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27 July 1960

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CENTRAL INTELLIGENCE BULLETIN

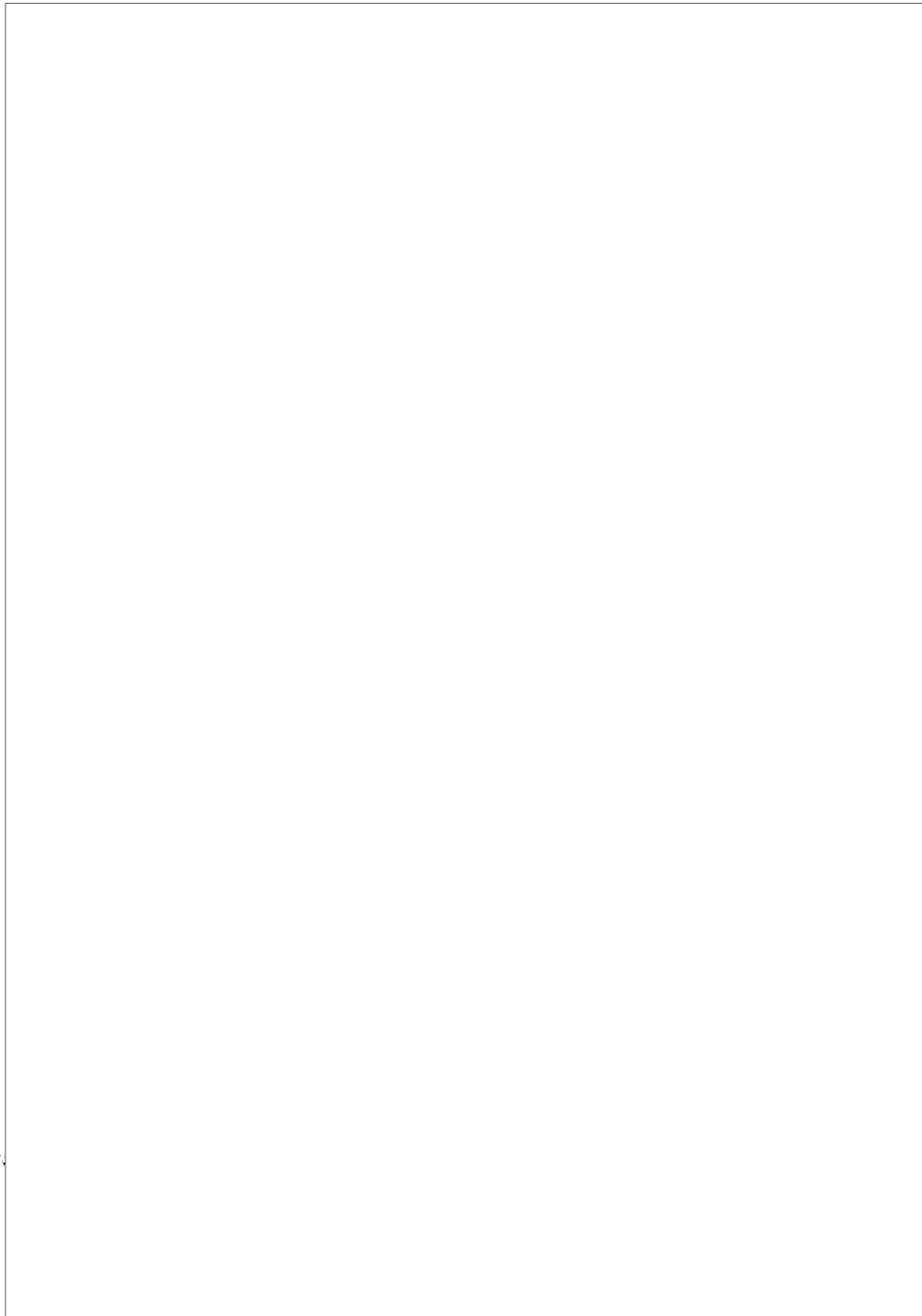
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CLASS. CHANGED TO: TS S C

NEXT REVIEW DATE: 2010

AUTH: HR 70-2

DATE: 9 JUN 1980REVIEWER: ~~TOP SECRET~~



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27 JULY 1960

I. THE COMMUNIST BLOC

USSR may be entering new phase of anti-missile development at Kapustin Yar test range.

