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8 July 1960

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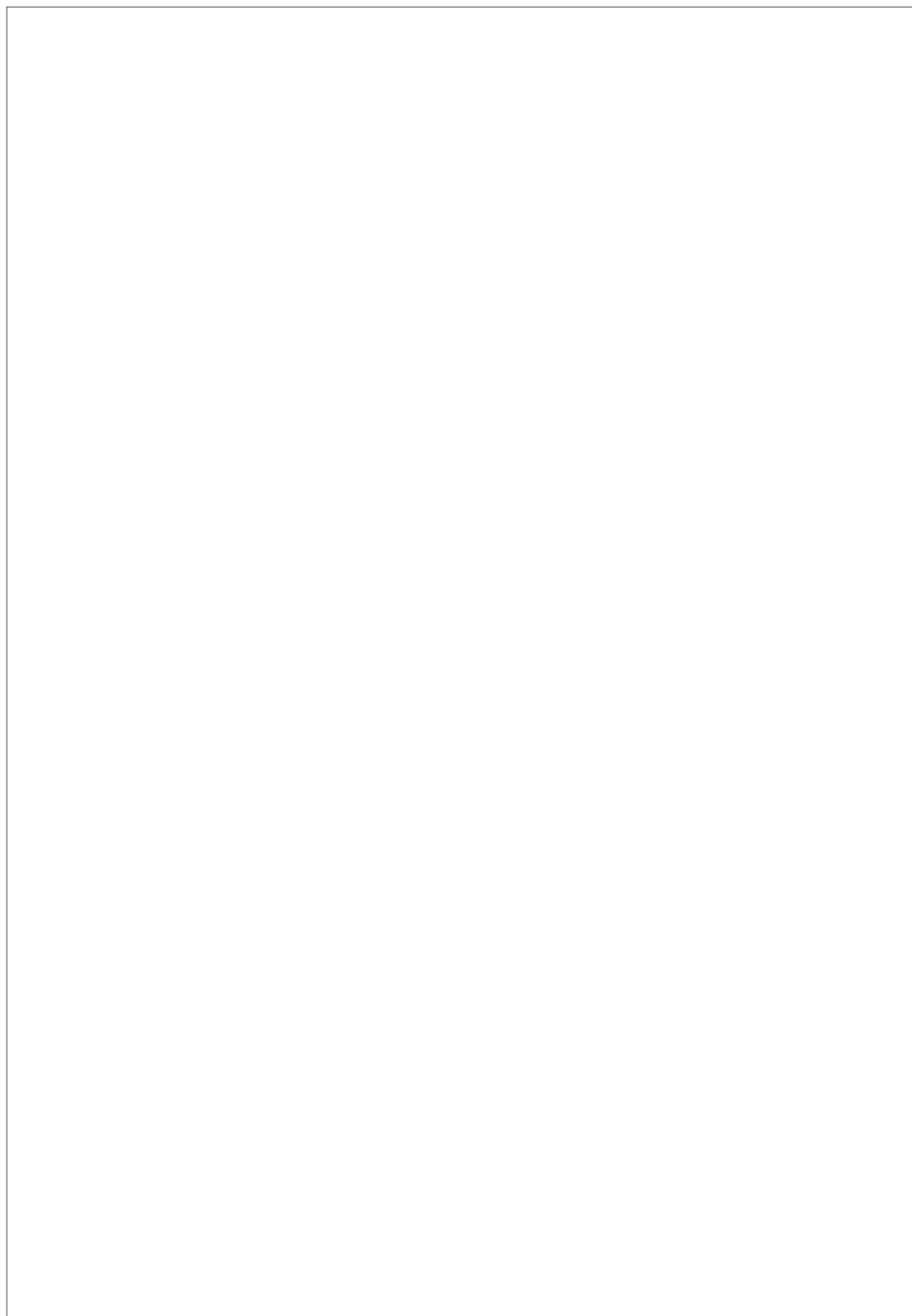
CENTRAL INTELLIGENCE BULLETIN



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8 JULY 1960

I. THE COMMUNIST BLOC

USSR launches second vehicle to mid-Pacific in current test series, now declared ended.

Soviet bloc stepping up economic aid to Cuba; no bloc military equipment known to have been delivered as yet.

