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17 May 1956

# CURRENT INTELLIGENCE WEEKLY SUMMARY

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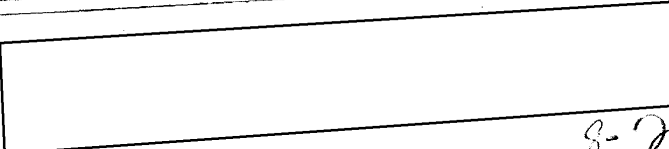


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**CONFIDENTIAL**

**CURRENT INTELLIGENCE WEEKLY SUMMARY**

17 May 1956

**T H E   W E E K   I N   B R I E F**

**PART I**

**OF IMMEDIATE INTEREST**

**REDUCTION IN SOVIET FORCES . . . . . Page 1**

The USSR announced on 14 May that a 1,200,000-man cut would be made in its armed forces by May 1957. This move reflects a belief that general war is unlikely in the immediate future and is evidence that Soviet military requirements are being readjusted for the nuclear age. It also is a major step in the effort by Moscow to convince the NATO countries that they can safely reduce their defense forces. [redacted]

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**SOVIET-JAPANESE AGREEMENTS . . . . . Page 3**

The three agreements reached during the Japanese-Soviet fishery talks in Moscow increase the likelihood that normal diplomatic relations between the two countries will be resumed in the near future. Two of the agreements are conditional on restoration of diplomatic relations. The majority of the Liberal-Democratic Party in Japan appear to be swinging behind the Hatoyama group's move for an early peace settlement with the USSR. [redacted]

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**CHINESE COMMUNIST ACTIVITIES  
IN THE MIDDLE EAST . . . . . Page 4**

Egypt's decision, announced on 16 May, to recognize Communist China follows more than a year of diplomatic, commercial, and cultural efforts on the part of the Chinese Communists to establish official relations with Middle Eastern governments. In recent weeks, Peiping has quickened the pace of this campaign, dispatching missions to the Sudan and Ethiopia, as well as Egypt; all of these have been well received. [redacted]

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**ARAB-ISRAELI SITUATION . . . . . Page 5**

Minor clashes continued between Israel and the Arab states over the past week. Both sides are awaiting developments in the United Nations and further indications of Western and Soviet intentions. [redacted]

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~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

17 May 1956

SOUTH KOREAN ELECTION . . . . . Page 6

South Korea's presidential election has been highlighted by a considerable show of opposition strength. Tension is rising, and rioting may occur if government frauds bring about the defeat of Chang Myon in the hotly-contested vice-presidential race. [redacted]

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PART II

NOTES AND COMMENTS

SINO-SOVIET BLOC ACCELERATES DRIVE TO WIN INDONESIA . . . . . Page 1

During the last two months, the Sino-Soviet bloc has launched a co-ordinated effort to develop a political and economic relationship with Indonesia similar to that with India and Burma. All Indonesian political parties are prepared to accept closer relations with the Sino-Soviet bloc. [redacted]

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FRENCH NORTH AFRICA . . . . . Page 2

The internal security situation throughout French North Africa remains critical. In Algeria, guerrilla operations have accelerated, and in Morocco, lawlessness and tension continue to mount. [redacted]

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PRESSURE FOR CONSTITUTIONAL REFORM IN FRANCE . . . . . Page 4

Growing apprehension in France over the Algerian situation is increasing pressure for a major revision of the governmental system to provide for a stronger executive authority. General de Gaulle's renewed interest in political matters has revived speculation over his possible role in such a revision; but barring a severe blow--such as the loss of Algeria--reform is unlikely. [redacted]

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FUTURE OF THE AUSTRIAN COALITION . . . . . Page 5

As a result of the Austrian elections, the conservative People's Party and moderate Socialists which have governed as a coalition for the last 11 years now hold a larger percentage of the parliamentary seats than they

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CURRENT INTELLIGENCE WEEKLY SUMMARY

17 May 1956

have at any time since 1949. The greater gains made by the People's Party, coming within one seat of an absolute majority, may make the conservatives less ready to compromise with the Socialists and may complicate reconstitution of the coalition. [redacted]

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**EAST GERMAN RESTRICTIONS ON WEST BERLIN BARGE TRAFFIC . . . . . Page 6**

East Germany is refusing to renew licenses for barges traveling between West Germany and West Berlin. As the licenses gradually expire, Bonn will have to transfer freight to trains and trucks or enter the ministerial-level talks desired by the East Germans. [redacted]

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**FURTHER RELAXATION OF CONTROLS IN THE SATELLITES . . . . . Page 7**

New steps to eliminate or revise some of the more objectionable aspects of Communist control have recently been taken by a number of the Satellites. These steps have included the pardoning of a Hungarian archbishop, the removal of border obstacles on the Austrian-Hungarian border, and a reduction in the strength of Rumanian security forces. [redacted]

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**USSR EASES WORKING CONDITIONS . . . . . Page 8**

The Soviet government has recently issued a series of decrees intended to ease working conditions and to rescind more of the coercive measures associated with the Stalin era. Outstanding among these measures are a proposal for a new, more generous pension law and a decree rescinding two of the most onerous wartime regulations for labor discipline. [redacted]

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**NEW SOVIET INSTITUTE FOUNDED TO STUDY WORLD ECONOMICS . . . . . Page 10**

Deputy Premier Mikoyan's complaint at the 20th Party Congress about the lack of realism in Soviet studies on capitalism has prodded the Soviet Academy of Science into forming an institute to study contemporary world economics. This move may result in a more accurate appraisal of the economic strengths and weaknesses of the non-Communist world. [redacted]

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CURRENT INTELLIGENCE WEEKLY SUMMARY

17 May 1956

COMMUNIST CHINA  
REORGANIZES ECONOMIC MINISTRIES . . . . . Page 11

The reorganization of Communist China's economic ministries announced by Peiping on 12 May reflects the growth of the economy and the increasing degree to which China's government structure follows the Soviet pattern. No top leaders have been demoted, and there is no suggestion of any change in the main lines of Chinese Communist policy. [redacted]

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THAILAND RE-EXAMINING TRADE POLICIES . . . . . Page 12

Thai leaders are apparently considering relaxing their strict controls on trade with Communist countries. Such a relaxation may be followed by a general modification of Thailand's anti-Communist orientation. [redacted]