Comment on Khrushchev's latest disarmament notes.

Chinese Communist labor delegation in visit to Japan expected to supplement guidance to Japanese leftists opposing security treaty.

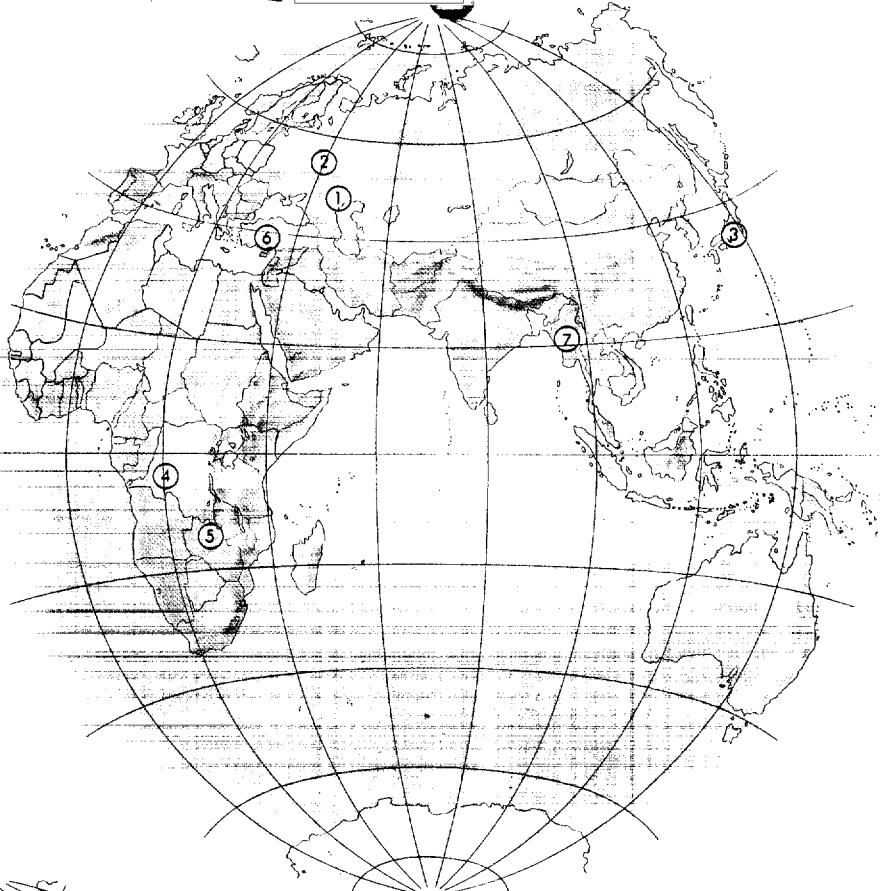
II. ASIA-AFRICA

Comment on Congo situation.

Disorders continue in Southern Rhodesia.

Turkey--Military regime planning to foster viable opposition party to fill vacuum caused by discrediting Democratic party.

Burma seeks grant aid from USSR to develop important waterway.

**III. THE WEST**

(8) Cuba--Argentine ambassador believes Castro is "doomed man" who has become prisoner of pro-Communist clique led by Guevara.

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CENTRAL INTELLIGENCE BULLETIN

27 July 1960

DAILY BRIEF

I. THE COMMUNIST BLOC

USSR: Preparatory activities now in progress on the Kapustin Yar missile test range indicate that the USSR may be entering a new phase of an anti-missile development program.

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preparations for early resumption of launchings of 700-nautical-mile missiles from a down-range point to the 1050-nautical-mile impact point.

possible work on an anti-missile detection system using the 700-mile missiles as incoming targets; their resumption now would suggest a new phase of development work. Information on which to base any conclusion that the Soviets have or have not fired an anti-missile missile against an incoming target is entirely too scanty and tenuous.

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USSR: Khrushchev's 23-25 July notes and letters to the Western powers on disarmament are probably intended to offset the US initiative in requesting a meeting of the UN Disarmament Commission. For the first time, the new American disarmament plan is officially criticized in detail. Denying that the USSR broke off the talks in the ten-nation committee in order to avoid discussion of the American proposal, Khrushchev dismissed the plan as an attempt to expand US espionage activities under the guise of disarmament controls. As in his letters of 27 June concerning the breakoff in Geneva, he insists that the UN General Assembly is the proper forum for future discussion, and implies that the USSR will seek to broaden the composition of disarmament talks.

