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8 June 1959

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CENTRAL

INTELLIGENCE

BULLETIN



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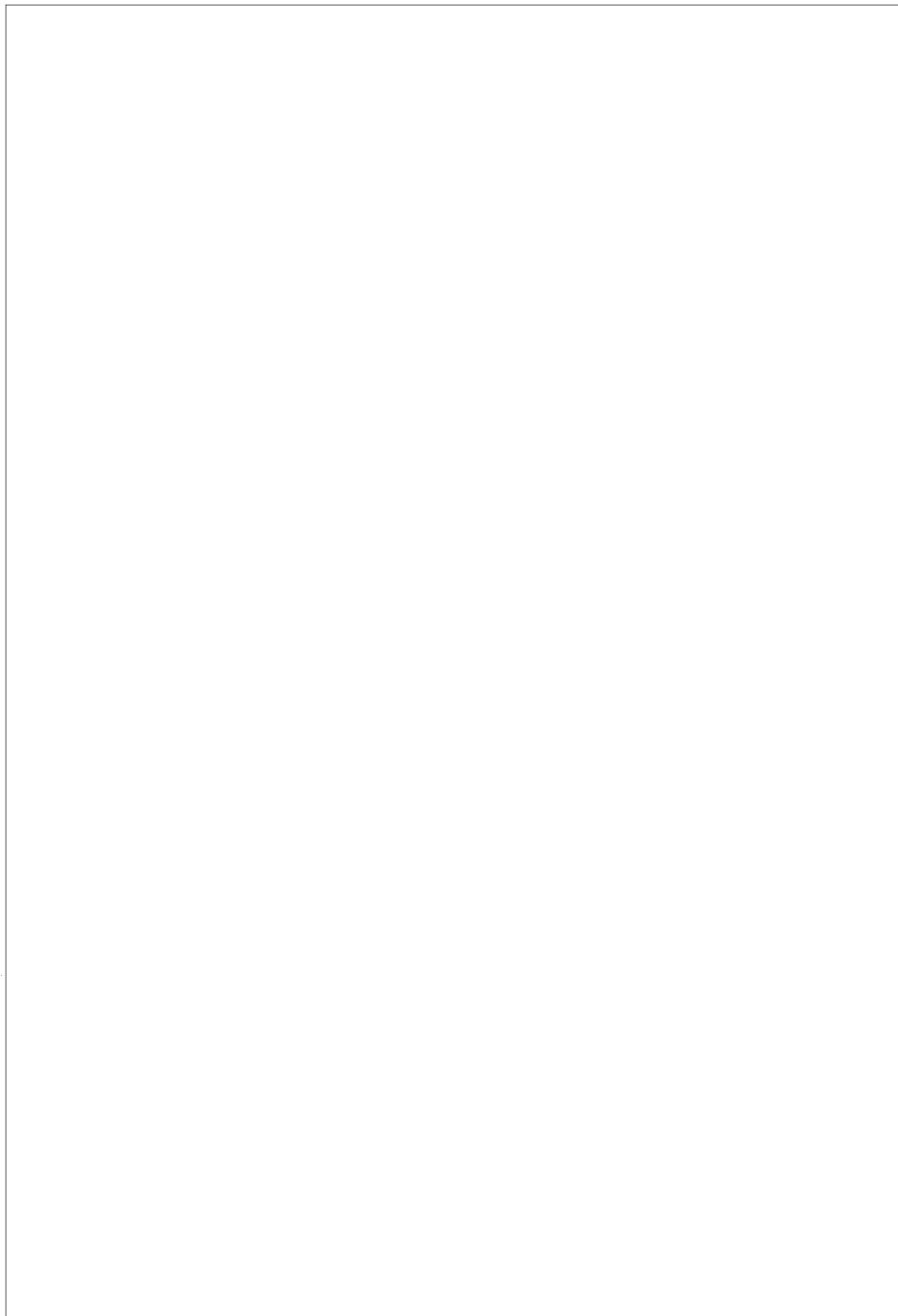
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8 JUNE 1959

I. THE COMMUNIST BLOC

Gromyko reaffirms Soviet intention to transfer Berlin access controls to East Germans and would guarantee Western access rights for some recognition of East Germany's role. Khrushchev continues public speeches against "occupation" of West Berlin.