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THE FOURTH CONGRESS OF THE  
INDIAN COMMUNIST PARTY . . . . . Page 13

The Indian Communist Party, meeting in a pre-election year, attempted at its Fourth Congress to achieve a semblance of party unity, but failed to overcome long-standing factionalism. Its election tactics will apparently concentrate on infiltrating the Congress Party and developing a united-front movement on specific issues. [redacted]

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ICELANDIC ELECTION  
DOMINATED BY AIR BASE ISSUE . . . . . Page 14

Iceland's parliamentary election campaign has focused on the NATO base at Keflavik. The Conservatives, the most moderate of the parties on the issue, appear to be making an impact on the public, but no group is expected to obtain a majority of the 52 parliamentary seats at stake. Whatever the outcome of the election on 24 June, the next government is certain to seek some changes in the agreement affecting the base. [redacted]

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CURRENT INTELLIGENCE WEEKLY SUMMARY

17 May 1956

PART III

PATTERNS AND PERSPECTIVES

THE PROTEST IN THE POLISH COMMUNIST PARTY . . . . . Page 1

The Polish regime, faced with intraparty factionalism and mounting public disregard for official efforts to limit criticism, has reached the point where it must decide whether to continue its internal policies inaugurated since the denigration of Stalin or resume the more rigid policies of the past. Either alternative will raise new problems for the already harassed Polish Communist leaders. [redacted]

LOCAL ELECTIONS IN ITALY . . . . . Page 3

The first major test of Italian political trends since mid-1953 will occur in the nationwide elections of provincial and communal councils on 27 and 28 May. The Christian Democrats and the Nenni Socialists expect to gain. The results may cast light on the possibility of a national working alliance between these two at the expense of the Communist-Socialist unity pact. The Christian Democrats' prospects will depend in part on their convincing the electorate of their intention to carry out reforms such as the 10-year development program of the late budget minister Vanoni. [redacted]

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LEGAL AND JUDICIAL REFORM IN THE USSR . . . . . Page 10

Since Stalin's death, the Soviet leadership has been moving cautiously toward legal and judicial reform. Some of the more onerous restrictions imposed on the individual during the Stalin era have been removed, and the judicial powers of the police and military tribunals--including the special tribunals used in the Great Purge trials of the Thirties--have been curtailed. Measures have also been taken to standardize and streamline the cumbersome system of administering justice. Despite these moves, the primary function of the law in the Soviet Union clearly remains unchanged--to promote the aims of the Communist state rather than to ensure justice for the individual. [redacted]



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**CURRENT INTELLIGENCE WEEKLY SUMMARY**

17 May 1956

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**CURRENT INTELLIGENCE WEEKLY SUMMARY**

17 May 1956

**PART I**

**OF IMMEDIATE INTEREST**

**REDUCTION IN SOVIET FORCES**

The USSR announced on 14 May that a 1,200,000-man cut would be made in its armed forces by May 1957. This move reflects a belief that general war is unlikely in the immediate future and is evidence that Soviet military requirements are being readjusted for the nuclear age.

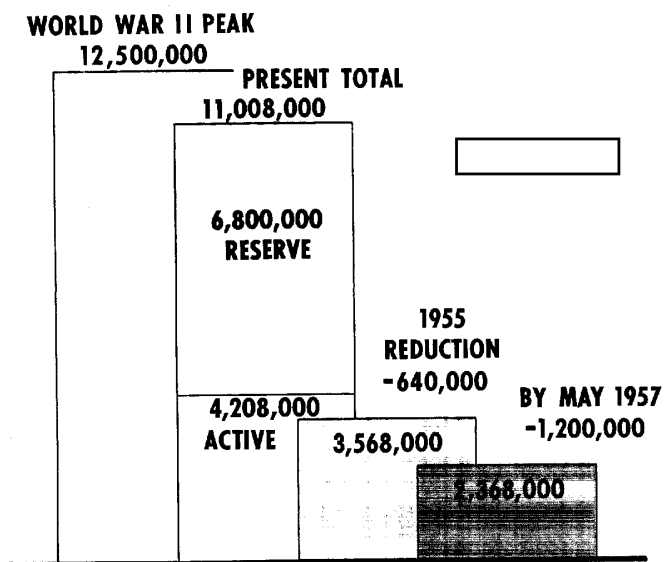
The Soviet leaders have recently expressed pessimism about the prospects for a formal disarmament agreement and, for the present, will attempt to exploit the favorable opinion deriving from their unilateral action in an effort to induce the NATO nations to follow the USSR's initiative. Not only does this suit Soviet strategic

interests, but it fits in with the Soviet economists' claim that the Western nations are staving off an approaching "economic crisis" only by "militarization of the economy and the arms race."

The announcement was phrased cryptically as to the precise cuts envisioned, but it indicates that 63 divisions and independent brigades, including three air divisions, would be demobilized and 375 warships would be put into reserve. The manpower cuts include over 30,000 men from units stationed in East Germany. The new reductions would be in addition to the strength cut of 640,000 announced in August 1955.

**STRENGTH OF USSR ARMED FORCES**

(ARMY, NAVY, AND AIR, EXCLUDING SECURITY FORCES)



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17 MAY 1956

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**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY**

17 May 1956

Effect of Cuts

The two cuts would cause a drop of about 43 percent in Soviet armed forces personnel, which are believed to have totaled 4,208,000 before July 1955, exclusive of security forces. The Soviet army has an estimated 175 line, 20 artillery and 70 antiaircraft divisions, and 95 independent brigades.

To minimize the effect of such a strength cut, the Soviet Union could transfer support troops to civilian status without changing their functions, as well as expand military training for civilians. The USSR will also retain its capability for rapid mobilization of its trained military manpower, which, assuming the reductions, will include some 8,000,000 men.

The Soviet announcement does not make clear whether the cut of three air divisions pertains to units located in the Soviet Union or in East Germany. Judging from the number of identified regiments, Soviet air forces have an equivalent of some 158 divisions. The 24th Air Army in East Germany has the equivalent of 12 divisions.

The USSR is credited with 251 major surface vessels, 421 submarines, and over 2,300 minor vessels, such as patrol, mine and amphibious craft. Approximately 110 warships are old or inactive cruisers, destroyers, submarines, and battleships, which would be likely candidates for reserve status. Since 183 new long-range submarines are the Soviet navy's most significant offensive threat, active surface vessel strength could be

cut considerably without substantially reducing the Soviet navy's striking power.

