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10 July 1958



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CENTRAL INTELLIGENCE BULLETIN

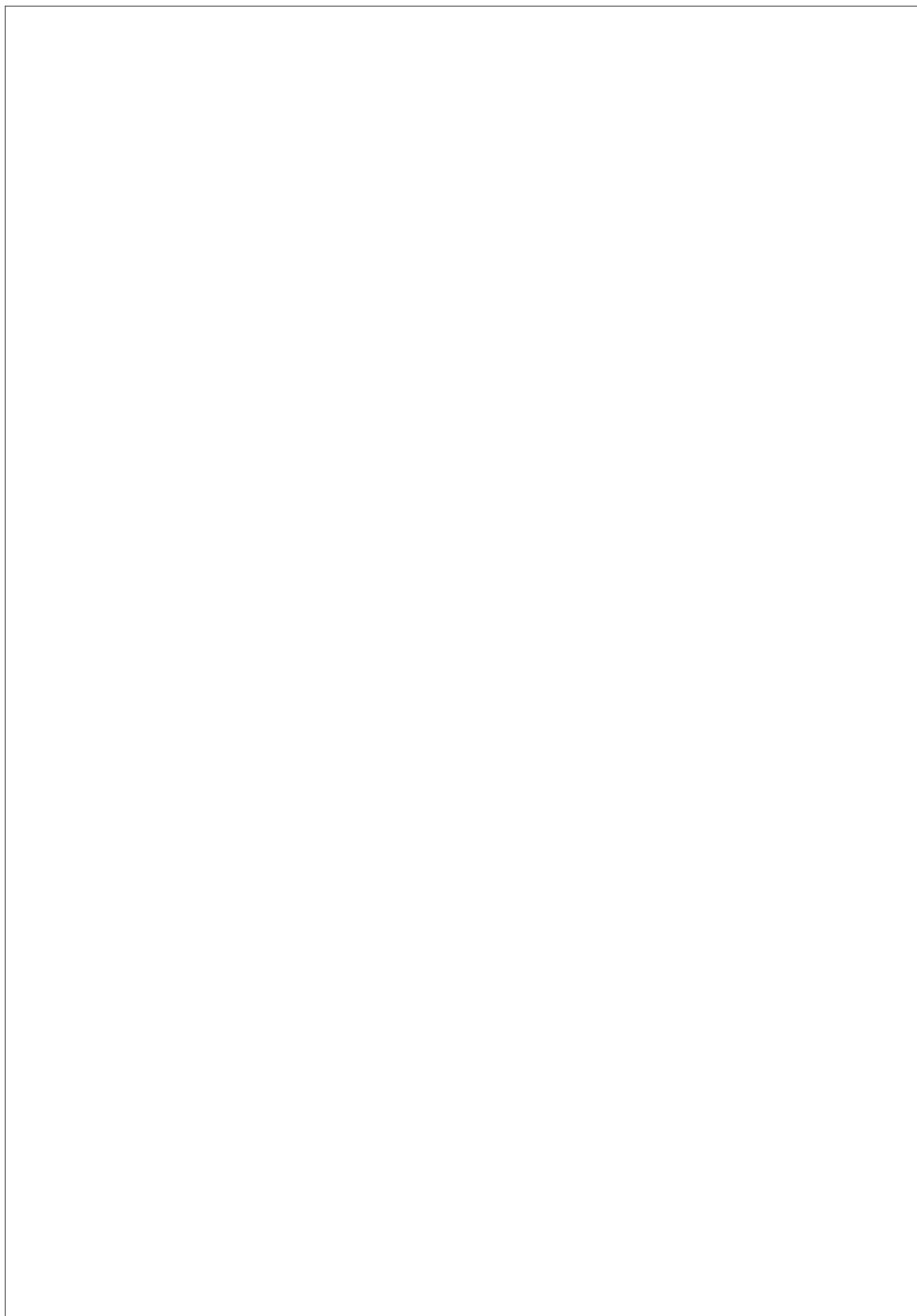


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10 JULY 1958

I. THE COMMUNIST BLOC

USSR - Valid countdown in progress at Tyura Tam missile test range; may be for test ICBM, ESV or lunar operation. (Information as of 0500 EDT)

