

f. Iraq has announced that the military union with Syria remains in force, and that a new commander of the joint armies will be announced soon.
(Includes INTERCEPTS)

2. Laos

a. **Intercepted neutralist messages on Sunday reported that** government forces had finally secured Vang Vieng and its airfield, long held by the Pathet Lao. They also told of the capture of Ban Namone farther south on Route 13.

b. The neutralist, rightist Lao Army, and Meo tribal guerrilla forces hope to sustain their coordinated clearing action until remaining Pathet Lao pockets in this area north of Vientiane are cleared.

c. Such operations in Laos have often been followed by a Communist riposte. We have a few indicators that something could be up on the Communist side, but these are so far very tenuous indeed.

d. One such indicator is a stand down in the last two weeks on the Hanoi-controlled military communications net in Laos which could

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point to a change in the disposition or strength of Communist forces. Other enemy nets are normal.

e. There are also unconfirmed reports of North Vietnamese troop reinforcements in the Plaine des Jarres.
(INTERCEPTS)

3. South Vietnam

a. According to press reports, Viet Cong attacks on Sunday wiped out two of the government's strategic hamlets in the central highlands about 250 miles north of Saigon.

b. More than 1,000 inhabitants in the hamlets--who are minority tribesmen--are missing and possibly have fled into the mountains. They abandoned a significant quantity of weapons to the Viet Cong.

c. These attacks not only suggest continued erosion of the government's programs to win over tribal support, but also signal that stepped-up Viet Cong pressure against the new regime is spreading to the north.

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c. The Soviet note was designed to make a record, showing that the USSR exercises "control" of the autobahn and that the recent incidents resulted from US refusal to comply with "existing procedures."

d. On the other hand, the Soviet procedures described in the oral replies seem to reflect actual Allied practices, though there is enough ambiguity to afford the USSR flexibility in any future actions.

6. Brazil

a. The danger of an immediate coup against the Goulart regime has receded with the reported decision of Second Army Commander General Bevilaqua not to join the coup plotters.

b. Bevilaqua, who has been something of a storm center, may have been asked to hand over his command **today** as part of a series of reassignments made by President Goulart to keep the military off balance.

c. On the other side of the coin, there is widespread belief that Goulart himself will at some time resort to a coup to establish an authoritarian regime.

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d. As one example Raneiri Mazzilli, President of the Chamber of Deputies and next in line for the presidency, told Ambassador Gordon on Saturday that he profoundly mistrusts Goulart's intentions and intends to maintain the strictest congressional vigilance.

e. Our station in Brazil believes that Goulart is living in a dream world. He seems either out of touch with reality or very poorly informed. Public opinion is not with him and the tradition that political power should only be transferred constitutionally is very strong in the army, coup reports notwithstanding.

f. The biggest danger from this quarter is that the opposition may resort to some illegal act, giving Goulart the excuse to take over.