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6 October 1960

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CENTRAL

INTELLIGENCE

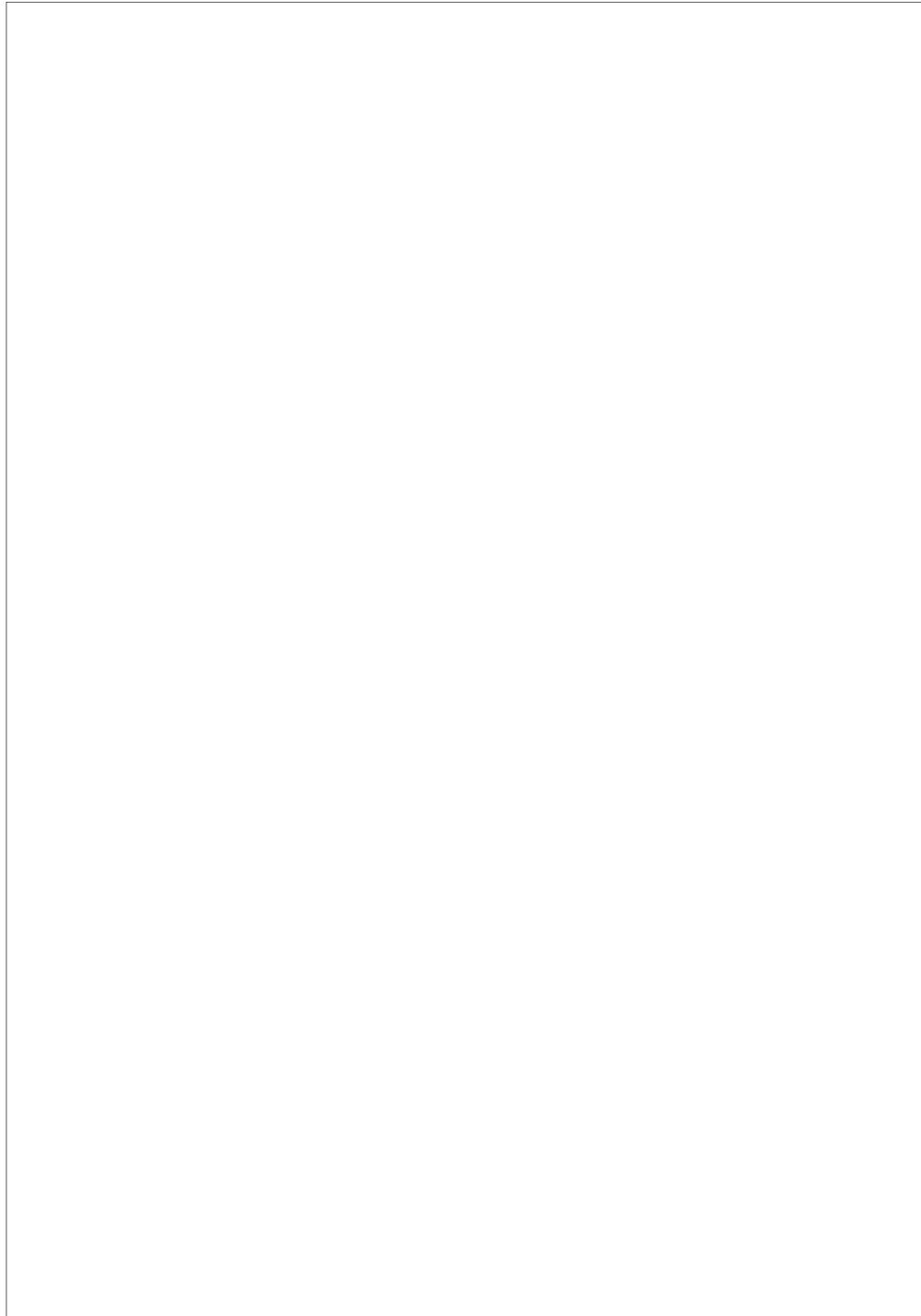
BULLETIN



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6 OCTOBER 1960

I. THE COMMUNIST BLOC

Soviet military writer argues--probably for Chinese benefit--that victory in a surprise nuclear attack not possible and that limited war risks world war.