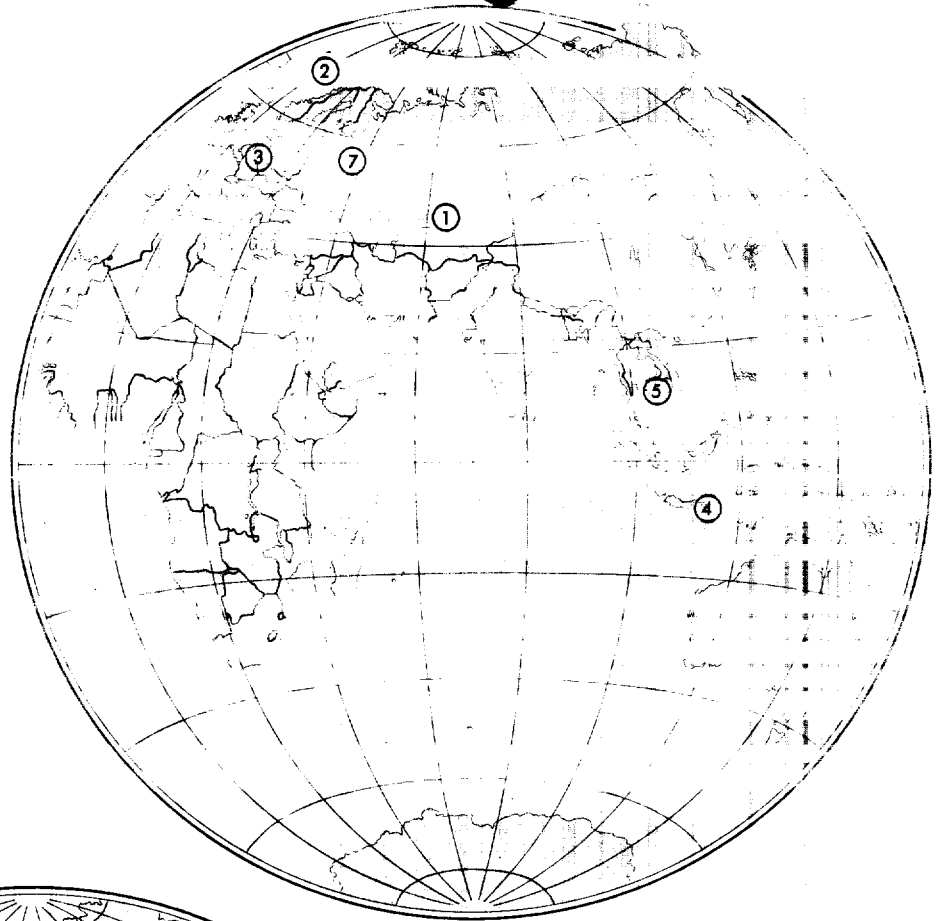
Recent USSR Northern and Baltic Fleet maneuver was probably largest submarine exercise ever conducted.

Change in plans by Khrushchev, to leave Berlin after first day of party congress, disturbs East German leaders.

II. ASIA-AFRICA

Chinese Nationalists plan continued covert support of Indonesian dissidents. Djakarta forces expect counterattack on Manado.

Cambodia - Sihanouk threatening to seek closer relations with Peiping.

