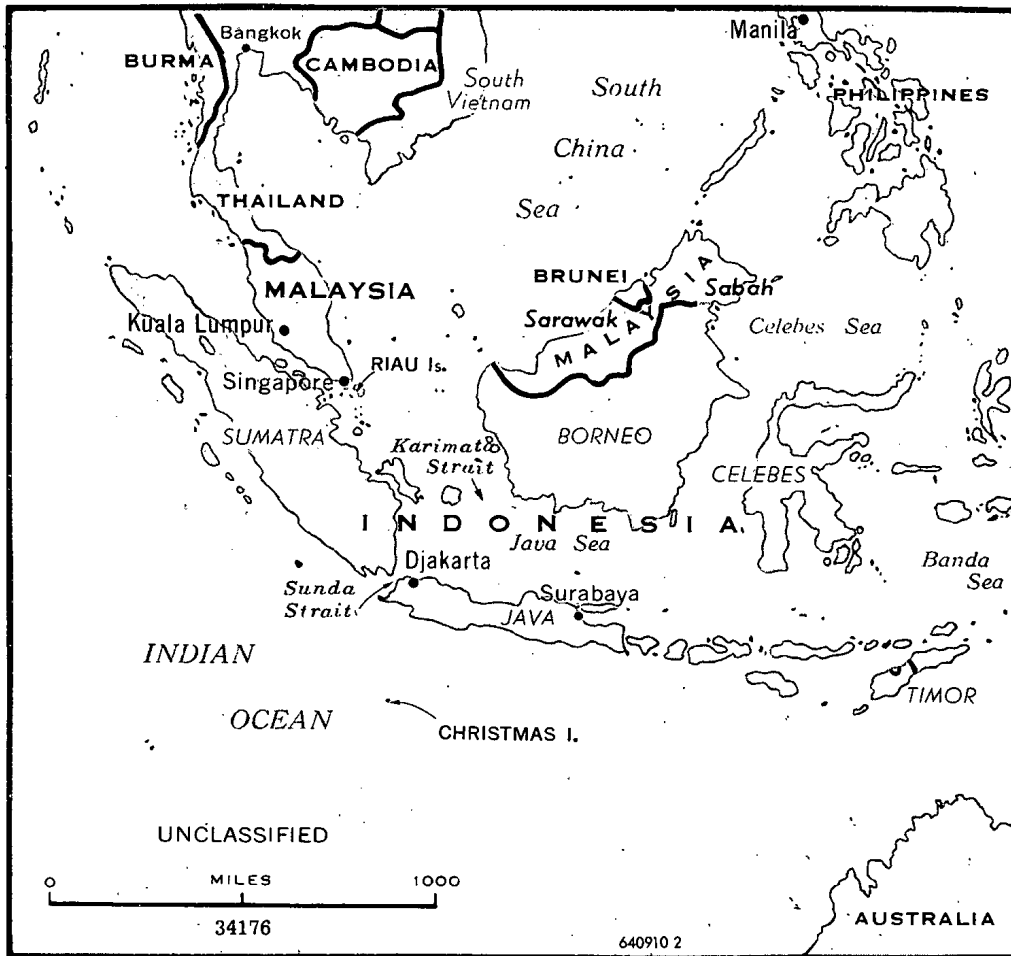


THE PRESIDENT'S INTELLIGENCE REVIEW

**ISSUED BY THE
CENTRAL INTELLIGENCE AGENCY**