Possible Budget Cut

In terms of military expenditures, the announced cut of 1,200,000 would permit a reduction in the military budget of some 19 billion rubles, almost 20 percent--a sum which would otherwise be spent on personnel, maintenance and operating costs. The military budget cut forecast in the Soviet announcement of the manpower cut will probably be of about this size, since statements made by Gromyko at the London disarmament talks and the budget reduction following the 640,000-man demobilization imply that the Soviet leaders intend to maintain the planned rate of expenditures for military equipment.

Assuming such a reduction, the funds remaining in the budget, about 84 billion rubles, would permit an increase of some 30 percent over 1955 in expenditure per man remaining in service, and the rate of procurement per man by 1957 would have increased by two thirds over 1955. The USSR thus would have adjusted its military spending to the increased cost of modern weapons systems.

In terms of the over-all Soviet economy, the announced force reduction will facilitate overfulfillment of the Sixth Five-Year Plan industrial targets, primarily by releasing additional funds for investments and by allowing a greater increase in the labor force than planned.  (Prepared jointly with ORR) 25X1

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

17 May 1956

## SOVIET-JAPANESE AGREEMENTS

The results of the Soviet-Japanese fishery talks in Moscow increase the likelihood that normal diplomatic relations between the two countries will be restored in the near future. Japanese chief negotiator Ichiro Kono left Moscow on 15 May with a provisional one-year fishing agreement, a ten-year fishing pact, and a three-year sea rescue pact. The long-term pacts are not effective until diplomatic relations are restored, and the provisional agreement is contingent on the reopening of the stalled peace treaty talks prior to the end of July.

By originally announcing extremely harsh restrictions on North Pacific fishing, Moscow was able to make "concessions" on the provisional agreement. Thus the USSR agreed to raise total fishing quotas from 55,000 to 65,000 tons this year, although Japan alone had originally planned to catch 80,000 tons of fish. Anticipating trouble on his return to Tokyo, Kono predicted that fishing circles in Japan would express considerable dissatisfaction with the terms of the agreement.

Soviet Negotiating Tactics

The USSR was apparently careful throughout the talks to temper the force behind its commanding position. In addition to flattering Kono, the USSR played on the emotional Japanese attitude toward the repatriation issue by volunteering to send home 29 war prisoners, including the commander of the Manchurian army. However, the talks apparently had little effect on the other outstanding issue--sovereignty

over the southern Kurils, on which the London treaty talks broke down in March. Bulganin reportedly restated to Kono the Soviet territorial claims.

Chief delegate Kono, one of the leading powers in the government and a member of the Hatoyama group favoring early resumption of relations, was outspoken in his praise of the USSR during his time in Moscow. The success of the talks he credited to the "understanding attitude of the Soviet side," and he found Marshal Bulganin a "first-class statesman."

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Japanese Reaction

The first reports that Kono had reached an agreement with the USSR created an atmosphere of relief in Tokyo that a way out of the present impasse in the peace treaty negotiations had been found. Later some realization of the extent of Kono's concessions served to temper the bandwagon mood, but a majority of the governing Liberal-Democratic Party appear to be swinging behind the move for an early conclusion of a peace settlement with the USSR.

Factions in the Liberal-Democratic Party, however, have already voiced their displeasure, and they undoubtedly will do their utmost to deflate any effort by Kono to present his achievement as a diplomatic triumph. It is unlikely that they will go so far as to split the party in opposing ratification of the fishery pacts.

**SECRET**

**SECRET**

## CURRENT INTELLIGENCE WEEKLY SUMMARY

17 May 1956

Kono is now en route home via the United States and apparently plans to seek Washington's "understanding" concerning the settlement at Moscow.

Such understanding, by implying American approval, would greatly assist Kono in selling his mission as a success when he returns to Tokyo.

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CHINESE COMMUNIST ACTIVITIES  
IN THE MIDDLE EAST

The Egyptian decision to recognize Communist China, announced by Cairo after a cabinet meeting on 16 May, follows more than a year of diplomatic effort by Peiping to establish official contacts with Middle Eastern governments. The Egyptian move may well encourage other Middle East states to extend recognition to Peiping. Since March, the Chinese Communists have stepped up their trade and culture campaign in the Middle East.

Egypt, called "head of the Arab states" in Peiping's propaganda, has been the focal point in Chinese Communist efforts in the Middle East. At Bandung last spring, Chou En-lai worked to establish a close personal relationship with Egyptian premier Nasr. The following August, a three-year trade agreement between Peiping and Cairo was signed which provided for the exchange of permanent commercial missions. The Chinese commercial mission in Cairo was granted diplomatic and cipher privileges. In November and December last year, agreements for the exchange of permanent commercial missions were negotiated with Syria and Lebanon.

Trade and Cultural Drive

In March, Peiping stepped up its trade and culture drive in the Middle East. A trade

delegation headed by Minister of Trade Yeh Chi-chuang arrived in Cairo on 17 March for a three-week visit. In April, the Chinese Communists opened a commodity exhibit in Cairo described by observers as "impressive." Concurrently, a 70-man cultural mission from Peiping toured major Egyptian cities, presenting music, dramatic, and dance programs which received favorable reviews.

From Cairo the trade delegation went to Khartoum, where the Chinese Communist foreign trade minister and Sudanese officials concluded negotiations with a joint communiqué, issued on 16 April, expressing agreement to "provisionally encourage commercial representation," a phrase reflecting Peiping's hopes for a permanent commercial mission. The trade delegation was followed to Khartoum by the Communist cultural mission. Performances by this group were well received by Sudanese audiences.

The Communist cultural delegation then visited Ethiopia. The American embassy in Addis Ababa reports that the first performance by the group there was "impressive" and was "well slanted toward the Ethiopians." The leader of the cultural delegation was reportedly granted an audience by Emperor Haile Selassie on 3 May. Peiping radio

**SECRET**

**SECRET**

## CURRENT INTELLIGENCE WEEKLY SUMMARY

17 May 1956

has quoted the Ethiopian foreign minister as saying that "present cultural contacts are only the first steps toward the restoration of many-sided contacts between China and Ethiopia."

