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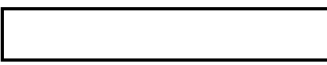
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THE SOVIET WORLD

The proposals advanced by the Communists at Geneva during the second week of restricted sessions on Indochina were elaborations of their first week's positions. Their tactics continued to indicate a belief that time is on their side and that a combination of internal pressure in France and military pressure in Indochina would force the French government toward the Communist position. While maintaining the stand that the military and political aspects of an Indochina settlement are inseparable and that Laos and Cambodia must also be included in a settlement, the Communists were seeking to keep alive Western hopes for an acceptable solution by making small concessions.

Moscow and Peiping expressed their satisfaction with an agreement reached on 29 May that, in order to facilitate an "early and simultaneous cessation of hostilities," representatives of the two commands meet at Geneva and in the field to "study the disposition of forces" to be made following a cease-fire, "beginning with the question of regrouping areas in Vietnam." The Soviet radio observed subsequently that the conference had "passed its first milestone on the road to restoring peace in Indochina."

Communist terms for a cease-fire at these meetings of military representatives are expected to be stiff. The Communists will almost certainly cite two phrases in the 29 May agreement--"early and simultaneous cessation of hostilities" and "beginning with the question of...Vietnam"--as a basis for insisting that the cease-fire include arrangements for Laos and Cambodia. While continuing to leave open the possibility of an armistice without a simultaneous political settlement, the Communists have not suggested that they are prepared to accept a simple cease-fire and partition at this time. On the contrary, TASS on 28 May repeated Molotov's earlier statement that "at least some" political problems must be connected with a cease-fire.

A curious sidelight on the relations among top Soviet leaders was provided last week. The Soviet censor passed a New York Times dispatch which, while stressing the important role of collective leadership on the highest level in the USSR, stated that there can be no doubt that party secretary Khrushchev holds the biggest single job in the USSR and implied that Khrushchev's role overshadows Malenkov's within the collective.

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Moscow radio announced on 27 May a change in the administration of the Soviet Petroleum Industry from all-Union to Union-Republic status and the establishment of a Petroleum Ministry in the Azerbaijan Republic. Union-Republic Ministries for Coal and Ferrous Metallurgy have been established in the Ukraine and one for Nonferrous Metallurgy in Kazakh.

The motivation for these changes appears to have been expressed in a speech by Khrushchev on 23 February when he spoke of the need to bring administration close to production in other fields. Thus, it appears that the present Soviet administration has, at least in part, modified a heretofore basic tenet of organization which called for direct subordination to Moscow of important heavy industrial enterprises.

There was additional evidence in statements by Satellite leaders that their countries are experiencing greater difficulties in implementing their new economic courses than were considered likely when the programs were adopted. These difficulties have made it unlikely that the Satellites will be able to overcome their shortages of agricultural and consumer goods by the end of 1955 and could force the extension of the new course into the 1956-60 five-year plan period. Such a stretch-out would require the continued diversion of human and material resources to agriculture and consumer goods sectors and would prolong the slow rate of growth of heavy industry.

International Communist propaganda, indicating Soviet support for the Arbenz regime in Guatemala, has reiterated its line of late 1953 that the United States is "calling openly for intervention in Guatemala" and has conspired with that country's neighbors for this purpose. Izvestia specifically noted that the US is "air-lifting weapons to Honduras and Nicaragua." A critical book review in the May 1954 issue of Kommunist and a 10 May Pravda article on Latin America by Otto Kuusinen underline the importance which the USSR attributes to Latin America. Kommunist, the theoretical journal of the party central committee, noted that the book under review had underestimated the ability of the Latin American countries to resist United States control and the necessity of enlisting the support of the national bourgeoisie in opposing imperialism. The book had also failed to emphasize sufficiently the role of the political strike in promoting united front solidarity. The Pravda article, which was propagandistic in character, was a rehash of the usual charges of the United States policy of economic and political control of Latin American countries which, it was claimed, was a failure.

