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# CURRENT INTELLIGENCE WEEKLY SUMMARY

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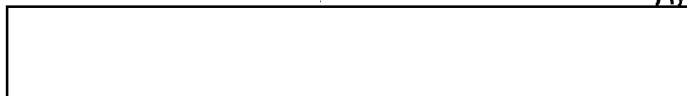
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## CURRENT INTELLIGENCE WEEKLY SUMMARY

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### T H E   W E E K   I N   B R I E F

#### PART I

#### OF IMMEDIATE INTEREST

ARAB-ISRAELI SITUATION . . . . . Page 1

The military aspects of the Arab-Israeli situation may recede into the background temporarily as the parties give primary attention to diplomatic maneuvers. This shift in emphasis, arising from UN secretary general Hammarskjold's mission, has been reinforced by the Soviet statement on the situation, which, however, was received by both the Arabs and Israelis with considerable official reserve and probably a good deal of private uneasiness. [redacted]

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SOVIET POSITION ON THE ARAB-ISRAELI DISPUTE . . . . . Page 2

The Soviet Foreign Ministry's announcement on 17 April that Moscow is ready to "contribute with other states" to the peaceful solution of the unsolved problems of the Near East is another major bid to gain a great-power role for the USSR in the area. As a result of the USSR's extensive arms commitment to Egypt and its strongly pro-Arab policies during the past year, Moscow may now be in a position to influence strongly the tactics employed by the Arabs in their dispute with Israel. [redacted]

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THE LONDON DISARMAMENT TALKS . . . . . Page 3

The UN disarmament subcommittee meeting in London has made no measurable progress toward agreement. The Western delegates are united in their opposition to portions of the Soviet proposal of 27 March. Since that date, Soviet delegate Gromyko has confined his remarks to defending the USSR's proposal and criticizing the Anglo-French proposal. The subcommittee has scheduled a meeting for 23 April, during the Bulganin-Khrushchev visit. [redacted]

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**CURRENT INTELLIGENCE WEEKLY SUMMARY**

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**PART II**

**NOTES AND COMMENTS**

**MOSCOW ANNOUNCES  
END OF COMINFORM . . . . .**

Page 1

Moscow has announced the dissolution of the Cominform and the discontinuance of its propaganda periodical. A Pravda article made it clear that the main objective was to remove a barrier to Communist co-operation with Socialist parties. The move is also intended to satisfy Tito, who was expelled from the Cominform in 1948, and coincides with the Bulganin-Khrushchev visit to Britain.



**YUGOSLAVIA MAY REQUEST  
OBSERVER STATUS IN CEMA . . . . .**

Page 1

The Yugoslav government is considering a plan under which it would apply for observer status in the Soviet bloc's Council for Mutual Economic Assistance (CEMA) on the same basis as Yugoslavia's participation in the Organization for European Economic Co-operation (OEEC). The Yugoslavs probably feel such a move would facilitate their trading with Eastern Europe.

**CHANGE IN BULGARIAN LEADERSHIP . . . . .**

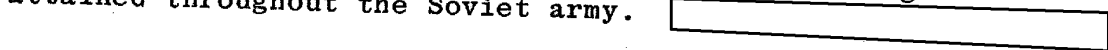
Page 3

The replacement of Bulgarian premier Vulko Chervenkov by his rival, Anton Yugov, may mark an increase in Soviet willingness to allow the Eastern European Communist countries to control their own affairs. He has now been succeeded by a man who in 1950 barely escaped being executed on "Titoist charges." Moscow probably allowed Chervenkov to be jettisoned since he was a symbol of Stalinism both inside Bulgaria and abroad--especially in Yugoslavia.

**SOVIET ANTI-AIRCRAFT CAPABILITY  
STRENGTHENED . . . . .**

Page 4

New equipment is greatly improving the ability of Soviet ground force units in East Germany to defend themselves against air attack. The new equipment is indicative of the high degree of modernization being attained throughout the Soviet army.



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**KHRUSHCHEV RECRUITS FOR SIBERIAN INDUSTRY . . . . . Page 5**

Under the Soviet Sixth Five-Year Plan, 3,000,000 new workers will be needed in Siberia between now and 1960, the first phase of a long-range program to transform the vast central Kazakh-Siberian area into the industrial heartland of the USSR. Communist Party secretary Khrushchev last week called for 300,000 to 500,000 volunteers to move to Siberia. The difficulties already experienced in the "new lands" settlements suggest that it may be easier to recruit volunteers for Siberia than to keep them there. [redacted]

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**USSR PUSHES FRIENDSHIP WITH INDONESIA . . . . . Page 6**

The USSR has offered economic aid to Indonesia and has invited President Sukarno and a parliamentary delegation to visit Moscow. The Soviet proposals have been accepted by Indonesia which probably wishes to demonstrate the independence of its position by balancing the assistance it has already accepted from the United States. [redacted]

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**JAPANESE-SOVIET RELATIONS . . . . . Page 8**

The appointment of Minister of Agriculture and Forestry Kono to head Japan's mission to Moscow to negotiate a fisheries settlement has aroused apprehension in the government party that Prime Minister Hatoyama may be preparing to soften his government's firm stand against the USSR. Kono favors early establishment of relations with the USSR. [redacted]

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**THE BURMESE ELECTIONS . . . . . Page 9**

On 27 April, the first parliamentary elections since 1952 will be held in Burma. The government coalition, the Anti-Fascist Peoples Freedom League, is presenting a solid front to a variety of disunited opposition groups. There are already 36 AFPFL candidates who are running unopposed, and this number will undoubtedly increase before election day. [redacted]

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**CAMBODIA . . . . . Page 10**

When the fourth congress of Cambodia's ruling Sangkum party convenes on 21-22 April, Prince Sihanouk's influence will probably lead to approval of Soviet and Polish representation in Phnom Penh and to acceptance of Chinese economic assistance. [redacted]

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**INDIAN-PAKISTANI TENSION . . . . . Page 10**

Tension between India and Pakistan has increased following more than a dozen border incidents since mid-February and Indian prime minister Nehru's recent statements ruling out a plebiscite on Kashmir. War between the two countries does not appear likely at present, but New Delhi fears an attack by Pakistan next year.

[Redacted]

**FRENCH NORTH AFRICA . . . . . Page 12**

Discussions continue between French officials and Algerian rebel leaders on terms for a cease-fire. In Morocco, sympathy for the Algerian rebels may lead to isolated incidents. The Tunisian national-front cabinet formed by Habib Bourghiba is likely to adopt a firmer position in relation to France than its predecessor.

[Redacted]

**PROSPECTS FOR THE GREEK GOVERNMENT . . . . . Page 13**

The vote of confidence won by Greek prime minister Karamanlis on 11 April may permit his regime to start its program of economic reforms. Disagreement over how best to approach the chronic economic problems, however, as well as over the Cyprus issue and relations with Turkey, will continue to make the government vulnerable to opposition attacks.

[Redacted]

**FRENCH GOVERNMENT FACES GROWING DIFFICULTIES . . . . . Page 14**

French premier Mollet has gained cabinet support on his Algerian policy, at least for the time being, but now faces a Communist call for nationwide demonstrations against the call-up of reservists for Algeria and rightist demands for a greater show of force against the rebels. Meanwhile, the government's need for new revenues and labor's agitation for higher wages present a new threat to France's financial stability.

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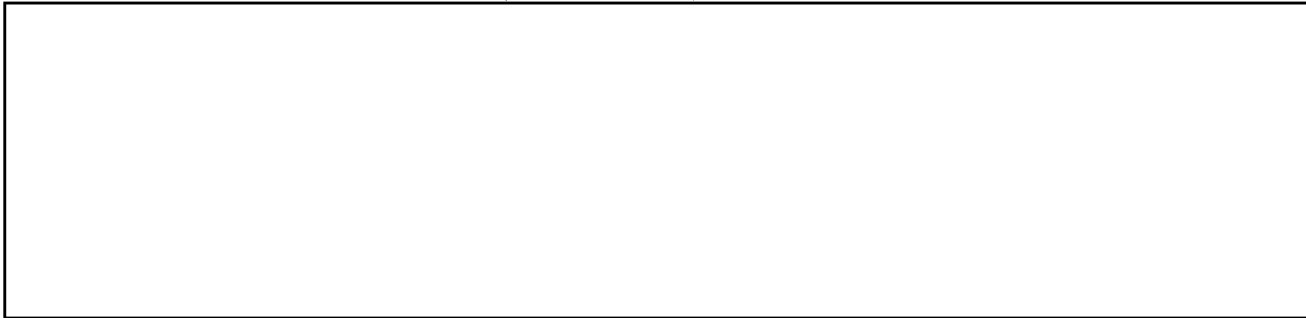
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**PART III**

**PATTERNS AND PERSPECTIVES**



**SOVIET POLICY TOWARD FRANCE . . . . . Page 2**

The USSR is making unusual efforts to win the friendship of the Socialist-led French government and to exploit the growing pressure in France for a more independent role in the Western alliance. While trying to adhere to its traditional role as the "champion" of colonial peoples, the USSR has recently expressed new sympathy for the French position in North Africa, apparently hoping to obtain in return French co-operation in other matters. The USSR may try to explore these questions further with the French when Mollet and Pineau visit Moscow in May. [redacted]

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**RECENT TRENDS IN COMMUNIST CHINA'S FOREIGN POLICY . . . Page 4**