II. ASIA-AFRICA

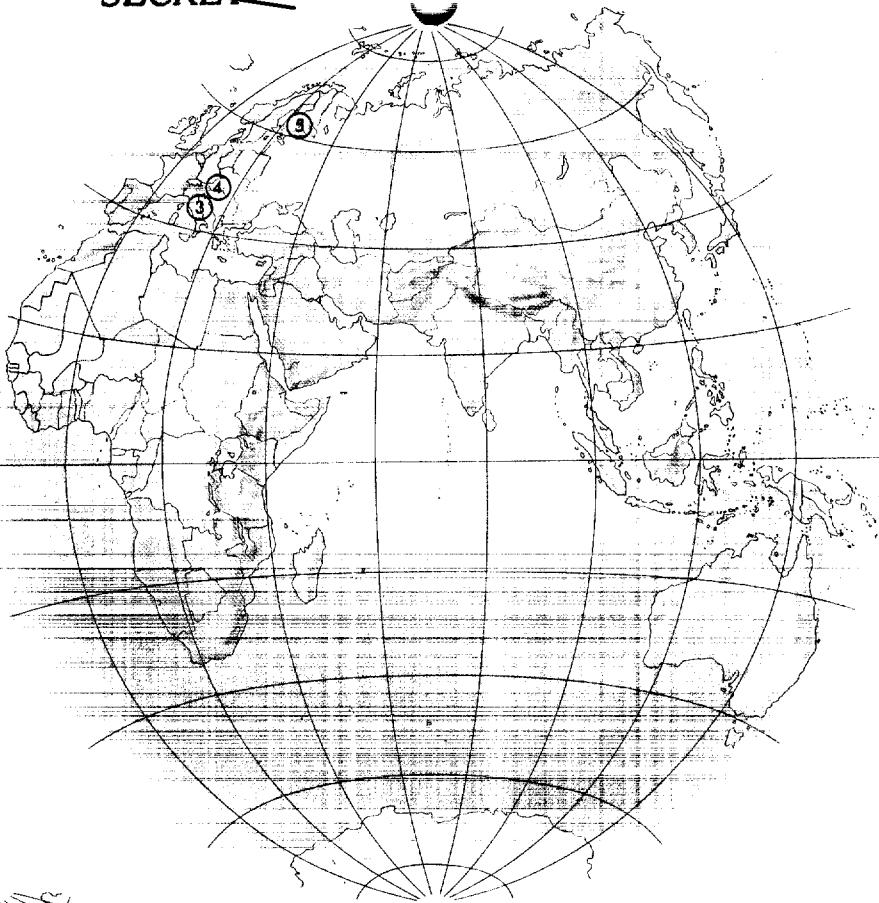
III. THE WEST

Italian riots resulting from Communist exploitation of apprehension over resurgence of Fascism could topple Tambroni government; more extensive disorders possible.

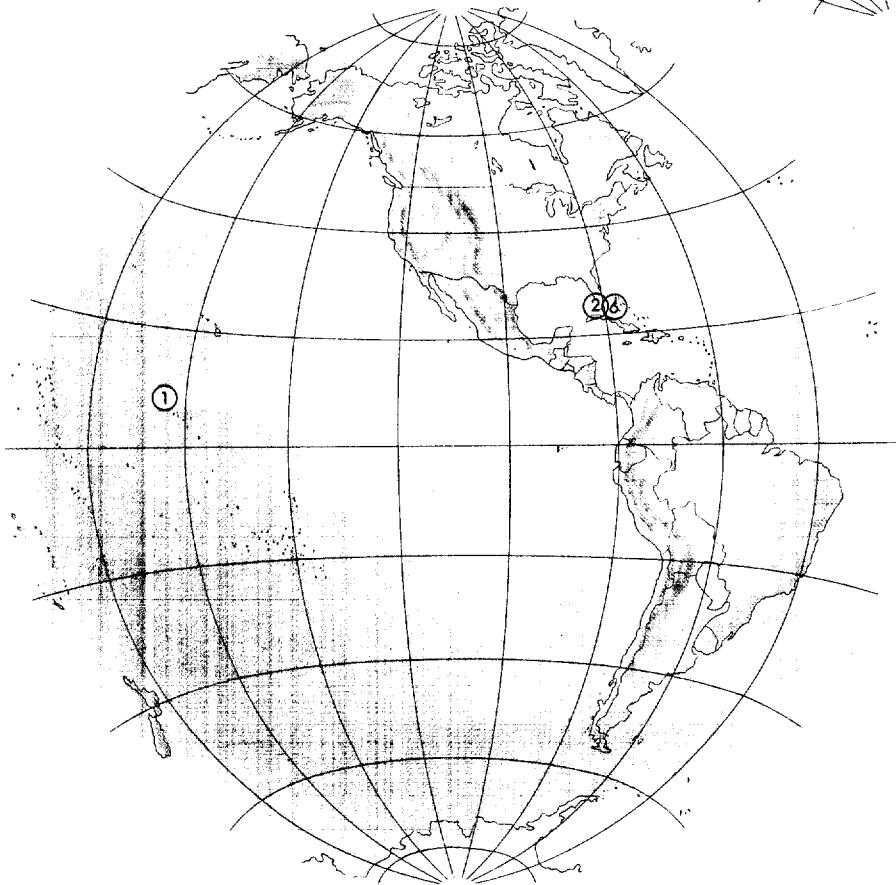
Austrian defense officials drop plan to buy military jet aircraft from Poland; are now considering purchasing them from Sweden.