(1)

Chinese Communists and Albanians publicly aligned on Sino-Soviet dispute; Moscow expected to move to return Albania to the fold.

(2)

II. ASIA-AFRICA

Laos--Vientiane preparing for talks with the Pathet Lao; Souvanna Phouma increasingly negative about talks with Phoumi.

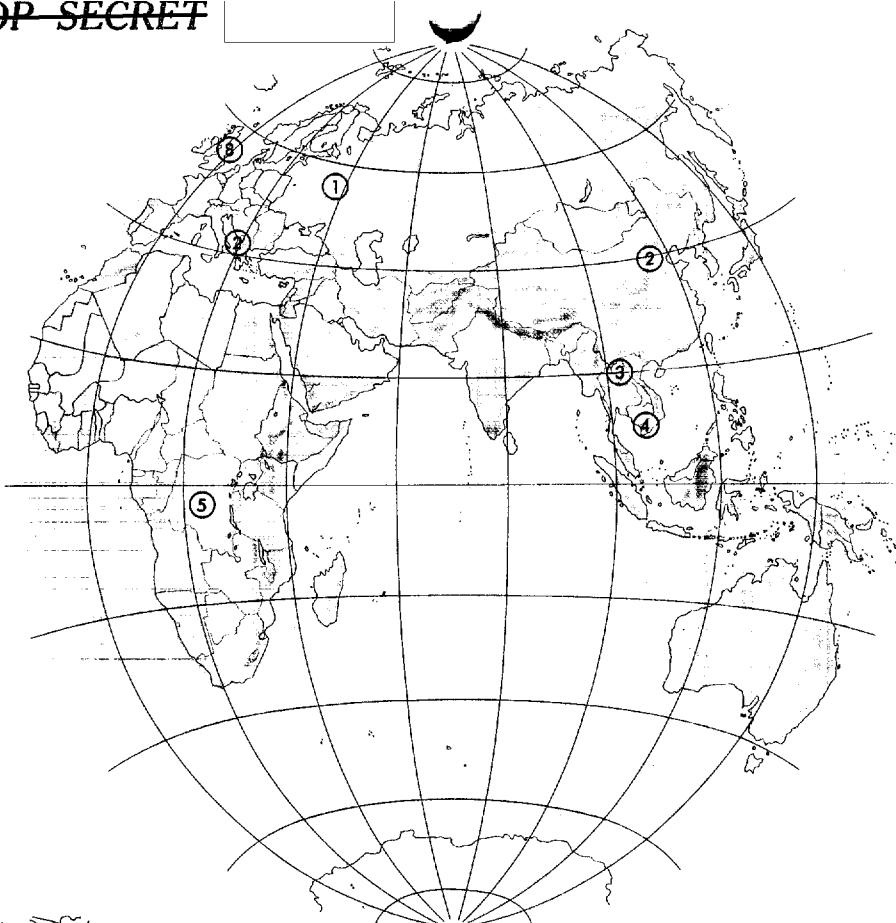
(3)

South Vietnam--Communist guerrilla activity growing in previously quiet area.

(4)

Cairo urged to give last-ditch financial aid to Lumumba.

(5)

**III. THE WEST**

Fidel Castro apparently planning to re-
turn to UN this month.

Cuba transferring balances in US banks
to England and Canada.

London, in promotive association among
Common Market, Outer Seven, and the
Commonwealth, seeks to block European
integration.

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CENTRAL INTELLIGENCE BULLETIN

6 October 1960

DAILY BRIEF

I. THE COMMUNIST BLOC

Leah

USSR: Red Army Major General Nikolai A. Talensky, a noted writer on Soviet military doctrine, has condemned the idea that war might be justified if it meant the end of capitalism. In the magazine "International Life," Talensky said that after another war, which "could not fail" to be a world war, "the earth's population would be cut in half, and it would be the most active and most cultured part of mankind that would disappear." He concluded that a mass surprise attack cannot bring victory for the attacker because the retaliation could still destroy all his vital centers.