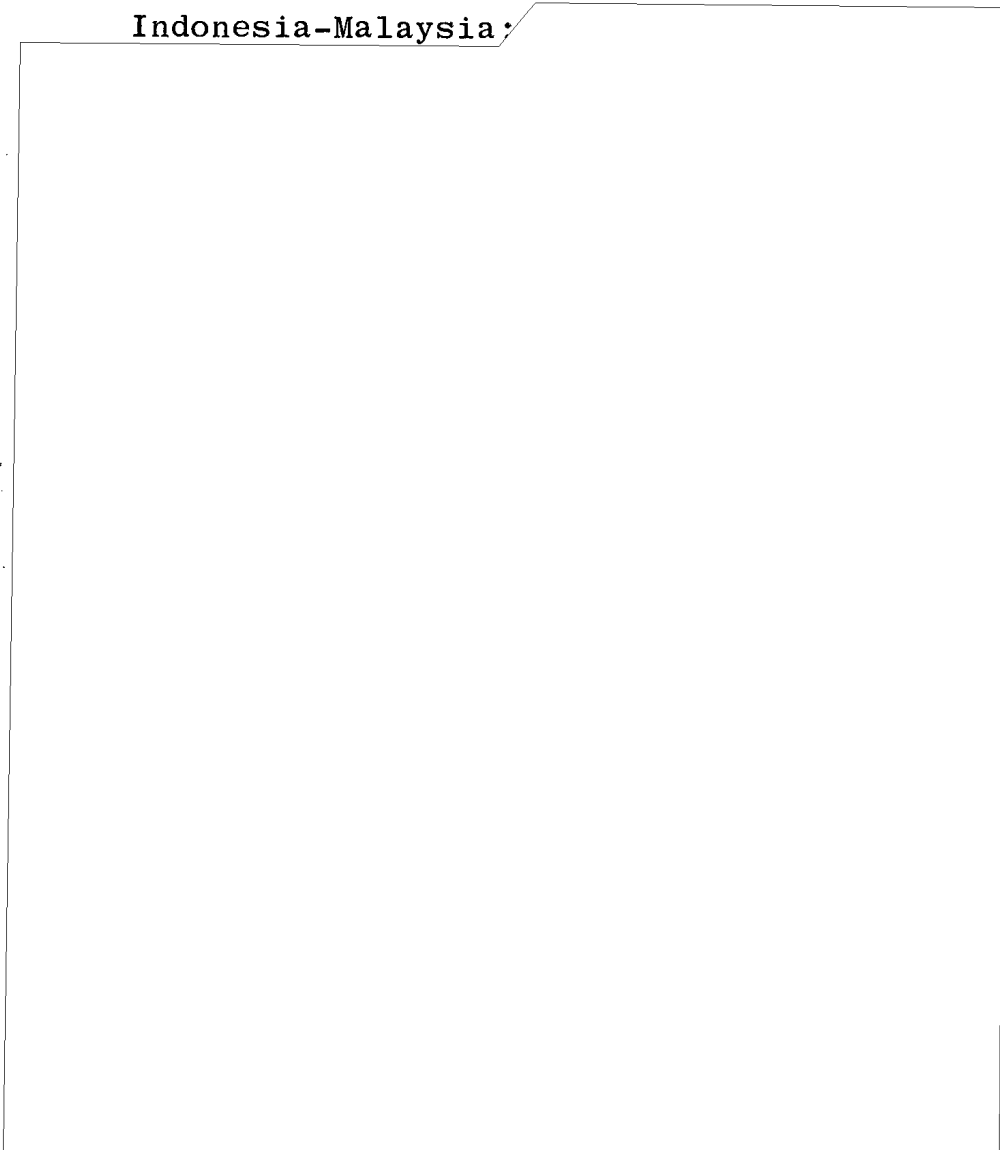
9 - 11 SEPTEMBER 1964^{50X1}
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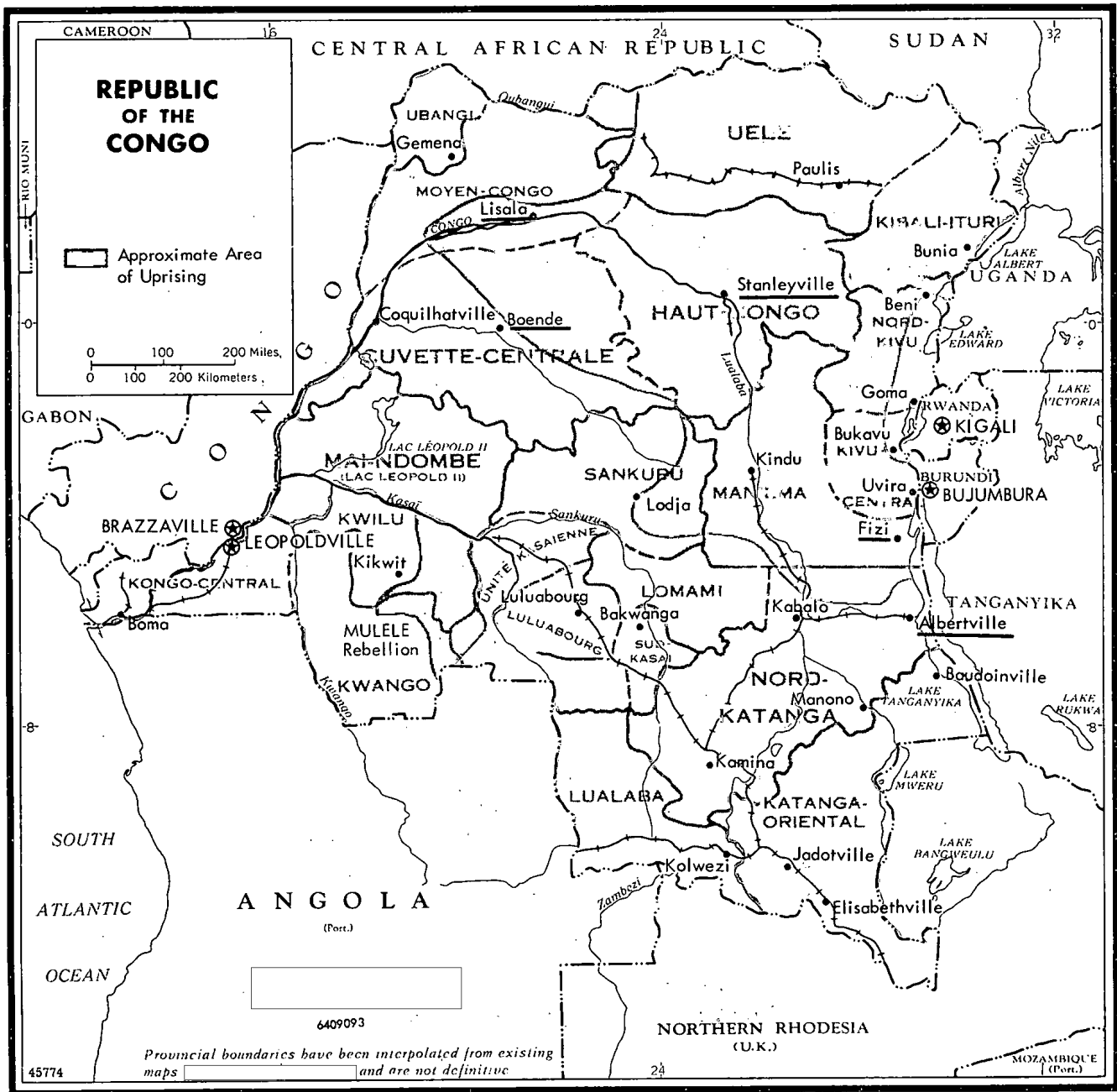


