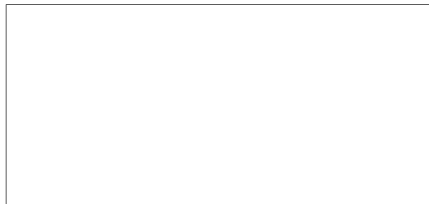


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26 March 1960



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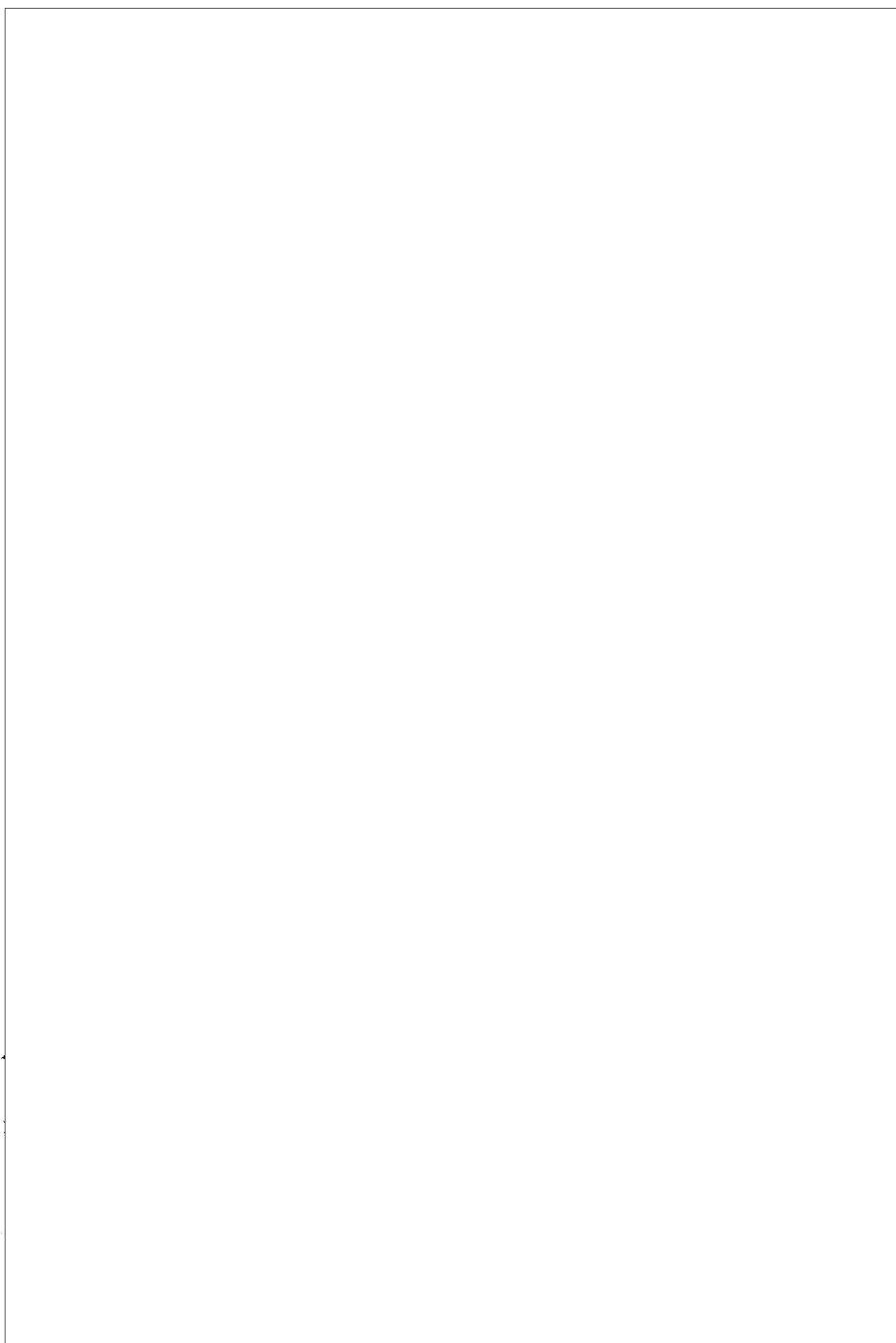
CENTRAL INTELLIGENCE BULLETIN