II. ASIA-AFRICA

Iraq--Army, in first move against Basra laborers, arrests leaders of port-worker strike.

UAR continues propaganda attacks on King Husayn and is involved in new border incidents with Israel.

Lebanon--President Shihab is faced with balancing Christian-Moslem rivalries in his plans to expand cabinet.

Laos--Government may release pro-Communist leaders.

Tibet--Dalai Lama public statement omits any reference to Tibetan independence or government-in-exile.

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- ②
- ③
- ④
- ⑤
- ⑥

**III. THE WEST**

- ⑦ West Germany--Adenauer decision to remain chancellor attacked in his own party and in the press.
- ⑧ Argentina to expel Bulgarian minister.
- ⑨ Break in Cuban - Dominican Republic relations imminent.

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CENTRAL INTELLIGENCE BULLETIN

8 June 1959

DAILY BRIEF

SIRAB

I. THE COMMUNIST BLOC

No USSR-Geneva: In the first week of private talks, Foreign Minister Gromyko adhered firmly to the position that any new arrangements regarding Western access to West Berlin must be within the framework of the Soviet free-city proposal. He reaffirmed the USSR's intention to transfer access controls to the East Germans but said Moscow would guarantee the West's access rights under a new agreement, provided it contains some form of East German participation. Gromyko rejected, however, any procedures in which the East Germans would act as agents for the USSR.) *No*

(Page 1)

II. ASIA-AFRICA

No Iraq: The Iraqi Army arrested 24 foremen who led a strike of port workers at Basra on 31 May. This is the army's first firm action to curb defiance of the government's authority by the Basra labor force, which on several past occasions has intimidated the Basra garrison through mob violence. No violence followed the arrests and striking laborers returned to work the next day.

No An IL-28 jet light bomber, the first combat aircraft of Soviet origin to be observed in the air over Iraq, flew over Baghdad on 6 June.

No Jordan-UAR-Israel: UAR propaganda media are continuing to attack King Husayn following Syria's closure of its frontier with Jordan on 5 June in retaliation for alleged Jordanian harassment of Syrians in the border area. Jordanian authorities have initially taken an attitude of restraint, but have protested the UAR's action to United Nations representatives in the area.

UAR tensions with Israel are also on the rise as a result of an air clash over the Sinai-Negev desert on 7 June and the reported

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destruction of an Israeli military vehicle by a mine in the same area a few days earlier. [redacted] (Page 3)

*OK
Delete
and send to his cabinet
g/t/s* Lebanon: President Shihab hopes to prevent a recurrence of political turmoil after 13 June--when the government's emergency decree powers are to expire--by adding a number of ministers to his four-man cabinet. Two of the cabinet members have expressed their intention to resign about 13 June. In attempting to enlarge his cabinet, Shihab must balance the acute Christian-Moslem rivalries which have been submerged during the seven-month tenure of the present government. [redacted] (Page 4)

OK Laos: (The rebellious Pathet Lao battalion apparently has again slipped between units of the Laotian Army and may now be moving toward the North Vietnamese border.) The Laotian cabinet decided on 6 June to release from house arrest the leaders of the Communist-front Neo Lao Hak Zat, but to maintain continued surveillance. The crown prince, however, is considering the advisability of attempting to reverse this decision and to press for their prosecution. [redacted] (Page 5)

MQ Tibet: The statement issued by the Dalai Lama on 6 June in the form of an interview with The Statesman newspaper contained no reference to Tibetan independence or to a Tibetan government in exile. The Dalai Lama, who had planned to issue a strong anti-Communist statement, apparently was dissuaded by Indian pressure. His remarks, as published, confined themselves to deplored Chinese "torture" of Tibetans. Chinese Communist reaction to the Dalai Lama's relatively mild statement is likely to take a routine form.

