

Executive Registry

11-6877

12 AUG 1959

Major John S. D. Eisenhower
Acting Staff Secretary
The White House
Washington 25, D. C.

Dear Major Eisenhower:

The Director asked me to
forward you the attached copy of
a message we have sent out to some
of our stations abroad.

SIGNED

[Redacted Signature]
Executive Officer

Attachment:

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1. Our general review of situation in Communist China tends make us feel that some major development may be impending. Considerations on which we base above judgment are as follows:

A. There has recently been long period when Chicomms have been out of news while Khrushchev has been playing a major role. Chinese interests have been pushed into background and possibly in opinion of Chicomms ignored. We have in mind Berlin negotiations, pressure for a summit conference without Chicom participation, Khrushchev visit to America, etc. Possibly Chicomms may wish get back into news.

B. All but five of 26-man Politburo apparently have been absent from scene for some six weeks. We believe it likely that they have been meeting outside Peiping for basic policy review.

C. Domestic policy review will probably include reassessment of "giant leap forward" and the commune program. Realization of economic targets remains uncertain.

D. Return of a number of Chicom ambassadors indicates foreign policy may also be under review.

E. Tibet and troubled Chicom-Indian relations have left Chicomms with something of a black eye.

F. Laotian situation heating up and Chicom influence here may be of major importance; note that Ho Chi Minh, after

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month in Russia, now in Communist China on route home.

G. While we see no military indications which would tend make us feel there will be any early military reopening of Formosa Straits problem, this always a possibility.

H. There seems to be less pressure than usual to promote trade arrangements outside Bloc, probably as a result of economic dislocations of last year.

2. We would like your comments and any ideas as to what may be going on.