OK

The article, which has been given added stature by a review by TASS, is a direct attack on the Chinese Communist attitude that the dangers of nuclear war have been overrated. Talensky is also in effect reiterating to the Chinese--who continue to clamor for Taiwan--that the concept of limited war is invalid because it would risk full-scale war. This is the most emphatic major article on military theory to appear in the Soviet press since the Sino-Soviet dispute sharpened at the Bucharest Conference and indicates an effort to show in practical military terms why the coexistence line must be followed.

OK

Sino-Soviet Dispute: At an Albanian-Chinese friendship rally in Peiping on 4 October, China and Albania unequivocally affirmed their solidarity in the Sino-Soviet dispute over world Communist strategy. The Chinese endorsed the Hoxha regime for its "completely correct," uncompromising struggle against imperialism and modern revisionism, and the Albanians, in turn, lauded Peiping's defense of the purity of Marxism-Leninism. In attacking Tito as a "traitor to the world proletariat," both underscored their displeasure at Khrushchev's gestures of

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friendship to Tito at the United Nations. Moscow must view Albania's continued defiance as a threat not only to its campaign to isolate Peiping but also to its authority over the Eastern European satellites. The Soviet leaders can be expected, therefore, to take measures to bring Albania into line as quickly as possible.

(Page 1)

II. ASIA-AFRICA

Laos: The appointment by Souvanna Phouma of a four-man delegation headed by a left-wing neutralist paves the way for early peace talks with the Communist Pathet Lao. Souvanna meanwhile is becoming increasingly negative on the question of negotiations with General Phoumi's group. Souvanna apparently believes that he now has gained the upper hand and that he may be able to avert a compromise leading to the replacement of his government.

(Page 3)

*OK
delete
P2*

South Vietnam: Two incidents in the central mountain areas of South Vietnam on 17 and 20 September point to growing Communist activity in the area previously least affected by this year's stepped-up Communist guerrilla campaign. In one, a village district office was attacked by a band of 60-100 guerrillas, the largest Communist force noted in the area since 1955. Communist infiltration into central South Vietnam from the Laos border may increase with further deterioration of the Laos situation, complicating further the serious internal problems faced by the Diem government.

OK

(Page 4)

Republic of the Congo: The UAR ambassador in Leopoldville has urged that Cairo grant further financial aid to Lumumba in view of the "critical" situation in the Congo.

No

"we have reached the high point with regard to Lumumba's position through the sums which we have paid to him, and the descent has in fact begun now." The ambassador

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characterized earlier US financial aid as having been "decisive" in maintaining Lumumba's position, and implied that a further grant could be used by Lumumba to "buy off" Mobutu.

[Redacted] (Page 5)

I. THE WEST

Cuba: Fidel Castro's experience at the United Nations has apparently strengthened his view of himself as a leader of the peoples of all the underdeveloped countries in their "struggle against imperialism." He evidently plans to return to the UN. Upon his 28 September departure from New York he said he would return in a few weeks; New York hotel officials reported on 3 October that Cuba is seeking reservations beginning 23 October for a delegation that may be headed either by Fidel or Raul Castro.

[Redacted] (Page 6)

*Cuba: Instructions have been sent by the National Bank of Cuba to all New York banks concerned, to transfer to the United Kingdom or to Canada the balances held for the account of Cuban banks. The amount of balances and securities held by Cuban banks in New York banks as of 31 August is reported to be slightly in excess of \$4,000,000. Furthermore, the International Monetary Fund (IMF) was likewise instructed to dispose of and transfer to the Bank of England, the proceeds of \$1,645,000 held in gold by the Fund for the Bank of Cuba. The transfer of Cuban assets out of the US is probably to safeguard them from any freezing action by the US. The transfer of Cuban gold held by the IMF may presage Cuba's withdrawal from the Fund.

[Redacted]
On 3 October, the National Bank of Cuba purchased in New York the equivalent of nearly \$4,500,000 in pounds sterling and ordered its deposit in London to the account of the Czech State Bank. This transaction was probably a payment for Bloc arms.