Communist China is pushing its campaign to "normalize" relations with all countries, conclude economic agreements which provide for acceptance of permanent Chinese commercial missions--particularly in the Middle East--and arrange a conference between Secretary Dulles and Chou En-lai. Peiping considers that success along these lines would advance its announced foreign policy aims of attaining wider diplomatic recognition, membership in the UN, and the annexation of Taiwan. The Chinese effort also contributes to the broader Sino-Soviet campaign to strengthen and enlarge the "zone of neutralism." [redacted]

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**THE ANTI-STALIN CAMPAIGN: MOTIVES AND CONSEQUENCES . . . Page 7**

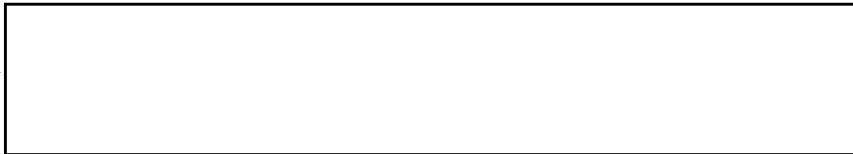
The decision to transform the gradual desanctification of Stalin into an abrupt degradation was probably a deliberate one, based on a complex of motives which made a dramatic move desirable. In carrying out this decision, however, the Soviet regime faces the risk of encouraging freedom of thought and expression beyond limits it considers desirable and of undermining confidence in the party's infallibility. It faces also the difficult task of stimulating initiative without undermining discipline, of creating a sense of participation without giving the right to criticize basic policies, of fostering scientific progress without opening the door to a dangerous freedom of thought. [redacted]

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**STALEMATE WITH COMMUNISTS CONTINUES IN BRITISH GUIANA . . Page 11**

Britain's continued suspension of British Guiana's constitution, because of the grave security situation in the colony, contrasts sharply with the moves being made in other British Caribbean territories toward political federation and eventual autonomy. Largely because of the lack of any effective leadership among moderate political elements in British Guiana, the Communist-led Progressive People's Party is still popular even though it was forced to relinquish its control of the government in October 1953 when the constitution was suspended. There is little prospect of a break in the political stalemate. [redacted]

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## PART I

OF IMMEDIATE INTEREST

## ARAB-ISRAELI SITUATION

The military aspects of the Arab-Israeli situation may recede into the background temporarily as the parties give primary attention to diplomatic maneuvers. This shift in emphasis, arising from UN secretary general Hammarskjold's mission, has been reinforced by the Soviet statement on the situation, which, however, was received by both the Arabs and Israelis with considerable official reserve and probably a good deal of private uneasiness. (See following article.)

Although the Egyptians fostered the impression during Hammarskjold's visit to Cairo that they were wholly cooperative, they appear, in fact, to have committed themselves to little or nothing more than proposals already offered by Prime Minister Nasr.

The Israelis sought to broaden the talks beyond the immediate question of maintaining the armistice on Israel's borders, asking for consideration of Egypt's refusal to allow them to use the Suez Canal. However, Hammarskjold refused to get entangled in this issue without the consent of the Egyptians. The Israelis appear to have dropped this tactic for the moment, but they will almost certainly return to it in any future discussions, since they have consistently insisted

that what they seek is a peace settlement rather than a mere extension of the armistice agreement.

Even a reasonably specific agreement on an immediate ceasefire may not mark the end of Hammarskjold's mission. The secretary general told Ambassador Lawson in Tel Aviv on 17 April that he intended to move on to Beirut, Damascus, Amman and again Cairo, and that he might have to make at least one trip back to New York before winding up his efforts. This suggests that he regards the scope of his mission as broader than his achievements so far.

Meanwhile, the Soviet statement probably is leading all parties to step carefully until the full import of the USSR's move can be assessed. Initial Israeli press reaction dismissed the statement as of little significance, but almost certainly concealed genuine concern and interest as to what the Soviet leaders really had in mind. The Cairo press also sought to hide its uncertainty, taking the unique line that the United States and the Soviet Union might be drawing closer together on Near Eastern issues leaving Britain, Cairo's current bete noire, trying to salvage a crumbling Baghdad pact.

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SOVIET POSITION  
ON THE ARAB-ISRAELI DISPUTE

The Soviet Foreign Ministry's announcement on 17 April that Moscow is ready to contribute with other states to the peaceful solution of the unsolved problems of the Near East is another major bid to gain a great-power role for the USSR in the Near East.

Foreign Minister Molotov reportedly has said that the statement might serve as a basis for discussion in London during the Bulganin-Khrushchev visit. The statement is timed to encourage a growing conviction in France that the Soviet Union must be included in any attempt to solve Near Eastern problems. (See Part III, p.2.)

Moscow probably regards the statement as a reply to President Eisenhower's announcement on 9 April pledging American aid to any Near Eastern state that might be the victim of aggression. It is evidently intended to give notice that the USSR will not agree to any Western action on the Arab-Israeli dispute except as taken through the UN Security Council, where the USSR can use its prerogatives as a permanent member to promote its policies in relation to the Arabs. The statement asserts that the Soviet government considers "illegal and inadmissible" any attempt to justify "interference from without" in the Arab states or the introduction of foreign troops into the area.

Gestures Toward Israel

In its relations with the Arabs and Israel, Moscow

is continuing to work both sides of the street, thereby avoiding the appearance of being too uncompromisingly pro-Arab. This year, for the first time, high-ranking Soviet officials--Molotov and Mikoyan--attended the Israeli Independence Day reception in Moscow on 16 April. Soviet spokesmen during the past several months have assured the Israelis that the USSR has no hostility toward Israel and blamed the situation in the Near East on the Western powers.

Such gestures are not expected to compromise Moscow's pro-Arab stand in the Near East, since the Arabs will probably interpret them as a restraining influence on the Israelis in the period before arms deliveries give the Arab states military superiority in the area. In any case, Moscow hopes to pose as the "impartial mediator" between the two sides in the forthcoming UN discussions.

Moscow has repeatedly indicated since last summer that it would like to participate in an international conference on general problems in the Near East. 25X1  
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the United States and the USSR should first talk about the situation in the Near East, and then call for a conference which would include other interested powers.

The USSR has made it clear that it would expect any major conference to include all states concerned--specifically the Arab states, and possibly India.

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Influence on Egypt

As a result of the USSR's extensive arms commitment to Egypt and its strongly pro-Arab policies during the past year, Moscow may now be in a position to influence strongly the tactics employed by the Arabs. Moscow probably believes that in view of Egyptian premier Nasr's dependence on Soviet political and military support, he is not likely to undertake any large-scale military venture without consulting the USSR.

Moscow does not appear to be encouraging the Arabs at present to precipitate hostilities with Israel. [redacted]

[redacted]

[redacted]

[redacted]

At the present time, the USSR probably does not believe it will have to intervene in the Near East beyond continuing to supply the Arab states with political support and military equipment. [redacted]

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THE LONDON DISARMAMENT TALKS

The UN disarmament subcommittee, whose current session in London is now in its fifth week, has made no measurable progress toward agreement, but the Western delegates are united in their opposition to portions of the Soviet proposal of 27 March. Since that proposal was made, Soviet delegate Gromyko has confined his remarks to defending it and criticizing the Anglo-French proposal.

The subcommittee now has before it the Anglo-French plan presented on 19 March by French delegate Jules Moch and the Soviet proposal of 27 March, in addition to various American proposals. The subcommittee, as a whole, is addressing itself to these proposals in an attempt to clarify them. On 12 April the subcommittee members held an off-the-record meeting which, United States delegate Stassen reports, was

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cordial, but pointed up "Soviet unwillingness to budge from its present position."

Western delegates have concentrated on those provisions of the Soviet proposal which require clarification, such as the control provisions, force levels, the lack of any plan for nuclear reductions, and the proposed special limitations on troops and weapons in Germany. British delegate Nutting has rejected the proposals regarding Germany--which could in effect make the division of Germany permanent--as having no similarity to the Eden plan announced at Geneva last year.

To calm West German fears that progress on disarmament could delay the reunification of Germany, both the French and the British delegates have tried to make clear that any final disarmament treaty must assume a united and free Germany.

French delegate Moch now is attempting to synthesize all points of agreement that are

explicitly stated in the various plans before the subcommittee. He is particularly disturbed over the lack of a provision for nuclear disarmament in the Soviet plan. Both Moch and Nutting have privately expressed the opinion that the Soviet Union may have reserved announcement of some plan for nuclear disarmament for the current visit of Khrushchev and Bulganin to Britain.

Gromyko has insisted that the USSR has offered a plan to go ahead on conventional disarmament, with nuclear disarmament put aside "for the time being," primarily in answer to the West's contention that there is no foolproof way of eliminating the nuclear threat.

The subcommittee has scheduled a meeting for 23 April, during the Bulganin-Khrushchev visit. United States delegate Stassen believes that this meeting may be crucial. [redacted]

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## PART II

NOTES AND COMMENTS**MOSCOW ANNOUNCES  
END OF COMINFORM**

Moscow has announced the dissolution of the Cominform and the discontinuance of its propaganda periodical, the publication of which had been the main function of the Cominform in recent years. Formed in 1947, the Cominform included the Communist parties of the Soviet Union, France, Italy, and all the Eastern European Satellites except East Germany and Albania.

