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28 October 1960

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CENTRAL

INTELLIGENCE

BULLETIN



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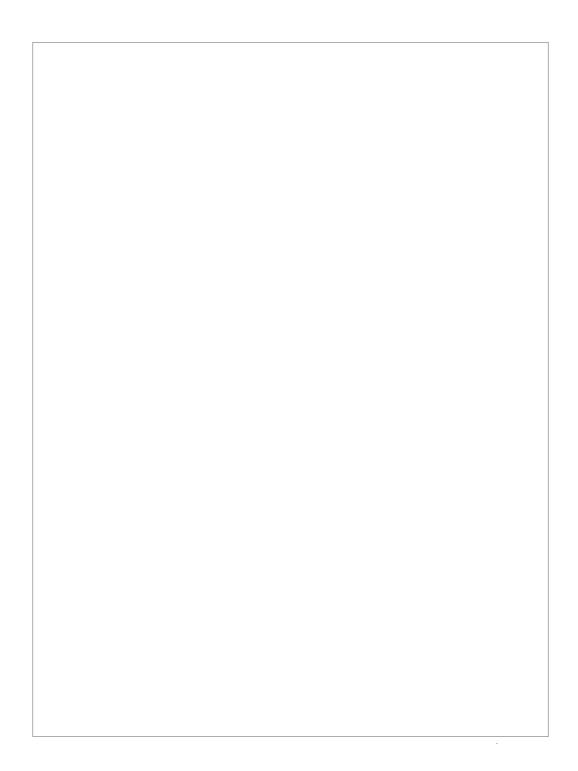
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TApproved for Release: 2020/03/13 C03179291 28 OCTOBER 1960 I. THE COMMUNIST BLOC Moscow supports Castro's efforts to arouse apprehensions that attack on Cuba is imminent; probably trying to generate support in UN for Castro's charges. USSR reportedly tells Turks it is ready to extend large-scale economic aid of "any type" and "without any conditions." East Germans, evidently concerned over potential effects of Bonn's abrogation of 1961 agreement, send special delegation to Moscow. II. ASIA-AFRICA UAR-Jordanian relations may again be reaching critical phase; UAR retaliation for bombings in Syria expected. 4 Cambodia may shortly sign agreement for Czech military equipment. Thai foreign minister says Laotian developments may force Bangkok to reappraise its foreign policy. 7 Situation in Laos. III. THE WEST 8 Venezuela's Democratic Republicans reportedly form alliance with Communists and other Marxists with aim of forcing change in Betancourt's policies, or of ousting him; Betancourt taking extensive security precautions.

CENTRAL INTELLIGENCE BULLETIN

28 October 1960

DAILY BRIFF

I. THE COMMUNIST BLOC

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USSR-Cuba: While Moscow continues to avoid any public commitment to support Cuba militarily, it is backing Castro's efforts to arouse apprehensions that a US attack on Cuba is imminent. The USSR's immediate objective probably is to generate neutralist and Latin American support in the UN for Castro in the discussion there of his charges that the US is planning an invasion.

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have probably precluded "a large organized invasion" by the US, but that the USSR would not permit any armed incursions and "if the US wanted another Korea, or even a world war, it would bear the responsibility for it."/ On 20 October, Castro reportedly told the had a written commitment from Moscow to "defend" Cuba "if necessary." (Page 1)

USSR-Turkey:

the USSR is ready to extend large-scale economic aid of "any type" and "without any conditions" to Turkey and is prepared to show its good will by reducing the Soviet Black Sea Fleet and naval installations in the area.

The re-

ported statements are in line with a number of previous Soviet overtures including hints that Moscow is ready to extend credits of up to \$500,000,000.

Khrushchev suggested

that their countries establish a demilitarized zone along the border and urged that the USSR and Turkey agree to turn the Black Sea into a "sea of peace." The Gursel regime

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has thus far displayed reluctance to undertake any new financial obligations or to become involved in any restrictive military arrangements with the USSR.

