

Israel is buying missile components in the US and England.

c. We think this missile program is independent of another Israeli venture: Tel Aviv's contract with a French firm, Marcel Dassault, for the development of a system which will be able to deliver a 1,600-pound warhead to a maximum range of 300 miles.

4. USSR-India

a. Moscow has promised the Indians to ship the equipment for one surface-to-air (SAM) training site early next month.

b. The Soviets had agreed to provide eight SAM sites. The rest will probably not be sent until the Indians have learned to handle the equipment about a year from now.

c. As we noted last Sunday, there are some Indians who have doubts about the Soviet willingness to live up to the letter of their military aid agreements with New Delhi.

(Cont'd)

d. They call into question especially the contract for the Soviets to set up in India a facility to assemble MIG fighters--an enterprise which has appeared somewhat impractical from the beginning.

e. We do note, however, that Soviet aircraft specialists working on the project were still in New Delhi in early November.
(INTERCEPTS)

5. Burma

a. Ne Win has followed up his action in breaking off talks with the Burmese Communists by arresting over 700 of their number.

b. Ne Win had been trying to lure the faction-ridden Communists into a "national front." However, he found the demands of the Communist negotiators, some of whom had only just returned from long exile in Peiping, to be impossible.

c. This will probably lead to renewed fighting between the army and Communist guerrillas in the hills.

d. More trouble can also be expected from the rebellious ethnic minorities like the Karens and the

(Cont'd)

Kachins, whose demands for greater autonomy have been rejected in Rangoon.

e. US officials on the spot doubt that the army, hobbled by poor leadership and its many political responsibilities, will be any more effective in dealing with the problem this time than in past anti-insurgency campaigns.

6. Cambodia

a. Sihanouk has signed an accord setting up regular air service between Cambodia and Communist China. A similar agreement with Hanoi is in the works.

b. These lines are significant largely as gestures by Peiping and Hanoi to bolster Sihanouk's sense of importance. Neither would be a paying proposition commercially and both could flounder before the first paying passenger enplanes unless rights to overfly Laos can be obtained.

(Includes INTERCEPTS)

7. Greece

a. It looks more and more as if Papandreou, who squeaked through to a narrow upset victory over ex-premier Karamanlis in the 3 November elections, will not be able to form a government.

(Cont'd)

For The President Only - Top Secret

NOTES

- A. USSR Simultaneous activity this morning on the Tyuratam missile test range, satellite tracking nets and Soviet space support ships in the Atlantic probably represented an attempt to launch an unmanned earth satellite. The launch apparently failed on the pad or was cancelled at the last moment. It may be tried again soon. (INTERCEPTS)
- B. Rumania-US Rumanian officials are about to award a US firm, Ferguson and Company of Cleveland, Ohio, a \$32 million contract to help build the huge Galati steel plant. The Rumanians are pressing ahead with this project in the face of Soviet efforts to discourage it in various ways, most importantly by refusing to underwrite the scheme to any substantial degree.
- C. Turkey The New Turkey Party has followed the Peasant Party in withdrawing from the present three-party coalition government. This means that the coalition has to all intents and purposes collapsed, even though no formal action will be taken until Prime Minister Inonu returns from Washington this weekend.
- D. Thailand The Thai doctors attending Sarit now admit for the first time that the Prime Minister is in critical condition. Our doctor agrees with this prognosis. US officials in Bangkok believe that the most likely successor would be Thanom Kittikachorn, now deputy prime minister and minister of defense. Thanom is not likely to last long, however, since he is neither a strong personality nor a figure of great weight in the military hierarchy.

(Cont'd)

For The President Only - Top Secret