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10 January 1961

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# CENTRAL INTELLIGENCE BULLETIN



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10 JANUARY 1961

**I. THE COMMUNIST BLOC**

①

Communist China--Food shortages result in popular discontent.

②

Communist China to grant large credit to Burma.

③

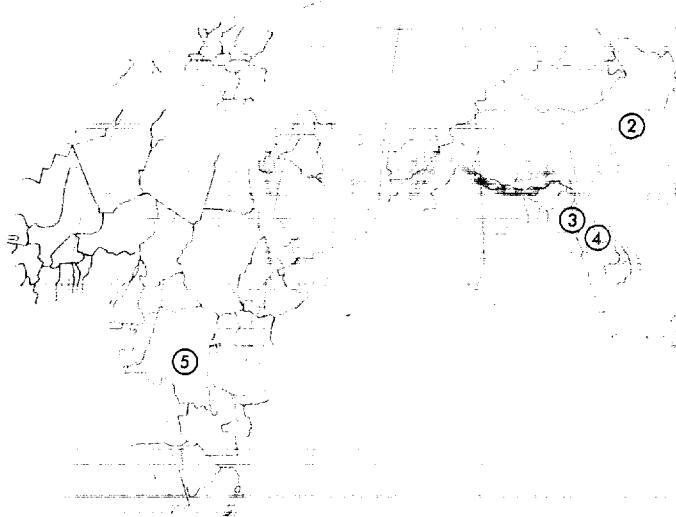
**II. ASIA-AFRICA**

Situation in Laos.

④

Situation in Congo.

⑤

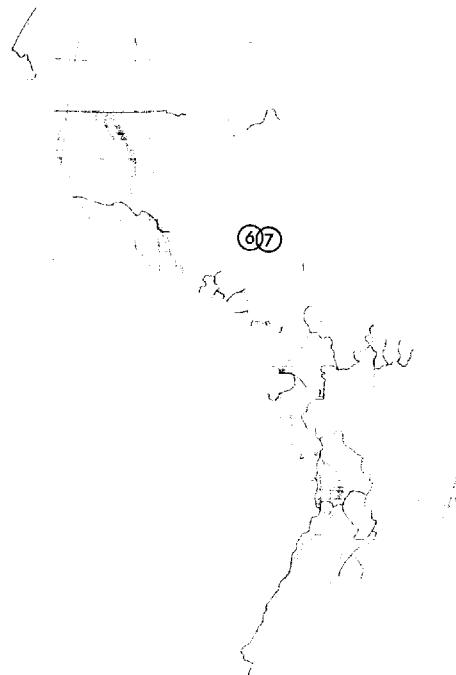
**III. THE WEST**

Majority of OAS members appear willing to discuss multilateral break with Cuba.

⑥

Watch Committee evaluation of report Castro to attack Guantanamo Naval Base.

⑦

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## CENTRAL INTELLIGENCE BULLETIN

10 January 1961

## DAILY BRIEF

## I. THE COMMUNIST BLOC

*Sirah*

[redacted] Communist China: Food shortages on the Chinese mainland have become so severe that popular discontent is now taking the form of open antiregime activities in some localities. In late November and early December anti-Communist slogans were written on public buildings in both Dairen and Hainan Island.

[redacted] food riots took place in Harbin in mid-December, with [redacted] 70 persons arrested and summarily shot.]

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\*Communist China - Burma: Following successful settlement of the Sino-Burmese boundary question, Communist China is embarking on a major effort to expand its economic and political ties with Burma. As a result of Chou En-lai's trip to Rangoon, where the instruments of ratification of the border treaty were exchanged, Peiping has agreed to extend large-scale economic aid to Burma. A joint communiqué issued on 9 January announced an economic and technical cooperation agreement under which the Chinese will provide an interest-free credit of about \$85,000,000--the largest amount ever granted by Peiping to a non-bloc

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country. The Chinese will undertake the construction of unspecified industrial projects in Burma. The new aid pact, as well as a trade agreement signed in October 1960, will provide the basis for a much greater volume of Sino-Burmese trade...a goal the Chinese have been seeking for some time.

## II. ASIA-AFRICA

\*Laos: The Communist airlift into Laos continues. Nine flights, possibly to the Vang Vieng area, were confirmed on 9 January; eleven flights to Vang Vieng are scheduled on 10 January.

Four T-6 aircraft were scheduled to arrive in Savannakhet on 9 January, and are to be flown to Vientiane on 10 January. The T-6s will give the Laotians a capability of interdicting the Soviet airlift. *12c* Supplies for transshipment to Laos are probably being moved into North Vietnam by rail.

*[redacted]* the North Vietnamese refused to permit the ICC to inspect a train possibly transporting military equipment from Communist China on 23 December. This train was at Lao Kay, the North Vietnamese entry point on the rail line from Kunming to Hanoi. The North Vietnamese denied the inspection on the grounds that the train was a "local." allegedly arriving from another part of North Vietnam.