DOCUMENT NO. 23
NO CHANGE IN CLASS.
 DECLASSIFIED
CLASS. CHANGED TO: TS S S
NEXT REVIEW DATE: 2010
AUTH: HR 70-2
DATE: 6 JUN 1990 REVIEWER:



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26 MARCH 1960

I. THE COMMUNIST BLOC

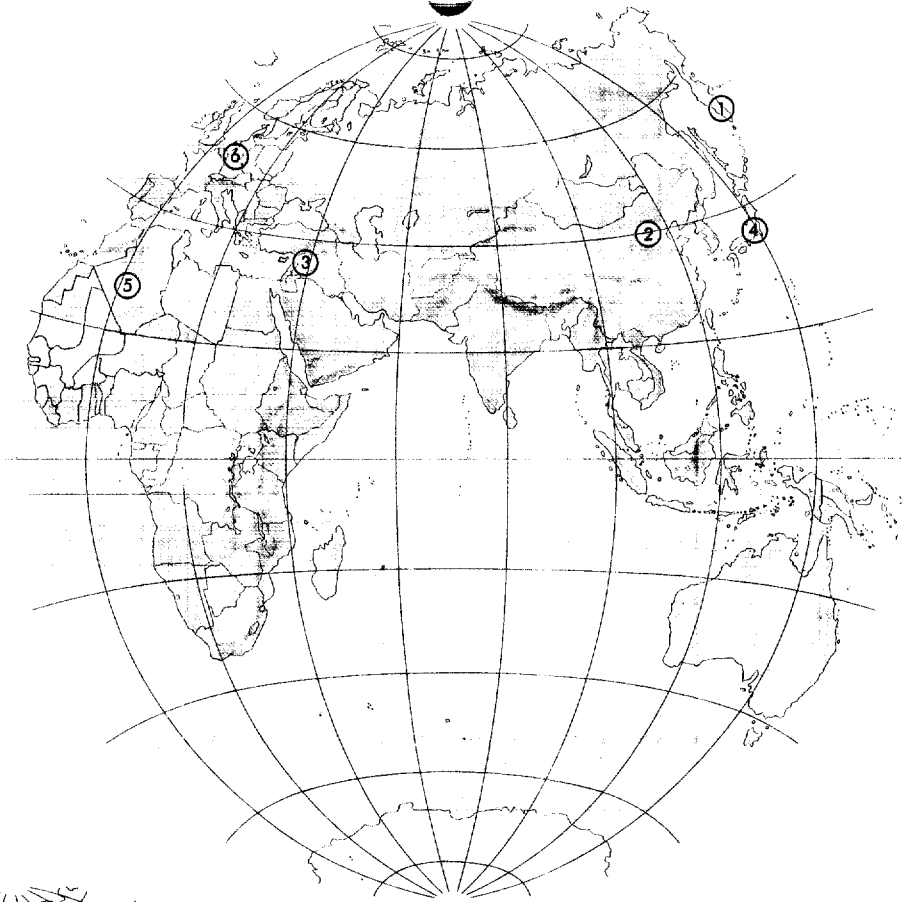
Soviet submarines make port after five-month voyage. [redacted] ①

Communist China--New eight-year economic plan, believed under preparation, will probably call for rapid increase in industrial output. [redacted] ②

