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J. EDWARD JOHNSTON, JR.

[Redacted]

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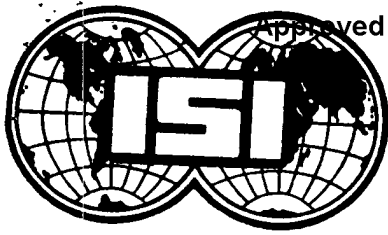
Dear Mr. Dulles:
Enclosed find a
sample of the latest F.S.I.
report sent with my compli-
ments to you just so C.I.H
will not always be uninformed.

Very truly yours
J. E. Johnston, Jr.

AUG 31 REC'D

(EXECUTIVE REGISTRY FILE)

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INFORM

Foreknowledge is half the victory

INTERNATIONAL SERVICES OF INFORMATION FOUNDATION, INC.

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ISI has no political affiliation or bias.

Issue No. 6018

16 August 1960

RED SETBACKS

MOSCOW IS MADDENED that 20 new African states have been formed entirely on the initiative of the Western colonizers.

*

THE RED INVESTMENT in Congo Premier Patrice Lumumba has not paid off satisfactorily. It has not given Moscow the chance to intervene on the scale anticipated.

*

MOSCOW IS GREATLY DISSATISFIED with India's refusal to buy Soviet crude oil.

THE PART OF THIS DEAL that has the inhabitants of the Kremlin "jumping with rage" is that the Indian Government is saving at least 3 1/2 million pounds sterling a year by buying from Western oil companies at reduced prices.

*

MOSCOW IS RUNNING INTO technical and labor difficulties with its much-vaunted aid to Egypt on the High Aswan Dam.

*

"WE DON'T WANT TO DIE for Cuban sugar" is one of the sentiments being expressed on the streets of Moscow and causing a ripple of uneasiness in the Kremlin.

*

"LEFT-WING SECTARIANS", e.g. a powerful section of Red China's leadership;

"REVISIONISTS", e.g. communists like Yugoslavia's Tito;
"DOGMATISTS", e.g. communists like the fallen leaders,
Malenkov and Molotov;

are three more of the aches to which the Red head is increasingly subject.

*

IT'S MOSCOW'S TURN TO WORRY. Some of its agents recalled from Canada, the U.S. and Latin America for new instructions have left their posts, but have not arrived at their destinations.

*

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SOVIET INFILTRATION OF THE CONGO

THE SOVIET SHIP "LENINOGORSK", loaded with wheat, sugar, dried milk and "other things" has gone to the Congolese port of Matadi.

THE SOVIET SHIP "ARKHANGELSK", loaded with 100 Soviet trucks and "other things"; is on her way to Matadi. She also carries a large party of Soviet specialists. Under the guise of instructing African drivers for the trucks, an excellent opportunity will be provided for penetration of the territory by observers and agents who will report on the activities of the U.N. troops.

THE POLISH SHIP "SZCZECIN", loaded with Czech armament, is about due in the Congo. At least five big Soviet trawlers are "fishing" off the shores of West Africa and are equipped to help in the delivery of these cargoes to Mr. Lumumba's government.

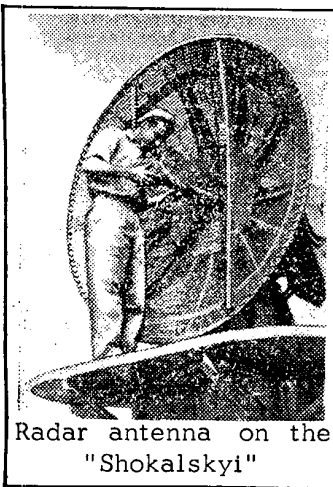
THE SOVIETS ARE INFILTRATING the Congo as rapidly and as extensively as they can. Dozens of Soviet officials in the entourage of the newly-appointed Soviet Ambassador will make a good start.



RED NET ROUND AFRICA

AFRICA IS ENCIRCLED BY A NET of Soviet observation ships, disguised as fishing vessels, whose mission is to aid the passage of Soviet transports of armaments and other "delicate" cargoes, i. e. agents, propaganda, etc., from the U. S. S. R. and Poland to Africa.

THE VESSELS BEING EMPLOYED for this purpose are of the rocket-launching type described in INFORM No. 6013 of 1 July - Soviet Answer to Polaris Missile, and they operate as described in the dispatch Red Trawler Observation Posts, INFORM No. 6017 of 2 August 1960.