A Pravda article on 18 April made it clear that the main purpose of this step was to remove a barrier to Communist co-operation with Socialist parties. It said that dissolution of the Cominform would help to accomplish the important task of "eliminating the split of the workers' movement and creating the unity of the working class."

Pravda said that the Communists are ready for "unity of action" with the Socialists and co-operation in drafting a common platform of principles. It is likely that Socialist parties, particularly in Western Europe, will be invited to attend various international conferences with Communist parties in the future, and perhaps to join in one international organization.

The elimination of the Cominform will be particularly pleasing to the Yugoslavs, who were expelled from it in 1948 and who will view this move as a further vindication of their anti-Stalin policy. Belgrade also shares Moscow's interest in promoting a working arrangement between Orbit Communists and Western European Socialists. As another gesture to Tito's views, Pravda implied that the ending of the Cominform is designed to encourage more independent, national roads to socialism in the Satellites.

Moscow probably expects the move will be regarded throughout the world as further "proof" of Soviet willingness to remove the causes of international tension. The step may also have been timed to improve the atmosphere for the current visit of Bulganin and Khrushchev to Britain.

Since, as Khrushchev has said, the Cominform had not met since 1949, and has been only a propaganda machine since then, the practical effect of its dissolution within the Orbit will be small. It served no essential purpose in the direction and control of the international Communist movement.

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**YUGOSLAVIA MAY REQUEST  
OBSERVER STATUS IN CEMA**

The Yugoslav government is considering a plan under which it would apply for observer status in the Soviet bloc's Council for Mutual Economic Assistance (CEMA) on the same

basis as Yugoslavia's participation in the Organization for European Economic Co-operation (OEEC). The Yugoslavs probably feel such a move would facilitate

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their trading with Eastern Europe.

In publicly announcing their intent, they may be testing Western reaction. They may, of course, back down if Western reaction is strong, as they did earlier after raising trial balloons concerning the recognition of East Germany and compliance with Battle Act restrictions on shipment of strategic goods to the Soviet bloc.

Borba claimed on 11 April that cooperation with CEMA would be the greatest possible Yugoslav contribution to removal of the artificial economic partition of Europe, which it described as a hangover from the cold war. Some difference of opinion on sending an observer to CEMA is reported to exist among Yugoslav economic officials. A majority reportedly favor the plan, while a minority believe the "present political circumstance"--apparently relations with the West--precludes such a move. Joining CEMA outright is reported to be completely out of the question.

Yugoslavia has been generally pleased with the slowly increasing multilateral aspect of its trade within the OEEC area. Some Yugoslav economists may feel, however, that any significant gains in this direction will not be possible without seriously affecting the Yugoslav economy.

Until recently, the Yugoslavs have recognized CEMA as



a Soviet-dominated organization aimed at integrating the economies of Eastern Europe--much too restrictive for Yugoslavia's own economic development and trade. In light of statements at the Soviet 20th Party Congress, however, the Yugoslavs now say they believe that the Satellites will increasingly specialize on the basis of economic advantage, and they may expect that favorable trade opportunities for Yugoslavia would result.

They may believe that having an observer with the agency which co-ordinates intra-bloc trade and apparently some of the East-West trade of its members would enable them to get away from strictly bilateral trade, which has been restricted in several cases by the lack of acceptable goods on one or the other side. [REDACTED] (Concurred in by ORR)

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## CHANGE IN BULGARIAN LEADERSHIP

The replacement of Bulgarian premier Vulko Chervenkov by his rival, Anton Yugov, may mark an increase in Soviet willingness to allow the Eastern European Communist countries to control their own affairs. Of all the Eastern European strong men, Chervenkov was one of those most subservient to and imitative of Stalin. Yugov, in the period following the trial of Traicho Kostov in 1949, apparently just escaped being executed on "Titoist" charges. Moscow probably allowed Chervenkov to be jettisoned since he was a symbol of Stalinism both inside Bulgaria and abroad--especially in Yugoslavia.

Although the removal of Chervenkov is a victory for the nationalist element in the Bulgarian party, the Moscow-oriented element retains strong positions in the collective leadership. One of Chervenkov's closest associates, Georgi Chankov, is now first vice premier in the new collective leadership, and Karlo Lukanov, ambassador to Moscow since 1954 and reportedly a Chervenkov man, has been renamed a vice premier. Chervenkov himself has been named third among the four vice premiers. Even party first secretary Todor Zhiykov, who set the stage for Chervenkov's downfall, was appointed to his post in 1954 under Chervenkov's aegis.

The New Premier

The new premier, Anton Yugov, is the leader of the Bulgarian Communists who spent the war years in Bulgaria as partisans and generally take a Bulgaria-first approach. As minister of interior, he is reported to have supported Kostov

in the early stages of the succession battle during former party secretary general Georgi Dimitrov's fatal illness in 1948 and 1949.

Yugov later switched sides when Chervenkov gained enough force to effect Kostov's downfall as a national deviationist. Nevertheless, in April 1950



ANTON YUGOV.

Yugov was forced to admit publicly that while he was minister of interior, "imperialist and Titoist agents, members of Traicho Kostov's gang of spies, had infiltrated into the ministry" as a result of his "inadmissible blindness and confidence."

Chervenkov never completely removed Yugov from power, and in 1952 he began again to rise in prominence and was elevated from head of a ministry to the post of first vice premier. By February 1954, at the time of the Bulgarian party congress, Yugov had become one of the

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three leading Bulgarian Communists, and now is probably the most powerful among them.

Demotions of Chervenkov followers in the party apparatus may take place. The Yugo-

slav press claims that arrests have already started in the ranks of the secret police, and that one of the 20 arrested thus far is Ivan Raikov, who apparently was Chervenkov's appointee as head of state security in the Ministry of Interior from 1949 until 1951. [redacted]

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## SOVIET ANTI-AIRCRAFT CAPABILITY STRENGTHENED

New equipment, including heavier caliber weapons and a better fire-control system, is improving the capabilities of Soviet ground force units in East Germany to defend themselves against air attack.

[redacted] the USSR shipped [redacted] 122-mm anti-aircraft weapons into East Germany, probably for distribution to anti-aircraft artillery divisions. This gun, effective up to about 45,000 feet, was first observed in the Moscow area in February 1955 and has since been sighted in a few gun positions around the city. The advent of surface-to-air missiles as protection for static installations makes possible the shift of 122-mm weapons to tactical units. These units are also using the 100-mm anti-aircraft gun, which only recently has been replacing the 85-mm gun in a tactical role.

divisions in Germany now are assigned 57-mm self-propelled anti-aircraft guns, indicating a significant step forward in the USSR's program of increasing the mobility of its forces.

In addition, in March of this year, an improved fire-control radar system was sighted for the first time with a Soviet 57-mm anti-aircraft battery in East Germany. This device makes the gun effective to an altitude of 15,000 feet rather than 6,000 feet.

New Soviet tables of organization and equipment call for heavier and more versatile anti-aircraft artillery in line divisions to assure more complete local protection. Of particular importance is the addition of two 85-mm anti-aircraft batteries in the tank, rifle, and mechanized divisions. There reportedly is to be a 300-percent increase in anti-aircraft artillery in the tank and mechanized divisions and a nearly 400-percent increase in the rifle divisions. [redacted]

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[redacted] Soviet tank

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**KHRUSHCHEV RECRUITS  
FOR SIBERIAN INDUSTRY**

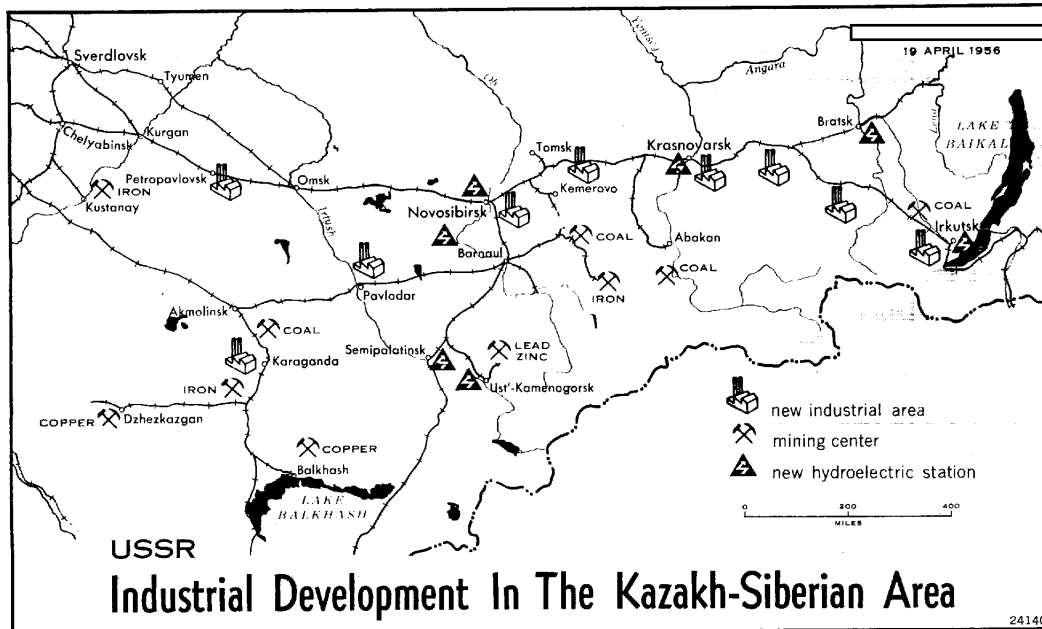
Communist Party secretary Khrushchev last week touched off a new drive for the industrial development of Siberia under the Sixth Five-Year Plan. He told delegates to a youth conference in Moscow that the party is asking the Komsomol, the party youth organization, for 300,000 to 500,000 volunteers to move to Siberia this year. Soviet youth can "prove its worth," he asserted, by colonizing the thinly settled areas of the eastern USSR. Khrushchev went on to say that most of the volunteers should come from the "overcrowded cities" of the European USSR and that they must realize that this is not an invitation to "eat pancakes at your mother-in-law's."