\*Congo: Indications that the Gizenga dissidents are continuing to extend their control of areas of the eastern Congo have coincided with reports of uncoordinated countermeasures on the part of the Mobutu regime. An emissary of Mobutu is in Elisabethville for talks with Katanga President Tshombé concerning the possibility of Katangan financial support for Mobutu's forces. In Leopoldville, however, Mobutu's commissioner for finance reportedly assured UN representative Dayal on 5 January that the

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economic blockade of Orientale Province will be lifted [redacted]

[redacted] "Leopoldville" can and should negotiate with the Stanleyville regime, including Gizenga.

Some 600 Lumumbist troops have entered northern Katanga and more are reported on their way in a move apparently aimed at establishing an "independent" enclave within the province. Tshombé has given the UN until midnight tonight to disarm the invaders or he claims he will order his troops to occupy UN-controlled neutral zones along the Katanga frontier [redacted]

### III THE WEST

Latin America: Officials of a number of Latin American countries have [redacted] stated that, while their governments could not now unilaterally break with Cuba without being subjected to the charge of too closely following US footsteps, they would support multilateral action severing diplomatic ties with the Castro regime. A majority now appear ready to begin discussions looking toward a multilateral break and the imposition of economic sanctions, although the necessary two-thirds support for such action by the OAS is still not certain. Two key countries--Mexico and Brazil--are in doubt, and Chile, Ecuador, El Salvador, and the Dominican Republic appear at this time reluctant to associate themselves with moves for strong action against Castro. [redacted]

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Cuba:

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[redacted] today that Fidel Castro intends to save his Cuba by launching a simultaneous air-ground attack on Guantanomo Naval Base before the Kennedy inauguration, claiming publicly that the US initiated the action. The Cuban ambassador in Prague, who reportedly has been very nervous in the past few days, allegedly left by air for England today, ostensibly in response to a British Council invitation to his wife to inspect the English school system."

Members of the Watch Committee of the USIB have individually examined the above report and have evaluated it as probably false. In reaching this evaluation, the committee members note that the Mexican ambassador, who professed to have gotten the report from a Czech official, is notoriously unreliable. In any event, the Cuban first secretary would be unlikely to have been informed of such an operation plan by his government. Moreover, Castro is not considered to have the capability, at least in the air, to succeed in such an operation, and a failure of this order would have disastrous consequences for the Castro regime. It is unlikely that the Soviets, whose advice would have some weight with Castro, would favor such a course of action in view of their current professed conciliatory policy toward the President-elect. The Soviets would probably estimate that an attack on Guantanomo would result in the defeat of the Cubans at the hands of the US and would show up their own unwillingness to honor their vaguely worded promises of military support for Cuba.\*

The Committee members further note that the report may possibly reflect an attempt by bloc elements to cause reactions in US armed forces whose nature would support the internal Cuban tension-building propaganda that a US invasion of Cuba is imminent. There is no information from other sources to corroborate this report. Nevertheless, the possibility of military action against Guantanomo by Castro, given his rashness and instability, cannot be completely discounted.

[redacted]

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\*The Assistant Chief of Staff for Intelligence, Department of the Army, would omit this sentence for the reason that it is estimative in nature and thus beyond the purview of the Watch charter.

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Food Shortage Stirring Up Discontent in Communist China

Discontent strong enough to take the form of antiregime manifestations is reported in Communist China. The principal cause is the effect of protracted food shortages--now going into their third year. "Bad" living conditions and growing discontent were reported in late November on Hainan Island. Anti-Communist slogans were painted on the walls of official buildings in Paso, one of the island's port cities.

[stevedores there could no longer carry heavy loads because of undernourishment.]

[A similar report has been received from Dairen, where signs believed to have read "More Food" and "Down with Communism" were being erased from public buildings in mid-December. An unconfirmed report]

[states that food riots occurred last month in Harbin and that 70 persons were arrested and summarily executed. There is considerable dissatisfaction among civilians in Dairen over the army's favored treatment.]

[While the regime's controls appear more than adequate to cope with the present scale of popular dissatisfaction, the near-famine conditions may have resulted in organizational changes in at least one and perhaps two provinces. According to the Peiping press, the north coastal province of Shantung was the hardest hit in last summer's drought. People's Daily announced on 8 December that four neighboring provinces were organizing a major relief campaign to assist the people of Shantung. Two weeks earlier the local press noted the ouster of the Shantung first party secretary, Shu Tung. His replacement declared that "all cadres should overcome the high and mighty bureaucratism and habit of excusing themselves by pleading special circumstances." The American Consulate General in Hong Kong reports that there is also some evidence of a shake-up in the Kwangtung party provincial committee. The number of refugees fleeing Kwangtung into Hong Kong because of the food shortage is increasing despite stringent border controls.]