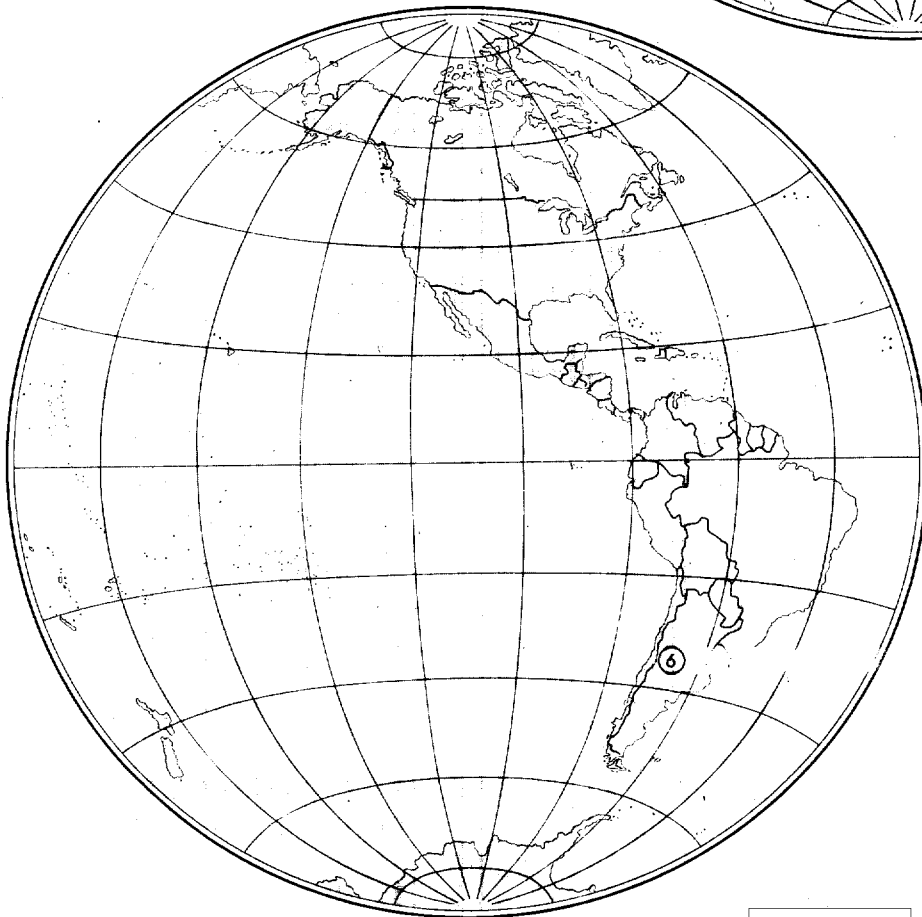


III. THE WEST

Argentina - Expanding controversies plague President Frondizi.

LATE ITEM

New Soviet aide memoire aimed at bringing further pressure on West for nuclear test cessation.



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CENTRAL INTELLIGENCE BULLETIN

10 July 1958

DAILY BRIEF

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I. THE COMMUNIST BLOC

No

* USSR - Tyura Tam: A valid countdown involving both ends of the Tyura Tam - Klyuchi missile range had reached the "X minus 1" stage at 0138 EDT when a "hold" was announced. Further details were not available as of 0500 EDT, but activity was believed to be continuing. Conflicting evidence at that time prevented identification of the attempt as involving an ICBM, an ESV or a lunar operation. [redacted]

[redacted] (Page 1)

No

Soviet submarine exercise: The combined Soviet Northern and Baltic Fleet exercise which began in mid-June and ended about 5 July is believed to have been the largest submarine exercise ever conducted by any country. Nine groups or "wolf packs" of the Northern Fleet and four submarines of the Baltic Fleet, possibly totaling 40 boats, took part in operations extending from the North Cape area of Norway to Atlantic waters west of Ireland. This activity continues the pattern noted since 1955 of progressively more extensive and complex annual Soviet submarine exercises in international waters. [redacted] (Page 2) (Map)

East Germany: Khrushchev plans to return to Moscow about 11 July. [redacted]

No

On his arrival in Berlin, Khrushchev is said to have told the East German leaders he would return to the Soviet Union on 11 July rather than stay until the conclusion of the SED party congress on 16 July, as originally planned. East German party officials were alarmed and concerned lest internal Soviet developments might be behind the change of schedule. However, Khrushchev is reportedly planning an early trip to