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DAILY BRIEF

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European Confederation: Common Market officials are highly suspicious of Britain's current efforts to promote some kind of association agreement among the Common Market, the Outer Seven, and the Commonwealth by taking advantage of De Gaulle's proposals for a European confederation. They are convinced that the De Gaulle plan can eventually be "channeled" to serve at least in part the Common Market's objectives, but apparently regard the British pressures as a real threat. According to the deputy chief of the American Mission to the Common Market, his British colleague has led him to believe that London continues to "seek in every way to retard if not prevent any real economic or political integration on the Continent." OK

(Page 8)

IV. WATCH COMMITTEE CONCLUSIONS

- A. No Sino-Soviet bloc country intends to initiate hostilities against the United States or its possessions in the immediate future.

Note:

no

- B. No Sino-Soviet bloc country intends deliberately to initiate direct military action against US forces abroad, US allies, or areas peripheral to the Orbit in the immediate future.

BERLIN: The bloc campaign of undermining the Western position in Berlin continues. There are indications that among the next East German steps there may be air harassments.

- C. Situations susceptible of direct exploitation by Soviet/Communist hostile action:

LAOS: Communist elements in Laos have continued to enhance their position with military successes in Sam Neua and with the decline of anti-Communist influence over the government resulting from the defeat of General Phoumi's forces

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[redacted]
and his increasing discouragement. The Pathet Lao are able to exercise increasing influence on the Lao Government and thereby seriously to threaten the political orientation of the country.
[redacted]

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DAILY BRIEF

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China and Albania Reaffirm Solidarity of Ideological Views

Tirana and Peiping have seized the occasion of the Chinese Communist 11th anniversary celebrations in Peiping to exchange unequivocal affirmations of solidarity in the current Sino-Soviet dispute. The love feast climaxes a year punctuated by Albanian expressions of sympathy for Chinese policies despite Soviet displeasure and pressure.

The leader of the Albanian delegation to the Chinese celebrations, Deputy Premier Abdyl Kellezi, said at a 4 October rally that the Chinese, under the "wise and flexible" leadership of Mao Tse-tung, have always followed correct political, ideological, and economic policies. He added that China was defending the purity of Marxism-Leninism, and that the friendship between the two countries had been personally endorsed by Albanian party leader Enver Hoxha and Mao. Kellezi's statements were preceded by a warm endorsement of Chinese Communist policies by Hoxha in a 30 September speech in Tirana.

Chiang Nan-hsiang, chairman of the China-Albania Friendship Society, in turn labeled the line of the Albanian Workers' (Communist) party "completely correct," and asserted that "neither towering mountains nor deep oceans" could separate the Chinese and the Albanians. The Chinese even went out of their way on 2 October in Peiping to demonstrate their pleasure with the Albanians by sending a higher ranking delegation to the China-Albania Friendship banquet than they sent to the Soviet ambassador's reception.

Chinese and Albanian statements describing Tito as a "running dog of imperialism" appear to have been for the purpose of showing displeasure over Khrushchev's gestures of friendship toward Tito at the UN General Assembly.

The Chinese apparently are willing to provide more than mere propaganda support to Albania. Chinese business representatives in Hong Kong are reliably reported to have been

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seeking to purchase unspecified amounts of wheat for shipment to Albania in 5,000-ton lots beginning in October. Albania is believed currently to be short of wheat, and this commodity is not in the Albanian-Chinese exchange list this year.

Moscow must view Albania's continued willingness to defy Moscow as a threat not only to its campaign to isolate Peiping but to its authority over the East European satellites. All efforts to bring the Albanians into line--including the use of official snubs and possibly some direct effort to bring about internal political change--have evidently failed. Moscow can be expected to undertake further and more direct measures, in an effort to bring Albania in line before the November meeting in Moscow of world Communist leaders. [redacted]

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The Situation in Laos

Radio Vientiane announced on 5 October that the Souvanna Phouma government had appointed a four-man delegation for the impending peace talks with the Communist Pathet Lao. Quinim Pholsena, Souvanna's extreme leftist minister of information, will head the delegation, and armed forces commander General Ouane will be a member. The Pathet Lao had previously appointed a three-man delegation, all of whom are members of the movement's Communist inner core.