Soviet economic delegation in UAR to discuss stepped-up aid for Syria. ③

II. ASIA-AFRICA

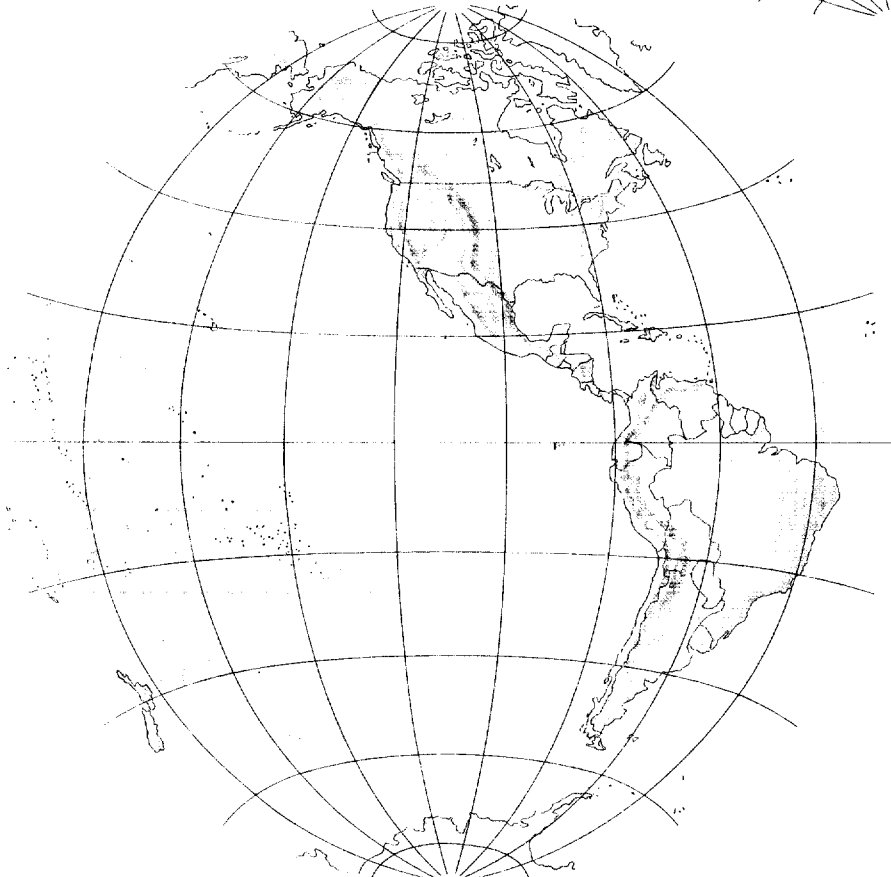
Japanese Socialist party facing prospect of further defections. ④



III. THE WEST

⑤ French expect to carry out second nuclear test before 1 April.

⑥ West German defense minister says NATO rejection of integrated logistics system would oblige Bonn to make arrangements with non-NATO countries or curtail procurement.



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CENTRAL INTELLIGENCE BULLETIN

26 March 1960

DAILY BRIEF

SIRAB

I. THE COMMUNIST BLOC

No

USSR: At least two, probably three, Soviet Northern Fleet submarines arrived at Petropavlovsk, Kamchatka, on 24 March, concluding the longest known voyage made by Soviet submarines. The submarines left the Murmansk area on about 25 October. The merchant tanker Vilyuysk supported the submarines during the voyage through the North and South Atlantic, the Indian Ocean, and the Western Pacific. [redacted] (Page 1)

Communist China [redacted]

No

[redacted] Peiping is preparing a new eight-year economic plan (1960-67), and may have it ready for presentation to the National People's Congress scheduled to convene late this month. The regime has claimed its "leap forward" policies enabled the nation to meet three years ahead of schedule most of the goals of the current Five-Year Plan (1958-62). A new plan would almost certainly call for further rapid increases in industrial output, which by 1967 may well be running five years ahead of the estimates Peiping made before the "leap forward" was undertaken in mid-1958.] [redacted] (Page 2)

OK

USSR-UAR: A high-level Soviet economic delegation is in the UAR discussing plans for implementing the Soviet aid program in Syria [in response to Cairo's request that economic development there be stepped up.] The \$150,000,000 credit extended by the USSR to Syria in 1957 for land and transport development has remained largely unused, in part because of Syrian inaction. Plans for use of this credit now are being redrafted, and additional credits for industrial projects may be offered. [redacted] (Page 3)

i

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~~TOP SECRET~~ [REDACTED]

II. ASIA-AFRICA

OK
Japan: The Japanese Socialist party is again facing the prospect of defections similar to those of last year as a result of bitter factional controversy over the party's leadership. The defeat of right-of-center elements in the 24 March election of a party chairman may also cause some moderate groups within trade unions which have backed the Socialist party to shift support to its newly formed rival, the Democratic Socialist party.