Chinese Nationalist Efforts

Chinese Nationalist prestige, never high in the Middle East, has been declining during the past six months despite efforts by Taipei to bolster its position. The Nationalists have sent a trade delegation to the Middle East and within recent weeks have attempted, without success, to establish diplomatic relations with the newly independent Sudan.

Until now, the Arab states have been chary of switching recognition from Taipei to

Peiping in view of the Nationalist position in the UN. As recently represented by the president of Lebanon, the Arab position has been that recognition of Peiping would have to be withheld as long as the Nationalists hold a seat on the Security Council, "which deals with the problem of Israel."

Cairo's decision may, however, start a movement for recognition of Peiping by other Middle East states which have close relations with Egypt. Syria is the most likely country to follow Egypt's lead in the immediate future, and increased pressure for recognition of the Chinese Communists is likely to develop in Lebanon. Some Sudanese leaders are also reported favoring such a move.

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## THE ARAB-ISRAELI SITUATION

Minor clashes continued between Israel and the Arab states over the past week. Both sides are awaiting developments in the United Nations.

The incidents--in the Gaza strip, on Jordan's border, and at Lake Tiberias--were used by each side to blame the other for "breaking the cease-fire" in order to influence the UN Security Council and "world opinion." Initial attempts of UN truce supervisor General Burns to implement the agreements on an increase of UN observers, mobile patrols, and the establishment of observation posts were not fruitful.

Apparently in order to present a "united Arab front" for possible Security Council discussions on the Middle East, the foreign ministers of Egypt, Syria, Lebanon, and Jordan reportedly plan to meet this week to discuss the Palestine problem and Secretary General Hammarskjold's report to the United Nations.

Israeli foreign minister Sharett has indicated that Israeli plans to divert the Jordan River waters at Banat Yacov are temporarily in abeyance. On the Arab side, Lebanon, in an effort to remove the Banat Yacov issue as

**SECRET**

**SECRET**

## CURRENT INTELLIGENCE WEEKLY SUMMARY

17 May 1956

a source of hostilities, is reportedly trying to gain Arab acceptance of a Lebanese plan whereby each side would work on its own separate water development projects.

Though there is some evidence of a partial demobilization in Israel, major units there and in the Arab states remain at or near full strength, and each side continues to seek and obtain additional military equipment.

Jordan, following its military planning talks with Egypt, increasingly shows signs of closer co-operation with the Egyptian-Syrian-Saudi Arabian bloc. King Hussain stated that Jordan would probably receive two squadrons of jet aircraft, an "appreciable amount of artillery, and some tanks from Egypt." Egypt can supply materiel of Western or Soviet bloc origin. 25X1

## SOUTH KOREAN ELECTION

South Korea's presidential election has been characterized by a considerable show of opposition to the Rhee administration. Virtually complete official returns give President Rhee about 55 percent of the presidential vote, with the remainder divided between leftist Cho Pong-am and invalid ballots cast for the late Sin Ik-hui. In 1952, Rhee received 75 percent of the total vote.

In the closely contested vice-presidential race, Democrat Chang Myon appeared headed for a narrow victory over President Rhee's running mate, Yi Ki-pung, and it seemed unlikely that Yi could overtake Chang without the perpetration of large-scale frauds. The

action of the government's Central Election Committee in ceasing to issue returns on 17 May lent credibility to widespread rumors that the voting will be fixed in order to give victory to Yi Ki-pung. 25X1

The American embassy reports that tension is mounting in Seoul and other areas.

In Taeju, 10,000 persons have already demonstrated against alleged government frauds. 25X1

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

17 May 1956

## PART II

NOTES AND COMMENTS**SINO-SOVIET BLOC ACCELERATES  
DRIVE TO WIN INDONESIA**

During the last two months, the Sino-Soviet bloc has made Indonesia a principal target in its campaign to develop closer relations with non-Communist Asia. The moves appear to be a co-ordinated effort to develop a political and economic relationship with Indonesia similar to that which already exists with India and Burma. In addition, the bloc probably hopes to improve the position of the strong Indonesian Communist Party, hoping that in time it will be accepted in the government.

In April, the Soviet Union extended an offer of economic assistance and invitations to President Sukarno to visit Moscow and Peiping. Invitations to outspoken anti-Communists followed in May. Since the main theme of Indonesian anti-Communist propaganda has been Soviet and Chinese mistreatment of Moslem minorities, invitations from both China and the USSR to non-Communist Moslems may have particularly far-reaching implications.

Ambassador Zhukov, in a press interview in early May, offered Soviet technical and educational training facilities for Indonesian students and teachers, recommended stepped-up exchanges of cultural and sports groups, and cited Soviet willingness to co-operate in the peaceful uses of atomic energy. The USSR has also invited a special delegation

of parliamentary leaders, the minister of education, and a six-man industrial survey team, while the Chinese Communists have invited eight leading journalists and top officials of the chamber of commerce.

Indonesian Reaction

The Soviet economic assistance offer has been accepted "in principle" by the Indonesian government. Indonesia may be expected to spell out its economic interests within the next few months, with emphasis probably being placed on agriculture and power projects.

All Indonesian political parties are prepared to accept closer relations with the Sino-Soviet bloc as part of Indonesia's independent foreign policy. Only a few individuals have warned against the possibility of covert activity as a by-product.

Indonesia, however, will probably continue its effort to balance its foreign policy and, within the range of its economic needs, will try to arrange to receive most of its aid from the West. But if Western terms do not appear satisfactory, and if the Sino-Soviet bloc tailors its assistance to Indonesia's needs as it has offered to do, Indonesia will accept increasing amounts of bloc aid. [redacted] Con-  
curred in by ORR and OSI)

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**CURRENT INTELLIGENCE WEEKLY SUMMARY**

17 May 1956

**FRENCH NORTH AFRICA**

The internal security situation throughout French North Africa remains critical. In Algeria the guerrilla conflict has accelerated, and in Morocco lawlessness and tension continue to mount.

