

TOP SECRET

10 July 1958

Copy No. C 57

CENTRAL

INTELLIGENCE

BULLETIN



DOCUMENT NO. 18
NO CHANGE IN CLASS. X
DECLASSIFIED
CLASS. CHANGED TO: TS S
NEXT REVIEW DATE: 2010
AUTH: HR 702
DATE: 3/2/80 REVIEWER:

State Dept. review completed

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Next 2 Page(s) In Document Exempt

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II. ASIA-AFRICA

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Cambodia: Prince Sihanouk, exasperated by what he considers Western-supported annexationist tendencies on the part of South Vietnam and Thailand, is openly threatening a foreign policy shift toward Peiping in search of a "new ally," and may accept a Chinese Communist consulate in Phnom Penh. Seizing on Cambodia's desire for international support in its border dispute with South Vietnam, Peiping is reported to have offered military assistance to Phnom Penh. [redacted]
(Page 5)

25X1

III. THE WEST

of
Argentina: General dissatisfaction with President Frondizi is gaining momentum. He is at odds with navy leaders and some army officers, and public confidence in his government has suffered a serious blow from his dismissal of various judges and the subsequent resignation of the Supreme Court president. The scale of unrest is not sufficient at the moment to upset the administration, but these expanding controversies probably increase the opportunities for a coup by disaffected military elements. [redacted]

25X1

10 July 58

DAILY BRIEF

ii

25X1

LATE ITEM

ok *Geneva technical talks: The Soviet aide-memoire of 9 July is a further attempt to force the West to agree in principle to a cessation of nuclear tests or, failing this, to prepare the ground for future allegations that Western refusal to cease tests is responsible for any failure of the Geneva talks. The claim in this latest note that it is already clear an effective control system is "entirely possible," suggests the bloc experts will seek to create the impression that the Geneva talks are developing a wide area of agreement on control measures and that only the West's unwillingness to halt tests stands in the way of a final agreement. The bloc delegates have submitted "draft conclusions" on methods of detection discussed thus far in an effort to document claims that a general consensus of views has been reached.

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25X1

10 July 58

DAILY BRIEF

iii

25X1

Next 4 Page(s) In Document Exempt

Cambodian Crown Prince Threatens to Strengthen Ties
With Peiping

Cambodian Crown Prince Sihanouk, exasperated by what he considers Western-supported annexationist tendencies on the part of South Vietnam and Thailand, is threatening to shift Cambodia's foreign policy toward Peiping in search of a "new ally." [redacted]

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[redacted] the Cambodian Government has already agreed to the establishment of a Chinese Communist consulate in Phnom Penh, where at present Peiping has only an economic mission. Communist China, in response to Cambodia's appeal for international support in its border dispute with South Vietnam, is reported to have offered military assistance and is undoubtedly advocating full diplomatic ties.

Sihanouk, who may still be leery of a diplomatic exchange with Peiping, has told Ambassador Strom that a final decision on any shift in Cambodia's policy has not yet been made. The crown prince indicated the question would be academic if Cambodia's grievances with South Vietnam and Thailand were satisfactorily resolved at an early date. He plans to visit Bangkok soon to set the stage for negotiations. He had also planned an early meeting with Vietnamese President Diem in Saigon, but canceled this trip because of the hostile attitude of the Vietnamese press. There is still a chance that a meeting between Sihanouk and Diem can be arranged if Saigon takes the initiative. Diem's growing impatience with developments in Cambodia and his conviction that Sihanouk is unreliable, however, are serious obstacles. [redacted]

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III. THE WEST

Argentine President Faces Political Crisis

Public confidence in Argentine President Frondizi's administration has been severely shaken as a result of his dismissal of a number of judges and the subsequent resignation of the Supreme Court president. This situation, complicated by a new strain in relations with the navy, has increased the opportunities for exploitation by minority military elements desiring a coup.

In view of Frondizi's continuing emphasis on the "rule of law," difficulties arising out of his reorganization of the judiciary are probably the most damaging. A Supreme Court decision on 4 July denying an appeal for reinstatement of a lower civil court judge prompted riots and the sympathetic resignations of numerous judges and court officials throughout the country.

The highly respected president of the Supreme Court--who was a holdover from the Aramburu regime--upheld the decision which concerned judicial procedures, but then resigned to protest the character of the new judges appointed. He charged that some of them were unqualified and others decidedly discredited, and that in these appointments party interests and strategy had overshadowed the true interests of justice.

The new strain in Frondizi's relations with the navy, where anti-Peronista sentiment is strongest, arises mainly from the eight-day house arrest of two important naval officers, including Admiral Arturo Rial, for criticism of the government. Frondizi is also at odds with some army elements.

The majority of the military reportedly still have a "wait-and-see" attitude, and the scale of unrest is not sufficient at the moment to upset the administration. These developments, however, may have given momentum to military dissatisfaction over other issues, such as Frondizi's policies concerning Peronism and his failure to make key economic decisions.

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