[REDACTED] (Page 4)

III. THE WEST

NO
France: [The second French nuclear test is expected before 1 April, [REDACTED] [REDACTED]

[REDACTED] (Page 5)

OK
West Germany: [Defense Minister Strauss has said that if West Germany's proposals for an integrated NATO logistics system are not accepted, Bonn will be forced either to curtail its procurement of military supplies or to make additional arrangements with other countries, including non-NATO nations such as Spain.] [REDACTED] (Page 6)

26 Mar 60

DAILY BRIEF

ii

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I. THE COMMUNIST BLOC

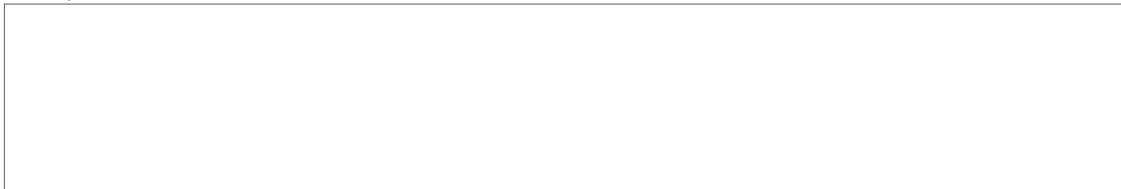
Soviet Submarines Conclude Record Voyage

Two and probably three Soviet Northern Fleet submarines, which left the Murmansk area on about 25 October, arrived in Petropavlovsk, Kamchatka, on 24 March, concluding a voyage of the longest duration--five months--known to have been made by any Soviet submarine.

The submarines moved slowly through the North and South Atlantic, the Indian Ocean, and the Western Pacific. They were supported during the cruise by the merchant tanker Vilyuysk, which made stops at the Ghanaian ports of Accra and Takoradi; Colombo, Ceylon; and the Indonesian ports of Djakarta and Surabaya.

The submarines were probably conducting extensive observations or tests while en route. It is estimated that these activities included communications tests, area familiarization, and training.

The operation is believed to be a continuation of similar operations conducted by submarines last year which were supported by the Vilyuysk in the Atlantic and another tanker, the Pevek, in the Eastern and Southern Pacific.

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~~TOP SECRET~~Possible New Long-Term Plan for Communist China

[redacted]

State Planning Commission--the organization in charge of long-range economic planning--is drawing up an eight-year economic plan. [redacted] the plan is to be "formulated in two or three months." If this timetable is met, the new plan will be ready for presentation to the National People's Congress, which is to meet late in March. The regime claims to be three years ahead of schedule on most of the targets of the existing Second Five-Year Plan (1958-62). A new plan, covering the remaining three years of the current plan and the Third Five-Year Plan ending in 1967, would be a logical development at this time.]

[Peiping has recently been building up Mao Tse-tung as a political economist, arguing that his "discovery" of the principles of high-speed economic development made possible the "big leaps forward" in 1958 and 1959. A mid-March editorial in the official People's Daily also asserts that the Communist spirit of "selfless labor in total disregard for remuneration" is sweeping the country and that such things "should be incorporated into our plans." It is thus likely that any plan presented at the congress will continue to press for the most rapid possible economic advances at the lowest possible cost.]

[The regime will probably use announcement of such a plan to further the image of a rapidly industrializing China by pointing out that at the end of the next eight years China will be five years ahead of the estimates it made before the "leap forward" program. Agriculture will remain a weak spot, but by 1967 China will probably have tripled the present output of 13,000,000 tons of steel and may be able to increase sixfold its output of electric power. China would then have reached in the space of 15 years levels of production in steel and electricity equal to those attained by the USSR in 25 to 30 years.] [redacted]

[redacted]

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Soviet Economic Aid for Syria

A high-level Soviet economic delegation and leading UAR officials of the Syrian region are holding talks in Cairo and Damascus which will probably lead to changes in the 1957 Soviet-Syrian economic cooperation agreement. The Soviet five-man delegation, headed by a deputy chairman of the USSR's committee on foreign economic relations, [apparently has come to the UAR in response to complaints from Vice President Amir, Nasir's viceroy in Syria, that Moscow is not adequately fulfilling its economic aid commitments in Syria.] Cairo in recent months has taken steps to speed up economic activity there in conjunction with Nasir's plans to coordinate the economic development programs of both regions of the UAR.

The original Soviet-Syrian agreement provided for an estimated \$150,000,000 in Soviet long-term credits to be used to finance irrigation and hydroelectric power projects, transportation facilities, and geophysical surveys. The major project envisaged under the agreement is a dam, along with a power station and irrigation system, on the Euphrates River. Thus far, however, Soviet activity under the agreement has been limited largely to survey and planning work. Only about \$20,000,000 of the Soviet credit has been drawn to date, in part because of inaction in Damascus.

