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CENTRAL**INTELLIGENCE****BULLETIN**

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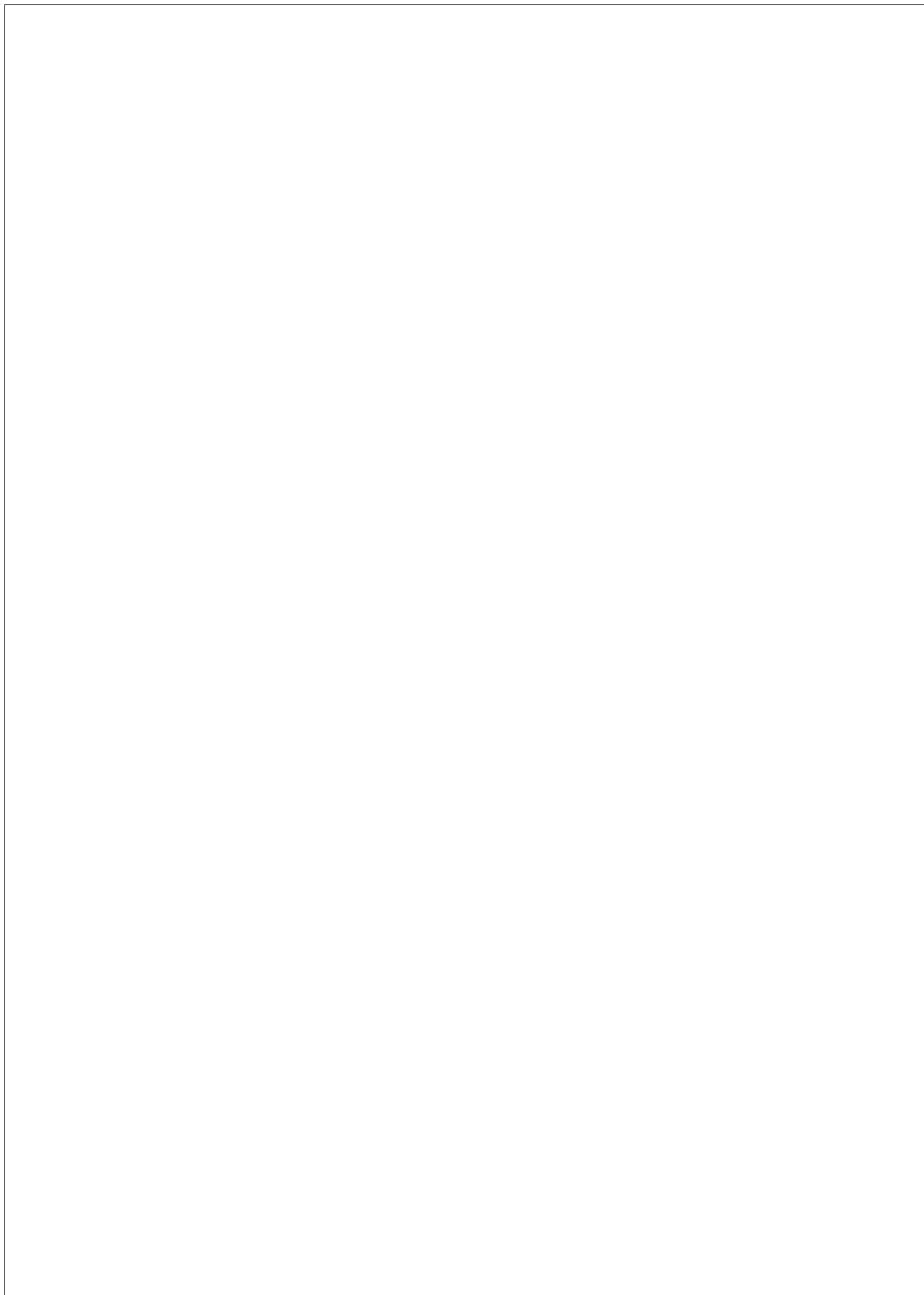
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6 JUNE 1959