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Communist China - Japan: A Chinese Communist labor delegation, which includes two members of the Chinese Communist party central committee, is expected to visit Japan this week. It is the first group of Chinese officials to visit Japan in over two years. It will almost certainly use its stay to offer supplementary guidance to Japanese leftists and Communists on renewed efforts to undercut the security treaty. Observers in Japan speculate that the Ikeda government may use the visit to sound out the Chinese on the question of resumption of trade.

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II. ASIA-AFRICA

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*Congo: The status of Katanga Province and of Belgian bases in the Congo has become a major source of friction between UN and Belgian officials in the Congo. On 25 July, Brussels protested a press interview by the UN commander, General von Horn, in which Von Horn "ordered" the evacuation of Belgian armed forces from Katanga. Subsequently, Von Horn authorized a milder statement in which he nevertheless indicated that UN forces would shortly move to occupy Katanga.

Brussels continues indecisive concerning the "independent" Katanga government of Moise Tshombé, and thus far has stopped short of formal recognition. UN Secretary General Hammarskjold will probably seek a Belgian withdrawal from Katanga during his present visit to the Congo, but a decision by Brussels to recognize the Tshombé government could presage moves by Belgian forces to bar the entry of UN forces into Katanga.

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Southern Rhodesia: African nationalist rioting at Bulawayo has continued despite strenuous efforts by 2,000 police and troops. The Africans, aroused by developments in the Congo, are protesting the arrest last week of several nationalist leaders. The white-settler government apparently continues to miscalculate the intensity of African aspirations. The government may be pursuing a tough

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[policy to convince the European electorate--in advance of possible parliamentary elections this fall--that the present regime will defend white interests as strongly as would the right-wing opposition party.] (Page 5)

[Turkey: The military regime is increasingly concerned over the political vacuum created by discrediting the Democratic party leaders. The National Unity Committee (NUC) is giving priority attention to the problem of establishing a political party which could become a viable opposition to the Republic Peoples' party, whose influence the committee is apparently trying to limit. The election date is still undetermined, but most of the committee now seem to favor 27 May 1961, the anniversary of the coup.]

(Page 6)]

[Burma-USSR: The Burmese Government is asking the Soviet Union for technical assistance on a grant basis to develop the Chindwin River, an important waterway in north-central Burma, and to establish a fertilizer plant. The Soviet Union has countered with an offer to provide specialists to carry out the preliminary surveys at Burmese expense. Burma's request for grant aid is a departure from U Nu's preference for loans. His decision may be a concession to the army, which opposes foreign loans. Under Ne Win's military regime, most Soviet aid projects were canceled, largely because of the USSR's refusal to shift its technical assistance from a loan to a grant basis.] (Page 7)]

III. THE WEST

[*Cuba: The Argentine ambassador in Cuba, Julio Amoedo, told Ambassador Bonsal that he fears Fidel Castro is a "doomed man" and that the situation in Cuba is "hastening to a tragic outcome in which Castro will be the victim." Amoedo, who has been the Latin American ambassador closest to Castro and whom Ambassador Bonsal regards as a reliable and sympathetic ally of the US, received this impression during a 23 July conversation with]

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[Castro in the course of which "Che" Guevara unexpectedly appeared. Amoedo feels Castro was unable to speak to him on the subject for which Castro had summoned him because of the presence first of acting Foreign Minister Olivares, a pro-Communist, and later of Guevara. He concludes that Castro has become the virtual prisoner of the pro-Communist clique headed by Guevara.]

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~~CONFIDENTIAL~~Moscow Criticizes American Disarmament Plan

Moscow promptly sought to blunt the American initiative in requesting a meeting of the UN Disarmament Commission by sending to the Western powers between 23 and 25 July a series of new letters and notes sharply and apparently somewhat hastily criticizing the American disarmament plan. The dismissal of the plan as a guise for espionage, together with the denial that the USSR broke off the Geneva talks to avoid considering it, suggests that Moscow feels it is in a weak tactical position for a UN debate. Moscow probably viewed a detailed official criticism of the American proposals as part of the necessary groundwork to strengthen its charge that the Western powers refused to conduct serious negotiations in accordance with the UN General Assembly resolution calling for complete and general disarmament under effective control.