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Peiping, which could be accomplished before the week of 21 July, when he is scheduled to participate in official talks with Austrian Chancellor Raab in Moscow. [redacted]

[redacted] (Page 3)

II. ASIA-AFRICA

no Indonesia: Nationalist China intends to continue its covert aid to the Indonesian dissidents by extending limited air support and furnishing supplies. [redacted]

Dissident forces in North Celebes are planning a counter-attack against Menado. [redacted] (Page 4)

no 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)

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] (Page 6)

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DAILY BRIEF


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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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DAILY BRIEF

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I. THE COMMUNIST BLOC

Launching Attempt at Tyura Tam

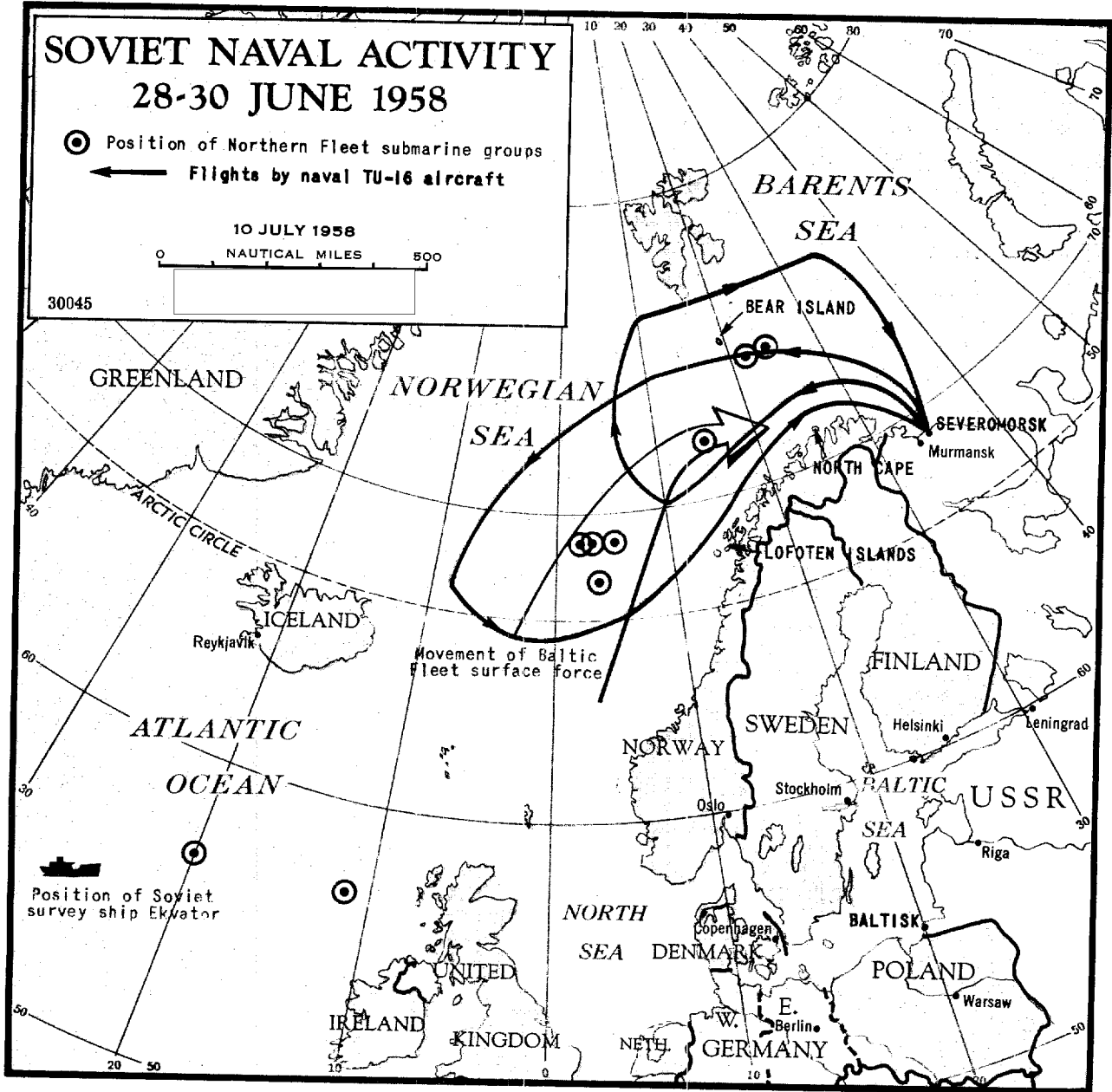
On 9 July, [REDACTED] a valid attempt to launch a vehicle at the USSR's Tyura Tam guided missile test range. The activity was first observed at 0014Z with an "X minus 7" announcement and progressed to "X minus 5" at 0203Z. [REDACTED]
[REDACTED]