11 September 1964

1. Indonesia-Malaysia:

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2. Congo: There are signs, faint as yet, that the rebels may have just about hit their high-water mark.

For one thing, they have never, despite the announced formation of a "peoples' government," become a cohesive political force. Rebel leaders remain split six ways from Sunday.

For another, many Congolese have found the anarchy that follows the rebels is far more distasteful than the inept rule which preceded them.

The government has belatedly taken steps to bolster the defenses of Coquilhatville with B-26s and mercenaries. Its chances of holding the town would be good if the panic in Congolese Army ranks can be overcome.

(Cont'd)

For The President Only - Top Secret

Government forces pushing north from Katanga toward Uvira have halted to consolidate and reorganize. The recapture of Uvira would choke off a principal source of support of the rebels.

Tshombé did well at the OAU meeting this week. Not only did he gain acceptance as the head of the legal government, but he squeezed out several soft resolutions which will permit him to go pretty much his own way.

3. Cyprus: Although both sides are keeping their powder dry, the island has been quiet for the most part and no explosions are expected over the weekend.

Makarinos, who has his eye on extracting a self-determination resolution from the fall General Assembly, may even withdraw the obstacles he has put in the way of the rotation of the Turkish contingent.

He has eased the economic blockade of Turkish communities although fulfillment of his orders on the spot has been spotty. The Turks are worried especially about the Kokkina community.

This afternoon they threatened to send needed supplies in by armed force if necessary. Later they softened the threat by proposing a joint Turkish-UN investigation before adopting such a forceful course.

(Cont'd)

For The President Only - Top Secret

In Turkey, Inonu has weathered the latest parliamentary storm over his handling of the Cyprus mess. In the process, however, his maneuverability has been further curtailed.

[redacted] Ankara is reviewing its bilateral agreements with the US. While we do not expect the major base agreements to be brought into question, it is possible that some concessions granted to US personnel will be withdrawn to underline Turkey's unhappiness with us.

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4. South Vietnam: Khanh is again acting like a man who wants to retain power. Convinced that Buddhist support is necessary, he has made a number of shifts in top personnel which they have urged.

He has in effect restored "Big" Minh, a Buddhist popular with the Buddhists, to his role as ceremonial chief of state. He has also removed a number of officers who had come under Buddhist displeasure from key commands in the Saigon area.

In several of these cases, we suspect, Buddhist desires were in line with Khanh's own.

Khanh also has taken over the Defense Ministry from General Khiem, a frequent Buddhist target. Khiem has implied he was staying on as a member of the ruling threesome to stiffen Khanh against the Buddhists.