[Premier Souvanna told Ambassador Brown on 5 October that he was worried about the increased strength of the Pathet Lao and considered it imperative to start negotiations before the Pathet Lao became even stronger. Souvanna added that he planned to go to Luang Prabang on 6 October to plead with the King to order General Phoumi and Prince Boun Oum of the Savannakhet Revolutionary Committee to join in support of his government.]

[Souvanna's emphasis on Phoumi's rallying to his government, rather than on negotiations for a compromise with Savannakhet, reflects his confidence that he has gained the upper hand in his struggle with Phoumi. He apparently now feels that his position is strong enough to avert the political negotiations the King has been promoting for the purpose of forming a new government of national unity under some other premier. He]

[ordered his associates in Luang Prabang to organize a popular demonstration in his favor timed to coincide with his visit to the royal capital. Such a move would be well calculated to dissuade the King from asking for Souvanna's resignation.]

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Communists Step Up Guerrilla Attacks in Central Region of South Vietnam

Two incidents in late September point to growing Communist guerrilla action in the central mountain provinces of South Vietnam, the area hitherto least affected by the intensified Communist campaign of terrorism and subversion which began early this year. Civil Guard troops in one coastal province inflicted several casualties and captured rifles and sub-machine guns after encircling a Communist hide-out on 17 September. On 20 September, a district office in Quang Nam Province, about 100 miles south of the truce line, was attacked and ransacked by a band of 60-100 guerrillas, the largest Communist force noted in the area since 1955.

In a discussion of the latter incident, South Vietnamese President Diem told American Embassy officials that a Communist commander killed in the clash carried instructions from Hanoi to blow up certain bridges throughout the region. Diem's brother and political adviser in the region, Ngo Dinh Can, also recently stated that the September attacks indicated a departure in his area from past Communist tactics of propaganda and sporadic terrorism. This region, traditionally called Central Vietnam, was formerly a Communist stronghold, but has been generally quiescent since the departure of Viet Minh troops after the 1954 truce divided the country into North and South Vietnam. It is vulnerable to further Communist infiltration across its common borders with North Vietnam as well as from Laos, should the situation there further deteriorate.

Vietnamese Army units are stationed near the border with North Vietnam, but have been employed against the Communist guerrillas principally in the delta provinces southwest of Saigon, where the subversive campaign has been most intense. The American army attaché has reported that on 28 September, following an attack by a large Communist band 20 miles west of Saigon, the army retaliated with its most effective example to date of a combined operation, using ground and air forces.]

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The Situation in the Congo

Although the power struggle in Leopoldville between Mobutu and Lumumba continues, UAR Ambassador Ghaleb has expressed apprehension for the prospects of deposed premier Lumumba. On 3 October, Ghaleb urged that Cairo grant further financial aid to Lumumba in view of the "critical" situation in the Congo. On the same day, Lumumba was publicly criticized by members of the Congo legislature.

[redacted] the UAR "has reached the high point with regard to Lumumba's position through the sums which we have paid to him, and the descent has in fact begun now." The ambassador added, "The sum of money which was given to Lumumba, despite its small size, was a decisive factor... in saving Lumumba." The last known UAR gift to Lumumba, in an unknown amount, was made in mid-September. [redacted]

[redacted] Ghaleb asked Lumumba to estimate the amount of money necessary to buy off Mobutu.

In Katanga, where sporadic tribal violence continues, anti-Belgian remarks by an official of the ruling Conakat party may presage a party split. Ndala Kambola, a rival of President Tshombé for leadership of the Conakat, on 4 October charged Belgium with "sabotaging" Katanga's independence and threatened the nationalization of Belgian companies there. Tshombé subsequently disavowed Kambola's threats and disputed his claim to speak for the party. [redacted]

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Castro Evidently Plans Return to UN General Assembly

Fidel Castro's experience at the United Nations late last month has apparently strengthened his view of himself as a leader of the people, not only of Latin America, but of all underdeveloped countries in their "struggle against imperialism." Upon his departure from New York on 28 September he said he would return in a few weeks; a New York hotel manager says he has refused a Cuban request for reservations beginning 23 October because he has good information that the party would include Raul or Fidel Castro.