Three million new workers will be needed in Siberia by 1960 in the first phase of a long-range program to transform the vast central Kazakh-

Siberian area into the industrial "heartland" of the USSR. At the 20th Party Congress Khrushchev stated, "In the next ten years we must convert Siberia into the biggest base of the Soviet Union, as regards the output of coal and the production of electric power, into the main base of heat and power consuming industries, in particular, the production of aluminum, magnesium, and titanium, as well as electrical metallurgy, coal chemistry, and electro-chemistry."

Natural Resources

The policy of giving priority to the industrial development of the "heartland" suggests that Soviet leaders have decided that their economy cannot maintain its present high rate of growth for very long unless the tremendous natural resources in the eastern parts of the country are



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speedily developed. Danger signals began to appear in the last half of the Fifth Five-Year Plan which indicated that the best natural resources of the western USSR and the Urals were being depleted faster than new ones were being discovered. Continued industrial development in these areas would require that increasing amounts of raw materials be shipped in from Siberia.

During the next five years the USSR will spend approximately one third of its total capital investment funds in the area between the Urals and Lake Baikal. This region at present turns out less than 15 percent of the USSR's industrial production and is estimated to have less than 15 percent of its population. Known projects slated for the next two or three five-year plans include hydroelectric systems with a generating capacity of more than 30 million kilowatts, three steel mills, three aluminum plants, five machine tool plants, chemical plants and oil refineries, and numerous

construction and transportation equipment plants.

In the Sixth Five-Year Plan, the majority of new construction will be in the Irkutsk-Krasnoyarsk region of eastern Siberia and in the Kazakh SSR. The Irkutsk-Krasnoyarsk development will be based upon construction of what will eventually be the world's largest hydroelectric system, along the Angara and Yenesei Rivers. The Kazakhstan build-up will be based on its rich mineral resources.

Maintaining an adequate labor force appears to be the main problem facing development of the eastern areas. The Soviet press has reported an extremely high labor turnover at the Dzhezkazgan copper combine and Karaganda steel combine construction projects in Kazakhstan. The difficulties already experienced in the "new lands" settlements suggest that it may be easier to recruit three million volunteers for Siberia than to keep them there.

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(Prepared by ORR)

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## USSR PUSHES FRIENDSHIP WITH INDONESIA

The USSR in the last month has accelerated its friendship campaign in Indonesia as part

of its general effort to establish closer relations with nations in the zone of neutrality.

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Following the return to Djakarta of Soviet ambassador Zhukov on 29 March, the USSR abandoned its somewhat reticent policy toward Indonesia. On 9 April the USSR invited President Sukarno and an Indonesian parliamentary delegation to visit Moscow, and the next day Zhukov announced he had submitted specific proposals of Soviet economic aid to the Indonesian government. The USSR is reportedly planning to launch an extensive publications program in Indonesia.

Indonesian Receptiveness

The Indonesian government has responded favorably to these proposals. Sukarno plans to visit Moscow in August, the parliamentary delegation in September. Indonesia has agreed in principle to accept Soviet economic aid, and details are probably now being worked out.

Public reaction in Indonesia has been one of qualified approval. The press generally regards the acceptance of Soviet aid as justifiable within the framework of the country's "independent" foreign policy. Most of the newspapers, however, including those following strongly nationalistic lines, warn that Soviet political influence must not be permitted as a by-product.

Economic aid offer

While little information has been released on the nature

of the proffered aid, Zhukov did remark that it extended to all fields, "including agriculture and industry." The Indonesian minister of state planning indicated that the aid offer was similar to that made to India, which suggests that the USSR may offer to co-ordinate its aid with Indonesian economic planning--still in its formative stage.

Subandrio, former ambassador to Moscow and now secretary general of the Foreign Ministry, may have been influential in the government's decision to accept Soviet aid. Although he acknowledged that the USSR has not changed its aims, he advised the acceptance of aid. He stated recently that the only question to be considered is "how far the Soviet Union is capable of granting us financial loans, of making their technical experts available to us, and of importing Indonesia's raw materials and exporting their industrial products to us."

Indonesia undoubtedly has been influenced by the developing Soviet economic relations with Burma and India. It may also wish to demonstrate that its position is independent by balancing the assistance it has already accepted from the United States, including the \$105,000,000 worth of American agricultural commodities which Indonesia accepted early this year.

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## JAPANESE-SOVIET RELATIONS

The appointment of Minister of Agriculture and Forestry Kono to head Japan's mission to Moscow to negotiate a fisheries settlement has aroused apprehension in the government party that Prime Minister Hatoyama may be preparing to soften his government's firm stand against the USSR. Kono's appointment has stimulated latent opposition in the Liberal-Democratic Party and has revived against the differences within the government on whether to accede to Soviet demands for an immediate restoration of diplomatic relations.

Kono favors early establishment of relations with the USSR, with territorial and other issues to be settled later. He is also closely identified with powerful fishing interests which are pressing for a fisheries agreement even at the cost of concessions. He is the dominating personality behind Hatoyama, and is often characterized as de facto deputy prime minister.

Foreign Minister Shigemitsu, the most determined advocate of a strong policy toward the USSR, reportedly opposed Kono's appointment bitterly but was

overruled by influential politician Bukichi Miki. Shigemitsu, with the support of a party bloc of the same view, appears to be attempting to tie Kono's hands with stringent instructions limiting this authority. In addition, a Foreign Ministry official has informed the American embassy that over 100 Liberal-Democrats have threatened to quit the party if Kono compromises in Moscow. If this threat is serious, it could conceivably result in a breakdown of the newly found conservative unity.

Prime Minister Hatoyama on 13 April publicly stated that the Soviet Union might be permitted to establish a fishing mission in Japan to carry out a fisheries agreement. Liberal-Democratic Party secretary general Kishi gave tacit support to the prime minister's position on the following day when he commented that he foresaw no objection to such a mission as long as the office was not used as a propaganda center. Moscow might demand diplomatic status for such a mission, with the concomitant implication of de facto diplomatic relations.

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## THE BURMESE ELECTIONS

On 27 April, the first parliamentary elections since 1952 will be held in Burma.

The government coalition, the Anti-Fascist Peoples Freedom League (AFPFL), is presenting a solid front to a variety of

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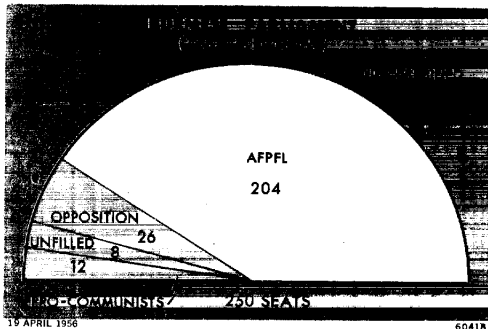
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disunited opposition groups. In 1952 the AFPFL won 204 seats to 38 for the opposition, including 12 held by the pro-Communist Burma Workers and Peasants Party (BWPP); eight seats remained vacant because of severe insurgent activity in the constituencies involved. Already there are 36 AFPFL candidates running unopposed, and this number will undoubtedly increase before election day.

Campaign Issues

Since there is very little criticism among Burmese re-



garding either the concept or conduct of Burma's foreign policy, the basic issue in the election campaign has been the government's domestic record. The chief points of attack have been the government's failure to restore internal peace through negotiations with the various insurgents--Communist and ethnic--and its allegedly arbitrary, repressive rule.

Election Maneuvers

As in 1952, the AFPFL is relying largely on the police and military powers of the

state to ensure election of many of its candidates, as well as to raise substantial funds for the party. The government has postponed elections in a number of constituencies where AFPFL chances are regarded as poor, and in at least two instances the elections commission has disqualified opposition candidates on technical grounds.

The AFPFL's prospects are also considerably enhanced by the disunity of its opposition. Early in the campaign, the various opposition groups--despite wide ideological divergencies--organized into a so-called All-  
Opposition Alliance and even agreed to a single slate of candidates for 89 constituencies. In mid-March, however, the pro-Communists, led by the BWPP, broke with the alliance. They subsequently published their own list of candidates, many of whom will be competing with those put up by the alliance.

This faction is by far the most articulate, and best organized and financed, opposition group. As such, it is the one most likely to increase its representation in parliament.

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## CAMBODIA

When the fourth congress of Cambodia's ruling Sangkum party convenes on 21-22 April, Prince Sihanouk's influence will probably lead to approval of Soviet and Polish representation in Phnom Penh, and to acceptance of Chinese economic assistance.

Sihanouk, founder and leader of the Sangkum, set the tone for the forthcoming congress in a long exposé of Cambodia's current ills delivered at a large public gathering on 6 April. Essentially, the former premier said that despite the fact that he had been "insulted by the Americans," Cambodia would be forced by purely financial considerations to accept American military aid for the present, but would counterbalance this by parallel acceptances of Soviet and Satellite diplomatic recognition and Chinese economic assistance.

