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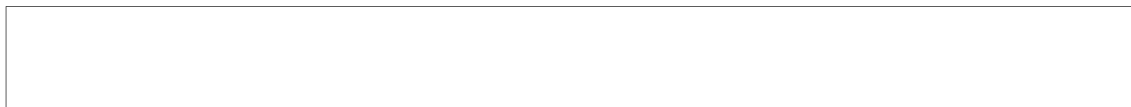
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CENTRAL INTELLIGENCE BULLETIN

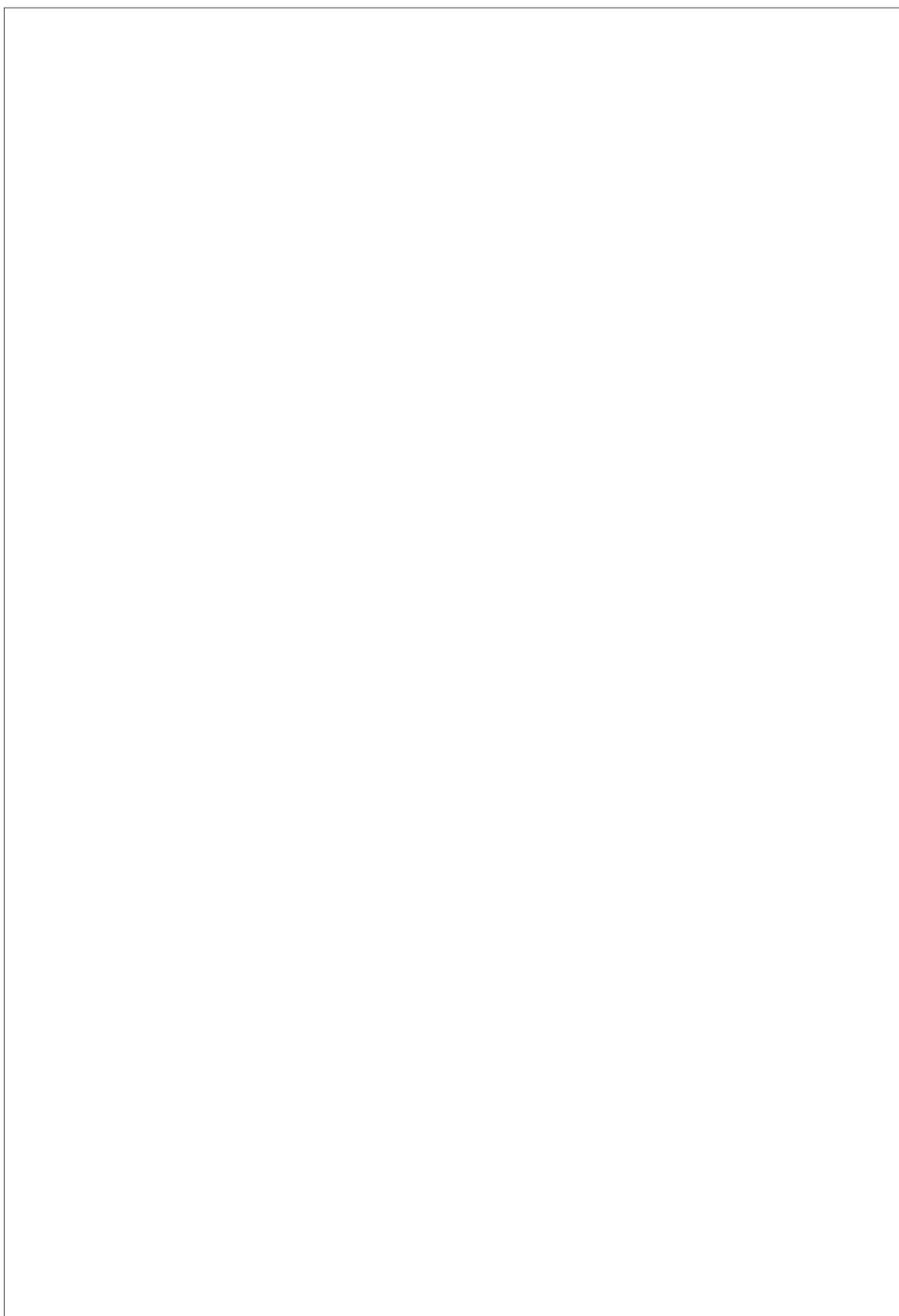


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2 JULY 1959

I. THE COMMUNIST BLOC

Bulgarian party attacks critics of "leap forward"; may foreshadow a high-level purge.

