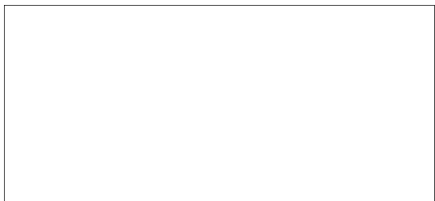


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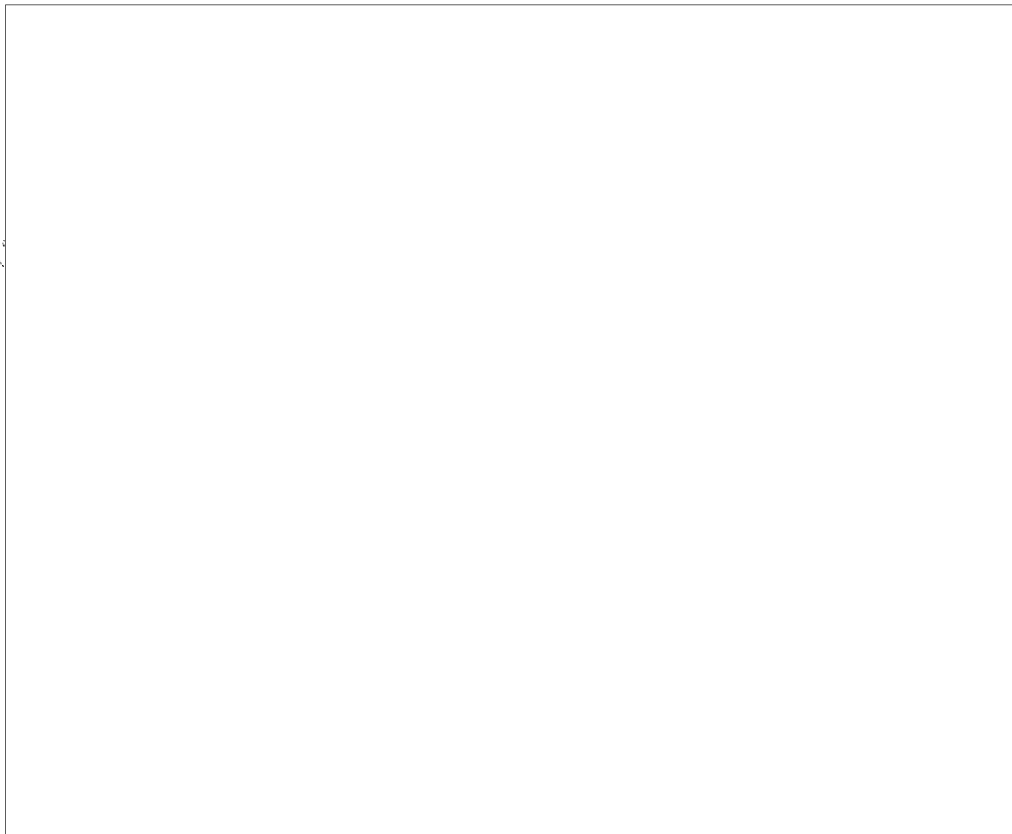


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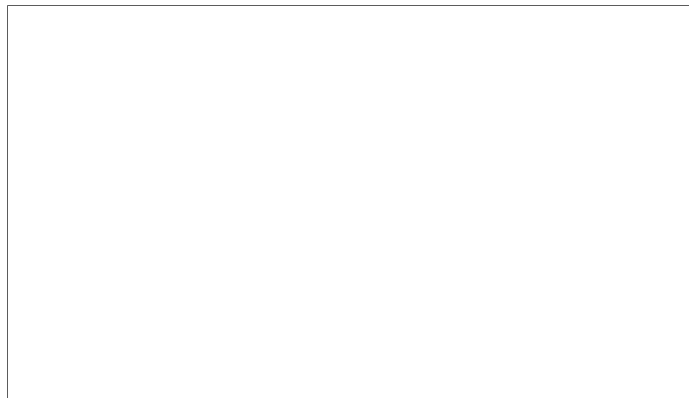
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1. TURKS ANNOUNCE MANEUVERS

Comment on:

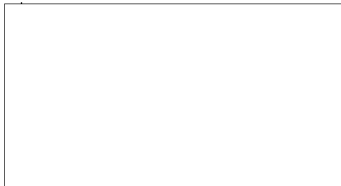
The Turkish General Staff has confirmed a press report that Turkey will hold joint forces maneuvers, including the simulated use of atomic weapons, in southeastern Turkey dur-

ing November. Military units currently on the Syrian border will participate in exercises expected to begin about 15 November and to last about ten days, according to the American army attaché in Ankara.