Sihanouk observed that this policy was "delicate" and "not without danger," but was the only possible solution. He held out the hope, however, that by hard work and sacrifice, Cambodia might be able to balance its budget after the realization of an ambitious two-year economic program, and thereafter "go it alone."

Sihanouk's Strategy

Sihanouk declared his immediate strategy would be to permit the moderate Khim Tit government to come to "an understanding with the Americans

and their Thai and Vietnamese friends" so as to relax the economic "strangle hold" on Cambodia. Sihanouk also said he would remain out of office for the time being. He has intimated that he would, nevertheless, continue to formulate the government's policy.

Sihanouk is notorious for his abrupt policy changes and may later reconsider his position. He is being encouraged in his present stand by the Indian charge in Phnom Penh and by both foreign and domestic Communist circles. Expressions of approval in the Indian press for Sihanouk's "courageous resistance" to alleged American pressure have been widely quoted by the official Cambodian press agency. Opposition on the part of lesser party leaders to the prince's policies has been submerged.

Forces leading to closer Cambodian relations with the Communist bloc have already been set in motion, with preparations for an exchange of representatives with the USSR well under way and Poland's proposal for the exchange of consuls apparently to be the precursor of similar overtures from other Satellites. A four-man Cambodian trade delegation is now in Peiping to arrange commercial exchanges with the Chinese Communists, and probably also to investigate Chou En-lai's offer of unconditional economic assistance to Cambodia.

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## INDIAN-PAKISTANI TENSION

Tension between India and Pakistan has increased following more than a dozen border incidents since mid-February and Indian prime minister Nehru's

recent statements ruling out a plebiscite in Kashmir. War between the two countries does not appear likely at present, but New Delhi fears an attack by Pakistan next year.

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Skardu, and northeastern Pakistan, to surround Indian-occupied Kashmir.

India sent a special envoy to Damascus in the second week of April to seek Syrian support for the Indian position on Kashmir.

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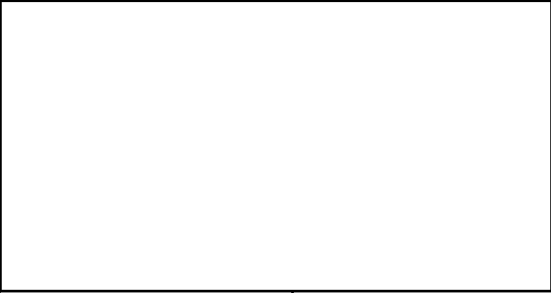
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India's Fears

Nehru's "final offer" to Pakistan of settlement of the Kashmir dispute by partition of the state along the present UN cease-fire line has been indignantly rejected by Pakistan. Karachi has apparently decided to return the Kashmir issue to the UN Security Council in June. This move could be aimed at embarrassing Nehru immediately prior to his visit to the United States.

Meanwhile, India has undertaken a strong campaign to reinforce its position. Nehru has justified his stand by saying that "with large bases surrounding India...right in the Pakistani-occupied territory of Kashmir...the whole context of the question changes."

This theme has been elaborated on by the Indian press, which charges that Pakistan with American help is building a chain of military bases, including strategic air fields in Gilgit,



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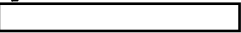
New Delhi

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reportedly believes that 1957 will be a critical year because by then American military aid will have given Pakistan arms superiority.

The British believe Nehru's fear of a Pakistani attack is genuine and they consider the current situation dangerous. London attributes most of the trouble which has developed to Bulganin and Khrushchev's statements last December supporting India on Kashmir, and probably fears that further Western support for Pakistan may provoke Nehru to purchase Soviet arms.

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## FRENCH NORTH AFRICA

Algeria

Discussions between France and Algerian rebel leaders as to the terms for a cease-fire continue. The visit of former premier Mendes-France to the Moroccan sultan on 16 April may be tied in with the French effort to achieve an Algerian truce. Meanwhile, Minister Lacoste in Algiers, supported by French premier Mollet, is seeking to establish a position of strength before political negotiations are held with Algerian nationalists. An early cease-fire and the holding of elections, promised by Mollet within 90 days of the establishment of order, seem to be France's primary conditions.



HABIB BOURGHIBA

French settler extremists appear to have been impressed by Lacoste's declaration that he intends to be impartial. Many of them, convinced that he will not abandon them, have rallied to his support. Some Algerian Moslems are also supporting his efforts. Several villages in the Kabylie area of north-central Algeria--where rebel operations frequently occur--are again co-operating with the authorities.

Morocco

The Moroccans' sympathy for Algerian rebels may lead to isolated incidents. As French military activity is stepped up in Algeria, the Moroccans are likely to aid the Algerians further by permitting the use of Morocco as a base for rebel operations as well as supplying arms and recruits.

Tunisia

The Tunisian national-front cabinet formed by Premier Habib Bourghiba on 14 April is composed largely of the premier's Neo-Destour party followers. Several posts--those of agriculture, public works, communications and education--are filled by officials of the Neo-Destour-created labor federation, the UGTT.

Negotiations with France will be carried on by Bourghiba, Vice Premier Bahi Ladgham, who is considered a supporter of extremist nationalist Salah ben Youssef, and the two ministers of state, Mongi Slim and Mohamed Masmoudi. The Tunisian position is likely to be far less flexible than in the past, although Tunisian dependence on French financial and economic assistance may somewhat moderate demands.

The creation of a Tunisian Ministry of Foreign Affairs, headed by Bourghiba, probably portends the early establishment of diplomatic relations with other countries. The Tunisian government would have difficulty in refusing Arab or Eastern European approaches to exchange representation. France will seek to retain some initiative in this matter, however, and has indicated it will sponsor Tunisian and Moroccan applications for membership in the United Nations.

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PROSPECTS FOR  
THE GREEK GOVERNMENT

The vote of confidence won in parliament by the government of Greek prime minister Karamanlis on 11 April will lessen political maneuvering and may permit his regime to start its program of economic reforms. Disagreement over how best to approach the chronic economic problems of Greece, however, as well as over the Cyprus issue and relations with Turkey, will continue to make the government vulnerable to opposition attacks.

Karamanlis received 165 of the 290 votes cast on the motion of confidence. This represents his party's total strength in parliament. The prime minister's reiteration of his demand for Cypriot self-determination and his advocacy of broad economic reforms and development have probably quieted temporarily the growing dissatisfaction in the ERE over his seeming vacillation.

The government, handicapped by the opposition's exploitation of the Cyprus issue and strained Greek relations with Turkey, will have difficulty keeping attention directed toward its attack on internal economic problems.

The Greek Economy

The chronically depressed state of the Greek economy presents extremely difficult problems for Karamanlis. Even if his government survives renewed attacks on its foreign policy, these difficulties are likely to cause its eventual downfall.

Any substantial amelioration of the economic problems would depend on a rate of capital investment beyond Greek

potentialities. It would require a decided increase in the inflow of foreign capital, which now amounts to only about \$4,000,000 a year.

Although domestic production and foreign exports have increased steadily in the last five years, the population increase and rising prices have prevented any significant net gain in the standard of living. Most of the gain in national income has accrued to the minute wealthy class.

Any far-reaching attack by Karamanlis on the inequities of the economic system will arouse powerful opposition. Some of his cabinet officers, including Minister of Co-ordination Helmis, have influential business connections, and the cabinet's dissension over proposed reforms has already been evidenced.

Economic Reform Program

Nevertheless, Karamanlis proposes to attack the privileged position of some of the leaders of Greek industry by calling in loans long overdue to the government. In addition, he has announced a policy of nationalizing private power companies and expanding electric power in provincial areas, gradually reducing rates to consumers. These measures, and the promise of increased government intervention on behalf of labor, are likely to encounter strong opposition from the wealthy.

Although stricter tax collections, calling in overdue loans, and other revenue-producing measures are probably intended to help finance economic expansion, the spending

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aspect of the program is likely to exceed additional revenue. As a result, the inflationary effects of increased government spending--without more

foreign aid--may not be compensated for and might eventually create new and critical political difficulties.

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**FRENCH GOVERNMENT  
FACES GROWING DIFFICULTIES**

French premier Mollet has gained cabinet support on his Algerian policy at least for the time being, but now faces a Communist call for nationwide demonstrations against the call-up of reservists for Algeria and rightist demands for a greater show of force against the Algerian rebels. Meanwhile, the government's need for new revenues, and labor's agitation for higher wages, present a threat to France's financial stability.

Mollet has denied that as indicated by press reports, disension in the cabinet was so extensive that Mendes-France was considering resigning as vice premier. Their basic approach to the Algerian situation is the same, but Mollet reportedly is going too slowly to suit Mendes-France.

Mollet and Robert Lacoste, his minister residing in Algeria, have thus far accentuated military measures largely to overawe the Algerian nationalists and to forestall a possible uprising on the part of the 1,200,000 French settlers. This emphasis on military action may cost Mollet the support of his Socialist Party's rank and file despite his efforts to placate it by a second series of social reforms.

The Communists supported Mollet's request for special powers in Algeria, but they are now calling for nationwide

agitation, including strikes, parades, and mass meetings, to block his call-up of reserves. "Days of action" are scheduled for 27 and 28 April, but the party is expected to stop short of actual interference with call-up procedures.