III. THE WEST

OK West Germany: Adenauer, in deciding to remain chancellor, has forfeited some degree of respect and authority in his party, the Christian Democratic Union (CDU), and dissident CDU elements will be encouraged to assert their own views in hindering government policy. Adenauer's move has created unprecedented discouragement

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and confusion in the CDU, and has been widely assailed by CDU leaders and even the pro-government press as a move to retain personal power and block the appointment of the party's favorite, Economics Minister Erhard--whom Adenauer could not control--as chancellor. Despite this bitterness, the CDU is likely to keep a solid front on major issues and to reject possible overtures by opposition parties to vote Adenauer out of office.

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M0
Argentina: (President Frondizi, concerned over continuing Communist-Peronista inspired strikes and riots, plans to expel the Bulgarian minister within the next few days. The Bulgarian minister, like the Soviet and Rumanian diplomats who were expelled in April, is to be accused of involvement in domestic disturbances.) Meanwhile, certain disgruntled military officers and retired officers are plotting a revolution to take place during June and July. Continued firm action by Frondizi against Peronista-Communist agitators, however, will probably result in his continued support by the bulk of the military.

(Page 7)

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Cuba - Dominican Republic: Following a shooting incident between the Cuban chargé and Cuban exiles in Ciudad Trujillo on 5 June, the Cuban Embassy was sacked and is said to have been "totally wrecked." The chargé and his staff have left for Cuba and a break in relations is probably imminent.

The Cuban ambassador in Haiti has stated his car was ambushed and his chauffeur seriously wounded early on 6 June. He said he is convinced that Dominicans engineered the attack

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I. THE COMMUNIST BLOC

Soviet Tactics at the Foreign Ministers' Conference

(Foreign Minister Gromyko appears to be playing for time at Geneva on the assumption that the Western ministers will eventually take the initiative in working out an interim formula on Berlin which would open the way for a summit meeting. In the first week of private talks on Berlin, Gromyko cautiously adhered to the position that any new arrangements governing Western access must be within the framework of the USSR's free-city proposal. He made it clear that Moscow intends to transfer access controls to the East Germans but reaffirmed the USSR's readiness to guarantee Western access rights under a new agreement with which East Germany would be associated. He specifically rejected any procedures in which the East Germans would act as agents for the USSR.)

(Gromyko offered more detailed proposals than heretofore on ways to guarantee West Berlin's free-city status. According to the Soviet concept, the four powers, or neutral states, would maintain symbolic forces in West Berlin, on the order of a platoon for each power. A permanent commission composed of representatives of the four powers and East Germany would supervise the observance of the free-city status. The commission would submit annual reports to the four powers, East Germany, and the UN Security Council and would inform the four powers of any violations or threats to violate West Berlin's status. The four powers would take appropriate measures to ensure the observance of the free-city status.)

(Gromyko continues to insist on Western acceptance of the free-city proposal for tactical purposes, but the USSR may eventually agree to some modification of existing access procedures short of converting West Berlin into a free city. Moscow's minimum terms for an interim Berlin solution apparently include some form of East German participation and the exclusion of any formal reaffirmation of Western rights, including the right to maintain troops and the right of free access.)

(Gromyko suggested that any new arrangements might take the form of an agreement, a protocol, or a declaration. He stated,

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(however, that the question of Western rights should not be mentioned and suggested there might simply be an agreement on specific procedures. He specifically ruled out including East Berlin in any new arrangements.)

(Khrushchev, replying on 6 June to questions put to him by the Hungarian press, again rejected any agreement which would have the effect of 'perpetuating the occupation regime in West Berlin.' On his arrival in Moscow on the same date, Khrushchev repeated earlier threats to establish missile bases in Albania and Bulgaria if Italy and Greece allow missiles to be based in their territory.)

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II. ASIA-AFRICA

UAR Tension With Jordan and Israel

UAR propaganda continued to attack King Husayn following Syria's closure of its frontier with Jordan on 5 June. Syria has taken the action, which closes the route by which Jordan receives virtually all of its imports, in retaliation for Jordanian harassment of Syrians in the border area. Some Syrian newspapers charged that Husayn's "provocative acts" were planned during his recent visits to the United States and Britain. In an effort to arouse Jordan's Palestinian Arabs, who comprise more than half the population, Husayn was accused of helping carry out an "Israeli-imperialist plot" to exploit the situation in Iraq and press the UAR to settle the Palestine question at the expense of the Palestinians. Jordanian authorities have initially taken an attitude of restraint, and have protested the UAR action to Jordan's delegate to the UN and to the UN representative in Amman. If the road blockade continues, Jordan may again seek increased Western aid.