At 2202Z, the "X minus 8" announcement of a second countdown was observed, indicating that the earlier operation had been rescheduled. The new countdown proceeded without delay to "Stage 4" (X minus 1) at 0538Z on 10 July, at which time a "hold" was apparently announced.

Conflicting evidence at this time (0500 EDT) prevents identifying the attempt as involving an ICBM, an ESV, or a lunar operation. [REDACTED]
[REDACTED]

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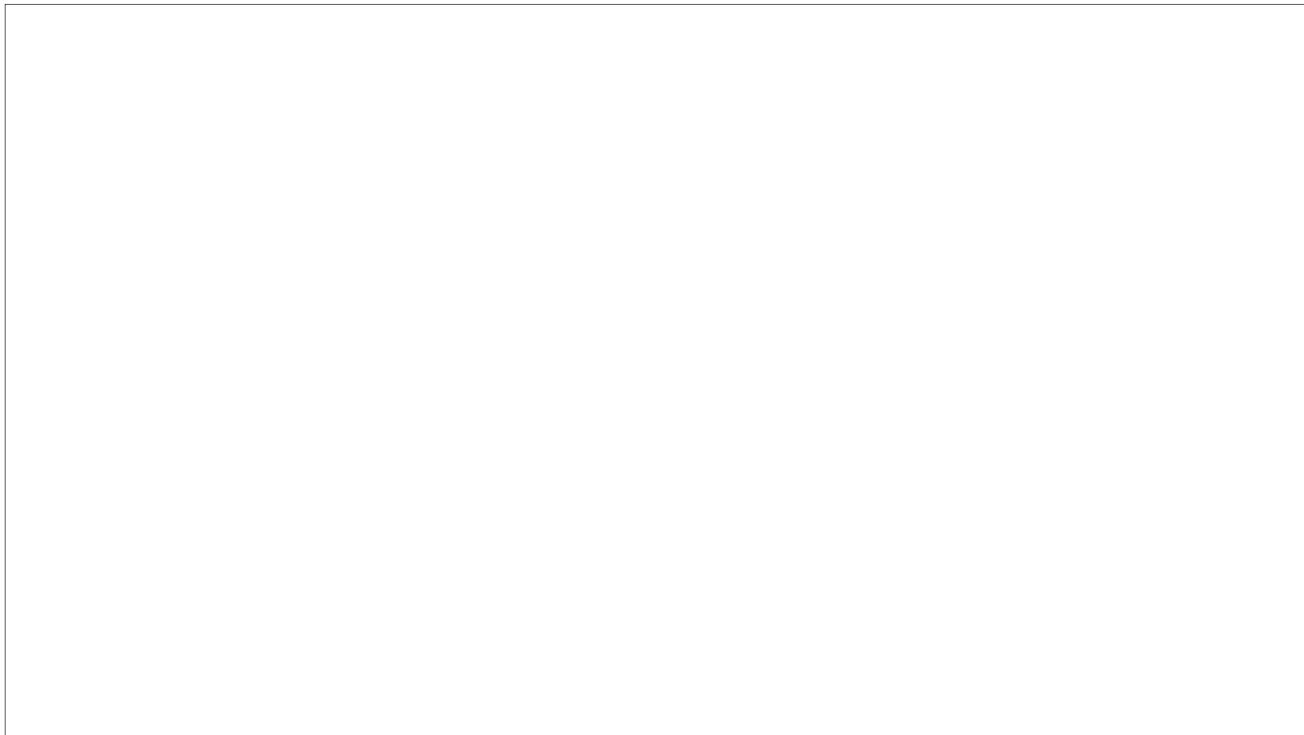
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Soviet Submarine Exercise Is Largest Observed