In the meantime, Jacques Soustelle, former governor general of Algeria and ex-Gaullist leader, has been winning some support in his campaign for an increased military effort and genuine integration of Algeria with France. He is reported eager to become Mollet's successor in the event of a catastrophe in Algeria.

General de Gaulle has been conferring with leaders of all the nonextremist political parties, a move interpreted as an indication he thinks the situation very serious. The extremist Poujadist weekly Fraternité Française has argued that despite the vast increase in French military strength in Algeria, there has been no appreciable change for the better. This point of view is finding considerable favor among the right-center parties.

The need for the equivalent of \$600,000,000 in new revenue for military operations in Algeria and new social benefits at home is expected both to force new tax burdens and to pose a new threat to France's financial stability, which has been good for the past three years.

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The retail price index has already climbed dangerously close to the level where wage increases are legally mandatory. An additional threat is the growing pressure for even great-

er wage hikes, which the Communists are successfully exploiting. The Socialist-oriented trade unions have been forced to join in demands for increased economic and social benefits.



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## SOVIET POLICY TOWARD FRANCE

The USSR is seeking to exploit the growing pressure in France for a more independent role in the Western alliance and is trying particularly to take advantage of France's differences with its allies on such specific issues as German unification, disarmament, and the Middle East. This Soviet attention to the French situation follows a period of relative indifference which began in March 1955 after France ratified the Paris agreements permitting West German rearmament. Moscow has, however, always regarded France as the weakest link in NATO and the most susceptible to approaches aimed at encouraging "neutrality."

Approval of Present Government

Moscow is making unusual efforts to win the friendship of the Socialist-led French government. The Soviet press hailed Foreign Minister Pineau's critical remarks about Western policy on 2 March as evidence that public opinion was forcing an important change in French policy. Moscow newspapers on 4 April quoted extensively from Premier Mollet's interview in US News and World Report criticizing present Western policies. Khrushchev and Molotov at a reception in Moscow the day before spoke warmly of Mollet's and Pineau's statements. Molotov said they "contain more clarity and good sense than anything we have heard until now."

The Soviet Union is probably counting on getting big dividends from the visit of Mollet and Pineau to Moscow, scheduled to start on 14 May, and from the visit of the French Socialist delegation due in Moscow in late April.

The central committee of the French Communist Party,

adopting the tactics prescribed by Moscow, issued a statement on 22 March indicating that it would not permit disagreements over issues such as Algeria to interfere with its policy of supporting the Mollet government in order to create "favorable conditions for advancement toward a new popular front." [REDACTED]

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The Communists apparently believe that the present government can serve Soviet interests better than any likely successor and that if they can make it increasingly dependent on Communist support they can strengthen the large minority of Socialists who favor a popular front.

Germany and Disarmament

Khrushchev, in his remarks on Mollet's interview, noted particularly the statement that German unity can only be envisaged within the context of a general disarmament plan. As Khrushchev pointed out, this French stand coincides with that taken by the USSR at the foreign ministers' conference at Geneva last October. Moscow has been trying to belittle the unification issue and has now found an opportunity to take advantage of a French position which it must feel reflects deep-rooted fears regarding the future course of a unified and rearmed Germany. Moscow certainly recognizes the divisive possibilities of the French position, which has already drawn sharp official objections from Bonn.

The Soviet government seems to believe that its chances of appealing to the French on the issue of disarmament are particularly good. The French in

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general, and French Socialists in particular, have been very concerned about limiting German armament, and realize that the best chance of achieving this lies in a general disarmament scheme. While Western disarmament plans for the current meeting in London were still being drafted, Soviet propaganda encouraged the idea that the French could act as an intermediary between East and West.

Moscow has been very critical, however, of the disarmament plan introduced by the French and British. Moscow's own disarmament plan included two proposals calculated to have a special appeal to the French. It incorporated the original French suggestion that savings brought about by disarmament be used for economic development. It also proposed limitation and inspection of armaments in a zone of Europe including East and West Germany and adjoining states, as well as a ban on atomic and hydrogen weapons in this zone.

North Africa and Middle East

In recent weeks the Soviet Union has expressed new sympathy for the French position in North Africa, particularly in Algeria. In part, this is a defensive move by the Soviet government, which realizes that its whole attempt to woo the French would be undercut by any sharp differences between the two countries on the Algerian question. It is also possible that Moscow believes it can bargain with France, offering some degree of support for the French position in North Africa in return for French cooperation in some other area, such as the Middle East.

Moscow's maneuverability on the North African question is quite limited because it is

deeply committed as the "champion" of the colonial peoples. To abandon this pose on the North African issue would hurt the USSR in other Asian and African countries and particularly among the Arab states which are strongly supporting North African nationalist forces.

The USSR has appeared to be trying to balance these conflicting considerations. [redacted]

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The Tunisian Communist Party has switched its support from the nationalist extremist Salah ben Youssef to the moderate leader Habib Bourghiba, who advocates co-operation with France. The French Communist Party supported the Mollet government, even voting to give it powers to act firmly in Algeria, and its propaganda has played down the old demand for Algerian independence. A L'Humanité article on 14 April, however, attacked the mobilization of reservists to fight in Algeria, and called for nationwide agitation against mobilization and individual appeals by Communists to the families of those reservists being called up.

It may be that Moscow will try to balance conflicting forces in its North African policy by taking steps to support the newly won independence of Tunisia and Morocco--thus fulfilling its anticolonial role--while supporting French policy to some extent on Algeria, where the French are most sensitive to outside interference.

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The Soviet Union may propose an exchange of diplomatic representatives with Morocco and Tunisia, and perhaps offer economic aid to those countries. The ultimate purpose of such Soviet moves in Morocco would probably be to induce the Moroccans to deny permission for the continued maintenance of American air bases there.

The immediate Soviet aim in the Middle East is to gain a seat at any conference that is set up and a de jure role in any settlement reached there. In order to get French backing for this goal, the Soviet government can offer not only some degree of support on the Algerian question, but also the prospect of a curbing of Soviet arms exports to the Middle East. Paris realizes that Soviet aid to Middle Eastern countries

not only makes arms available indirectly to rebel forces in Algeria but generally increases and strength and prestige of the Middle Eastern countries to which the North African nationalists look for moral support and more tangible aid against the French.

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The USSR may try to explore these questions further with the French when Mollet and Pineau visit Moscow in May. [redacted]

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## RECENT TRENDS IN COMMUNIST CHINA'S FOREIGN POLICY

Communist China is pushing its campaign to "normalize" relations with all countries, conclude economic agreements which provide for acceptance of permanent Chinese commercial missions--particularly in the Middle East--and arrange a conference between Secretary Dulles and Chou En-lai. Peiping considers that success along these lines would advance its announced foreign policy aims of attaining wider diplomatic recognition, membership in the UN, and the annexation of Taiwan. The Chinese efforts also contribute to the broader Sino-Soviet campaign to strengthen and enlarge the "zone of neutralism."

Peiping's conciliatory line in foreign affairs has been evolving since 1953, when Chou En-lai began to emphasize Communist China's desire for peace, "peaceful coexistence," and economic relations with all countries.

Chou's performance at the Bandung conference in April 1955 in effect suggested an identity of Chinese and neutralist interests in international affairs. Among the results of Peiping's new line have been the conclusion of agreements with India, Burma and Indonesia subscribing to the "five principles of peaceful coexistence," the establishment of diplomatic

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relations with Afghanistan, Nepal and Yugoslavia, and the improvement of relations with Britain, Norway, Denmark and Switzerland.

Neutralist Support

The Indian response to Chinese Communist diplomacy has been particularly gratifying to Peiping. The Soviet-Indian declaration of 13 December recognized Communist China's "right" to Taiwan and the offshore islands, supported Peiping's admission to the UN, and proposed that the American-Chinese talks at Geneva be raised to a "higher level." Prime Minister Nehru's foreign affairs speech on 20 March, in which he criticized military alliances in general and SEATO in particular, had the "support of the Chinese people"--to quote a Peiping commentary.

Burmese officials have made statements similar to Nehru's. To encourage Burmese neutralism, Peiping has undertaken to "lift" the bamboo curtain. Besides giving the Burmese air rights in China--the first granted any non-Communist country--the Chinese Communists have allowed Rangoon to open a consulate at Kunming.

Spread of Neutralism

The response from the Near East in recent months has also gratified Peiping. In close support of Soviet policy, the Chinese Communists gained a foothold in the area last August when they signed a three-year trade agreement with Egypt providing for the exchange of Egyptian cotton and Chinese steel and for the mutual establishment of permanent commercial missions. Subsequent "cultural" exchanges and the dispatch to Egypt of a Chinese trade delegation headed by Peiping's minister of foreign trade demonstrate the importance attached to expanding contacts with Egypt, described by Peiping as "head of the Arab states."

The agreement with Egypt was followed by trade pacts with Syria and Lebanon and by approaches to the Sudan. As part of its effort to defeat the Chinese Nationalists in the race of recognition from Khartoum, Communist China recently offered to buy large quantities of Sudanese cotton, despite the fact that its requirements for long staple cotton have been more than met by Egypt.

While China's effort in the Near East has in general been subordinate to that of the USSR, Peiping played the primary role in drawing Cambodia into the neutralist camp. Cambodian adherence to neutralism was formalized in February 1956 when Prime Sihanouk signed a communiqué with Chou En-lai in Peiping subscribing to the "five principles." Chou has accepted Sihanouk's invitation to visit Cambodia, probably in late June.