Castro's UN address on 26 September evidently struck a responsive chord among the delegations of some of the new African states, and the Cuban-proposed agenda item on land reform will provide another occasion for Cuba to pose as the champion of the underdeveloped nations. Castro told a Cuban television audience on 30 September that "we are thinking of presenting a motion in the United Nations against racial segregation in the United States." In a further effort to identify his regime with world neutralist leaders, Castro declared on his return to Cuba that Nkrumah may visit Cuba late this year and Nasir next March.

The Castro regime, which is giving increasing propaganda support to the cause of the Algerian rebels, is apparently to act as host later this month for a conference sponsored by the "Algerian Aid Committee" based in Morocco. The committee member representing the Communists' World Federation of Trade Unions had urged Havana as the site of the conference.

Cuba's withdrawal on 4 October of its candidacy for a UN Security Council seat, which it had little hope of winning, may have been in return for a promise by some Latin American delegations for support for a council seat next year.

Meanwhile, the Catholic archbishop of Santiago, in Oriente Province, issued a pastoral letter on 2 October constituting the

strongest anti-Communist statement yet made by any church official in Cuba. Although the church is weak in Cuba generally, its prestige in Oriente is greater than elsewhere on the island because of the firm anti-Batista stand taken by many churchmen in that province during Castro's war against the Batista dictatorship. The archbishop himself is credited with saving Castro's life in 1953 after he had been captured by the Batista forces.

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[Redacted]

Common Market Officials Fear British Exploitation of European Confederation Plan

The De Gaulle proposals for a confederation of the six European Common Market countries are evidently regarded by Common Market officials as a lesser threat to the future development of the European Economic Community than the possibility of British exploitation of it. According to the deputy chief of the American Mission to the Common Market, recent talks with Community officials have revealed a "dedicated conviction" that the De Gaulle plan "will eventually be channeled" to serve at least in part the Common Market's objectives. This optimism is tempered, however, by realization of the extent to which London is using the opportunity provided by the De Gaulle plan to renew pressure for some kind of association agreement among the Common Market, the British-led Outer Seven, and the Commonwealth.

London is exerting its pressure for such an agreement primarily on Bonn. Common Market officials believe that thus far the West German Foreign Ministry is resisting these pressures and has not yet produced any new plan for linking the Community with Britain and the Commonwealth. They are not sure, however, how firm this resistance is, and believe that Adenauer--ordinarily a strong supporter of the Common Market--is increasingly influenced by German industry, which has long wanted an economic association broader than the Community. If London and Bonn can work out such a plan, it will then be cleared with the respective members of the Common Market and the Outer Seven and presented as a fait accompli to the United States, which is opposed to any preferential arrangement between the two groupings.

The initial reaction to the De Gaulle proposals has probably encouraged London to pursue its efforts to reach an accommodation with the Common Market. Many within the Common Market have pointed out that, by proposing to put curbs on the supranational development of the Community, De Gaulle]

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[redacted] was removing one of London's major objections to it. Moreover, immediately after his July visit to De Gaulle when the confederation proposal was first advanced, Adenauer--apparently somewhat piqued with De Gaulle and with the Common Market --proposed to Macmillan a new survey of the accommodation problem.

This may have encouraged London to expect agreement on more favorable terms than it is likely to get. The deputy chief of the American Mission to the Common Market believes his British colleague has recently made it "abundantly clear that Britain continues to seek in every way to retard if not prevent any real economic or political integration on the Continent" and has been told by him that "British policy on the Six-Seven issue has not changed in the slightest." [redacted]

[redacted]

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THE PRESIDENT

The Vice President

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 Treasury Department

The Secretary of the Treasury

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 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

Federal Bureau of Investigation

The Director

Atomic Energy Commission

The Chairman

National Security Agency

The Director

National Indications Center

The Director

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