Radar antenna on the
"Shokalskyi"

MOSCOW DEEMS IT NECESSARY, at least for the duration of the Congo crisis, to control closely the approaches to the shores of East Africa as well as those of West Africa.

THIS EXPLAINS THE HASTE with which the newly-completed "Shokalskyi", sister ship of the "Voyeykov", underwent her trials, including rocket-launching, and was sent to the Indian Ocean during this hot and stormy season.

AT GREAT SPEED, the Soviet Union is increasing her fleet of this type of big (3,500 to 4,500 tons) scientific research "expeditionary" ships, which are capable of immediately serving the needs of the Red navy in the event of war. The "Petr Lebedev" and the "Sergei Vavilov" are undergoing tests in the Baltic.

TO DATE, 125 ROCKETS have been fired from Soviet ships: 33 from the "Ob" and 39 from the "Voyeykov" in the North Pacific.

Route of the "Shokalskyi" to the Indian Ocean

THE "SHOKALSKYI" went to the Indian Ocean by way of the Mediterranean and the Red Sea en route to Vladivostok and the Pacific.

IN THE RED SEA, the deep waters at the southern entrance around Perim and Bab-el-Mandeb and along the coast of Yemen were studied, as well as the Gulf of Aden.

INSTEAD OF COMPLETING her journey to the Pacific, the "Shokalskyi" stayed in the East Afri-

can waters of the Indian Ocean, on the excuse of joining other big Soviet trawlers from Vladivostok fishing for sardines and tuna.

Ed: Heretofore, these waters have been fished only by local fishermen and the Japanese.



RED DRIVE ON AUSTRALIA AND NEW ZEALAND

"AUSTRALIA IS RAPIDLY BECOMING a neighbor of the Soviet Union", says Moscow.

THIS IS THE PROPAGANDA LINE that accompanies Moscow's plan for the strongest possible action in penetrating Australia and New Zealand.

THE BASIS FOR THIS NEIGHBORLY situation has already been laid, claims Moscow, because before the Red revolution, Czarist shipping companies had their own piers and storage sheds in Australian and New Zealand harbors.

BECAUSE TRADE BETWEEN THE U.S.S.R. and these countries should be considerably increased in the future, Moscow urges that the above Czarist "good habit" should be revived.

THE "CONSIDERABLE PRESENCE" of Soviet scientists and whaling fleets in Antarctic waters in the vicinity of Australia, New Zealand and Tasmania, as well as greatly increased Soviet interests in the Indian Ocean, are other reasons Moscow enumerates for increasing her relations with these lands.

THE ACTION LINE BEING PLANNED by Moscow includes increased maritime traffic and instructions to Communist trade unions to develop as extensively as possible relations with Australian and New Zealand trade unions.



FLOATING RED SUBMARINE BASES

RED NAVAL INTEREST in the Soviet whaling factory ships is explained by the fact that they are invaluable as floating bases for submarines in distant waters.

SOVIET SAILORS FROM THE BALTIC FLEET have been making excursions to Baltiisk to visit the new, very fast factory whaler "Yurii Dolgorukii" and many of them have expressed willingness to serve on her when they go into the reserve. Sailors from the Black Sea Fleet who visited the whaler "Sovetskaya Ukraina" at Odessa did the same thing. The "Yurii Dolgorukii", which has unlimited radius of action, will leave Leningrad for Antarctica in November at the head of the third Soviet whaling flotilla.

A FOURTH FLOTILLA, headed by the newly-launched "Sovetskaya Rossiya", will be ready for whaling in the 1961/1962 season.



"BLUE RAYS" IN SIBERIA

SOVIET TECHNICIANS are experimenting with "blue rays" in Siberia. Using military equipment, the "blue rays" are used to lure countless swarms of mosquitoes to their destruction.

THE BLUE RAYS ARE DANGEROUS. Warning is given not to look at them on pain of possible blindness. When directed at a target point, the ray is visible from a distance of several kilometers and, even at such distance, is said to be dangerous.



ROCKET MANIA IN

New Patrons for Red Rocketeers

THE SOVIET YOUTH ORGANIZATION, Komsomol, is preparing to shift its patronage from the Red navy to the Red rocket troops.

THIS SEEMINGLY INSIGNIFICANT MOVE has a meaning. While Komsomol bestowed its patronage on the navy, it meant that the best and staunchest members of communist youth went to serve in the navy.