In his letter to Macmillan, Khrushchev distorted the American proposal as rejecting complete disarmament by its "failure" to provide disarmament measures in the first stage, and "reducing any agreement to the first stage only." To support this claim the letters concentrate on such first-stage "omissions" as the lack of proposals for eliminating foreign bases and troops, liquidating means of delivering nuclear weapons, or prohibiting the weapons themselves, while ignoring the inclusion of provisions for these measures in later stages.

In an effort to make the strongest possible case against the American plan, Khrushchev's letters discount the proposals to discontinue production of fissionable materials for weapons and transfer agreed amounts to stockpiles for peaceful uses. He claims further that these proposals serve no practical purposes and could easily be evaded.

Moscow has also used the notes to reject, in effect, the 82-nation UN Disarmament Commission as the forum for discussing future negotiations. As in his 27 June letters to the Western heads of government, Khrushchev again implies that the USSR will provoke a dispute over the limited composition of the ten-nation talks in order to forestall any UN action to revive that conference as a medium for continuing the talks.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~High-Level Chinese Communist Labor Delegation to Visit Japan

A high-level Chinese Communist labor delegation is due in Japan this week to attend a labor federation convention and the Sixth World Conference Against Atomic and Hydrogen Bombs. The delegation, the first mainland Chinese group to visit Japan in over two years, will be headed by Chinese Communist party central committee members Liu Ning-i and Chen Yu.

The Chinese will almost certainly use their two-week stay to offer supplementary guidance to Japanese leftists and Communists on renewed efforts to undercut the security treaty alliance with the US. Peiping is clearly gratified by recent demonstrations in Japan and has called for the broadest possible united front for a continuing "struggle" against the treaty. The Chinese Communists seek close cooperation between Japanese Socialists and Communists in the antitreaty campaign.

Peiping is reported to regard the Ikeda government as no improvement over the Kishi regime, but has not commented publicly and may be waiting to test Ikeda's statements to the press last week that he favors resumption of trade with China. The Ikeda government may sound out the Chinese delegation on the question of trade. Peiping, however, has given no indication of relaxing its stand that trade and political issues must be settled simultaneously and would reject any attempt by emissaries from Ikeda's Liberal-Democratic party to seek an accommodation on trade short of steps toward recognition.

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UN Pressing for Total Belgian Evacuation of Congo

Statements purportedly made by General von Horn, commander of the UN forces in the Congo, "ordering" the Belgians to evacuate Katanga reflect increased friction between UN and Belgian officials in the Congo. Despite Brussels' protest, Von Horn on 26 July authorized an amplifying statement that "independent" Katanga appeared to be "a part of the Congo problem as far as the UN is concerned." His statement suggests that UN forces will shortly move to occupy Katanga, where order now is being maintained by Belgian troops invited in by Premier Tshombé.

Premier Lumumba, in New York, has quoted Secretary General Hammarskjold as assuring him that "there is no question of an independent Katanga." British Foreign Minister Lloyd, however, stated on 25 July that it would be a "very grave mistake" for UN troops to attempt to resolve the breach between the Congo and Katanga governments. Lloyd's statement notwithstanding, Belgium will probably be hard pressed to justify its continued presence in Katanga unless it takes the lead and recognizes the Tshombé government.

Meanwhile, both Premier Lumumba and Congolese spokesmen in Leopoldville have expressed reservations concerning the \$2 billion Congo development agreement apparently reached with American financier Edgar Detwiler. Lumumba characterized the negotiations as exploratory, while Congolese officials insisted that no contract was binding until ratified by the cabinet.

The UAR--which in mid-July was urged by the USSR to take a more active role in the Congo crisis--has informed Lumumba of its readiness to send "experts and aid" to the Congo and to open an embassy in Leopoldville.

Soviet First Deputy Premier Mikoyan told the Iraqi ambassador in Moscow--also in mid-July--that the outcome of

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the Congo situation would be "a decisive factor" in the African people's struggle for freedom. Mikoyan said that the success or failure of the Congolese in consolidating their independence would determine the future of other liberation movements in Africa, particularly in Algeria. Representations such as those to the UAR and Iraq are designed to arouse Afro-Asian opposition to Western intervention in the Congo; they also appear to reflect concern among Soviet policy makers over developments there.