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CAPABILITIES OF THAI ARMED FORCES LIMITED
TO MAINTENANCE OF INTERNAL SECURITY

Thailand is the only country in Southeast Asia unreservedly willing to join in collective defense of the area, but its armed forces are capable of little more than maintaining internal security. Obstacles to their improvement include the involvement of the high command in politics, lack of experience in modern warfare, and a serious shortage of trained personnel.

The army, which numbers 57,000, has been undergoing modernization and reorganization since 1950 with the help of an American military advisory group. Under an expanded American aid program, now in the planning stages, it would be increased to 90,000. American equipment and supplies are being provided for the equivalent of nine regimental combat teams and supporting elements.

The potential of the Thai soldier was demonstrated in Korea, but the army suffers from important defects. [REDACTED]

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[REDACTED] Most of the army's leaders retain outmoded concepts of organization and tactics, and their deep involvement in politics leaves them little time to devote to strictly military matters.

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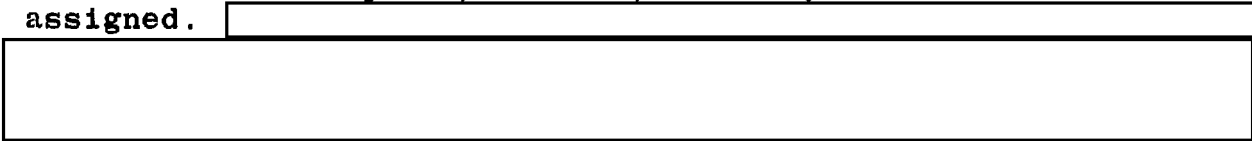
Another weakness is the serious lack of qualified junior officers and enlisted cadres, a defect which is aggravated by emphasis on political connections rather than merit as the criterion for advancement. Other problems include overcentralized control, lack of adequate training facilities, and the reluctance of senior officers to entrust individual soldiers with the equipment essential to their training.

The Thai air force is probably the best of the indigenous air forces in Southeast Asia. Three F8F fighter squadrons, trained and equipped by the United States, give it an estimated ground support capability of from 35 to 40 sorties per day, but it lacks any strategic capability. The absence of a coordinated air defense plan, a lack of radar, and the concentration of most of the planes at Bangkok render the country highly vulnerable to enemy air attacks.

The air force also suffers from involvement in politics. Its chief serves concurrently as minister of communications, and, despite his responsibilities, he reportedly insists on making even routine administrative decisions personally, to the detriment of the development of his subordinates.

The navy has been in political eclipse since it spear-headed an abortive coup attempt in June 1951 and is of little significance. A large part of the fleet is obsolete, and its ability in case of attack even to carry out its limited mission of securing the Gulf of Siam is considerably in doubt.

The 40,000-man police force, under the leadership of the politically powerful General Phao, is a paramilitary organization and has primary responsibility for patrolling Thailand's borders. Equipped with small arms and light armored vehicles, the police are well trained, and their morale is probably better than that of the regular armed forces. Their numbers are inadequate, however, to carry out the mission assigned.



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Because of their significance in internal politics, Thailand's armed forces are concentrated in the Bangkok area. In view of the country's inadequate road net, it is questionable whether the high command could put the majority of its forces in the field before a Communist invasion force had achieved a deep penetration of Thai territory.

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ARGENTINA GROWS RESTIVE ABOUT ITS RAPPROCHEMENT WITH THE
UNITED STATES

Argentina's hopes that substantial economic assistance will result from its year-old rapprochement with the United States are waning. Argentine officials are seriously alarmed by the prospect of "dumped" American agricultural surpluses displacing Argentine exports vital to the country's economy. Though Buenos Aires has given no sign of returning to its earlier sharp antagonism toward Washington, it has also given no indication of the attitude it would adopt if the present Guatemalan crisis were brought before the Organization of American States.