I. THE COMMUNIST BLOC

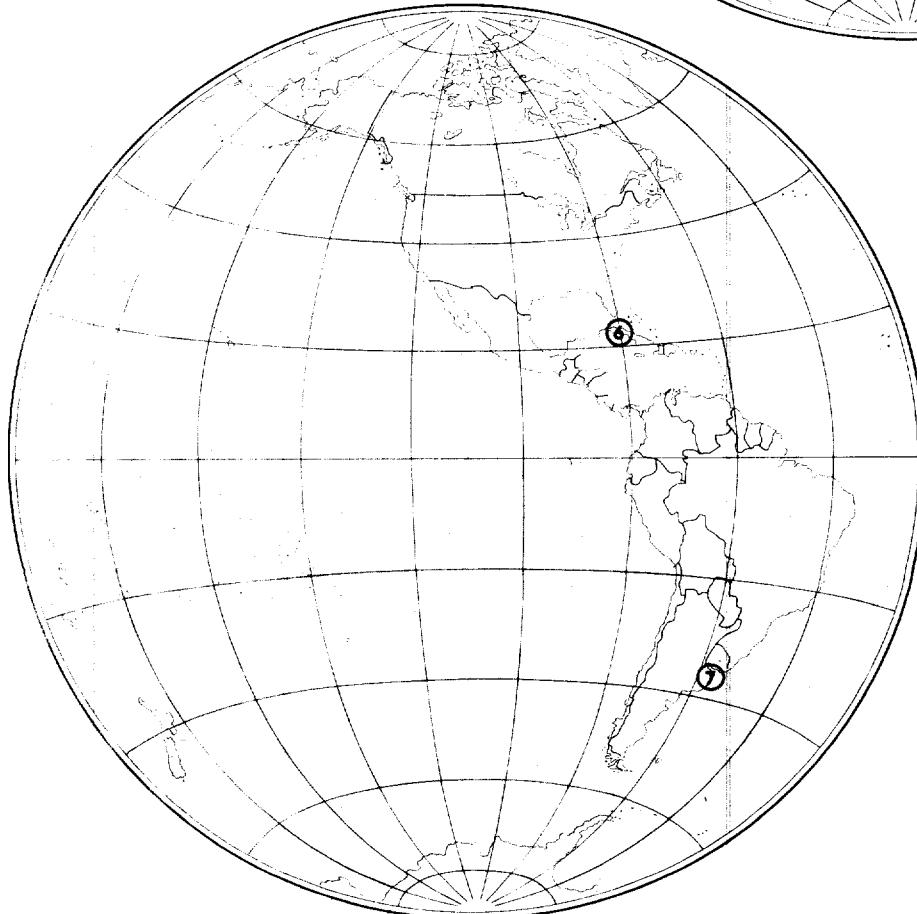
East German delegation to visit Moscow on 8 June.



II. ASIA-AFRICA

Chiang Kai-shek seeks understanding with Dalai Lama concerning Tibetan independence.

New political party formed in India to oppose Nehru's policies.



III. THE WEST

- ④ Greece rejects Khrushchev's threats.
- ⑤ West Germany--CDU confirms Adenauer's decision to remain as chancellor; new presidential candidate to be named on 11 June.
- ⑥ Cuba--Opposition to Fidel Castro growing.
- ⑦ Argentina--Frondizi planning stronger police measures against Communist-Peronista agitation.

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CENTRAL INTELLIGENCE BULLETIN

6 June 1959

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DAILY BRIEF

I. THE COMMUNIST BLOC

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East Germany - USSR: The East German state-party delegation including Premier Grotewohl and party leader Ulbricht will visit Moscow beginning 8 June to return Khrushchev's 4 through 12 March visit to East Germany. It is likely that plans for Soviet economic assistance to raise East Germany's standard of living will be discussed. The USSR's attitude in the Geneva Conference does not suggest that the Soviet leaders contemplate signing a separate peace treaty with East Germany during this visit, although this subject will certainly be raised in discussion and in public pronouncements.

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II. ASIA-AFRICA

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Nationalist China - Tibet: Chiang Kai-shek has proposed, through a personal representative, to the Dalai Lama's brother and chief adviser, Gyalo Thondup, that a Tibetan representative come to Taiwan to sign an agreement which might be the basis for eventual Nationalist recognition of Tibetan "independence" and a free Tibet government. The Dalai Lama, who has been under pressure from Nehru to postpone his declaration of a "free Tibet," probably will maintain a cautious attitude toward overtures from Taiwan.)

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India: Efforts to organize a new conservative party to oppose Nehru's "totalitarian" and "socialist" policies culminated on 4 June with the formation in Madras of the Swatantra party. Led by elder statesman C. Rajagopalachari, the group represents conservative political and business interests in several Indian states. The new party will gather some support in its opposition to the Congress party's cooperative farming and language

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policies and may obstruct the implementation of Nehru's program. A group of this type is likely to have only limited popular appeal, however, and probably will not seriously threaten the ruling party's position.