NOW, THE YOUNG ARCH-COMMUNISTS are to bestow their favors and their Red fervor on the rocket troops, now considered the most important military arm of the U. S. S. R. . Rocket formations need specially selected personnel and Komsomol knows its members better than any selection commission could do.



Anti-Aircraft Rocket Defense

PERSONNEL IS BEING HASTILY TRAINED to man the Soviet A.A. rocket batteries being built around strategic areas in a much greater radius than the old artillery batteries.

LAUNCHING PLATFORMS ARE BEING BUILT in the trainees' free time.

THE LOCATIONS OF THESE BATTERIES are all considered secret: they are well camouflaged and guarded like slave labor camps with wire fences, trenches and observation towers.



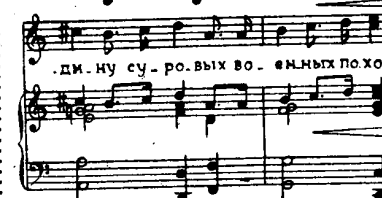
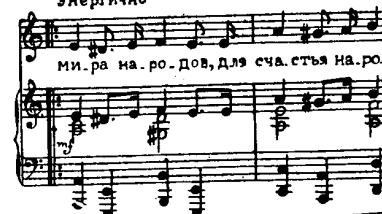
МАРШ РА

Стихи Михаила ВЕРШНИНА.

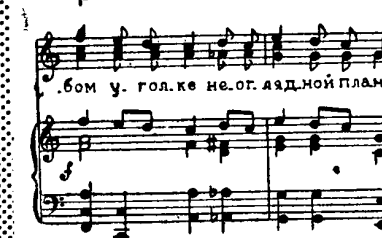
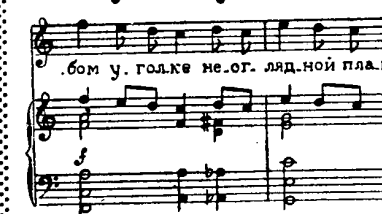
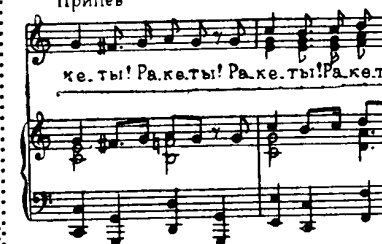
Темп марша



Энергично



Припев



Для мира народов,
Для счастья народов
Ракета у нас рождена!
В годину суровых военных пох
Отгизне служила она!

Припев:

Ракеты!
Ракеты!
Ракеты!
Ракеты!

Любой вам доступен простор!
В любом уголке неоглядной пл
Налетчик получит отпор!
Мы в синие дали,
Мы в звездные дали
Ракеты свои вознесли!

НАЛЕТЧИКОВ

Музыка Анатолия НОВИКОВА.

1 балет. *mf*
Для

сгес.
е.та у нас рожде. на! *Вго.*

сгес.
из не служил ав о. на *Ра.*

соло
ий вам дасту. пен простор! *В лю.*

Хор
летчик полу. чит от. пор! *В лю.*

соло
летчик полу. чит от. пор!

(конец)
До лунных просторов они долетали
С великой советской земли!
рипев.
Мы видим чужие
Враждебные базы
У самых советских границ.
Те черные базы вздрогнут сразу
От наших ракетных зарниц!
рипев.
И где бы заморский
Налетчик тот не был,
Он будет всегда под огнем!
На страже родного советского неба
Ракеты и ночью и днем!
рипев.

THE SOVIET UNION

March of the Rocketeers

M. Vershinin - probably Marshal Vershinin - is credited with the authorship of the verses to this Red 'Rocketeers March'. The words threaten enemy bases with destruction by Soviet rockets and boast that, no matter where a foreign raider might be, he would always be in range of Soviet rocket fire. The refrain is: 'Rockety! Rockety! Rockety! Rockety!'

The Power of Marshal Nedelin

FACTUAL AND POLITICAL SUPREMACY over all branches of the Soviet armed forces now lies in the hands of Marshal Nedelin, commander of the Soviet rocket forces.

SO MUCH EMPHASIS ON ROCKET WARFARE has been introduced into the Soviet military that, even as Kurushchev brandishes rockets over the heads of Western leaders, he is entirely dependent on Marshal Nedelin.

THE RED ROCKET MARSHAL has to be so close to the Soviet Communist Party and to the Red Government at all times that he can act, in case of emergency, without asking for further instructions.

THE "ABSOLUTE NEED" for ultra-rapid decisions in nuclear war has placed the Soviet Union, including Nikita Khrushchev, in the hands of Marshal Nedelin.