(Cont'd)

We hear again that the Viet Cong in the Saigon area are being told to concentrate now on infiltration and subversion--as opposed to terrorism.

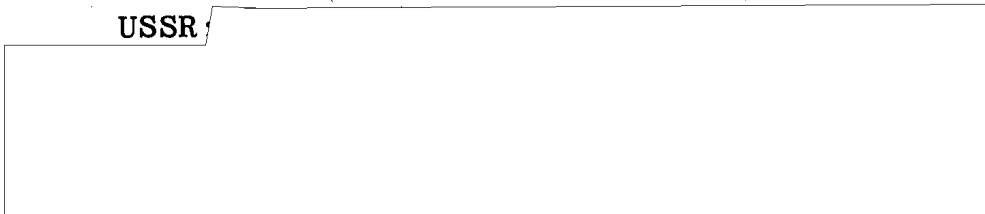
Agents are to start a whispering campaign blaming religious clashes on Americans and painting Khanh and Khiem as US stooges. Popular agitation and Buddhist attacks on Khanh are to be fostered.

5. Cambodia - South Vietnam - US: Sihanouk is using last weekend's fracas on the Cambodian - South Vietnam border as a springboard for a new plunge into anti-Americanism.

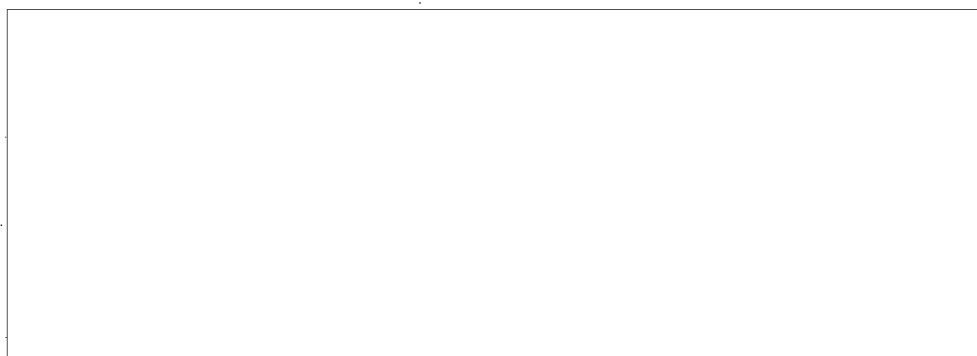
He portrayed the incident as an effort to create "pretexts for invading" Cambodia, adding that "only the Nazis of sinister memory had the diabolic audacity to stage such fabrications."

Part of this, but only a part, could be an effort on the Prince's part to curry favor in Peiping prior to his trip there late this month.

6. USSR



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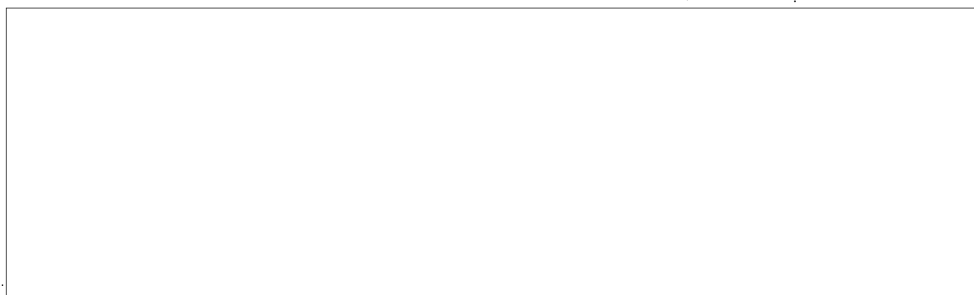


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7. Algeria: The French, who like others have viewed with dismay the course Ben Bella is following, are putting a cautious foot in his opponents' camp.



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Meanwhile, from Algiers, Ambassador Porter reports that Ben Bella survives on the sufferance of the Boumedienne's army.

8. Congo (Brazzaville): Two arms shipments, one from Communist China and one from the USSR, arrived last week in Pointe Noire.

Some of these arms are probably for the Brazzaville regime, which has been casting about for military help in the face of what it sees as a threat from Leopoldville.

The rest will probably fall into the hands of the Congolese rebels and of the Communist-supported Angolan revolutionaries.

9. USSR - Western Europe: London's agreement last Monday to extend a 15-year government guaranteed credit to the USSR will probably set off a new wave of negotiations in Western Europe.

We expect, however, that any new deals may be limited in size and number since the number of eager Western sellers exceeds the number of eager financiers.