(UAR tensions with Israel have been further increased as a result of an air clash over the Sinai-Negev desert on 7 June, and the reported destruction of an Israeli military vehicle by a mine in the same general area a few days earlier. Both sides have in fact long made air reconnaissance flights over the other's positions in the Gaza Strip, Sinai, and the Negev. In a recent discussion of the problems of the UN Emergency Force, which patrols the Egyptian side of the Gaza-Sinai frontier with Israel, a UN official reported that during an unspecified period there had been 188 Israeli overflights of the Gaza area and at least 13 Egyptian flights over Israel.)

The Egyptians have not yet unloaded the cargo of the Israeli-chartered Danish ship, Inge Toft, which the Egyptian Government ordered confiscated when it attempted to pass through the Suez Canal. The American consul in Port Said believes that forcible seizure of the cargo may be unnecessary, because continued detention of the ship could increase the charterers' expenses to a point where they would want to release the cargo. Unofficial Israeli comment on UN Secretary General Hammarskjold's proposal to refer Israel's case to the International Court of Justice has been unfavorable.

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~~SECRET~~Lebanese Political Developments

The Lebanese Government's emergency decree powers, obtained last November, are scheduled to expire on 13 June. The speaker of the National Assembly has announced that a special session of Parliament will convene on 12 June, and that the government will remain in office until it is dismissed by President Shihab or receives a vote of no confidence from the assembly.

Although both Foreign Minister Uwayni and Interior Minister Edde have announced they intend to resign shortly after 13 June, President Shihab hopes to persuade the members of the present four-man cabinet to remain. Shihab also intends to add an unspecified number of new ministers in order to continue present policies and avoid political turmoil by spreading the administrative burden. However, the problem of appeasing the many religious and political factions in such a government expansion may result in increased tension. Moslem-Christian antagonism has been relatively quiescent during the seven-month tenure of the present cabinet.

Lebanese security forces, although they are being reorganized, still are not in a position to control effectively any serious resumption of internal strife. Some arms have been seized during recent sorties against both Christian and Moslem villages, but sizable quantities of weapons are still in the hands of the several factions.

(The agreement on oil pipeline revenues just concluded between the government and the Iraq Petroleum Company (IPC) may have enhanced the prestige of Prime Minister Karami and could increase his chance of remaining at the head of a reorganized government. The agreement was prearranged by Karami with the IPC so that his overt intervention and "solution" of the complicated negotiations would give an impression of astuteness. Under the terms of the agreement concluded on 3 June, Beirut's annual revenues will be raised from the present \$1,008,000 to about \$3,433,-000. In addition Lebanon will receive a \$16,174,040 payment in settlement of government claims dating to 1952. Karami signed an economic agreement with the UAR during his current visit to Cairo.)

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The rebellious Pathet Lao battalion apparently has escaped again from loosely encircling Laotian Army forces. Although the army had taken up new positions near the battalion on the morning of 3 June as part of a plan to crush its resistance, battalion personnel are reported to have slipped between army units that night, headed toward the North Vietnamese frontier. On 4 June a Laotian Defense Ministry spokesman told foreign military attachés that, with the dispersal of the Pathet battalion, the government's operation was finished and that a "mission accomplished" announcement would be forthcoming.

Before this indirect admission of failure is made, the army may make further attempts to contact the rebel unit. However, in view of the army's inability in the past to maintain even nominal contact with the battalion, it seems likely that any such efforts would again be inconclusive.

The Laotian cabinet on 6 June decided to release leaders of the Communist-front Neo Lao Hak Zat, who have been under house arrest, but to maintain surveillance of their activities, according to the American Embassy in Vientiane. This decision was made apparently because of insufficient evidence for prosecuting them on charges of incitement to rebellion and in deference to Western fears that the bloc would seize on such prosecution as a violation of the Geneva truce agreements. The crown prince, whose views are aggressively represented in the cabinet by young reformist elements, is believed strongly opposed to release of the leaders and may be considering the advisability of attempting to reverse the decision.