The USSR's favorable response to a renegotiation of the Syrian agreement underscores Moscow's willingness to continue extending economic aid to the UAR despite political frictions. It is probably also intended to allay Nasir's suspicions that Moscow is behind Arab Communists' efforts to regain an independent status for Syria.

The revised agreement probably will cancel some of the formerly scheduled projects and provide for others, perhaps of an industrial nature. The Soviet Union may also be planning to offer new aid credits.

With the exception of almost \$20,000,000 in economic aid from Czechoslovakia, other bloc economic credits to Syria have been of little consequence. The bloc has, however, supplied the Syrian region with more than \$200,000,000 in military assistance.

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II. ASIA-AFRICA

Election of New Chairman Further Divides Japanese Socialist Party

The Japanese Socialist party (JSP), which late last year lost a fifth of its Diet members in a policy dispute, faces additional withdrawals following Inejiro Asanuma's narrow victory in a showdown election for party chairman on 24 March,

Asanuma, who was Socialist secretary general, endorsed Communist China's foreign policy during a visit to Peiping in early 1959. His election consolidates leftist control of the JSP, but it is not expected to change the party's basic policy. The new chairman already has announced his intention to pursue the party's fight against ratification of the revised US-Japanese security treaty.

The more far-reaching impact of the election, however, probably will develop outside the JSP itself, within the ranks of trade unions which are affiliated with Sohyo, Japan's largest labor federation and the base of JSP support. Labor restiveness over the Socialists' decided shift to the left in the past year had influenced Sohyo to support opportunistic, right-of-center factional leader Jotaro Kawakami for the party chairmanship. His defeat may lead moderate elements in many of the Sohyo-affiliated unions to switch their support to the recently formed Democratic-Socialist party (DSP).

Although Kawakami is expected to remain in the Socialist party, some of his supporters probably will join earlier "hard-core" right-wing defectors in the DSP. This would strengthen the DSP in the Diet, but it might induce the party to compromise its moderate Socialist outlook in order to prevent the development of factionalism in its own ranks.

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III. THE WEST

French Nuclear Test Program

[REDACTED]

[REDACTED] The second test, [REDACTED]

[REDACTED] is expected before 1 April. [REDACTED]

[REDACTED]

[The stated purpose of the second test is weapons research of a fundamental nature applicable to any type of nuclear weapon. Despite the small yield expected, this test does not in itself demonstrate considerable progress toward the development of tactical nuclear weapons. [REDACTED]

[REDACTED]

[REDACTED]

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~~SECRET~~West Germans Urge Integrated NATO Logistics System

[In a recent conversation with Secretary of Defense Gates, West German Defense Minister Strauss called supply and storage problems an increasingly serious obstacle to the build-up of West Germany's armed forces. Strauss felt that, if agreement cannot be reached in NATO on a Bonn proposal for an integrated logistics system, West Germany would have no alternative but to make bilateral arrangements with other countries including non-NATO nations--an apparent allusion to Spain. Otherwise, West Germany would be forced to stop further military procurement and abandon its attempts to meet NATO logistic requirements. The German proposal is the first item on the agenda for the 31 March - 1 April NATO defense ministers' meeting.]

[American Embassy officials in Bonn believe that, even allowing for possible German overestimation of logistic requirements and of the difficulties in meeting them, Strauss is still confronted with "unquestionably an enormous problem." They believe that a NATO rejection of Bonn's proposals for an integrated logistics system would sooner or later evoke the consequences of which Strauss speaks. Since solutions outside the NATO framework are "clearly unpalatable" to the Adenauer government, the effect of a rejection would be to put the Federal Republic's military effort in a "deep freeze."]

[Under present NATO planning, which makes each nation responsible for its own logistics, West Germany is required to maintain sufficient military supplies for 30 days east of the Rhine and for 60 days west of the river. Suitable land is not available for this purpose or for needed additional air-fields and maneuver areas. Bonn has concluded agreements with France, the Netherlands, and Portugal to provide additional facilities, but believes that these arrangements are not adequate and that a fully integrated NATO system is the only feasible solution to the difficult command and control problem which would arise in the event of hostilities.]

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