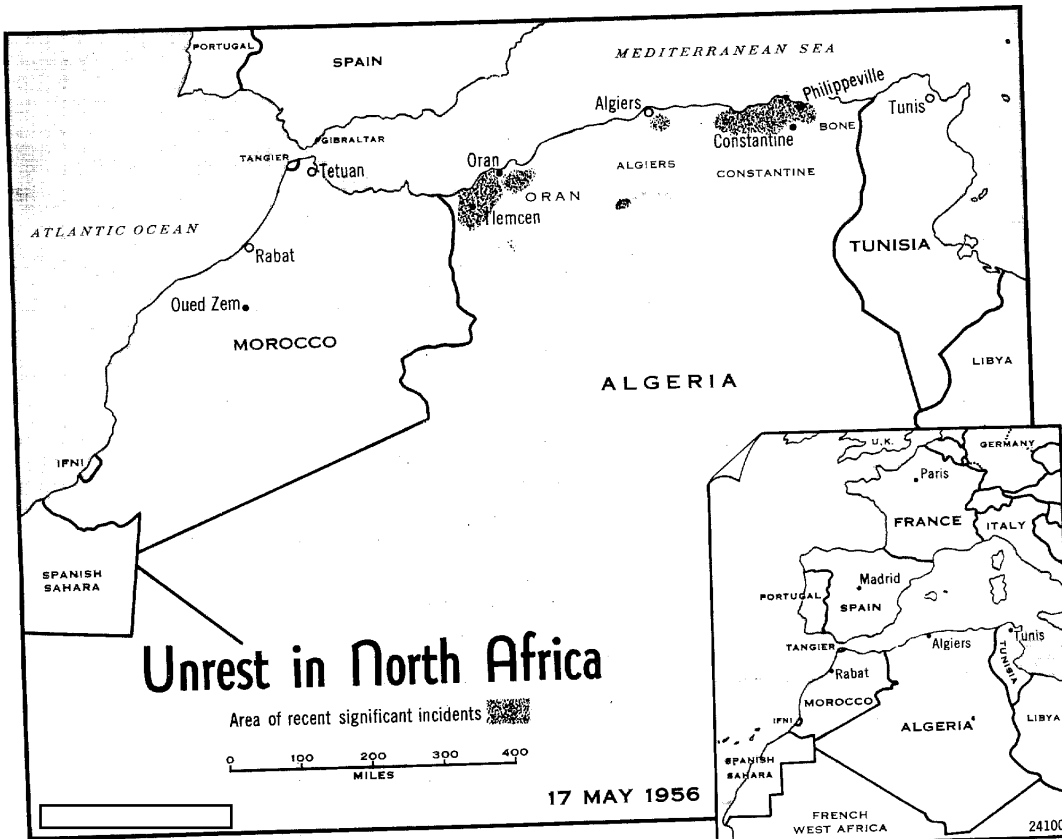
Algeria

Since 6 May Algerian rebel bands--reportedly reinforced by elements from the Moroccan "Army of Liberation"--have carried on co-ordinated raids on isolated French and Moslem farms, small military outposts, and native villages in the Oran-Tlemcen region of western Algeria and the area north of Constantine in the east. The sharp fighting in these and other areas, including a village only 15 miles from

Algiers, culminated in the reported liquidation of at least 500 rebels by 11 May. There has been no reliable account of French casualties over the same period.

Terrorist attacks in the city of Constantine have led the French to expect similar raids in Algiers and other large cities as part of the rebel effort to destroy French morale before the army reinforcements en route to North Africa can become effective.

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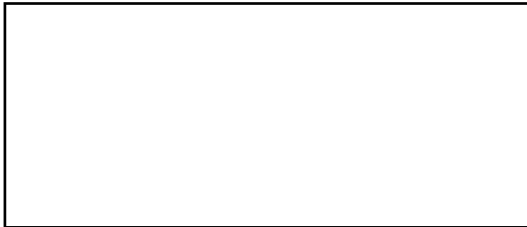


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## CURRENT INTELLIGENCE WEEKLY SUMMARY

17 May 1956

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Both Premier Mollet's office in Paris and Minister Lacoste in Algiers believe that the increased French troop strength, which they maintain will reach 330,000 by the end of the month, should begin to make its weight felt by mid-June.

French leaders are reported still hopeful that the military situation can be restored sufficiently this summer to permit the implementation by September of the extensive reforms planned for Algeria. French settler extremists are expected to resist many of the reforms, but Lacoste is reported determined to deal firmly with these elements. Last week, he took vigorous action against European university students whose demonstrations against proposed reforms to assure increased Moslem employment in the government and its enterprises disrupted V-E Day observances in the capital.

Morocco

In Morocco, crime and violence, the bulk of which is thought to be nonpolitical in character, has mounted in recent weeks as lawless Moroccan elements have exploited the confusion accompanying the

transition from French to Moroccan rule. Public order has deteriorated throughout the country, especially in the former Spanish zone, where the nationalist Istiqlal party is not yet ready to assume the security role now virtually abandoned by Spain.

Meanwhile, French-Moroccan tension has developed to the point where many Frenchmen insist that the atmosphere is worse than that which prevailed just prior to the massacre of French civilians at Oued Zem last August. French residents and officials are reported alarmed at the rapid acquisition of power by the Moroccans, and French military forces are smarting under continued harassment by armed Moroccan bands.

On the Moroccan side, both the irregular "Liberation Army" and the population in general are becoming increasingly restive over what Moroccans regard as French procrastination in turning over power, especially in the field of foreign affairs.

The probable early assignment of the sultan's new 15,000-man army to police duties throughout Morocco until a regular constabulary can be formed may alleviate somewhat the growing internal security crisis. The "Liberation Army," however, will continue to be a potential threat to the stability of the new regime until it is disbanded or absorbed, preferably on an individual basis, into the sultan's army.

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## PRESSURE FOR CONSTITUTIONAL REFORM IN FRANCE

Growing apprehension in France over the Algerian situation is increasing pressure for a major revision of the

government system to provide for a stronger executive authority. General de Gaulle's renewed interest in political

**SECRET**

**SECRET**

## CURRENT INTELLIGENCE WEEKLY SUMMARY

17 May 1956

matters has revived speculation over his possible role in such a revision; but barring a serious low--such as the loss of Algeria--reform is unlikely.

The present constitution, adopted in 1946, was admittedly a compromise, and opposition to it crystallized almost immediately under De Gaulle. Only minor revisions have been possible, however, because the National Assembly has final executive and legislative authority, and the deputies are loath to relinquish any prerogatives. Nevertheless the present impasse in Algeria has markedly increased public disillusionment with the governmental structure and has given greater urgency to the desire for drastic revision.

