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South Vietnam: Communist forces conducted a number of small-scale strikes on 17-18 July, but activity fell far short of representing a new "high-point."

In the Hue area, the enemy mounted a series of raids against South Vietnamese regular and paramilitary positions, suffering considerably heavier losses than the government troops. Two enemy 122-mm. rockets hit the outskirts of Hue yesterday, causing no casualties or damage. Two additional ground attacks against an allied convoy in Binh Long Province and against an outpost near Dak To in the highlands were largely ineffective.

There continue to be indications that the Communists plan to cap their "July action phase" with a final round of offensive actions which could begin over the weekend. (Map)
Laos: There are signs that Communist forces may be moving to expand their holdings in the Plaine des Jarres area.

Over the past few days the Communists have unsuccessfully tried to overrun a number of pro-government guerrilla outposts south of the Plaine. In addition, Communist forces appear to be moving to clear the remaining government elements which threaten their supply lines south of Muong Soui.

Although there has been no new fighting west of Muong Soui, there is increasing evidence of an enemy troop buildup along Route 7. It was reported that in early July large numbers of enemy troops moving west toward Muong Soui they intended to attack Phou Khoun, Muong Kassy, Vang Vieng, and Sam Thong.

Government units operating in the Muong Soui area themselves observed a large number of trucks moving a few miles west of Muong Soui in mid-July.

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Japan-US: The Japanese Government has asked for a full explanation of press reports that 24 US personnel were treated last week for exposure to nerve gas on a US military base in Okinawa.

The government may be unable to prevent the incident from sparking demonstrations against the visit of Secretary of State Rogers to Japan late this month. The incident could seriously complicate negotiations on the status of US bases in Okinawa and Japan and could intensify popular pressure for the immediate and unconditional return of the island. The leftists, in particular, have been searching for some development to revive their lagging campaign against the Sato government's handling of the Okinawan and US-Japan Security Treaty issues.

Reaction is likely to be particularly strong on Okinawa where there is still tension over a clash between US soldiers and Okinawans during a recent labor strike, as well as over the presence of B-52 bombers and nuclear submarine visits. The chief executive of the Ryukyuan Government, Chobyo Yara, reportedly told the press that if the reports of nerve gas leakage are true, "it would create chaos on the island." A leading Japanese newspaper has reported that a mass campaign would be launched shortly on Okinawa to demand the immediate removal of all "secret weapons" from Okinawa.
El Salvador - Honduras: The cease-fire which was implemented by both sides at midnight last night was still in effect at 0430 EDT today.

It is uncertain, however, whether El Salvador will keep its side of the bargain. The CAS mission has been outraged at Salvadoran backsliding on earlier promises of compliance. Salvadoran President Sanchez' speech to the nation last night sounded no note of compromise and will add to Honduran skepticism of Salvadoran intentions.

Honduras is concerned over the effect of Salvadoran propaganda, particularly exhortations to Salvadoran residents in Honduras to organize a fifth column and stand by for orders to sabotage. The Honduran foreign minister fears this propaganda effort will stimulate widespread vigilante violence against Salvadorans in Honduras.
South Korea: President Pak, while avoiding any personal commitment, has given further encouragement to a movement that seeks to remove the constitutional bar to his running for a third term. In a speech commemorating the 21st anniversary of the South Korean constitution on 17 July, Pak pointedly reminded his countrymen that social systems and constitutions are subject to "constant reforms" to meet changing realities.

Bolivia: A confrontation between General Ovando and President Siles was averted, at least temporarily, when the mayor of La Paz, retired General Armando Escobar, banned political demonstrations favoring his candidacy in next year's presidential elections. Reports that demonstrations were planned for 16 July had angered Ovando, who believes that Siles is pushing Escobar's candidacy. Escobar probably realized he was in a particularly vulnerable position because of the Ovando-Siles feud and decided on a temporary tactical withdrawal rather than hurt his chances by challenging Ovando at this time.