~~CONFIDENTIAL~~

2. MAO TSE-TUNG ENDORSES KHRUSHCHEV'S MAJOR DOMESTIC POLICIES

Comment on:



Speaking to the anniversary session of the Supreme Soviet in Moscow, Mao Tse-tung made an unusual endorsement of domestic Soviet policies, thereby backing Khrushchev on issues which may still be controversial among the top Soviet leaders. He described as "wise steps" Khrushchev's plans to decentralize and delegate additional powers to regional republics, the agricultural development program, "struggles" against antiparty groups, and "the improvement of political indoctrination in the army!"



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3. RANKING CHINESE COMMUNIST MILITARY LEADERS FLY TO MOSCOW

Comment on:

[REDACTED]

Nine of Communist China's top military leaders, including the armed forces chief of staff and the commanders of the air force, navy, and armored forces, unexpectedly left Peiping for Moscow by jet plane on 6 November. They presumably were summoned by Mao Tse-tung and Defense Minister Peng Te-huai to join in high-level talks with Soviet leaders.

[REDACTED]

The talks could result in closer Sino-Soviet cooperation in the military field. Mao's anniversary speech in Moscow on 6 November in which he gave full support to Khrushchev's major domestic policies has set the stage for new Chinese requests for more aid.

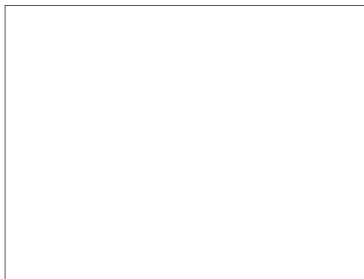
Two Chinese delegations, already in Moscow, are pressing for a Sino-Soviet agreement on scientific cooperation. Marshal Yeh Chien-ying, deputy leader of the military group which just left Peiping, has declared that Soviet missile successes are "priceless assets of all the countries of the socialist camp."

[REDACTED]

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4. THE INTERNATIONAL RED CROSS CONFERENCE IN NEW DELHI

Comment on:



The seating on 7 November of a Chinese Nationalist delegation at the International Red Cross Conference in New Delhi climaxed a bitter struggle over the representation issue which has split the conference since its opening on 28 October. The Chinese Communist delegation immediately left the conference and was joined by the Indian presiding officer. Following defeat of a Soviet resolution that the conference be dissolved, 16 other delegations including the Soviet bloc, Yugoslavia, Syria, Egypt, and Indonesia also walked out.

While the Nationalists avoided a defeat which might have been interpreted as sentiment in favor of Chinese Communist admission to the UN, it is doubtful that the final vote reflected the real sentiment of the conference, and the resulting split has perhaps damaged the universality of the Red Cross. US delegate McClintock notes that US threats to walk out if the Nationalists were not seated were greeted with "incredulity tinged on resentment." Friendly countries had hoped to avoid such a showdown.

The Sino-Soviet walkout suggests that the Chinese representation issue will be even harder fought in future international conferences. The Peiping government has again made it clear that it will not accept a "two Chinas" solution to this problem.



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5. PROGRESS IN ANGLO-EGYPTIAN FINANCIAL TALKS FORESHADOWS RESUMPTION OF DIPLOMATIC RELATIONS

Comment on:

Resumption of diplomatic relations between Britain and Egypt seems closer as a result of progress in their current financial talks in Rome. A British Foreign Office official expressed optimism on 6 November that a financial agreement with Egypt would be reached within ten days, and intimated that diplomatic relations would then be resumed

but that Britain would send a chargé d'affaires rather than an ambassador to Cairo.

The Egyptians have shown a willingness to compromise since the negotiations resumed on 4 November. Tacit agreement to drop Egyptian claims for war damages and British claims for seized military stores appears to have been reached already.

Nasir is said to have instructed the Egyptian delegation to seek agreement in principle in a way which would "save face" for London, leaving the details to be worked out later. British officials have long asserted that Egypt is under pressure to come to terms because of its need for the sterling balances totaling approximately \$307,000,000 which Britain is blocking.