II. ASIA-AFRICA

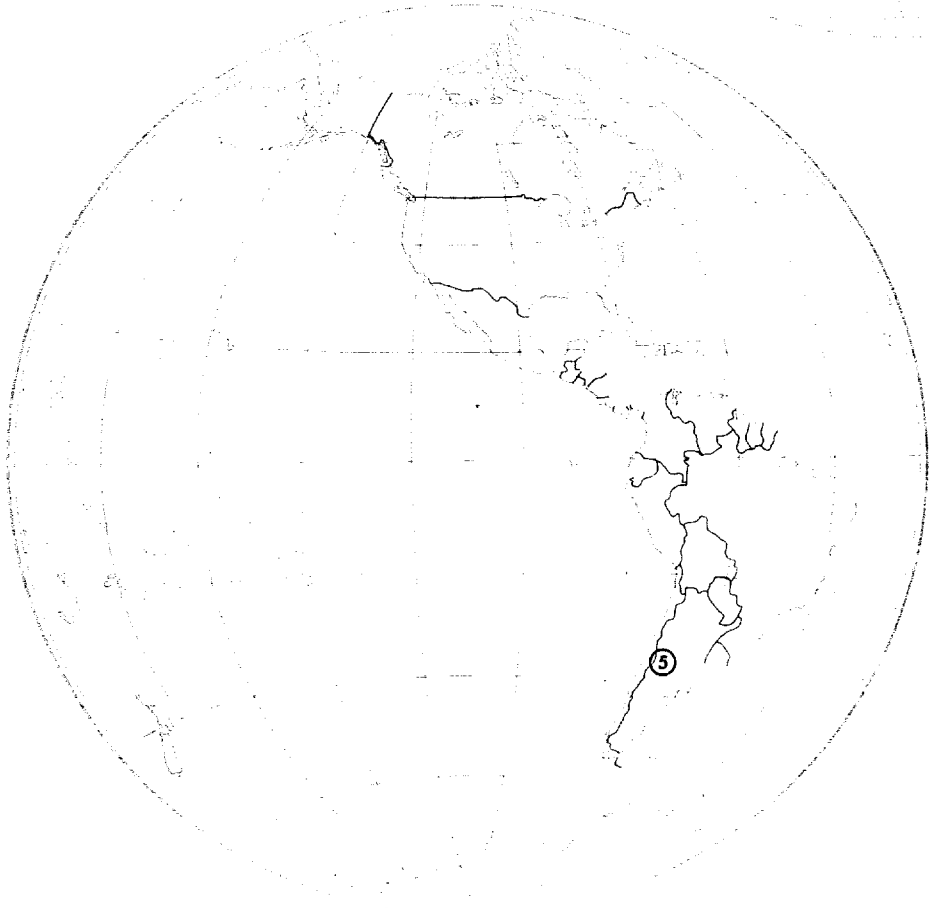
Chinese Nationalists complete withdrawal of 15,000 troops from Chinmen complex, leaving effective troop strength at 65,000.

Indian Praja Socialists seek to bring Tibet case before UN; New Delhi says it will not recognize a Tibetan exile government.



III. THE WEST

- ④ Continued efforts by Adenauer to eliminate Erhard as a possible successor are anticipated.
- ⑤ Argentina--Armed forces remain split over appointment of new top military commanders.



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CENTRAL INTELLIGENCE BULLETIN

2 July 1959

DAILY BRIEF

31RAB

I. THE COMMUNIST BLOC

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Bulgaria: An editorial in the June edition of the Bulgarian central committee's monthly journal contained a sweeping attack on opponents of Bulgaria's "leap forward." The editorial was clearly meant to intimidate opponents of the program and may have been intended to lay the groundwork for a purge of the party's ranks--even extending into the politburo--which could begin at the National Assembly session scheduled for 3 July.

Watch Committee conclusion--Berlin: No significant indications bearing on the possibility of hostilities.

II. ASIA-AFRICA

OK

Taiwan Strait situation: The Chinese Nationalists have completed the withdrawal of 15,000 troops on schedule from the Chinmen offshore island complex in accordance with an agreement with US military authorities. An estimated effective troop strength of 65,000 remains on the islands. Communist firing has been limited to a few rounds on odd days, and the Nationalists have only fired some rounds containing propaganda leaflets from the Chinmens against mainland targets since 7 January. (Page 2)

OK

Dalai Lama: Indian Praja Socialist party leaders plan to send emissaries abroad to arouse support for taking the Tibet case to the United Nations. They also plan to promote recognition by Asian and African governments of a Tibetan government-in-exile. These plans apparently were responsible for the Indian Government's announcement on 30 June that it would not recognize such a government. Speculation is increasing in India that the Dalai Lama may have to leave the country if he wishes to work actively for Tibetan autonomy. (Page 3)

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Watch Committee conclusion--Middle East: Situations susceptible of direct exploitation by Sino-Soviet bloc action which would jeopardize US interests exist, particularly in Iraq and Iran.