The January 1956 elections strengthened the forces in the National Assembly opposed to parliamentary government and emphasized the sharp divisions among the center parties. As a result, support began to grow more rapidly for a balance between the executive and legislative branches. Former premiers Antoine Pinay and Edgar Faure and Popular Republican leader Pierre-Henri Teitgen have recently espoused such a proposal. A special Study Committee for the Republic, founded by Foreign Minister Pineau and including many political, economic and labor leaders, has just published a report favoring direct election of a president with real executive powers.

A "Strong Man"

In the meanwhile, the growing belief that Algeria may be lost to France is focusing greater attention on the possibility of a "strong man" succeeding Mollet.

General de Gaulle has recently regained his health and with it his interest in the national political scene. His well-known preference for a strong executive and his national prestige enhance his appeal, even to many Socialist and Radical Socialist leaders who had previously feared his authoritarian tendencies. De Gaulle, however, disclaims any "personal interest" in remedying the present "incoherent situation," and would probably accept office only in the unlikely event of a request by the National Assembly and on the understanding that a new constitution would be drafted before the expiration of the present legislature.

Many rightists would prefer as premier the ex-Gaullist Jacques Soustelle, former governor general of Algeria. Soustelle is regarded as more flexible than De Gaulle and his recent campaign for full integration of Algeria with France has made him more acceptable to the right.

The hardening Communist attitude on the government's Algerian policy may now expose Mollet to sharper attacks in the National Assembly from center and rightist groups which have refrained heretofore in order not to force Mollet to rely on Communist votes. Mollet's overthrow in the present situation would in itself be a serious blow to parliamentary authority, but the real threat to the regime may still be from outside the parliament. A symptom of this threat is a plan approved by the national congress of the Poujadist anti-tax movement. Under this plan, the Poujadist organization would itself convene a States General with the avowed purpose of replacing the National Assembly.

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**CURRENT INTELLIGENCE WEEKLY SUMMARY**

17 May 1956

**FUTURE OF THE AUSTRIAN COALITION**

The conservative People's Party and the moderate Socialists which have governed Austria as a coalition for 11 years now control a larger percentage of the popular and parliamentary vote than at any time since 1949.

The gains made by the two coalition parties are almost entirely attributable to the losses suffered by the extremists on the left and the right. The People's Party, by capturing eight of the nine seats lost by the extreme rightists, emerged from a long period of gradual decline to come within one seat of a parliamentary majority, which materially enhances its position at the expense of the Socialists.

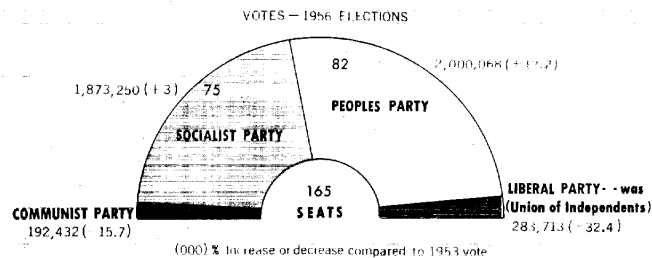
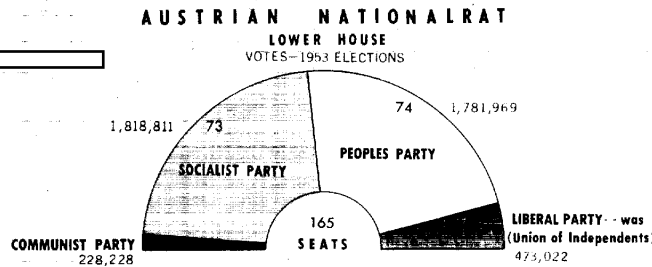
Coalition Difficulties

This relatively minor shift may complicate the process of forming a new government, especially because relations between the two parties was the major unspoken issue in the campaign. The elections were provoked, in fact, by the Socialists, primarily with the idea of "proving" that the People's Party could not govern alone.

The conservatives' gains are also likely to delay agreement on the issues on which the campaign was more openly waged--such as control of the Austrian defense establishment, the management of the nationalized industries, and the disposition of former German assets.

Tentative understandings were reached within the coalition on most of these issues long ago. They were unpopular with elements of both parties, however, and implicitly depended on the maintenance of a balance of power between the parties.

How long it will now take to negotiate new agreements and hence a new government will largely depend on how the two parties interpret their new positions. A deadlock will quickly develop if the Socialists refuse to go slow on



further nationalization or the People's Party attempts some denationalization.

People's Party extremists might then insist that the party seek a coalition partner in the extreme rightist Liberal (or Freedom) Party, and a new and difficult phase in Austrian domestic politics might well ensue.

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

17 May 1956

Raab's Position

Whether Chancellor Raab will try to resist the extremists in his People's Party is uncertain, but his leadership in any case now seems unquestioned. While there are no major differences between the coalition parties on foreign policy, the chancellor has seemed more anxious than the Socialists to avoid giving offense to the USSR; he was cool to the idea of Austrian admission to the Council of Europe, and he seemed relatively blind to the wider implications of the abortive Soviet loan to the province of Lower Austria.

These attitudes--probably less subject to restraint now than before--could cause difficulties for the West in the future.

So far as the Communists are locally concerned, their future even in a nuisance role in the Austrian parliament seems dark. For the first time in the postwar period their total vote fell below 5 percent. They retained parliamentary representation by gaining a single "basic mandate" in one district of Vienna--probably by transferring temporary residents to that area. Thus they were able to claim three seats under proportional representation.