Peiping has extended invitations to leading officials in Ceylon and Pakistan to visit China this year. Prime Minister Kotelawala of Ceylon is now out of office, but Peiping is expected to invite his successor, who will probably accept, as did Pakistan's prime minister. The visiting prime ministers are expected to discuss trade matters.

Although irritated by the Hatoyama government's refusal to establish official Sino-Japanese relations, Peiping continues its "soft" line toward Tokyo. In the meantime, the Chinese ask that Hatoyama's professions of desire for normalized relations be translated into the "actual conduct of the Japanese government."

The Anti-Communist Area

In the past year Peiping has also made overtures to countries firmly identified in the anti-Communist camp. The

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United States receives the brunt of Peiping's charges against "aggressive, warmongering" forces, and South Korea and South Vietnam, like the Nationalist government on Taiwan, are portrayed as American puppets. Propaganda references to Britain and other Western governments have on the whole been moderate.

China's invitation to members of the Thai parliament and recent negotiations to buy Thai rice are illustrative. Although the Thai government arrested the legislators when they returned from China in February and has reaffirmed its policy of banning rice exports to Communist countries, Peiping will probably not be deterred from making other overtures.

The professed interest in Thai rice is typical of the "China market" appeal which Peiping hopes will eventually persuade non-Communist governments to recognize Communist China. From the beginning of the trade talks with Italy last January, the Chinese tried to include the question of Italian recognition of Peiping. The Italians have refused to discuss anything more than possibilities for expansion of trade.

Taiwan Status

Peiping's object regarding Taiwan at present is to present the United States as the principal threat to peace in the area. At the same time, the Chinese Communists wish to maneuver the United States into apparent de facto recognition of Peiping in order to weaken the resistance of other governments to formal diplomatic relations.

Referring to the ambassadorial-level talks now going on at Geneva, an official Chinese Communist spokesman has pointed out, "Since even the American government is negotiating with our country, there should be no reason why the Japanese government cannot negotiate with us." Meanwhile, the Chinese are applying continued pressure for raising the talks to the foreign minister level, apparently believing that American refusal in the face of widespread non-Communist sentiment favoring a Dulles-Chou meeting will seriously embarrass the United States.

Peiping probably does not believe that a meeting between Dulles and Chou would result in a solution of Sino-American differences on the Taiwan issue. Chinese Communist propaganda and official statements have been unequivocal in declaring that eventually Taiwan will be "liberated, by war if necessary," although adding that Peiping will try "peaceful means if possible."

These pronouncements suggest that for the immediate future Communist China will continue to emphasize defection appeals to Taiwan rather than military action. Comparable assurances, however, have not been given of trying peaceful means for "liberating" the offshore islands. The Communists may consider that assaults against some of the more lightly held Nationalist islands would not seriously compromise their peaceful posture in international affairs, and on the contrary, would bring pressure to bear on the United States to negotiate the Taiwan issue on a high level.

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**THE ANTI-STALIN CAMPAIGN: MOTIVES AND CONSEQUENCES**

The decision to transform the gradual desanctification of Stalin into an abrupt degradation was probably a deliberate one, reached sometime before the 20th Party Congress opened. A complex of motives which made a dramatic move desirable apparently prompted the decision. The Soviet regime almost certainly anticipated some undesirable consequences, and assumed the risk with confidence that it could manipulate the reaction to its best advantage.

Stalin's successors were, from the beginning, unhappy with many of the methods and policies bequeathed them. However, the magnitude of his prestige, their need first to devise a workable substitute for his system of rule plus uncertainty as to how best to sever their ties with him evidently recommended a gradual and oblique approach to the desanctification of Stalin.

In the three years between Stalin's death and the 20th Party Congress, the Stalin legend had been reduced but not destroyed. Neglect of Stalin's memory, re-enshrinement of Lenin, and frequent reminders of the harmfulness of the "cult of the individual" had a meaning which was probably not lost on attentive Soviet citizens. Nevertheless Stalin seems to have remained a positive symbol in many Soviet minds. In the judgment of his successors, there was need for, and they had the strength to deliver, a final sledge-hammer blow. The party congress was chosen as the time and place, possibly in mid-January when all mention of Stalin ended in the central Soviet press.

Developments at the Congress

Denunciation of the "cult of the individual" was the keynote of the open sessions of

the congress, and the leadership's intent was plain in the many allusions to mistakes of the past, "ossified" policies and falsified history. Whether Khrushchev's bitter condemnation of the character and policies of the latter-day Stalin at a closed meeting was forced by events at the congress is open to question.

Pravda's delay in publishing Mikoyan's speech, which referred explicitly to the errors in Stalin's once-sacrosanct Economic Problems, indicated, perhaps, that many of the party faithful had been taken by surprise and required the fuller explanation which Khrushchev subsequently provided. However, the party elite, who were to have the job of spreading the word to the general public, were probably due to get a statement of particulars in any case.

A similar procedure--an enumeration of charges before a gathering of high party officials, followed by circulation of a summary among local party organizations--was reportedly followed in connection with Beria's trial, Malenkov's demotion and the censure of Molotov.

It seems unlikely, furthermore, that the attack on Stalin would have been launched unless an important prerequisite--a formula fixing Stalin's proper place in Soviet history and justifying the party's role during his rule--had been worked out in advance. For these reasons, it is probable that Khrushchev's speech at the secret session was a scheduled performance.

It is unlikely that the points in the indictment against Stalin were intended to remain a party secret, for, if they had, much of the impact of the action would have been lost. The official scheme probably

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**PRAVDA, 28 MARCH 1956 (Excerpts)**

*Why has our Party launched a vigorous struggle against the cult of the individual and its consequences? Because the cult of the individual signifies an inordinate exaltation of individuals, attributing to them supernatural features and qualities, making them almost miracle workers and worshipping them. Such incorrect conceptions of man, and precisely of J. V. Stalin, which are alien to the spirit of Marxism-Leninism, developed and were cultivated here over many years.*

*It is irrefutable that J.V. Stalin had rendered great services to our Party, the working class, and to the international labor movement. Universally known is his role in the preparation and the making of the socialist revolution, in the civil war, in the efforts to build socialism.*

*Guided by the teaching of the great Lenin, the Party with the Central Committee at the head, carried out a large amount of work for the industrialization of the country, collectivization of agriculture, and effecting of a cultural revolution, and gained historic victories which are known to all.*

*These victories were gained by the Party in irreconcilable ideological struggle against different political trends hostile to Leninism--the Trotskyites, Zinovievites, right-wing opportunists, bourgeois nationalists, all those who tried to divert the Party from the only correct Leninist path.*

*These gigantic successes in building a new society...were wrongly attributed to the merits of one man, Stalin, and explained by his special merits as leader...as time went on this cult of the individual assumed ever more monstrous forms and did serious harm to the cause.*

*Life shows that the reestablishment of the Leninist principles of collective leadership and the struggle against the cult of the individual have aroused an unprecedented upsurge in the activity and creative initiative of the broad masses of the working people. This makes itself favorably felt in our entire economic and cultural development.*

*The cult of the individual helped to spread the vicious method in Party leadership and economic management--administration by mere injunction, and instilled disregard for the initiative from below. Thus, serious mistakes were made in guiding agriculture, for instance, as a result of which a number of its important branches found themselves in a state of neglect.*

*The fact that the Party frankly and vigorously raised the question of principle, that of the cult of the individual which is alien to the spirit of Marxism-Leninism, demonstrates its great moral and political strength, the inviolability of its Leninist principles and its close ties with the people.*

called for a full elaboration of the new line to the congress delegates, who were to prepare the way in local party organizations and among the general public for a gradually developing press campaign.

Motives

Behind the anti-Stalin drive apparently lie a number of motives, some primary and some secondary, but all interconnected in a general way.

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The Stalin cult, as an ingrained reminder of the risk and futility of constructive thought and activity, was an impediment to effective use of the methods which Stalin's successors sought to apply to management of the USSR's economy, the maintenance of its defense potential and the execution of its diplomacy. The conversion to a more supple, practical-minded operating method which commenced with Stalin's death could not be completed until the habits and inhibitions which grew up under him had been eradicated.

The practice of gilding domestic realities and of automatically rejecting Western achievements, that is, of telling government leaders only what they wanted to hear, had survived Stalin and had come to be recognized as a serious obstacle to economic, technical and scientific progress. The task of creating a new set of reflexes at all levels, but particularly among the managerial, scientific and military elite, apparently required, in the regime's judgment, a sharp and dramatic break with its Stalinist past.

Stalin's successors have, furthermore, fashioned an alternative to one-man rule in which they all have a vested interest. In attacking the "cult of the individual" they are attempting both to head off in advance a potential second Stalin and to institutionalize their own system of leadership. While branding Stalin's personal autocracy as an aberration from true Marxism-Leninism, the collective dictatorship seeks to affirm its own legitimacy and to provide itself with the doctrinal equipment for a long haul.

The appeal for wider initiative is an attempt on the part of the regime to broaden the base of its power and to permit it to lean more heavily

on the party. There is evident in the lines of the anti-Stalin campaign a determined effort to restore to the party its vitality and sense of participation and to revive it as the institutional embodiment of Marxism-Leninism. The party's policy, the anti-Stalin line affirms, has always been correct -- despite rather than because of Stalin in the latter half of his career.