"Please, gentlemen, although I am going into the reserve, I will be able to offer you a smoke in case of necessity."

THE OLYMPICS

Free Czech intelligence sources report that there is a Communist plan to wreck the Olympic Games.



RED EXPEDITIONS IN ARCTIC

NO LESS THAN 20 EXPEDITIONARY DETACHMENTS of the Institute of Geology and Geophysics of the Siberian branch of the Soviet Academy of Sciences are now conducting research in various sectors of the Arctic.



ROUBLES ON THE OFFENSIVE

This cartoon, entitled "The Real Boss of the White House", was published in Sovyetskaya Rossiya, 4 August 1960.

According to this line of Soviet propaganda which is aimed at "dethroning the dollar", although both the Republicans and the Democrats have nominated their candidates for the U. S. presidency, it is still the dollar that rules supreme.

ИСТИННЫЙ ХОЗЯИН БЕЛОГО ДОМА

Правящие партии США — республиканская (эмблема слон) и демократическая (эмблема осел) на состоявшихся недавно съездах выдвинули своих кандидатов на пост президента Америки.



ДОЛЛАР: Спасибо за вашу работу, господа. Президентом по-прежнему остаюсь я!

Рис. Ю. Кершина.

DOLLAR: Thank you for your efforts, gentlemen. I am still the President.

COMING SOVIET economic offensive has been frequently signaled by INFORM sources. Now we are advised that 1 January 1961 will be the starting point for a renewed Soviet effort to create an All-European market to include the U. S. S. R. and her satellites, and to make the new rouble negotiable currency, thus opening wide the doors for large credits for the Soviet Union abroad.

ON 1 JANUARY 1961, the new "heavy" rouble will replace the present rouble inside the Soviet Union in the ratio of one for ten. However, the gold value of the external rouble used for international trade evaluations will not be increased ten times, but only four times, i. e. it will be increased from the present 0.222168 grams to 0.888672 grams.

THUS, WHILE THE NEW ROUBLE will be made equal to the dollar in international trade, it will be depreciated two and a half times in comparison with the domestic rouble.

THE IMMEDIATE EFFECT of this disparity between the increase in domestic and foreign values of the new rouble, will be that all Soviet domestic prices for raw materials, metals, machinery, etc. (now very high in comparison with Western prices), if recalculated at official exchange rates with the new rouble, will be reduced 2 1/2 times in foreign currency values.

Example:

At present exchange rate (1 rouble = 25¢):
1 ton of copper @ 7,000 r. = \$1,750.

The new "heavy" rouble is to be exchanged domestically at one for ten. Therefore:
1 ton of copper will cost 700 roubles.

If the new "heavy" rouble is to be valued, not at 25 cents, but at \$1.00, then:

1 ton of copper will cost \$700 - or 2 1/2 times less than now.

THESE MANIPULATIONS WILL OPEN UP enormous opportunities for the Soviets to dump their products all over the world at cut-throat prices.

NOTE: Monetary reforms in the U.S.S.R. in 1924, 1936, 1947 and 1950 were all intended to cut back the inflationary conditions which develop periodically in the lop-sided economy of the socialist state. The reform slated for 1 January 1961 again aims at liquidating the inflation that has developed since the reforms of 1947 and 1950 - and improving the trade value of "the most stable currency on earth".

See INFORM No. 6010 of 12 May 1960 for our analysts' estimate that the true value of the dollar is 88 roubles - not 4 roubles, the present official exchange rate. INFORM No. 6011 of 1 June 1960 reveals the hoax to be wrought on the Russian worker next year when his present rouble is exchanged at the rate of ten for one new one. Our analyst describes this as disguised inflation.

Readers may find it interesting to refer back to "Could Russia Disrupt World Metal Markets?", an analysis by INFORM's Overseas Economic Analyst, published in INFORM No. 5924 of 1 October 1959.



UNWELCOME PARTY AT THE POLLS?
Resume of dispatches from INFORM's Overseas Sources

AS AMERICANS APPROACH the ballot box in November of this year, they may well be shocked to find an unwelcome "party" actively campaigning - not against Kennedy and Nixon, but against their own long-guarded liberty and much-wanted peace.

AN ALARMING COMBINATION of information and rumor from a number of sources indicates that the unexpected "candidate" will be a bold and boastful Soviet Union, determined to take advantage of U.S. "vulnerability" caused by the election or by the lame duck administration between election and inauguration time - with a series of serious incidents designed to confuse and distract the West and to divide Western defense and action.