MO The initiation of significant hostilities is unlikely in the immediate future. [redacted]

III. THE WEST

MO West Germany: [Despite the demonstration of Christian Democratic Union (CDU) solidarity in electing Heinrich Luebke president on 1 July, internal CDU tensions resulting from the Adenauer-Erhard dispute remain. Adenauer probably will continue his efforts to eliminate Economics Minister Erhard as a possible successor. These efforts most likely will take the form of a behind-the-scenes campaign. The chancellor's first move may be to transfer certain aspects of foreign economic policy to the Foreign and Finance ministries.]

(Page 4)

OK Argentina: The armed forces are still split over the appointment of new top military commanders. [The army secretary has offered his resignation to avoid a showdown.] Although there is surface calm, the situation remains uncertain pending the completion of negotiations now under way to select compromise commanders. This has been demanded by moderate military elements as well as by the minority group of persistent plotters. [redacted]

(Page 5)

IV. SIGNIFICANT INTELLIGENCE REPORTS AND ESTIMATES

(Available during the preceding week)

Probable Soviet Position at a Conference on Antarctic.
SNIE 11-7-59. 30 June 59. [redacted]

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DAILY BRIEF

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Short-term Outlook in Iraq. SNIE 36. 2/2-59. 30 June 59.

[Redacted]

Situation in the Caribbean Through 1959. SNIE 80-59.
30 June 59. [Redacted]

2 July 59

DAILY BRIEF

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I. THE COMMUNIST BLOC

Bulgarian Party Warns Against Opposing "Leap"

An editorial in the June issue of the Bulgarian central committee publication, Novo Vreme, shows that there is still extensive opposition to the country's seven-month-old "leap forward," even in the highest echelons of the party. Citing as an example Boris Taskov, who was removed as minister of trade in March and as a politburo and central committee member in April, the editorial states "there are individual cases in our party" where "tested cadres and fearless revolutionaries... are afraid of difficulties and hold back." This suggests that at least some of the party cadres may be breaking under the strain imposed by the "leap" on the party and masses alike.

The most significant point of the editorial, however, was that some party members have "incorrect" attitudes toward "collectivism," and that the minority must accept decisions. Attempts to "bypass the central committee and politburo" were noted, as well as "attempts to undermine party unity" and "whispers against the party line and leadership." These are extremely serious charges, and, in the past, have been used to justify action against important party figures in bloc countries.

While the editorial clearly implies that serious charges will be leveled against opponents of the "leap" unless their attitude changes, it may also be laying the groundwork for a shake-up of the party which could begin with changes in the government at the National Assembly session scheduled for 3 July. Such a shake-up would probably include several officials at the medium and lower levels of party and state administration and might extend into the politburo. It would be designed to repress further signs of opposition to the "leap" as well as encourage greater efforts toward fulfilling the program. [Party First Secretary Todor Zhivkov, desirous of consolidating his leadership, may also take the opportunity to eliminate reported supporters of ex-party boss Vulko Chervenkov, such as politburo member Georgi Tsankov, whose imminent demotion has long been rumored.]

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II. ASIA-AFRICA

Taiwan Strait Situation

[The Chinese Nationalists have reported completing on schedule the withdrawal of 15,000 troops from the Chinmen Islands in accord with an agreement concluded with the United States last November. American authorities estimate effective troop strength on the islands at about 65,000.]

[The military situation in the Taiwan Strait remains generally quiet. The few flurries of shelling in the last few months have been confined to the Matsu area and appear to have been initiated by Nationalist firing on Communist small craft which ventured close to the islands. The Communists continue to fire light barrages on odd days against the Chinmen complex, but the Nationalists have fired only a small number of propaganda rounds from the Chinmens against the mainland target since 7 January.]

[The Chinese Nationalist Air Force, which has a total of 155 F-86F aircraft equipped to fire the SIDEWINDER air-to-air guided missile, now is carrying the missile on regular patrol flights. Four missile-equipped aircraft are assigned to two regular sector patrols over the Taiwan Strait, and two similarly equipped aircraft are maintained on air-defense alert.]

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Indian Socialists Begin Campaign to Support Tibetan Autonomy

New Delhi's relationships with the Dalai Lama, already somewhat tense as a result of the Lama's 20 June statement, are likely to be further strained by an international campaign in support of the Dalai Lama being waged by India's Praja Socialist party. This party took the lead in agitating against Peiping during the period of the Tibetan revolt and the Lama's flight to India. It plans soon to send emissaries to numerous Asian countries in an effort to mobilize support for Tibet. The emissaries will urge recognition of Tibetan autonomy and of the Dalai Lama as leader of a government-in-exile. They will also suggest taking the Tibetan case to the United Nations and will promote a trip by the Lama to various Buddhist countries.