10. Cuba-Trade: We continue to pick up indications that Castro's spending spree in Western markets earlier this year has forced Havana to clamp drastic restrictions on expenditures of foreign exchange.

With the steady decline in sugar prices these restrictions may be needed for some time yet.



50X1

11. Cuba-USSR [redacted] 50X1

12. USSR: [redacted] 50X1
[redacted] 50X1
[redacted] 50X1

13. USSR: We are seeing what may be preparations for a manned space flight attempt later this month. [redacted] 50X1

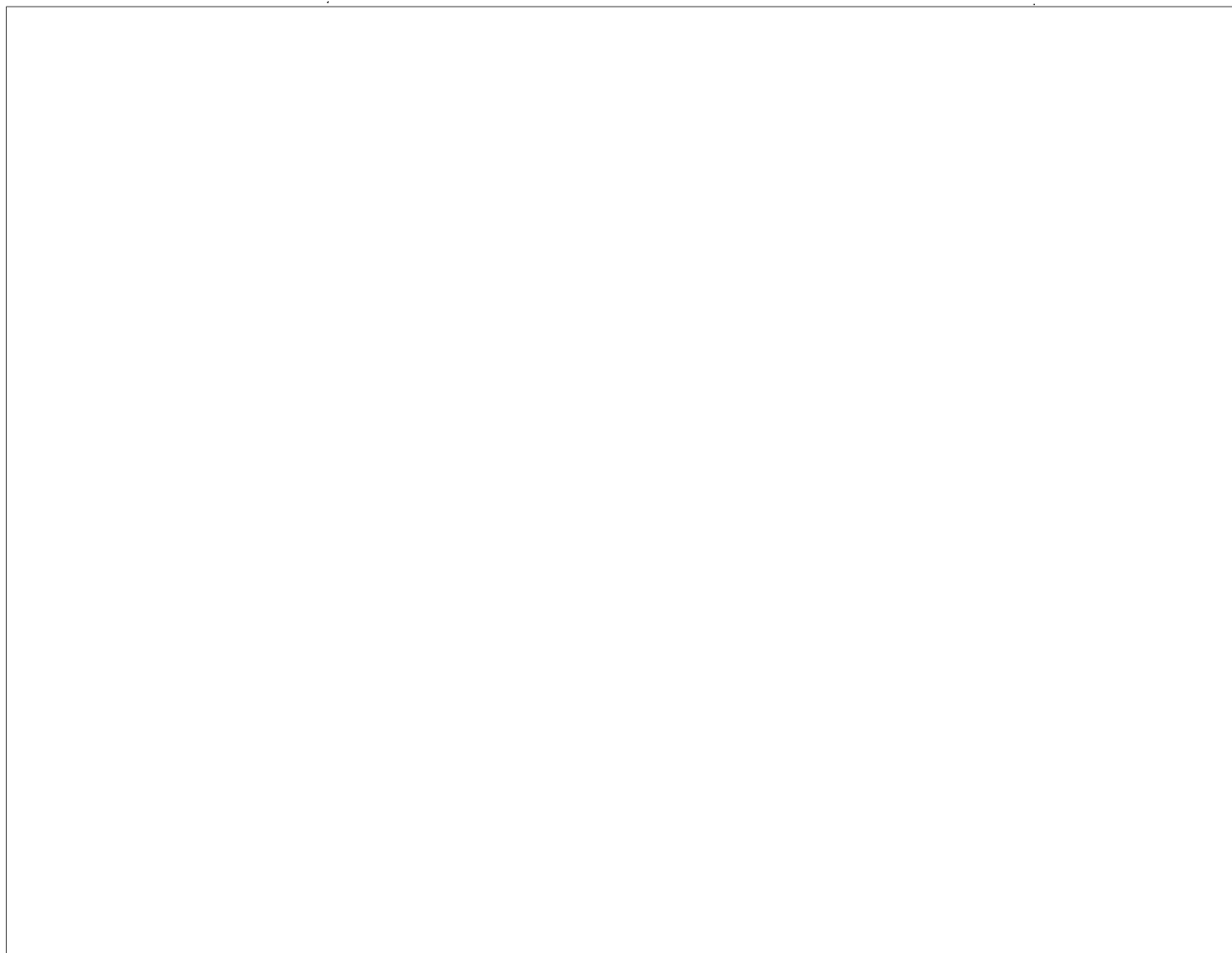
14. Communist China: The Chinese, anxious to build up their naval capabilities in the Tonkin Gulf. [redacted] 50X1
[redacted] 50X1

15. Saudi Arabia [redacted] 50X1

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