The Soviet press and radio are continuing to devote considerable attention to the Congo situation and to claim that the USSR is prepared to "undertake decisive action," but have dropped the note of urgency reflected in Soviet statements last week. TASS has begun to claim credit for the USSR for preventing US intervention in the Congo. Moscow continues to criticize UN officials for their handling of the situation, particularly for "cooperating" with Belgian forces and for failing to send UN troops into Katanga.

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~~CONFIDENTIAL~~Nationalist Disorders in Southern Rhodesia

[The wave of African nationalist disorders in the self-governing British colony of Southern Rhodesia has continued into its third day at Bulawayo following earlier rioting at Salisbury. The anti-European demonstrations have included strikes, but most of the damage has occurred in the African townships, where roving mobs have attacked property belonging to Europeans and the government. The police have been reinforced with troops and now number about 2,000. So far they have relied on clubs and tear gas, and there have been few African casualties. Several hundred Africans have been arrested.]

[The Bulawayo disturbances are a protest against the ban on African political meetings enacted after last week's disorders at Salisbury, during which officials of the National Democratic party--Southern Rhodesia's leading African nationalist organization--were arrested. However, in both cities the Africans have been aroused by developments in the Congo.]

[Prime Minister Whitehead's government has reacted with toughness because of a desire to prevent such disturbances from spreading further. It also hopes to convince the European electorate that the present government will protect white interests. Whitehead plans to hold a quick parliamentary election this fall, perhaps in October, and is concerned that the opposition right-wing Dominion party is attracting support as the European position crumbles in the nearby Congo.]

[The possibility of widespread violence in the whole Federation of Rhodesia and Nyassaland is becoming more imminent, in the opinion of the American Consulate General. The officials miscalculate the strength of African nationalist aspirations and appear willing to use greater force with more violence to contain each new disorder. In the process they are antagonizing the Africans and destroying the desire and ability of moderate African leaders to guide the force of nationalism.]

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~~CONFIDENTIAL~~Coup Regime in Turkey May Form New Political Party

(The military regime in Turkey continues to be concerned over the political vacuum that has resulted from the arrest and discrediting of leaders of the former regime. If national elections are held within the year, it is doubtful that the former ruling Democratic party could present an opposition force of any significance.)

(The controlling National Unity Committee (NUC) is giving priority attention to the problem of producing a viable opposition party. Most members of the committee agree that the Republican People's party (RPP) of Ismet Inonu must not be allowed to establish a one-party dictatorship, and RPP leaders also regard an opposition party as an essential ingredient of government.)

(Although they profess "extreme reluctance," some members of the NUC apparently believe they may have to form a new party headed by NUC leaders in order to assure the existence of a two-party system. NUC members may also be offered temporary or permanent status in the new Turkish Senate, according to reports regarding the new constitution. While the NUC would thereby be guaranteed continuing influence in the government, most NUC members are said to view such a proposal with considerable misgiving.)

(The date for national elections remains undetermined, but most NUC members favor the first anniversary of the coup--27 May 1961. Meanwhile, interim chief of state General Gursel, other NUC members, teachers, students, and government officials have been touring the eastern provinces explaining the aims of the new regime. [redacted])

[redacted]

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Burma Requests Soviet Grants for Economic Development

The Burmese Government is asking the Soviet Union to provide grants for hydroelectric and navigational development of the Chindwin River, a major waterway in north-central Burma, and for construction of a fertilizer plant. In response to an 18 May Burmese request for aid, the Russians had offered the services of specialists, to be paid for by Burma, for preliminary surveys of both projects. Moscow's accession to Burma's present request for implementation of the projects would provide an opportunity to revive Soviet economic activities in Burma, which were drastically cut by former Premier Ne Win in 1959. When the Soviet Union refused to change its aid projects from credits to outright grants, Ne Win canceled five of eight programs then under way.

Burma's current request for grant aid is a sharp departure from Premier Nu's stated preference for foreign loans, repayable in Burmese goods. Nu has argued that loans, unlike grants, carry with them no "strings" or political entanglements. In this instance the premier probably is yielding to pressures from army leaders, who are opposed to foreign loans from any source.

The Soviet spokesman who made the offer of specialists had no authority to discuss either grant aid or proposals of long-term assistance. However, he agreed to refer the Burmese request to his embassy and the Soviet Government. Recently Soviet First Deputy Premier Mikoyan expressed his concern over the level of economic cooperation and the status of Soviet aid programs in Burma.

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