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III. THE WEST

OK Greece-USSR: Athens, in a strongly worded reply to the Soviet aide-memoire of 14 May, has charged the USSR with attempted intervention in Greek affairs and criticized Moscow for increasing international tensions and insecurity by its atomic-rocket threats.

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No West Germany: (In his letter to the Christian Democratic Union parliamentary faction explaining his reasons for retaining the chancellorship, Adenauer proposed that Finance Minister Franz Etzel replace him as the party's nominee for the presidency. The party unanimously confirmed Adenauer's decision to continue as chancellor. Adenauer's tactics have led to considerable irritation which may be directed against Etzel's presidential candidacy. The new presidential candidate is to be named on 11 June.)

OK Cuba: Counterrevolutionary plotting against Fidel Castro's regime is apparently increasing among numerous independent groups in Cuba and in exile. While it is unlikely that any attempt to overthrow Castro would be successful at this time, outbreaks of violence may occur soon. The Agrarian Reform Law, which was officially published on 5 June, is arousing increasingly bitter opposition, especially among large landowners.

(Page 5)

OK Argentina: President Frondizi is planning drastic police measures in an attempt to end the almost daily labor demonstrations carried out in defiance of state-of-siege regulations. He believes June will be an especially critical month in the violence-marked struggle between his government and Communist-Peronista agitators.

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DAILY BRIEF

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I. THE COMMUNIST BLOC

Impending Visit of East German Leaders to USSR

A large East German state and party delegation headed by party First Secretary Ulbricht and Premier Grotewohl will pay a "friendship visit" to the USSR from 8 to about 20 June. During the course of the visit, the Soviet leaders will probably take up East Germany's role during the remainder of the talks at Geneva and map out future strategy relative to a summit meeting.

The general Soviet line at Geneva suggests that the USSR probably will not jeopardize the possibility of a summit conference by signing a separate peace treaty with East Germany at this time, although there may be renewed threats to do so unless the West demonstrates a willingness to make concessions on the status of West Berlin.

The delegation to Moscow includes leaders of the puppet East German parties, apparently to demonstrate the united support of the East German people for the Communist proposals on Berlin and Germany. Since the delegation also includes State Planning Commission Chairman Bruno Leuschner and representatives of industry and agriculture, there probably will be discussions of ways and means of implementing existing plans for Soviet economic assistance aimed at raising East Germany's standard of living to a level approaching that of West Germany.

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II. ASIA-AFRICA

Chinese Nationalist Offer to Dalai Lama

(Chiang Kai-shek has requested the Dalai Lama to send his personal representative to Taiwan to sign an agreement on the basis of which the Nationalists then would recognize Tibetan "independence" and a "free Tibet" government. The message was transmitted on 27 May through Gyalo Thondup, a brother of the Dalai Lama,

Thondup agreed to see to it that the Nationalists get an answer in the near future.)

(The Chinese Nationalists regard Tibet as an integral part of the China mainland, and it seems unlikely that Chiang would be willing to court the disfavor of his followers by offering an outright grant of independence. It is possible, however, that he is prepared to elaborate on his public pledge of last March to permit self-determination for Tibet. The formula might be worded to imply independence without stating it directly.)

(The Dalai Lama shares a general Tibetan antipathy toward Chinese and has shown a reluctance to associate himself with the Chinese Nationalists. While he has recently appeared determined to lead a struggle for a "free Tibet," the Dalai Lama probably will continue to maintain a polite but cautious attitude toward overtures from Taiwan for joint action.)

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~~CONFIDENTIAL~~New Opposition Party Formed by Conservative Leaders in India

The formation of a new organization--to be known as the Swatantra party--to oppose Prime Minister Nehru's policies on a national scale was announced in Madras on 4 June. The group, representing conservative political and business interests in several sections of India, is led by elder statesman C. Rajagopalachari, a former governor general and Congress party leader.

Rajagopalachari stated that the sponsors are some 50 prominent persons from various Indian states. Its first objective is to remove "the pervading totalitarian atmosphere." It will stand for "freedom of the farm and family" in opposition to Nehru's "socialist slogans."

Efforts to organize a new grouping of conservatives have been under way since the convention of the Congress party in January, when the controversial program for agrarian reorganization was announced. This scheme, which calls for ceilings on land holdings and preparing the rural society for eventual cooperative farming on a broad scale, has met strong opposition from elements inside and outside the Congress party. Conservative leaders view the proposals as a threat to property rights and as a first step toward collectivization of farming, a charge firmly denied by the Congress high command.