East Germany: The East German Government, evidently seriously concerned over the potential effects of Bonn's abrogation of the interzonal trade agreement for 1961, has sent a special delegation to Moscow led by the head of the State Planning Commission, reportedly to discuss this matter. Many of the items normally imported from West Germany are essential to key East German industries and at the same time in short supply in the bloc. While East German leaders doubtless are aware of the reluctance among the NATO countries to support an embargo on trade with East Germany, the vulnerability of their economy apparently has stimulated genuine concern over this embargo possibility. The delegation sent to Moscow likely will try to engage the USSR in contingency planning which would involve Soviet acceptance in principle of in-(Page 3) creased economic aid.

II. ASIA-AFRICA

UAR-Jordan: UAR-Jordanian relations may again be reaching a critical phase. The 25 October bombings in Damascus, apparently instigated by Jordanian agents, are scheduled to be followed by similar ones in Homs, Hama, and Aleppo.

UAR retaliation can be expected, possibly including clandestine efforts to assassinate high Jordanian of ficials or possibly to overthrow the Amman regime.

(Page 4)

Cambodia-Czechoslovakia: Cambodia may shortly sign an agreement for Czech military equipment. The Czech representative in Phnom Penh on 20 October reported to the Technical Directorate in Prague-the Czech agency handling the

28 Oct 60

DAILY BRIEF

ii

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Approved for Release: 2020/03/13 C03179291

TOP SECRET

export of military goods and services—that a "draft of the protocol" had arrived and that, according to "unofficial information," the "offer" had been accepted. The equipment under consideration may be for Cambodia's irregular forces, as part of Cambodia's current program, which includes approaches to the United States. to modernize its military establishment.

Thailand: (Foreign Minister Thanat Knoman has warned that current Laotian developments may force a reappraisal of Thai foreign policy. Although no early changes in Bangkok's commitments appear to be contemplated, the Thai Government recently has become dubious of SEATO's value as a defensive alliance, and has charged that the uncommitted nations in Asia are receiving preference from the US in economic and military aid over countries aligned with the West. (Page 6)

Laos: Souvanna Phouma's acceptance "in principle" of Soviet economic aid is another outgrowth of his concept of neutrality, as well as a sop to extremist forces in Vientiane typified by Captain Kong Le and his followers. The form and amount of Soviet aid may be the subject of protracted negotiations. (Page 7)

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III. THE WEST

Venezuela: The leftist Democratic Republican Union—which has already ordered the withdrawal of its two representatives in President Betancourt's cabinet—reportedly has formed a close alliance with the Communist party and another Marxist group for the purpose of forcing a sharp reorientation of Betancourt's moderately leftist policies, or of ousting him. These three pro-Castro factions have been behind the continuing antigovernment disturbances in Caracas and other cities. Betancourt is taking extensive security precautions, and is believed to have the backing of most of the armed forces, which are on full alert status to support the police and national guard. (Page 8)

28 Oct 60

DAILY BRIEF

iii

TOP SECRET

Approved for Release: 2020/03/13 C03179291

Moscow Attempts to Exploit Cuban Situation

While Moscow continues to ave	~ ~	
invasions" of Cuba backed by the		•
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Soviet delegate Zorin made a further effort along this line in the UN Steering Committee on 25 October by introducing a motion for consideration of the Cuban complaint in plenary session of the General Assembly. He voiced support of Cuba's charges that the US is organizing and financing a "massive invasion" which could begin "within days, possibly within hours." A local armed conflict, Zorin warned, could very easily develop into a major conflagration. The motion was rejected and the committee recommended that the issue be discussed in the Political Committee.

Soviet diplomatic moves have been accompanied by propaganda warning that "peace-loving peoples" will not sit idly by in the face of an attack on Cuba. In line with Soviet tactics in the Congo situation and in several Middle East crises in recent years, Moscow can be expected to exploit UN debate on Cuba's

TOP SECRET

charges against the United States by stepping up these ambiguous threats.

Despite these efforts publicly and privately to arouse concern over the possibility of US intervention in Cuba, it seems unlikely that the USSR expects such action. Khrushchev's threat on 9 July to use rockets "if necessary" in defense of the Castro government in the event of US aggression was so qualified as not actually to constitute a commitment to any specific course of action and it has never been repeated. Furthermore, TASS quoted Khrushchev as saying in a press interview on 25 September, when asked about his rocket threat, "You needn't worry... since America does not intend to attack Cuba, this means that there is no danger whatsoever."