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6. SITUATION IN LAOS

Comment on:



The American ambassador in Vientiane doubts that Laotian Crown Prince Savang can withstand pressure to recall the National Assembly within the next few days

for an extraordinary session to install a coalition government including the Pathet Lao. It seems probable that the assembly will give its approval unless there is some miscalculation on the part of the Pathet Lao or Prime Minister Souvanna Phouma. The most influential conservative leader, Interior Minister Katay, now takes the position that since the assembly has approved the settlement with the Pathet Lao, the cabinet must accept it.

Savang ostensibly remains adamant in his opposition to the settlement along its present lines and is predicting that Souvanna will be overthrown by the assembly before the settlement is finalized. His basic premise, however, is apparently the conviction that the United States will discontinue aid to Laos, which he assumes would make it impossible to pay the army and police and would lead to a revolt against the government.


~~CONFIDENTIAL~~

7. SECURITY SITUATION IN SOUTH VIETNAM

Comment on:



South Vietnamese security officials have informed the American embassy in Saigon they do not believe the danger of anti-American terrorism has passed since the 22 October bombings which injured 13 MAAG personnel. They recommend, however, that security measures designed for the long term replace the temporary alert. In accordance with these recommendations, restrictions on Americans moving about Saigon have been lifted, but travel of any kind in the provinces is to be approved in advance by an appropriate American official.

Sporadic assassinations of local Vietnamese officials and other acts of terrorism continue in South Vietnam, especially along the Cambodian frontier. These incidents have been attributed by investigating officials to elements of dissident religious sects as well as to Communist military cadres. The wave of terrorism began several months ago and coincides with information obtained by the Diem government that the Communist underground has been directed to launch a terrorist campaign including the assassination of Vietnamese and American officials. 

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8. SITUATION IN THAILAND ASSESSED

Reference:



The American embassy in Bangkok believes that the military group headed by Marshal Sarit which dominates the Thai government is, on the whole, in favor of Thailand's continued alignment with the free world. The embassy cautions, however, that the policies of the coup group appear to be influenced less by ideological considerations than by personality and power struggles stemming from individual efforts to obtain control of lucrative government and private business operations. It points out, moreover, that there are "fairly persistent indications" that some of the leading members of the coup group, including Defense Minister Thanom and Interior Minister Prapat, are powerful enough together to override Sarit on important policy matters.

All evidence available to the embassy points to continued collaboration between Marshal Sarit and the royalists and to the King's increased interest in political developments since the ouster of Premier Phibun. Sarit's ties with the royalists may be causing some concern to his military associates.

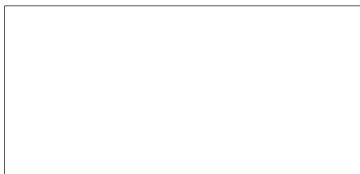
The embassy believes it unlikely that Phibun could, or would, return to the premiership by reaching a compromise with Sarit, since the King and the royalists would undoubtedly resist such a step. Phibun's political and administrative abilities are highly regarded by many in the military group, however, and there is a possibility that at some future date he may be able to re-enter politics as the only man capable of managing the government.

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**9. LABOR UNREST IN PERU MIGHT CAUSE
MILITARY TAKE-OVER**

Comment on:



Peruvian authorities are seriously concerned over the wave of strikes by labor organizations linked with the Communist party and with the leftist but non-Communist APRA party. Peruvian military leaders have stated that a military take-over of the government would be justified if the civilian government were unable to control labor unrest.

Increasing food and fuel shortages are beginning to be felt in the central mountain region as a result of the Central Railway strike which began on 24 October. A federation including virtually all organized office and retail trade employees in the Lima-Callao area has announced it will strike in sympathy with railway workers if the railway strike is still unsettled by 11 November. The Communist-led national federation of construction workers engaged in a 24-hour strike on 6 November protesting the government's recent repressive action against strikers at the Toquepala copper development in southern Peru. 

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ANNEX

Watch Report 379, 7 November 1957
of the
Intelligence Advisory Committee



Conclusions on Indications of Hostilities

On the basis of findings by its Watch Committee, the Intelligence Advisory Committee concludes that:

- A. No Sino-Soviet bloc country intends to initiate hostilities against the continental US or its possessions in the immediate future.
- B. No Sino-Soviet bloc country intends to initiate hostilities against US forces abroad, US allies or areas peripheral to the orbit in the immediate future.
- C. Unstable conditions and tensions stemming from developments concerning Syria continue to create possibilities for conflict in the Middle East. Although major Turkish forces continue to be deployed near the Syrian border and there has been some augmentation of small Syrian forces in northern Syria, we have no evidence that Turkey has reached a decision to launch an attack.



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