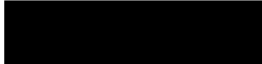


TRANSMITTAL SLIP		DATE 10 Nov 60
TO: Director of Central Intelligence		
ROOM NO. 221	BUILDING Admin	
REMARKS: <p>These two papers attempt to survey some of the areas of contradiction and consensus lying behind the visible manifestations of the Sino-Soviet "dispute." One was written before any indications had been received that high level Party meetings were to take place in September. The other was written on the eve of Liu's arrival in Moscow.</p> <div style="text-align: center; margin: 10px 0;">  </div> <p style="text-align: center;">25X1A9a</p>		
FROM: C/SRS/DDI		
ROOM NO. 304	BUILDING 2210 E St	EXTENSION 2455

FORM NO. 241  
1 FEB 55

REPLACES FORM 36-B  
WHICH MAY BE USED.

(47)

12 November 1960

MEMORANDUM FOR: Director of Central Intelligence

THROUGH: Deputy Director/Intelligence

SUBJECT: Three Urgent Points for Action during the Transition Period.

On behalf of the Senior Research Staff on International Communism, I am taking the liberty of expressing our gratification over the announcement that you will continue the leadership of CIA into the new administration.

By sheer coincidence, SRS will begin what it hopes will be its Second Piatiletka (Five Year Plan) on Inaugural Day, 1961. We intend at that time to present a summary of our first five years' activity, listing a series of what I believe to be valuable insights into the Communist Movement, and of proposals in line with our original charter - as to means of countering it.

In the meantime, the news of the last week suggests that on at least three major themes which we have developed over the past five years, some interim action might be desirable, pending the takeover of the new administration.

1. The Sino-Soviet Relation. We venture to suggest that any briefing of the President-Elect should stress the likelihood that the current meeting of the Communist Party leaders in Moscow will produce a convincing demonstration of unity. This view is in contradiction to that which has been expressed by most other elements of the Agency. It constitutes a dissent, which we have registered during the past weeks, from reports of the Sino-Soviet Task Force on the course of the "contradictions" between Moscow and Peking. We have indicated elsewhere the basis of this dissenting judgment; it is rooted in our conviction that most Western analysis errs in its failure - or deliberate refusal - to credit the dialectical approach of the Communists with any weight in determining their courses of action and with any efficacy in preserving the dynamics and the unity of their movement. We have reached this judgment over the past five years through the pursuit of the approach originally prescribed for us by Mr. Bissell, i. e. the attempt by research and by speculation to reproduce the thought processes of International Communism and to evaluate its strategy and

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NEXT REVIEW DATE: 1992  
AUTH: HR 70-2  
DATE: 2 JUNE 82 REVIEWER: 103430

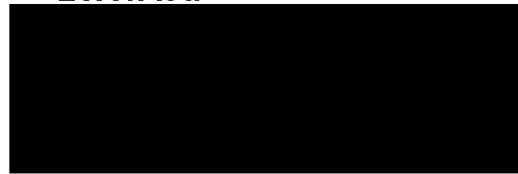
tactics in terms of those processes. It has been our experience that this approach throws significant light on events as they occur and is an indispensable tool for forecasting. It has, inter alia, led us to question the existence of a trend toward the inevitable deterioration of the Sino-Soviet relation.

2. The Southeast Asian Situation. During our first five years, we have repeatedly called attention to the still under-appreciated threat of communism in Southeast Asia, and over-appreciated capacities of Free World resistance. We have stated our belief that no country in the arc from Pakistan to South Korea is stable standing alone, and that as a chain, all of the links are weak. We have urgently recommended the adoption of the only policy which can strengthen this tenuous arc, the forging of regional unity. We are aware that the policy of this country has been favorable in principle to regionalism, but this platonic idea has hardly been translated into systematic measures of actualization. The difficulties have been held to be insuperable. We would suggest that a demonstrative affirmation by the President-Elect that he associates himself with the regional program advocated by Nelson Rockefeller and many others - and espoused during the campaign by the Vice President - would strengthen the hand of enlightened statesmen in the area and would galvanize our own policy and operations. There are a host of specific projects which could be examined immediately, including, for example, one which was recommended by SRS three years ago - the establishment of a Southeast Asian Technological Institute. (Of course, the regional principle should be applied elsewhere, but it would be best to begin where it is most urgently needed.)

3. Support of the Nenni Socialists. Despite the characteristic optimism of today's New York Times editorial, the results of the Italian elections offer no grounds for complacency. The extremes, Fascist and Communist, have gained significantly at the expense of the Center. While these gains may not immediately affect the stability of the Fanfani government, they could be translated into serious portents for the next general election, in the not unlikely event of further Soviet successes or of economic difficulties in the Western European community. Throughout our first five years we have urged a constructive exploratory approach to Pietro Nenni and the PSI. The fact that his party suffered what appears to be a small defection to both the PCI and the PSDI should not be viewed with satisfaction.

Rather it indicates the beginning of a trend of frustration over the delays of socialist reunification. It points in the direction of political polarization, which as we have repeatedly warned is the chief danger in Italy. There is no need to review the prolonged, and often agonized discussion of the Nenni problem which has been conducted within the Agency and the Department of State. Suffice it to say, that the opposition to any approach to Nenni has considerably abated, and in its die-hard form may be confined to a single determined individual in the Rome Embassy. Any further effort on our part is, of course, not a matter which would call for public comment by the President-Elect. But in case he is unaware of the significance of socialist reunification, not only for Italian but for European political stability, it might be advisable to discuss it with him as prelude to further discreet negotiations with Nenni. We have lost some favorable opportunities, but it is not too late.

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Chief, SRS/DDI