When President Peron expressed to Ambassador Nufer in February 1953 a strong desire for better relations with the United States, and later sent fulsome promises of support through Dr. Milton Eisenhower, a primary motive was the hope of encouraging substantial American private investment and the extension of long-term credit for capital goods. Argentina considers both of these essential for providing the agricultural and industrial equipment needed to increase production enough to support the country's rapidly expanding population and arrest the basic economic decline of the past several years. Argentina also hoped that American import restrictions would be sufficiently relaxed to let it earn more dollars.

The hope for considerable American capital have not materialized, and the possibility of new American import restrictions have made Argentina fear that its limited ability to purchase American equipment may be reduced even further. Buenos Aires trade circles are still complaining about the limitation on the import of Argentine oats suddenly imposed last December when contracts in excess of this ceiling had already been signed. They are now worried about rumors of new import restrictions on tung oil and the danger of a renewed effort in the United States to raise the tariff on wool, Argentina's chief dollar earner.

Argentina feels even greater apprehension regarding the disposal of large American agricultural surpluses in countries it regards as among its own normal markets. The gift of 700,000 tons of wheat to Pakistan last summer forestalled an impending Argentine deal to barter wheat for much-needed jute. Another deal was blocked by a later sale of American linseed oil to Britain below cost. Trade journals have also criticized

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the use of American wheat surpluses to pay military defense costs in Spain and Japan, seeing this as a long-term threat to Argentine exports and to world price levels.

Argentina's growing disappointment over the prospects for closer American co-operation in solving its pressing financial difficulties is, according to the American embassy, being reflected in a shift of more trade to Western Europe and the USSR. Argentina is now more actively considering highly competitive bids from Western European firms, usually aided by their governments, to supply essential capital goods on long-term credit terms. Buenos Aires is also considering offers of capital goods from the Orbit, which has sharply increased its purchases of Argentine agricultural surpluses.

Meanwhile, Argentina's international payments difficulties have been reflected in domestic inflation, and a series of large slowdown strikes for higher wages that started in late April and is still continuing. With the government thus under intensifying economic pressures, there have been persistent rumors in Buenos Aires of impending deterioration in relations with the United States. Peron assured Nufer in early May that there was no basis for these rumors; but various other officials, including Foreign Minister Remorino, a main proponent of the American-Argentine rapprochement, are known to be questioning the value of this policy.

Argentina's fears over the threat to its vitally important agricultural export markets will probably be well aired at the inter-American economic conference in November. Interim developments will probably determine whether Argentine speeches there will be confined to the usual strong demand for "parity" prices for raw materials or expanded to charge the United States with neglecting economic co-operation with Latin America.

More immediately, Argentina's economic anxieties may influence its position on the Guatemala crisis. Thus far, even the press has been unusually sparing of comment. Argentina, however, is traditionally sensitive about "intervention" and, until last year's rapprochement with Washington, frequently expressed support for Guatemala's resistance to "foreign imperialism." Any resumption of its pre-1953 pose of defending Latin American economic interests against the United States could easily be accompanied by a reversion to Argentina's earlier position on Guatemala, particularly since considerable sympathy for Guatemala already exists in much of South America.

DEVELOPING INDEPENDENCE IN GOLD COAST POSES NEW AFRICAN PROBLEMS

The anti-Communist government of Britain's African Gold Coast colony faces in mid-June its first general election under virtual self-government. Overwhelming endorsement of Prime Minister Nkrumah is anticipated. The Gold Coast experiment, which is being closely watched by most of Africa, may in time produce the first native African dominion in the British Commonwealth.

Constitutional reforms approved by Britain this spring give the Gold Coast an all-African elective assembly, an African cabinet with complete responsibility, and a privy council to advise the governor, whose authority will be confined to defense, foreign affairs, the British UN trusteeship of Togoland, and certain police matters.