The combined Soviet Northern and Baltic Fleet exercise which began in mid-June and ended about 5 July is believed to have been the largest submarine exercise ever conducted by any country. The major theme of the exercise apparently was defense of the western approaches to the Barents Sea by nine groups of Northern Fleet submarines against an "invading" naval force--simulated by the northward movement in the Norwegian Sea of a cruiser, three destroyers, and several auxiliary ships of the Baltic Fleet. While seven of the submarine groups were operating in the Norwegian Sea, two other groups moved out into the North Atlantic, apparently seeking as a target a Soviet naval survey ship which left the Baltic ahead of the major surface force and proceeded to a position west of Ireland.



This exercise points up the adaptation by the USSR of German wolf-pack methods and German-style, shore-based control of wolf-pack operations. [redacted]



Khrushchev Cuts Short East German Visit

East German party leaders were informed immediately upon Khrushchev's arrival in Berlin on 8 July that, contrary to his original intention to remain until the conclusion of the SED party congress on 16 July, he would return to the Soviet Union on 11 July. [redacted] the TU-104 on which Khrushchev arrived in East Germany on 8 July is scheduled to return to Moscow on 11 July appears to be confirmation of Khrushchev's travel plan.

[redacted] the curtailment of Khrushchev's visit caused alarm and concern within the SED leadership lest some undetermined Soviet internal developments were behind the announcement. However, there is little indication what urgent business might require Khrushchev's presence in Moscow, since the Soviet central committee met only recently and several members of the hierarchy are apparently on vacation.

It is possible that Khrushchev has decided to fit in a visit to Communist China, [redacted] [redacted] between his departure from East Germany and the week of 21 July when he is scheduled to take part in official talks with Austrian Chancellor Raab in Moscow.

Among Sino-Soviet issues which might require Khrushchev's presence in Peiping are (1) whether to provide Communist China with nuclear weapons; (2) the extent of Chinese participation in the implementation of any East-West agreements on disarmament; (3) definition of a common Sino-Soviet position on major Far Eastern issues; and (4) formulation of tactics to be used against Tito and to bind the Polish regime more closely to the Sino-Soviet bloc. [redacted]

II. ASIA-AFRICA

North Celebes Dissidents Reported Planning Counterattack On Manado

[redacted]

[redacted] Government commanders in the area, believing the dissidents will counterattack in an effort to recapture Manado, their former capital, requested additional naval support, indicating concern over the government's military position.

[redacted]

[redacted] the dissidents planned to launch a counterattack against Manado within a few days. [redacted]

[redacted] If Manado is taken, it can be used as a base for attack against Morotai, where Chiang claims 500 to 600 rebels are still active.

[redacted] Nationalist China would continue to give the dissidents covert support. [redacted]

[redacted] sold one plane to the dissidents for a nominal sum and had largely completed negotiations for the sale of two more.

In Djakarta, the secretary general of the Foreign Ministry told the American ambassador that a four-engine aircraft had flown over north-central Celebes on 6 July, and he believed the plane was based on Taiwan. He stated his government was "distressed" at this continuation of foreign assistance to the dissidents. [redacted]

[redacted]

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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]

[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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