHINESE COMMUNISTS EXPAND HYDROFOIL PATROL BOAT PROGRAM

The Chinese Communists have designed, developed and are producing two types of hydrofoil patrol craft. In addition they may be refitting some of their old Soviet-designed P-6 motor torpedo boats with hydrofoils.

The hydrofoils are designed to lift the bow of the patrol boat out of the water, giving higher speeds and greater stability.

The Chinese began work on hydrofoils for military craft at least as early as 1964 when the first type--designated the Hu-chuan class--was initially identified. This boat probably went into serial production in 1965. The Chinese are turning out about 20-25 per year at the Hu-tung shipyard in Shanghai. Thus far about 65 Hu-chuans have been deployed to all three fleet areas.

The Chinese have also exported six of these boats to Albania and reportedly have agreed to deliver 24 more. Three have been given to North Vietnam.

Another new hydrofoil motor gunboat, the Shan-tung class, first appeared in December 1966. Only two units have been seen so far, but it is possible that this class is now in production. Unlike the Hu-Chuan, which is a torpedo boat, the Shan-tung carries only light armament and no torpedo tubes.

There are indications the Chinese may install hydrofoils on some of their old Soviet-designed P-6s. One P-6 has been seen with hydrofoils installed, probably as a test model. If the test is successful, additional P-6s and other motor gunboats may be similarly equipped. ~~(SECRET NO FOREIGN DISSEM)~~

MILITARY'S POLITICAL ROLE IN CHINA POSES PROBLEMS

The Army Day rally on 1 August shed little new light on problems currently besetting Peking, but there are indications that the army's performance on the domestic front remains a source of concern at the highest level. The appearance in Peking during the celebrations of high military leaders from some of China's most

troubled provinces also suggests that the central authorities are still trying to untangle local political disputes in which the army plays a key role.

The authoritative joint editorial marking the occasion attempted to balance the military's continued heavy involvement in

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