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THE PRESIDENT'S INTELLIGENCE REVIEW

ISSUED BY THE
CENTRAL INTELLIGENCE AGENCY

30 SEPTEMBER - 2 OCTOBER 1964

~~TOP SECRET~~

1. South Vietnam: Khanh, continuing to give ground before the young generals who saved his skin on 13 September, has accepted resignations from or agreed to send abroad several more officers black-balled by the young generals. In return the latter are supposed to have pledged Khanh their support.

If Khanh can make these moves stick and if the young generals back him, he might be able to stagger through until a civilian government takes over on 1 November. Khanh is now even hinting that he could be prevailed upon to resign from the army and stay on as premier.

Minh, according to Ambassador Taylor, is for once really pitching in and working on the formation of the civilian regime.

So far Khanh has proceeded cautiously in the case of the Rhade tribesmen.

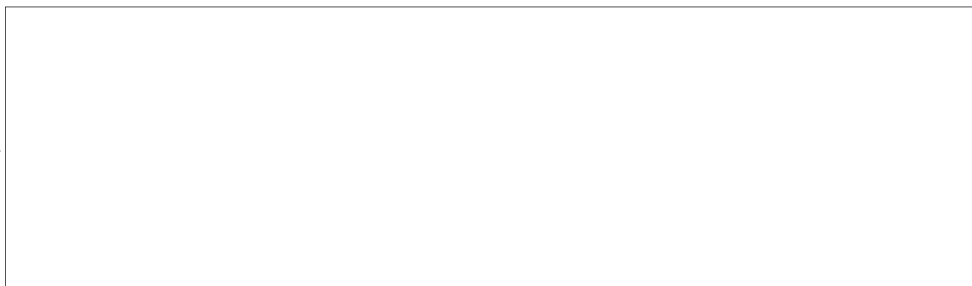
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Viet Cong harassing activity in the countryside has remained at a high level for the past few days.

2. Cyprus: It does not look as if Makarios will be getting all that he wanted from the USSR.

The communique issued after the Moscow talks refers rather vaguely to "practical measures" of Soviet assistance, but avoids a public military commitment.

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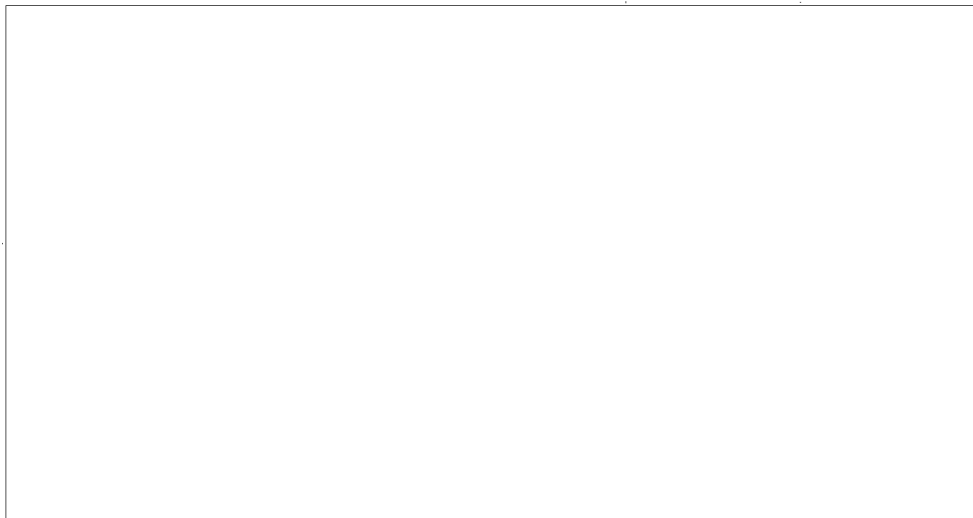
A first rate diplomatic row has been kicked up concerning the rotation of the Turkish contingent on Cyprus and the opening of the Nicosia-Kyrenia road. Turkey refuses to link the two. Makarios says that the road must be opened before he will permit the rotation. Intervention by top UN officials has only clouded the issue.

This could lead to more trouble. The Turks are saying once again that they will proceed with the rotation. Makarios says he will resist it with force.

For The President Only - Top Secret

3. Indonesia-Malaysia: [redacted]
[redacted]
[redacted] Sukarno has called off Indonesian operations against Malaysia as a smokescreen.

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4. Congo: There has been little change in the military situation. [redacted]
[redacted]
[redacted] Rebel bands remain in the area, but government defenses seem in good order.

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[redacted] the US officials in rebel-held Stanleyville were roughed up a bit when the city fell. They are all right now, though under tight restraint.

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The Red Cross plane is in Burundi awaiting an OK from Stanleyville for another flight. Rebel "President" Gbenye is said to be drawing up a list of priority evacuees. We doubt that the American officials will be on it as long as the rebels fear air attacks.

Although Tshombe has not made a public declaration that he will lay off, he in fact has no aircraft under his control capable of raiding Stanleyville.

Tshombé, though uninvited, still intends to put in an appearance at the nonaligned conference in Cairo next week.

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5. Cuban Potpourri: We have heard that when the present Mexican ambassador in Havana retires some time this month or next, there will be no replacement. This would have the effect of downgrading relations between Mexico and Cuba.


Castro's Navy has begun escorting Cuban merchantmen nearing Cuba, presumably as a result of the Sierra de Aranzazu incident.