IT IS LIKELY, according to our sources, that the Soviet action will resemble the famous "whistle stop" technique of former U.S. election campaigns. That is, it will feature a series of "area" incidents - even a series of area wars - with dangerous and daring action by both Moscow and Red China.

THE SOVIET MOVE might be Berlin, or intervention by paratroopers in the Congo, or reaction against some faked "provocation" from Turkey or Iran. As for the Red Chinese, there are many possibilities in Southeast Asia, Korea and Formosa. The most hazardous of the adventures planned for this time may be undertaken by Red China.

The nebulous nature of the warnings he is receiving reminds one of our analysts of the amusement caused in Warsaw in 1939, when the Polish military attache in Rome cabled his superiors that he had picked up some important information at a cocktail party. The information was that war was imminent, and as soon as he could find out who the warring parties were to be, he would let them know. As idiotic as the message sounded, Warsaw's amusement didn't last long.

ALREADY, WE ARE HEARING some campaign speeches from the "crisis" candidate. Soviet domestic propaganda is most insistent on the anti-Adenauer, anti-West Germany, anti-NATO lines. Our sources report that even in the Soviet Union, the insistently-conducted hate campaign against the United States begins to jolt the nerves of the Russians themselves. They ask questions:

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"Why all the noise - unless the Party really wants us to hate the Americans and the West?"

WHAT THE PARTY IS NOW DOING seems to be preparation for the moment when it will say:

"Now it is too much! We could stand it for so long, but we cannot stand it any more! We must move!"

And it will start...

THIS IS THE MOST DANGEROUS GAME of politics the world has ever seen. The Soviets definitely hope that in the last days of his presidency, Eisenhower will not take the responsibility of accepting their challenge...giving them just the few days - or even hours - of hesitation they need.

CONNECTED WITH THE "COUP" that is being prepared to surprise the West at election time in the United States are several events noted by our sources. These include:

- The recent visit of the East German and Hungarian leaders to the U.S.S.R. and their meeting with Khrushchev.
- The "holiday" which Marshal Malinovsky is spending in Poland.
- The departure of Konev from the command of the Warsaw Treaty armies, and his replacement by Marshal Grechko, who commanded the East German Soviet troops for so long.

THE "UNWELCOME PARTY" is boastful and self-confident. For example, at all lectures on military affairs given to the Soviet Armed Forces, lecturers repeat the line that the U.S. Strategic Air Force is now hopelessly outdated. Even its newest bombers are said to be incapable of breaking through the combined Soviet AA defense system. "No high-flying aircraft can elude our rockets" is the theme.

ALL U.S. ATOMIC AIRCRAFT will be burned in the fire of the war - should Pentagon strategists try to start aggressive action, according to the Red speakers. There will be no escape for any U.S. command posts or staffs "regardless of the depth to which they dig themselves in the earth."

INFORM'S SOURCES LIKEN THIS BOASTFUL MOOD to that of Hitler and his Nazis just prior to World War II.

AN INTERESTING SIDELIGHT to the preparations indicated by these reports concerns the case of Bernon Mitchell and William Martin, the mathematicians who fled Fort George G. Meade.

FOR AT LEAST TWO YEARS, Soviet intelligence has been trying to get all possible information about U.S. language courses for both military and civilian personnel. Included on the list of "target" schools were those of Fort Bragg, Fort Hood, Fort Holabird, Presidio of Monterey and "Fort Midi", the last believed to be a phonetic expression for Fort Meade. INFORM's sources believe it likely that Mitchell and Martin were contacted by Soviet agents in the U.S. and induced to abscond, or were lured to Cuba for the purpose of kidnapping. This is just one more example of alarming Soviet actions around the world.

WE CAN BE SURE that the political campaign in the United States will end when the ballots have been counted and the results tabulated. But what of the Soviet action?

If it gets up a little too much steam, or seems just a little too easy and successful to its plotters, or if one of its "workers" gets just a little too enthusiastic...the election year could go down in history as one of the most disastrous of all time.

OCT 3 13 PM '50

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CENTRAL INTELLIGENCE AGENCY
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2	<i>The DCT</i>	
3	<i>EHL</i>	
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Here is another letter from our
 friend. *This is an incoming note + file -*
No action beh J

[Handwritten signature]

FOLD HERE TO RETURN TO SENDER

FROM: NAME, ADDRESS AND PHONE NO.	DATE
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