There have been several unsuccessful attempts in recent years to organize a broad-based conservative party in India. Such groups, generally representing the interests of certain upper- and middle-class elements only, have limited appeal to the mass of the Indian electorate. The Swatantra party will receive substantial support in its stand against the Congress party's program and national language policy, and can also exploit growing dissatisfaction with the Congress party. It is likely to run into stiff competition, however, from other opposition groups appealing to the people on either a communal or radically socialist platform.

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III. THE WEST

Greece Rejects Soviet Warning as Intervention

Greece has firmly rejected Moscow's warning, contained in a 14 May aide-memoire, against accepting missile and nuclear bases on Greek soil. In a formal reply passed to Soviet Ambassador Sergeyev on 4 June and broadcast to the Greek people, Athens stressed that the question of such bases in Greece is within the "sole jurisdiction of the Greek Government" and that any foreign intervention to exert pressure is "unacceptable." Specifically cited as interference was the Soviet criticism of the Greek-American military agreement signed on 12 October 1953. The suggestion made by Khrushchev in his 28 May speech at Korce that Greece abandon the North Atlantic Treaty Organization was also rejected as contrary to the vital interests of the Greek nation.

Athens also included several "constructive observations" concerning the Soviet memorandum. It noted that Greece is already within the range of Soviet atomic and rocket bases, as repeatedly proclaimed in Soviet assertions that the USSR possesses rockets whose range covers the entire globe. Athens also rejected the Soviet-sponsored idea of a Balkan rocket-free zone as a "political trick aimed at limiting the defensive strength" of Greece and the West.

The Greek Government's firmness in the face of Soviet pressure is widely supported in Greece where, according to the non-Communist press, the people are unimpressed by Khrushchev's warnings. (Greek Government officials, however, [redacted] have voiced concern over what they regard as increasing Soviet pressure.) [redacted]

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~~SECRET~~Opposition to Castro Growing

Increasingly frequent reports of plans for counterrevolutionary action against the Castro government in Cuba indicate that there may be some outbreak before the end of June. Groups within Cuba--allegedly including military personnel and disgruntled revolutionaries--are plotting, as are exiles in Mexico, the United States, and the Dominican Republic who may have access to substantial arms supplies.

There is no evidence of unity or of the emergence of an effective leader among the numerous opposition forces, none of whom admits to any ties with ousted President Batista. The most active and frequently mentioned plotter is General Jose Pedraza, a ruthless and energetic army and police officer under Batista.

An attempt to oust Castro at this time would have little chance of success. However, the economic paralysis affecting Cuba and the bitter disillusionment and increasing doubts over the competence and political orientation of the government may help to crystallize the opposition, increasing chances of violence. Small incidents have already been reported in outlying areas.

[redacted] the rising tide of outspoken opposition to his controversial Agrarian Reform Law caused Castro to promulgate the law on 4 June, realizing that further delay in deference to the moderates would make promulgation impossible. Because of opposition by moderate ministers, Castro reportedly never put the law to a cabinet vote.

The American Embassy in Havana doubts that the leftist director of the powerful Agrarian Institute will show any moderation in implementing the law. The associations of growers of tobacco, rice, sugar, and cattle--whose strong demands for modification of the law were ignored--may be attracted to active opposition forces in efforts to avoid expropriation of their interests. [redacted]

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~~SECRET~~Argentine President Expects Crisis This Month

President Frondizi, whose year-old government has been plagued by increasingly serious Communist and Peronista-inspired strikes and riots, has said he expects this month to be an especially critical one. He has decided to order more drastic police measures, particularly against Communists, if strikes and demonstrations continue in defiance of last November's state-of-siege regulations.

In an apparent build-up for stronger repressive measures, Frondizi's interior minister on 2 June released two letters showing that a Peronista liaison agent has been negotiating with the Argentine Communist party for joint action to bring about the fall of the government. [redacted] it is hoped that the release of the letters will also cause some of the less extreme Peronistas to adopt a more cooperative attitude.

The major target of Communist and Peronista labor agitation is the government's US-backed stabilization program which went into effect on 1 January. The program has righted Argentina's trade balance, but has not yet stabilized the cost of living, which has jumped nearly 50 percent since the beginning of the year. A further deterioration of real wages is anticipated and with it increased labor discontent.

Despite rising public apprehension over the political-economic situation, Frondizi appears determined to continue the stabilization program. On 3 June he issued a statement calling for two more years of "hard sacrifice," acknowledging at the same time a need to make the purposes of the program clearer to the public. His cabinet reorganization in mid-May was intended to improve the administration of the program and to strengthen military support for the government. [redacted]

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