When Stalin relied on the party, as he did during the twenties, his leadership was constructive. The desire to make this point, which affirms the party's infallibility while denying Stalin's, and the regime's unwillingness to disavow the basic agricultural and industrial policies evolved in that period, appear to have provided the formula dividing Stalin's career into two phases.

Police and Military

The most serious charge against Stalin is that he eventually placed himself above the party and, finally, turned the secret police loose against it. The exposure of Stalin's "era of repression" is, in a sense, the party's revenge against the secret police. This campaign represents also an offer to the police of wider influence and freedom from capricious tyranny in return for faithful service as the regime's principal instrument of control and persuasion.

A similar appeal to the military--for closer identification with the regime, for loyal support and professional competence in its sphere--has been expressed in the restoration of the reputations of military purge victims and in acknowledgment of the key role played by professionals in the USSR's war effort.

In giving the military its due, so conspicuously denied it by Stalin, and in salving its

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injured pride, the regime has paid new deference to a group whose prestige has increased steadily since Stalin's death. These tokens of respect seem, however, to have been freely given as a means of drawing the military more closely to the party leadership rather than elicited by a group capable of exercising independent political power.

Destruction of the myth of Stalin's military genius has been accompanied by creation of a new one, the myth of Lenin as a brilliant military strategist, and in this design the regime has revealed its determination to preserve the idea that the party and its leadership is the ultimate source of wisdom and authority.

The possible consequences to foreign Communist parties of Stalin's degradation seem to have been completely disregarded in Moscow, but it is doubtful that the Soviet leaders overlooked the gains which this step might bring in the neutralist belt and among the non-Communist left. While an action capable of producing broad domestic repercussions was almost certainly not undertaken primarily to influence foreign opinion, the hope of furthering "peaceful coexistence" and "united front" strategy probably figured in the decision to launch the anti-Stalin campaign.

Possible Repercussions

Some of the dangers to the regime of the anti-Stalin

campaign have already become apparent. Pravda has been obliged to warn party members that criticism must remain within strict limits. The perplexity and dismay of the generation whose political consciousness was entirely formed under Stalin's influence will probably be overcome only in time. On the whole, however, the regime has suffered little damage from the initial shock.

It is the long-run influence of the attitudes fostered by the iconoclastic assault on the Stalin symbol which will test the wisdom of the regime's decision. The regime faces the risk of encouraging freedom of thought and expression beyond limits it considers desirable and of undermining confidence in the party's infallibility. It faces also the difficult task of reconciling opposites--of stimulating initiative without undermining discipline, of creating a sense of participation without giving the right to criticize basic policies, of fostering scientific progress without opening the door to a dangerous freedom of thought.

It is possible that the campaign will, in the long run, produce results neither anticipated nor desired. This bold attempt to effect a broad psychological reorientation seems to have been begun, however, in confidence that the process can be controlled and will, in balance, bring more gains than losses.

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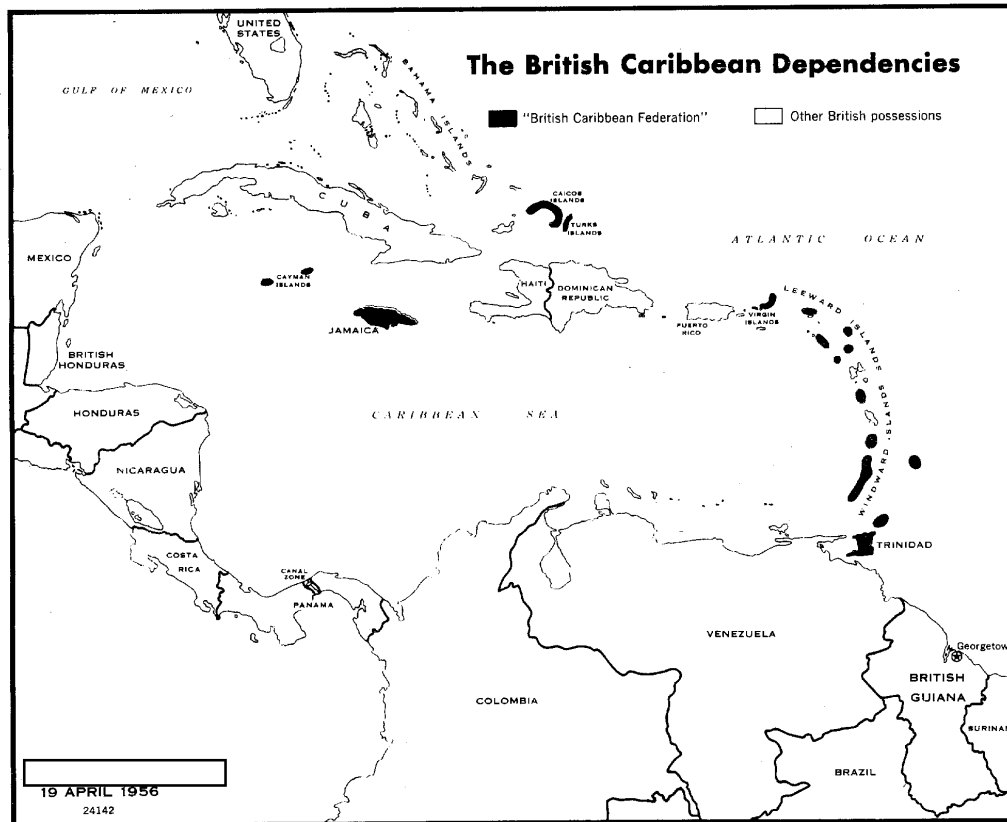
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STALEMATE WITH COMMUNISTS CONTINUES IN BRITISH GUIANA

Britain's continued suspension of British Guiana's constitution, because of the grave security situation in the colony, contrasts sharply with the moves being made in other British Caribbean territories toward political federation and eventual autonomy. Largely because of the lack of any effective leadership among moderate political elements in British Guiana, the Communist-led Progressive People's Party (PPP) is still popular even though it was forced to relinquish its control of the government in October 1953 when the constitution was suspended. There is little prospect of a break in the political stalemate.

Role of the PPP

British Guiana--source of some 20 percent of the free world's bauxite--is governed under emergency orders-in-council. According to the findings of a royal commission, the PPP government, elected in April 1953 in the colony's first election with universal suffrage, had systematically brought legislative and administrative processes to a standstill and tried to subvert the police and civil service. Following suspension of the constitution, London suppressed most of the ancillary front organizations of the PPP, appointed an interim government, and dispatched a battalion of the Black Watch to British Guiana.



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Split by factionalism last year, the PPP is now controlled by the group led by Cheddi and Janet Jagan with an estimated 9,800 dues-paying members. This figure suggests a considerable decline from the PPP's estimated following of 15,000 at the height of its power in 1953, but loss of membership is probably more than offset by known improvement in the party's organization and discipline. The Communists remain in firm control, and the party would probably be able to win a majority of votes in new legislative elections.

The expelled faction, led by Lyndon F.S. Burnham, also claims the PPP label. There are no known hard-core Communists among his principal lieutenants, but Burnham has failed to declare himself publicly against Communism. Held together largely by Burnham's magnetic personality, this faction is estimated to have 3,700 members. In new elections, its principal effect would probably be to take votes away from moderate anti-Communist candidates in urban areas.

Anti-Communist Opposition

Britain's efforts since 1953 to strengthen moderate anti-Communist opposition to the PPP have met with only limited success. Until February of this year, when the colonial administration lifted some of the emergency restrictions on public assembly, moderate and Communist elements alike were impeded in their public organizing activities.

The fact that there is no prospect for elections handicaps the leaders of the United Democratic Party, which constitutes the sole anti-Communist opposition, and the formation of a splinter group in the principal city of Georgetown will further fragment the party.

Caribbean Federation

British officials believe that membership of British Guiana in the new Caribbean federation now in the planning stage would help overcome political apathy in the colony and offer the best hope for stability. Governor Renison has publicly expressed his hope that normal political activity can soon be resumed so that such participation would be possible. Presumably the federation would eventually have an independent status within the British Commonwealth.

British officials would evidently plan to encourage leading political figures from territories in the federation to undertake party-building activities in British Guiana. On the basis of population, British Guiana would presumably be given at least five seats in the lower house of the federal legislature which is now expected to have a total membership of 45.

The British Guiana public is opposed to the idea of federation, however, and there was considerable criticism when the colony sent an observer to the London negotiations in February. An antifederation committee, which has the support of members of the present appointed legislative council, advances the popular argument that federation would bring a flood of immigrants from the overpopulated island colonies, such as Jamaica, to compete for scarce jobs.

Economic Situation

The colony's economic prospects offer little hope of a rise in prosperity great enough to undermine the political appeal of PPP radicalism. While the general level of economic activity has risen during the past year, both the major industries in the colony--bauxite

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and sugar--are operating at or near capacity.

The British had counted heavily on an extensive economic development program, which was to focus this year on housing. In 1954-55, however, only a little over half the budgeted funds were spent. The impact of some of the larger agricultural and land settlement programs will not be fully felt until 1958. Meanwhile, the population is increasing by nearly 3 percent annually. Governor Renison recently told

an American official he believes the current development effort will enable the colony to meet only its minimum needs.

Unless the government in the next two years can move rapidly to increase the amount of land and jobs available, its political difficulties seem likely to increase. Public reaction to the development program, which includes technical assistance from the United States, has reportedly been passive and somewhat grudging.

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