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East German Economic Delegation in Moscow

A delegation of East German State Planning Commission officials headed by their chief, Bruno Leuschner, arrived in Moscow on 24 October, reportedly to discuss with Soviet officials the probable economic effects of Bonn's notice of termination of the interzonal trade agreement with East Germany and of a possible embargo by NATO countries in support of Bonn. High East German officials are particularly concerned about the effects on the engineering and chemical industries if commodities--primarily steel products and certain types of machinery--currently supplied by West Germany are not obtained elsewhere. These leaders may hope to turn the threat of embargo to their advantage by getting the USSR to review its reported refusal to grant an earlier request for a loan of \$375,000,000 to cover the imports desired for continuation in 1961 of East Germany's ambitious Seven-Year Plan. The refusal has already forced the regime to cut back its 1961 investment program.

East Germany reportedly had expected that three fourths of its 1961 foreign trade deficit would be in trade with the West. This would mean that a disruption of interzonal trade would seriously damage the East German economy should the USSR continue to withhold aid. Although businessmen in other freeworld countries might be willing to fill the gap left by a cessation of West German exports, East Germany by itself would apparently encounter great difficulty in paying for increased imports from these sources.

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UAR-Jordanian Relations Reaching Critical State

	The tense situation which has existed between Jordan and the UAR since the assassination of Jordanian Prime Minister Majalli on 29 August appears to be entering a more critical stage. The verbal war between Nasir and King Husayn has brought emotions on both sides near the boiling point, and Jordan's success in infiltrating Syria for terroristic purposesincluding the 25 October explosion of three bombs in the heart
	of Damascus-seems almost certain to compel the UAR to retailate in kind.
	Syrian authorities, on 26 October, closed the border with Jordan, and began turning back all Jordanian vehicles en route to Syria. This
	move may inhibit a Jordanian plan, to undertake further bombings, this time in Homs, Hama, and Aleppo, which if successful would add to
	The UAR has given wide publicity to Jordanian acts of terrorism in an apparent effort to stir up Syrian feeling against Husayn. Failure to retaliate might be interpreted by the people as weakness. A confidant of Nasir, stated that the UAR would not remain "inactive in the face of the continuation of such Jordanian actions."
	Arrangements for a UAR move may be under way. the Jordanian ambassador in Beirut was preparing to leave for Amman with information on UAR plans to support an imminent coup in Jordan.
	In Amman, King Husayn has confirmed the withdrawal of the Jordanian Royal Guards Brigade from the Syrian border
·	area, apparently as a move to strengthen security in the capital. The bulk of the Jordanian forces which were moved to
	TOP SECRET

the border in early September remain there, however, and Syrian military units across the frontier have maintained a posture of readiness. UAR military movements in Egypt and the Sinai, described in recent reports, are believed to be connected with routine maneuvers, but might also be related to anticipated events in Jordan.
A UAR move in Jordan involving the assassination or overthrow of King Husayn could bring direct Israeli military intervention. According to Nasir's previously quoted confidant, "The UAR no longer is concerned that possible action against Jordan would result in successful Israeli occupation of the West Bank."

TOP SECRET

Thailand Thrucens Reassessment of Its Foreur Policy

-l	Foreign Minister Thanat Khoman's suggestion that	Thai-
land	may conduct a reappraisal of its cold war position	re-
flect	s the Thai Government's dissatisfaction with Wester	rn
hand.	ling of the Laotian crisis and with what it terms a r	nore
gene:	rous Western aid program for uncommitted Asian r	าล=
tions	than for outright anti-Communist governments.	

Prime Minister Sarit, deeply committed both personally and ideologically to his anti-Communist relative, Laotian General Phoumi, professes disappointment by the lack of SEATO intervention in Laos. He has asserted that a neutral Laos under the Souvanna Phouma government would ensure Communist domination there and bring the Communist threat directly to the Thai border. He also insisted that the failure of the Laotian Government to punish Captain Kong Le for his Vientiane coup threatens the stability of all other Southeast Asian governments.