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Deliveries to Cuba in Free World ships were about 450,000 tons greater in the first eight months this year than in the same period last year. Food, fertilizer and petroleum accounted for most of the increase.

 military goods arrived from the USSR.

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6. Communist China - Africa: Communist China has been assiduously courting new African states with traveling circuses, acrobatic troupes, and hard-headed offers of cash in return for recognition.

Senegal and the Central African Republic have succumbed. Dahomey and Cameroon may soon follow.

These successes of course will affect the representation vote in the upcoming General Assembly. The Chinese probably calculate, as do others, that the shift of a few votes could give them a bare majority in a straight vote.

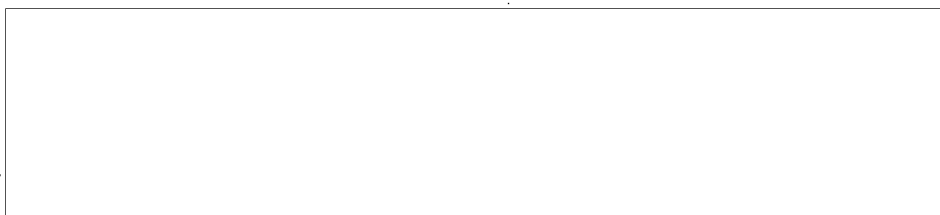
This would not get Peiping into the UN, but it might provoke Chiang into pulling out.

7. Ecuador: Quayaquil is under martial law in the wake of this week's riots, and the situation remains explosive.


Local Communists, "revolutionary" youth and supporters of deposed President Arosemena have tried to seize on public outrage at a new centralized tax program to stir up trouble and, perhaps, force a change in Quito.

The junta has responded by making a number of arrests and closing down the city's schools. They have also silenced Quayaquil radio stations and warned papers not to print anything that might "aggravate the situation."

8. Chile: President-elect Frei intends to establish diplomatic relations with the USSR, but not with Communist China or East Germany.



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9. Laos: Souvanna Phouma is convinced that the Communists intend to start a major military move soon. 



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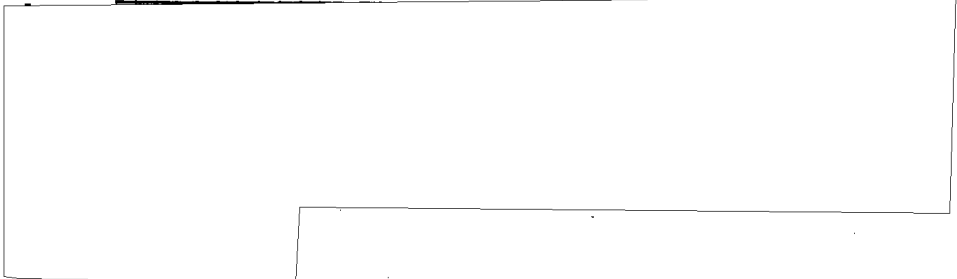
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Meanwhile, there are rumors that right-wing generals are once again talking about a possible coup in Vientiane.

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10. UAR - Yemen - Saudi Arabia



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11. USSR: Long concerned over their shrinking gold reserves, the Soviets are finally diverting to gold mining investment funds from other extractive industries. Production next year may be up by 10% to around \$210-215 million.

However, Moscow still seems hesitant to invest to the extent needed to obtain a significant growth in production.

12. Libya: With the death of security chief Bu Quwaitin, King Idris loses one of the major props of his regime.

His departure will add to the regime's difficulties in dealing with the ferment which has followed the arrest, just before next week's election, of a large batch of antiregime and pro-Egyptian figures.

13. Nonaligned Conference: Some 50 chiefs of state or their representatives will be in Cairo Monday for the opening of the second nonaligned conference. This is almost double the number that attended the first such conference in Belgrade three years ago.

While most of these will be riding their own pet international hobbyhorses, we expect the conference to pass resolutions less favorable to Western than to Soviet interests.

14. Argentina: Important sectors of the labor movement have now refused to join in the 24-hour general strike called by Peronist Labor leaders for Monday, during De Gaulle's visit. Cancellation of the strike is a virtual certainty.

15. USSR: Khrushchev has left Moscow for what is expected to be a month's vacation near the Black Sea.

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USSR-China: [redacted]

[redacted] Mission [redacted] has now been examined.
It shows significant activity at Tyuratam [redacted]
[redacted]

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A large gantry had been moved forward to enclose the large, 130-foot missile which showed up in the first package four days earlier. This suggests a flight test of this vehicle will come soon.

Also, we saw ICBMs of three types being prepared for firing at Tyuratam, the largest number ever seen at one time. Their measurements conform generally to our earlier estimates. All three were apparently fired several days later.

[redacted] we have acquired since early June cloud-free photography of 16 of the 18 old ICBM complexes. No further single silo construction of the type being put in at the old complex at Olovyannaya has been seen. In this period, however, we have found five new complexes using single silos.

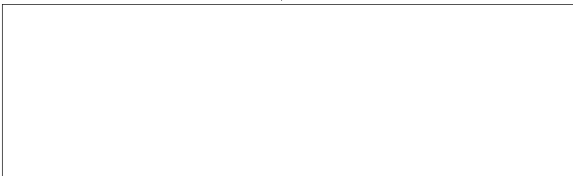
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