J. P. Narayan, India's foremost socialist leader, discussed these matters with Afro-Asian and European diplomats in New Delhi on 26 and 27 June and with Prime Minister Nehru on 28 June. Narayan's discussions probably stimulated the government's announcement on 30 June that it did not recognize the Dalai Lama as leader of a government-in-exile. This announcement also stated that while India had granted the Lama asylum, it expected him to do nothing contrary to international usage or embarrassing to India.

There is some speculation in India that the Dalai Lama will eventually have to leave the country if he carries on an active campaign for Tibetan independence and if he intends to take the Tibetan issue to the UN. Neither the Indian Government nor the Dalai Lama is likely to push the situation to a point of crisis in the near future. Should Praja Socialist activities result in a number of invitations from Asian countries, however, the Dalai Lama would probably consider making a formal tour at some future date.

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III. THE WEST

West German Political Situation

[Despite the demonstration of Christian Democratic Union (CDU) solidarity in electing Heinrich Luebke president on 1 July, internal tensions resulting from the Adenauer-Erhard dispute remain. Chancellor Adenauer will probably continue his efforts to discredit Economics Minister Erhard and eliminate him as a possible successor.]

[Although Adenauer will probably not bring the dispute back into the open, he is reliably reported determined to finish Erhard politically regardless of the consequences. The chancellor's first move in whittling away Erhard's authority and support is likely to be an effort to transfer the economic aspects of the Common Market and European integration to the Foreign and Finance ministries.]

[Erhard has already lost support because of his vacillating response to Adenauer's attacks. Other prominent CDU members such as Finance Minister Etzel, Defense Minister Strauss, and Interior Minister Schroeder have been encouraged by Erhard's weakness to assert their own claims to the chancellorship.]

[Although Erhard has lost some of his personal following, a significant number of CDU members still support his ideas on improving relations with London through the free trade area, in preference to Adenauer's complete reliance on France. Other CDU members regard this issue as an opportunity to challenge Adenauer's foreign policies in general. CDU Bundestag deputies who personally oppose Adenauer but support his foreign policies may find it difficult to continue this support in coming months.]

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Argentine Military Discuss Compromise Appointments

The armed forces are still split over the selection of new top military commanders; negotiations to compromise the matter are being held by the administration and by extremist and moderate army groups. [redacted]

almost the entire army has insisted on the resignation of Army Secretary Solanas Pacheco, and on 30 June he resubmitted his resignation to avoid a showdown among army factions. To ease navy dissension, Navy Secretary Estevez has relinquished his concurrent position as chief of naval operations to Fleet Commander Vago, who is probably acceptable to the administration and the major navy factions. [redacted]

The threat to Frondizi's position has not been generally realized by the majority of Argentines, [redacted]

[redacted] New communiqués from dissident though more moderate groups, such as the Cordoba garrison, now describe the problem as internal army conflict and not a threat to constitutional government.

The government on 1 July moved to ease its relationship with the army by relieving it of responsibility for controlling railway, petroleum, and bus personnel. This also removes an issue used by the Peronistas and Communists in agitating for strikes and may soften the strong left-of-center opposition to new Economy and Labor Minister Alsogaray. Alsogaray made another popular gesture by announcing on 27 June that he would strictly enforce price control on a dozen basic consumer items. [redacted]

[redacted]

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~~CONFIDENTIAL~~**THE PRESIDENT****The Vice President****Executive Offices of the White House****Special Assistant for National Security Affairs****Scientific Adviser to the President****Director of the Budget****Office of Defense and Civilian Mobilization****Special Assistant for Security Operations Coordination****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 Economic Affairs****The Deputy Under Secretary for Political Affairs****The Deputy Under Secretary 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****The Secretary of the Army****The Secretary of the Navy****The Secretary of the Air Force****The Chairman, The Joint Chiefs of Staff****Commandant, United States Marine Corps****The Director, The Joint Staff****Chief of Staff, United States Army****Chief of Naval Operations, United States Navy****Chief of Staff, United States Air Force****Assistant to Secretary of Defense for Special Operations****Director for Intelligence, The Joint Staff****Assistant Chief of Staff for Intelligence, Department of the Army****Director of Naval Intelligence, Department of the Navy****Assistant Chief of Staff, Intelligence, Department of the Air Force****Supreme Allied Commander, Europe****Commander in Chief, Pacific****The Department of the Interior****The Secretary of the Interior****Federal Bureau of Investigation****The Director****Atomic Energy Commission****The Chairman****National Security Agency****The Director****National Indications Center****The Director****United States Information Agency****The Director**~~CONFIDENTIAL~~

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