The Thai Government views the situation in Laos as only the latest in a series of developments which make it less necessary for Thailand to maintain its anti-Communist posture. Like Pakistan and the Philippines, the two other Asian members of SEATO, the Thais have been critical of aid programs extended to neutralist countries. It sees the ability of the uncommitted nations to appeal to both camps for assistance as giving them a special advantage.

In addition to these concerns, the Thais have been troubled by the United States' sales of surplus grain in Asia. The government has charged that these sales have seriously interfered with Thailand's trade and threaten its foreign exchange situation.

Despite Thanat's statement that no early changes in Thailand's foreign commitments are contemplated, a continuation of this restive trend could ultimately lead the Thais to a more neutral international position.

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The Situation in Laos

Premier Souvanna Phouma has announced acceptance "in principle" of an offer of Soviet economic assistance tendered by newly accredited Soviet Ambassador Abramov. A formal offer had to await King Savang's acceptance of Abramov's credentials on 26 October. The King had kept Abramov waiting in Vientiane for 13 days before granting him an audience. The aid offer is believed to have been couched in very general terms; determination of the form and magnitude of any actual aid may be the subject of protracted negotiations.

Souvanna's acceptance of the Soviet offer is another outgrowth of his conception of neutrality, as well as a sop to extreme leftist opinion in Vientiane as typified by Captain Kong Le and his followers. The gesture stops short of their demands for a neutrality with a strong pro-bloc bias, however. Souvanna is reported to have told the cabinet on 26 October that Laos could not consider establishing diplomatic relations with Communist China and North Vietnam at this time because neither is a member of the United Nations. Souvanna recently told the Burmese minister that he intended to seek economic aid from Communist China but no exchange of diplomatic representatives at this time. At Savannakhet, General Phoumi questioned the reliability of the First Military Region--with headquarters at Luang Prabang-as a basis for a build-up of anti-Communist forces. He doubted, in particular, armed forces commander General Ouane's sincerity in participating in the region's build-up. Phoumi questioned Ouane's willingness to go against Souvanna's wishes and expressed concern that arms given to Luang Prabang might be turned against his group. Phoumi claimed the United States was "going overboard" in lielping a relative newcomer-presumably Ouane--while delaying help to Savannakhet, which he claimed had been against the Pathet Lao from the beginning.

Approved for Release: 2020/03/13 C03179291 Venezuelan Le sts and Communists Reported. Form Alliance Against Betancourt

The leftist Democratic Republican Union (URD)--long a dissatisfied component of President Betancourt's three-party coalition--has reportedly formed an alliance with the Venezue-lan Communist party (PCV) and the Marxist Leftist Revolutionary Movement (MIR). This would have the purpose of either ousting Betancourt or forcing him to include all of them in a new government, and thus presumably effecting a radical reorientation of his more moderate leftist policies. These three pro-Castro groups have cooperated closely in recent weeks and have been behind the antigovernment disturbances which have continued in Venezuela since 19 October.

The URD, whose two remaining representatives in the cabinet presented their resignation on 23 October on orders from the party, may be considering a formal withdrawal from the coalition at all levels and an overt alignment with the leftist-Communist opposition. The party's propaganda line generally parallels that of the PCV and MIR--the latter a group of defectors from Betancourt's own Democratic Action party. The earlier resignation of the URD foreign minister in September over policy toward the Castro regime foreshadowed the crisis which the coalition now faces.

The campaign of violence, which has received favorable treatment by the official Cuban press agency, has resulted in a number of deaths and injuries. Betancourt has accused the agitators, who are inciting student demonstrations, of attempting to impose "Cuban methods" in Venezuela. He had earlier indirectly warned the PCV and MIR to cease their subversive activities, and he is unlikely to accede to pressures for inclusion of these factions in a new government. Such a move would probably alienate his own party, the military, and other moderate groups.

Betancourt is believed to have the backing of most of the armed forces, now on full alert status to support the police and national guard in quelling the violence, and he is taking extensive security precautions, including the shutdown of all schools except the autonomous national universities. Both the military and moderate groups apparently favor strong measures to prevent further demonstrations.

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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

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The Secretary of the Navy

The Secretary of the Air Force

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The Director, The Joint Staff

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