Finland to open negotiations with USSR next week on most-favored-nation treatment for Soviet exports.

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⑥ Cuba--Castro regime calls mass rally on 10 July to protest US reduction of Cuba's sugar quota; violence against Americans possible.

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CENTRAL INTELLIGENCE BULLETIN

8 July 1960

DAILY BRIEF

SIRAB

I. THE COMMUNIST BLOC

*USSR: The USSR launched a test vehicle from Tyura Tam to the predesignated impact area in the Pacific Ocean on 7 July at about 1128 EDT (1528 GMT), approximately 48 hours after a similar launching on 5 July. TASS news announcements stated that the dummy last stage of the vehicle had arrived in the impact area and that this would be the last launching in the present series of tests. Preliminary analysis

[redacted] confirms the

[redacted] general success of the launching as announced by TASS.

No At about 10 minutes before impact, Kamchatka communication facilities of the Tyura Tam Range engaged in a practice exercise, believed to be in anticipation of a forthcoming normal ICBM test or a test of the cruise-type "HOTCROSS" missile from Vladimirovka, about 3,700 nautical miles from Kamchatka.

Soviet Bloc - Cuba: Repeated Soviet assurances of both economic and political support to Cuba have strengthened Castro's hand in his anti-US policies. Moscow is accelerating its deliveries of oil and is capable of supplying all of Cuba's petroleum needs. Shipments of promised machinery and equipment to date have been minor, but are expected to increase. Raul Castro's mission, now in Prague, probably is discussing military matters, and it is likely that a military aid agreement will be concluded. No bloc military equipment is known to have arrived in Cuba thus far.

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Italy: The strikes and rioting deriving from the neo-Fascist party's attempt to hold a party congress in Genoa reflect Communist exploitation of a widespread popular apprehension over the resurgence of Fascism as exemplified by the reliance of Premier Tambroni's caretaker government on neo-Fascist parliamentary support. The tensions which have been building up over the gradual moves to the right of recent Italian governments will probably continue, and even more extensive disorders are possible. Although the neo-Fascists would be reluctant at this time to withdraw their support of the government, they may do so if the government is forced to take an openly anti-Fascist stand in parliamentary debates this week. It is also possible that if the government does not dissociate itself from the Fascists, it may lose sufficient numbers of Christian Democratic deputies in a vote of confidence to bring it down. The Communists may use this agitation to revive their hitherto unsuccessful campaign against US missile bases in Italy. [redacted] (Page 2)

No yesterday

Austria: Top defense officials have informed the American Embassy that they now have dropped the plan to buy MIG-17 aircraft from Poland, and are considering the purchase of military jets from Sweden instead. Austrian officers plan to go to Sweden in August for final negotiations. Such a deal would further the Austrian policy of increasing trade with European Free Trade Area partners. [redacted] (Page 4)

No

Finland: The Finnish Government expects to open negotiations next week on the question of most-favored-nation treatment for Soviet exports. The Finns consider solution of this problem a prerequisite to Finnish affiliation with the European Free Trade Association (EFTA), and a special session of parliament reportedly will be called following the negotiations. The Finnish export industry, which strongly advocates ties with EFTA, has anticipated such a link by reducing prices of certain exports to EFTA countries equal to the 20 percent tariff reduction they put into effect on 1 July. [redacted]

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Cuba: Reacting to the reduction in Cuba's sugar quota, the Castro regime has called a mass rally of "a million and a half" on 10 July to protest "the aggressive and pro-Nazi" policy of the United States. Castro may use this opportunity, or his scheduled speech on 8 July, to announce the confiscation of further American-owned properties. Anti-US feeling has reached such a pitch that there is danger of violence against Americans.

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DAILY BRIEF

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Sino-Soviet Bloc Support for Cuba

Repeated Soviet assurances of both economic and political support have strengthened Castro's hand in his attempts to reverse Cuba's traditional ties with the United States.