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### Latin American Reactions to Cuban Situation

Officials of a number of Latin American countries have [redacted] stated that, while their governments could not now unilaterally break with Cuba without being subjected to the charge of too closely following US footsteps, they would support multilateral action--i. e., through the 21-member Organization of American States (OAS)--severing diplomatic ties with the Castro regime. Six governments had already broken or suspended relations with Cuba prior to the US action on 3 January. A majority of OAS members now appear ready to begin discussions looking toward a multilateral break and the imposition of economic sanctions, although the necessary two-thirds support for such action by the OAS is still not certain.

Colombian Foreign Minister Turbay told the US ambassador on 5 January he felt the time had come for collective OAS action and urged the United States to make special efforts to persuade the three "doubtful" governments of Mexico, Brazil, and Ecuador, since he considered that unanimity was essential for collective action to be effective. Mexican Foreign Minister Tello had already advised the US Embassy that his government would feel obliged to abstain on any OAS action taken under the Caracas resolution against international Communism, but implied that Mexico would not actively oppose such action.

In Brazil, where policy making is virtually suspended pending the President-elect's return from Europe and his inauguration on 31 January, there is pressure for an attempt to mediate US-Cuban "differences." The Ecuadorean Government, preparing to play host to the 11th Inter-American Conference scheduled to open there in March, appears anxious to avoid any action that might jeopardize its plans. Three other countries--Chile, El Salvador, and the Dominican Republic--appear reluctant to associate themselves with moves for strong action against Castro. In Chile, the government hopes to keep the Cuban

problem out of the congressional election campaign during the next two months, fearing a further swing to the left if emotions are raised over the Castro issue.

Demonstrations by pro-Castro groups protesting the US break with Cuba--in Uruguay, El Salvador, and Panama thus far--have been relatively ineffective, a fact that may encourage some regimes that have been reluctant to support anti-Castro moves for fear of strong domestic reaction.

Argentina, which has been the sharpest critic of Cuba among the major Latin American countries, would probably support economic sanctions against Cuba but would be reluctant to break diplomatic relations at this time for both hemisphere and internal security reasons. The government believes it should maintain a listening post in Cuba, where a number of important Peronista leaders reside, and Cuban opposition leaders have requested Argentina to maintain its embassy in order to furnish assistance to these seeking asylum. The foreign minister has said that relations with Cuba could definitely not be severed before the 5 February local and senate elections.

The Cuban situation is not now on the agenda for the Inter-American Conference, which was prepared some time ago.

[redacted] that Uruguay is seeking to enlarge the agenda to include "Communist penetration of America." [redacted] Some governments, on the other hand, are giving thought to convening a special foreign ministers' meeting to deal with Cuba, and Panamanian Foreign Minister Solis told Ambassador Farland on 4 January that Panama would be happy to host such a conference.

The US break in relations coincided with intensive preparations within Cuba to resist "imminent aggression" and with a drastic tightening of police state controls, leaving the majority

of the people in Havana in a state of frightened expectancy.

the US  
break "had a considerable impact upon the general public,"  
which had already begun to feel isolated from the rest of  
the hemisphere.

**THE PRESIDENT**

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Executive Offices of the White House

Special Assistant for National Security Affairs

Scientific Adviser to the President

Director of the Budget

Director, Office of Civil and Defense Mobilization

Director, National Aeronautics and Space Administration

Special Assistant for Security Operations Coordination

Chairman, Board of Consultants on Foreign Intelligence Activities

Special Assistant for Foreign Economic Policy

Executive Secretary, National Security Council

The Department of State

The Secretary of State

The Under Secretary of State

The Under Secretary of State for Political Affairs

The Deputy Under Secretary of State for Political Affairs

The Deputy Under Secretary of State for Administration

The Counselor

Director, International Cooperation Administration

The Director of Intelligence and Research

The Treasury Department

The Secretary of the Treasury

The Department of Defense

The Secretary of Defense

The Deputy Secretary of Defense

Assistant Secretary of Defense for International Security Affairs

The Secretary of the Army

The Secretary of the Navy

The Secretary of the Air Force

The Chairman, The Joint Chiefs of Staff

The Director, The Joint Staff

Chief of Staff, United States Army

Chief of Naval Operations, United States Navy

Chief of Staff, United States Air Force

Commandant, United States Marine Corps

Assistant to Secretary of Defense for Special Operations

Director for Intelligence, The Joint Staff

Assistant Chief of Staff for Intelligence, Department of Army

Director of Naval Intelligence, Department of Navy

Assistant Chief of Staff, Intelligence, Department of the Air Force

Supreme Allied Commander, Europe

Commander in Chief, Pacific

The Department of Commerce

The Secretary of Commerce

Atomic Energy Commission

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Federal Bureau of Investigation

The Director

National Security Agency

The Director

National Indications Center

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