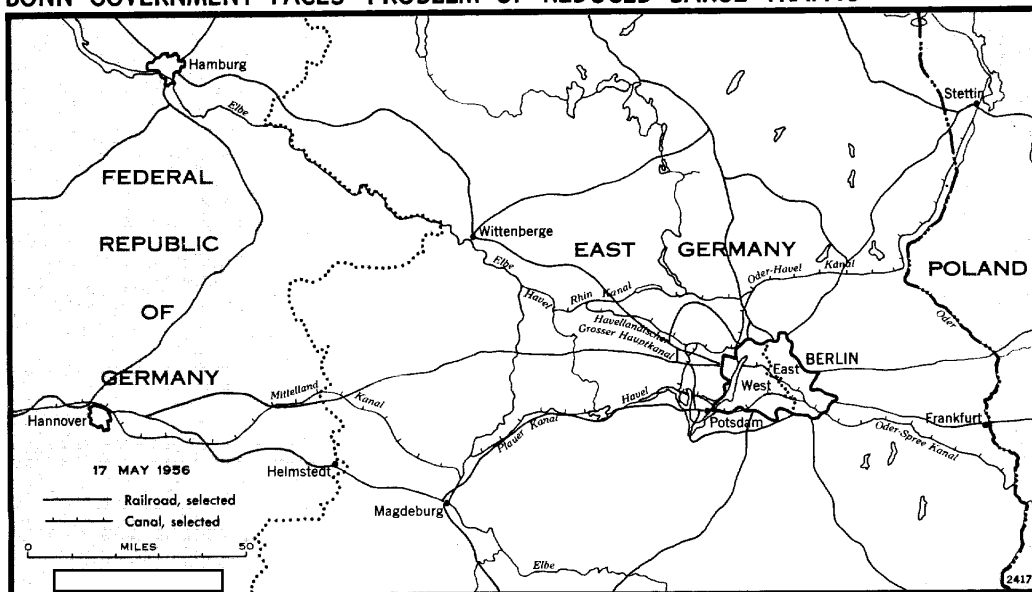
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**EAST GERMAN RESTRICTIONS ON WEST BERLIN BARGE TRAFFIC**

East Germany is refusing to renew licenses for barges traveling between West Germany and West Berlin. As the licenses gradually expire, Bonn will have to transfer freight to trains and trucks or enter the

ministerial-level talks desired by the East Germans.

Ambassador Conant in Bonn reported on 10 May that no new permits for Berlin barge traffic had been countersigned

**BONN GOVERNMENT FACES PROBLEM OF REDUCED BARGE TRAFFIC**

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

17 May 1956

by East German authorities since August 1955, and that the East German Transport Ministry on 27 April had returned 70 West German permit applications because it had never received any communication on this subject from the Bonn Transport Ministry.

In 1955, barges using the Mittelland and Elbe canal systems carried about one quarter of the supplies for West Berlin. Refusal to renew permits is part of the East German program of harassing Berlin's lifelines to bring about ministerial-level conversations between East and West Germany as a step toward forcing Bonn's recognition of the East German government.

In meetings earlier this year of representatives of the Bonn government and the Western allies, it was decided to keep the negotiations on interzonal barge traffic at a low administrative level, with no direct role being played by the Bonn Transport Ministry. It was agreed, however, that if the East Germans objected to this arrangement, "low-level ministerial contacts" between the two transport ministries would be acceptable.

So far, however, Bonn has given no evidence that it plans any contacts with the East German Transport Ministry.

Rather, with the permits of some 300 barges in the Berlin service approaching expiration, the most likely West German response will be to shift the freight to trains and possibly trucks.

Though such a change in freight transit practice would mean some increase in costs to West Germany and Western Berlin, the economic consequences would not appear to be serious. Barges carried 1,650,000 metric tons of cargo to Berlin in 1955. All but 300,000 tons could have been handled at somewhat greater expense by unused rail and truck capacity, according to West German trucking experts and the Bonn Transport Ministry. Bonn may encourage the addition of enough trucks to the Berlin fleet to carry that quantity.

There is some question as to whether the East German authorities will allow West German barge traffic to "wither away" to nothing through the expiration of permits. They may fear retaliation on the East German barges that regularly use the Elbe canal route to Hamburg. The East Germans may find some reason to permit a reduced level of Western traffic if Bonn imposes or threatens to impose limitations on East Germany's East-West trade channels.

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## FURTHER RELAXATION OF CONTROLS IN THE SATELLITES

New steps to eliminate or revise some of the more objectionable aspects of Communist control have recently been taken by a number of the Satellites. While some of the

actions support the Soviet bloc campaign to reduce international tensions, they also appear designed to provide more substantial proof to the Satellite peoples that the regimes are

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

17 May 1956

abandoning their harsh Stalinist policies.

Hungary pardoned Archbishop Groesz on 11 May and reappointed him to his former post of chairman of the Bench of Bishops. This action may be interpreted by the Hungarian people as the forerunner of an improvement in church-state relations.

Groesz, who was sentenced to life imprisonment in 1951 for conspiracy against the state, is a church leader who opposed the regime and survived. Despite his initial statement of support for the regime on 12 May, his return may have a significant effect on the Hungarian people. One probable result will be outspoken demands both within and outside Hungary for the release of

Cardinal Mindszenty, who is still regarded by the Vatican as the primate of Hungary.

Hungary is also removing mines and barbed wire along its frontiers with Austria and Yugoslavia, following an announcement to this effect on 8 May. While the removal of the physical barriers is a symbolically significant move, the regime's 18,000-man frontier guard will probably be able to maintain control along the borders.

In Rumania, approximately 12,000 civil and security police have reportedly been discharged recently, a move which will reduce one of the more obvious pressures on the population. This would reduce Rumania's police forces by approximately 10 percent. 25X1

## USSR EASES WORKING CONDITIONS

The Soviet government has recently issued a series of decrees intended to ease working conditions and to rescind some more of the coercive measures associated with the Stalin era. Outstanding among these measures are a proposal for a new, more generous pension law and a decree rescinding two of the most onerous wartime regulations on labor discipline.

These decrees follow three earlier moves designed to show the solicitude of the regime for the worker--including one cutting the workweek to 46 hours, one increasing maternity leave for working mothers, and one ordering radical improvement of restaurants, factory canteens and other public eating places.

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

17 May 1956

In addition, according to a recent report, within the next 18 months the Soviet government will cease using prison labor for outside projects and will abandon the practice of deporting Soviet citizens to distant sections of the country. A special commission is reported to have been set up and instructed to review the sentences of persons convicted of political, counter-revolutionary, and antistate crimes. It is to finish its work and rehabilitate innocent persons by next October. Such a move would be consistent with other steps already taken to popularize the regime.

Pension Law

One of the new acts, the proposed law on state pensions published on 9 May, is a major revision of Soviet social legislation. By bringing pensions more in line with wages and increasing considerably pension payments to the lower-paid categories of workers, it marks an important concession to a broad segment of the population. Popular reaction in Moscow to the proposal is already reported to be highly favorable.