North Vietnam is continuing its heavy propaganda blasts against Laotian Government "provocations." (The American army attaché in Vientiane comments that Hanoi's charges of Laotian incitement to "civil war" on the North Vietnamese frontier could set the stage for intervention by "volunteers.") Most recently, Hanoi radio has alleged that Laotian Army reconnaissance planes had violated North Vietnam's air space on 5 June for the third consecutive day.

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III. THE WEST

Adenauer's Decision to Remain Chancellor Provokes Sharp Criticism

Chancellor Adenauer, by remaining chancellor, has forfeited some degree of respect and authority in his Christian Democratic Union (CDU), and dissident CDU elements will now be strengthened and encouraged to assert their own views increasingly in hindering government policy. Adenauer's move has created unprecedented confusion and resentment in the CDU; party leaders endorsed his decision on 5 June only to maintain the "best face" possible and avoid splitting the party. For the present, the party is likely to attempt to maintain this solid front on major issues.

Ambassador Bruce comments that Adenauer acted against the advice of even his closest Bonn advisers, and has provoked almost unanimous condemnation in the pro-CDU press. Even Adenauer's mouthpiece, the Koelnische Rundschau, failed for the first time to support him, questioning why the alleged "well-considered" decision in April to accept the presidency should be "ill-considered and wrong" only 58 days later. American officials in Bonn comment that Adenauer is no longer pictured as a master politician but as a man no longer capable of choosing and holding "a clear and correct course."

Adenauer's decision is being interpreted throughout the Bundestag and press not as a move dictated by the foreign political situation but as an effort to retain personal power and deny it to Economics Minister Erhard, whom Adenauer felt he could not control from the presidency. In a private interview with a journalist long very close to him, Adenauer stressed his intense opposition to Erhard, and maintained that the CDU had not sufficiently matured in the right direction for him to relinquish control. He also informed the journalist that French Premier Debré had warned him of French apprehensions over Erhard as chancellor.

The CDU is in complete confusion and has postponed until 15 June choosing its presidential candidate for the 1 July election. With no agreement on a strong CDU nominee, the chances for the popular Social Democratic candidate, Carlo Schmid, are improved.

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~~SECRET~~Argentina Planning Expulsion of Bulgarian Minister

(Argentina's President Frondizi has decided to expel Bulgarian Minister Boris Popov on 8 June or shortly thereafter in the latest of a series of efforts to shore up his government against insistent domestic pressures. The military has been increasingly restive over labor defiance of state-of-siege regulations, and Communist-Peronista agitators threaten to continue exploiting the economic situation through strikes and violence.)

A group of disgruntled military officers and retired officers is reported to be planning a takeover of the Frondizi government during June or July. They feel the people have lost faith in Frondizi, that the "desperate economic situation" is affecting the working class throughout the country, that many officers of the army garrisons oppose Frondizi, and that they had better take over the government than permit the ultranationalists to seize on an incident to overthrow Frondizi. Frondizi reportedly says he expects this month to be an especially critical one.

(Frondizi plans to release to the press copies of monitored Bulgarian telegraph messages which presumably will link the legation to domestic disorders. In April, when one Rumanian and four Soviet diplomats were expelled, the government announced it had "irrefutable proof" of Soviet bloc complicity in serious rioting earlier that month. Frondizi may hope that by renewing this charge, he can again postpone the need for unpopular repressive measures and at the same time persuade the public that he must have broader legislative authorization to deal adequately with subversive activity.)

(Police have been attempting to control disturbances with tear gas and water hoses, avoiding recourse to extensive arrests or shooting. Frondizi reportedly stated [redacted] he would order more drastic measures if necessary, but subsequent government actions--exposing evidence of joint Peronista-Communist plotting and appealing to the public for support of the austerity program--indicate continued reluctance to use force until all other remedies are exhausted.) [redacted]

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