Prime Minister Nkrumah, leader of the Convention People's Party, has been in power since 1951, and the Gold Coast masses look upon him as almost a messiah. Only the traditional chiefs and a few intellectuals offer weak opposition. Under universal suffrage the incumbents are expected to win an overwhelming majority in the 104-seat legislature.

Once under suspicion because of his leftist past, Nkrumah now seems firmly committed to a pro-Western orientation. However, his denunciation in February of Communists in the government and of subversive literature was in part motivated by the threat to his own control of the labor movement posed by the influence of the Communist WFTU.

Fabulously high cocoa prices have brought unprecedented prosperity to the area, which has a one-crop economy, and ensured the farmer's loyalty. Nkrumah's close party control has prevented the growth of any other opposition. From 1951 the party has capitalized on the popular demand for independence, but after this goal is attained the lack of any other program may cause the party to split into factions. The level of political experience is generally low and a development of a sense of Gold Coast nationhood and attainment of civil service integrity will be necessary to assure the state's political stability.

Although Britain, on its own initiative, has brought the Gold Coast close to independence, ultimate accession to dominion status presumably will to some extent depend on the acquiescence of the independent members of the Commonwealth. The admission of India, Pakistan and Ceylon has already destroyed the formerly exclusively white character of the dominions. South Africans have violently

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criticized the idea of dominion status for the Gold Coast. They view the approaching independence of the area as a challenge to their claim to leadership of the African continent and as a precedent threatening their own existence.

France and Belgium also feel that their interests are endangered by Britain's policy. They fear that Gold Coast independence would be a challenge to their own colonial policies and their hold over rich African territories. Pan-Africanism is a developing force, and Nkrumah is its symbol. Even in some of the most remote areas, Africans are interested in the Gold Coast and many of the rising native politicians see Nkrumah as a great leader. A regional conference for West African nationalists held under Nkrumah's leadership in Kumasi in December caused the French considerable concern because they fear the presence of an independent state on the borders of French West Africa.

Gold Coast independence would also be a problem for the United Nations because of the necessary revision of the trusteeship agreement affecting British Togoland and the eventual disposition of this area. Togoland is to vote in this election. A major party victory there would encourage the party to demand the complete integration of Togoland with the Gold Coast. If this were followed by agitation from the Gold Coast for the association of French Togoland also, a strong French reaction in the Trusteeship Council could be expected.

Development of Gold Coast independence is a calculated risk for Britain. It could encourage a pan-African movement to expel the white man from Africa. The British hope, however, that it will lead, instead, to a decrease in racial strife and a restoration of the African's faith in the white man's intentions.

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SYRIAN FACTIONALISM INVITES A LEFTIST-MILITARY COUP

The fumbling efforts of Syrian politicians to organize a strong conservative parliamentary regime enhance the possibility of a leftist-military coup. Even if this danger frightens the politicians into unity, the result will at best be a fragile coalition.

The politicians are united only in their opposition to having any more regimes like that of former dictator Shishakli. They show little evidence, however, of unity on specific civilian alternatives. Neither major party--Nationalist or Populist--appears capable of winning a decisive victory in elections originally promised for June, and which have variously been reported as postponed until July, August, or even October.

The two parties are vaguely committed to joint action. They have failed, however, to agree to bring former president Quwatli back from Cairo as a presidential candidate, and have made little progress in drawing up a common slate of electoral candidates. There are increasing rumors that the present transitional government of Nationalists, Populists, and independents will be replaced by a neutral cabinet for the remainder of the pre-election period.

The politicians fear that radical socialists, supported by military partisans, will attempt to seize power. This threat comes from the leader of the Arab Socialist-Resurrectionist Party, Akran Hawrani--a skilled politician and an experienced conspirator. Hawrani's efforts to achieve strong representation in the cabinet have been supported by Assistant Chief of Staff Malki, who is the popular leader of one of the army's factions.