Steps toward assuring a steady supply of Soviet oil have been accelerated.

recent Soviet-Cuban talks have involved future deliveries of up to 5,000,000 tons of Soviet crude annually--considerably more than Cuba's normal imports. Adjustments under way in bloc tanker operations suggest the Soviet Union is taking action to supply whatever amounts Cuba needs.

The USSR has been shifting some of its long-term commitments to free-world tankers in order to free Soviet tankers for the Cuban trade. Arrangements already made will enable fulfillment of present commitments.

The cutback in Cuban sugar exports to the United States may present new opportunities for bloc exploitation. The bloc's general low level of sugar consumption enables it to absorb whatever purchases are considered politically expedient. Cuba's losses on the US market could be only partially replaced by bloc imports, which would be at world prices and probably under barter arrangements rather than for foreign exchange.

Several contracts under the bloc economic agreements with Cuba have been concluded amid great public fanfare, but actual deliveries--other than Soviet oil and fertilizers--have been minor. Some agricultural machinery, a few trucks, five commercial helicopters, and small quantities of other machinery and equipment have been shipped. A greater volume of such shipments is expected during the remainder of this year and in 1961. Thus far no bloc military equipment is known to have arrived in Cuba, but such deliveries could begin at any time.

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Disorders in Italy

Recent strikes and riots in Rome, Genoa, Ravenna, Reggio Emilia, and in several cities of Sicily exemplify the tension that has built up as the result of the gradual move to the right by post-war Italian governments in the face of an electoral shift to the left.

The uproar deriving from the neo-Fascist Italian Social Movement's scheduled congress in Genoa and its subsequent cancellation points up current popular opposition to Premier Tambroni's all - Christian Democratic government which maintains itself by virtue of neo-Fascist support against all six of the other parties in parliament.

This government is operating in a caretaker capacity to pass the budget and deal with routine problems until after the nationwide local elections scheduled for this fall. Although the party has officially resolved in favor of a center-left government, a rightist minority blocked two attempts at a center-left government this year, leaving a policy stalemate. The Christian Democrats have tried various short-lived government expedients, but have reached no clear decision as to the direction the government should take.

The neo-Fascists opposed the government earlier this week in the Senate, where their vote is not needed, but they are probably reluctant to withhold their votes in today's budget vote in the lower house, although they have threatened to do so. This would bring down Tambroni and cost the neo-Fascists their influence on the government, and could bring on a center-left government. It is also possible that if the government does not dissociate itself from the neo-Fascists, it may lose sufficient numbers of Christian Democratic deputies in a vote of confidence to bring it down.

The Communists, too, anxious to avert isolation from their former Nenni Socialist allies, wish to avoid bringing on a reformist government which the Nenni Socialists could support. Nevertheless the depth of popular feeling offers them a good chance to

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promote further widespread disorders. They may also try to use the situation to revive their campaign against US missile bases, which they first tried in the spring of 1959.

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Austria Plans to Buy Swedish Aircraft Instead of Polish MIG-17s

Austrian defense officials, who in mid-June were strongly considering the purchase of MIG-17 aircraft from Poland, have informed the US Embassy in Vienna that they have dropped this plan in favor of purchasing Swedish Saab J-29F transonic interceptors. The Austrian Army will send three officers to Sweden in August to inspect the aircraft and discuss the price.

American officials in Vienna expect this deal to be concluded rapidly. They view the move as logical for Austria, considering Foreign Minister Kreisky's affinity for all things Swedish as well as his distaste for Khrushchev's current performance in Austria. Purchase of Swedish planes would serve to underline Austrian neutrality, somewhat called into question by Chancellor Raab's enthusiastic endorsement of his Soviet guests. It is also the policy of the Austrian Government to build up trade with its partners in the European Free Trade Area, including Sweden.

For its heavy arms Austria depends upon outside sources, mainly the United States. In the past Austria has purchased antiaircraft guns from Sweden, tanks from the USSR, and light training aircraft from Czechoslovakia. Since March the Austrians have been under pressure not only from the Poles to buy the MIG-17s but from the USSR to buy tanks and aircraft.

Austria's air force, now equipped with only 80 planes, seeks jets in order to gain a degree of combat effectiveness. The unit cost of the Swedish planes is relatively low, and Sweden plans to re-equip five or six of its J-29F squadrons with more advanced aircraft by the end of 1960.

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The Under Secretary of State

The Under Secretary of State for Political Affairs

The Deputy Under Secretary of State for Political Affairs

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