Hawrani also has the support of Captain Mustafa Hamdun, who played a major role in the overthrow of Shishakli on 25 February and who has a well-knit group of 30 junior officers behind him.

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Fear of a leftist-military coup may galvanize the politicians into collaborating effectively enough to dominate the elections and ensure the continuance of the present setup. At best, this will give Syria a civilian government without a policy. In the light of Syria's chaotic parliamentary experience--and without full army subordination to civilian rule--such political weakness seems to be an invitation for a military coup.

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THE RISING STATUS OF THE UKRAINE

Recent months have witnessed a significant rise in the prestige of the Ukraine to a position close to that of the Great Russian Republic (RSFSR). It is probably largely intended to mend the Kremlin's relations with the Ukraine--next to the RSFSR, the largest and most highly industrialized of the Soviet republics--which has always been an area of potential disaffection.

While this readjustment may be partially explained by the general re-examination of Soviet policy following Stalin's death, it has not been accompanied by an over-all relaxation of Soviet nationalities policy. It seems, indeed, somewhat inconsistent with the relatively harsh attitude toward the national minorities which the regime resumed after Beria's purge.

The rise in the prestige of the Ukraine has centered on the celebration of the 300th anniversary of its reunification with Russia. This occasion was extensively celebrated by all the Soviet Republics and in general received more attention over a longer period of time than the observance of any other anniversary in recent years. Announcement of the celebration was made in December 1953, and an official statement on the history of Ukrainian-Great Russian relations was issued last January by the all-Union Central Committee. The anniversary was climaxed by a jubilee session of the Ukrainian Supreme Soviet on 23 May, followed by a similar meeting in the RSFSR on the 29th.

Propaganda surrounding the event stressed the great and long friendship of the Ukraine and Russia as an outstanding example of the invincibility and superiority of the Soviet family of nations. This constant association of the Ukraine and Great Russia as "the two great Slavic nations" tended to give the Ukraine a privileged status among the republics.

An outstanding concrete gesture to honor the Ukraine, made in connection with the anniversary, was the dramatic cession of the entire Crimean area by the RSFSR to the Ukraine. In addition to having a certain economic rationale, the move raises the standing of the Ukraine, for never before has any territorial readjustment between republics involved the ceding of any substantial portion of land by the Great Russian Republic.

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A further significant event was the renaming of the Ukrainian party buro in October 1953. In a move limited as yet to the Ukraine, the buro was changed to a "presidium," paralleling the current nomenclature on the all-Union level.

The fact that the shift in the Ukraine's status has accompanied and supported the rising fortunes of N. S. Khrushchev suggests that it may be partially attributed to his personal influence. Khrushchev served as first secretary of the Ukrainian party from 1938 to 1949--with the exception of a nine-month period in 1947--and he could be expected to have a keen awareness of the problems and importance of that region. Furthermore, he probably continues to exercise considerable personal influence in the Ukraine, and an increase in the prestige of the area redounds to his own personal advantage. Thus the recent Ukrainian Supreme Soviet meeting also brought Khrushchev the greatest degree of personal publicity accorded to any living Soviet leader since the inauguration of the collective leadership theme.

The appointment, in the past eight months, of several men with Ukrainian experience to leading posts in the USSR has also served both to enhance the status of the Ukraine and to place Khrushchev's associates in key positions. Appointees of this type include V. P. Mzhavanadze, who was made first secretary of the Georgian Republic in September 1953, and L. R. Korniets, who became minister of agricultural procurement in November 1953.

The probable elevation of Kirichenko, the present first secretary in the Ukraine, to alternate membership in the all-Union party presidium, if verified, would be a striking example of these mutually beneficial personnel shifts. Besides raising a long-time Khrushchev associate to this important body, it puts a man there who has been connected with the Ukraine throughout his career.

These appointments and the current propaganda gestures toward the Ukraine suggest that it may play a role reminiscent of that played by Georgia under the Stalin regime.

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