Under the old system, old-age pensions were in fact limited, for the most part, to 300 rubles a month. According to the new draft, the minimum

will be 300 rubles and the maximum 1,200 rubles a month. Similar increases will be made in disability pensions and pensions to surviving members of a worker's family, which heretofore have also been limited close to the 300-ruble mark. The rates of "unjustly" high pensions may in certain cases also be reduced somewhat, as called for by Khrushchev at the 20th Party Congress.

Worker Controls

Another decree, published on 8 May, abolished all legal sanctions against workers for quitting their jobs without authorization or being absent from their work without justification. Persons sentenced on these counts under the old wartime laws are to be freed and all pending cases are to be dropped. In the future, labor problems of this type will be attacked by means of new economic and social pressures on the worker.

In practice, criminal penalties for these offenses were invoked with ever-decreasing frequency after 1946, and much of the old law was negated by an unpublished decree of July 1951. Nevertheless, the public annulment of the decrees is another repudiation of Stalinist techniques.

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

17 May 1956

NEW SOVIET INSTITUTE FOUNDED  
TO STUDY WORLD ECONOMICS

Pravda announced on 24 April that the USSR Academy of Sciences has established an "Institute of World Economics and International Relations." The institute is to study the "laws underlying the development of contemporary capitalism, the economics and politics of individual countries, the mutual relations of the two world economic systems, capitalist and socialist, questions connected with the new role of the countries of Asia in world economics and politics, and other topics." The institute will publish a monthly journal, World Economics and International Relations.

The USSR Academy of Sciences had decided last August to set up a special institute for the study of modern capitalism, but this decision was apparently not implemented until recently, after the prodding by A. I. Mikoyan at the 20th Party Congress in February. Mikoyan then charged that the Academy's existing Institute of Economics did not and could not "cope with a serious study of the economy in the countries of socialism and the countries of capitalism," and he deplored the liquidation of the old Institute of World Economy and World Politics.

The Institute of World Economy and World Politics had been formed in 1925. Soviet economist Eugene Varga served as its head from 1927 until 1947, when he was removed and the institute absorbed by the Institute of Economics, headed by K. V. Ostrovityanov.

Ostrovityanov had earlier in 1947 led an attack against Varga, accusing him of bourgeois reformism and lack of realism because his book Changes in the Economy of Capitalism as a Result of the Second World War implied that basic changes in the governments and social systems of Western countries had made the total collapse of world capitalism unlikely for the indefinite future.

Formation of the new institute does not appear to represent a political victory for Varga vis-a-vis Ostrovityanov. Ostrovityanov was re-elected a candidate member of the Communist Party's central committee in February, whereas Varga has yet to attain such a high party position. A reason behind the creation of the new institute was put forth by Mikoyan in a discussion with Ambassador Bohlen in August 1955. He admitted that in certain countries, particularly the United States, capitalism was not in reality what it had been in the days of Karl Marx. Mikoyan further stated that the Soviet Union had been mistaken in the past in not studying the contemporary United States more seriously, but hoped to rectify that mistake in the future.

Soviet analysis of capitalist economies will remain, of course, within the conventional Marxist-Leninist framework, but, through this institute, will now be encouraged to strive for a more realistic and sensible appraisal of the economic strengths and weaknesses of non-Communist states.

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**CURRENT INTELLIGENCE WEEKLY SUMMARY**

17 May 1956

**COMMUNIST CHINA  
REORGANIZES ECONOMIC MINISTRIES**

The reorganization of Communist China's economic ministries announced by Peiping on 12 May reflects the growth of the economy and the increasing Soviet cast being given much of China's government structure. No top leaders have been demoted, and there is no suggestion of any change in the main lines of Chinese Communist policy.

facilitate co-ordination between the two governments.

In accordance with recent Soviet practice of breaking up major ministries to create new ones with more specialized fields of responsibility, China has formed three new ministries out of its old Ministry of Heavy Industry. In addition, it has set up a new Ministry of

**HISTORICAL DEVELOPMENT OF SELECTED ECONOMIC  
MINISTRIES IN COMMUNIST CHINA**

1951	1952	1953	1954	1955	1956
• Min. of Heavy Industry	• Min. of Heavy Industry				• Min. of Metallurgical Industry • Min. of Chemical Industry • Min. of Building Materials Ind. • Min. of Power Equipment Ind.
	• 1st Min. of Machine Building • 2nd Min. of Machine Building			• 3rd Min. of Machine Building (Abolished)	
• Min. of Fuel Industry				• Min. of Petroleum Industry • Min. of Electrical Power Industry • Min. of Coal Industry	
• Min. of Agriculture				• Min. of Marine Products • Min. of Land Reclamation • Min. of Procurement of Agricultural Products	
• Min. of Light Industry	• Min. of Food			• Min. of Food Industry	
• Min. of Textile Industry • Min. of Forestry and Land Reclamation	• Min. of Forestry		• Min. of Local Industry (Abolished)		• Min. of Timber Industry • Min. of City Construction • Min. of City Services • National Economic Commission • National Technological Commission

17 MAY 1956

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China now has placed responsibility for national economic planning, construction, and technological development under four economic commissions and committees. This structure, which parallels the Soviet model established during the past year, may have been set up to

Power Equipment Industry and three other ministries to control the timber, food, and marine products industries. There are now 14 industrial ministries, as compared with four in 1951. There are 29 in the USSR.

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

17 May 1956

These changes in agencies controlling China's industrialization are designed to provide better administration over this rapidly expanding segment of the Chinese economy. Further subdivision of ministries may be expected as other sectors of the economy are developed under the Five-Year Plan.

Peiping has also abolished the Ministries of Local Industry and Third Machine Building, which were established in September 1954 and April 1955, respectively, to administer government plants at the local level and joint state-private enterprises. These ministries presumably served their usefulness during the recent drive for socialization, and the enterprises under their control will now revert to local control or be responsible directly to the ministries in charge of the economic areas concerned.

Only former minister of light industry Chia To-fu appears to have lost a position in the shuffle of economic personnel, but he apparently retains other responsible jobs. Po I-po, Huang Ching and Wang Hao-shou have been named to head, respectively, the important National Economic, Technological and Construction Commissions, with Li Fu-chun continuing as director of the National Planning Commission.

Three prominent non-Communist figures have been appointed as heads of minor ministries. These appointments apparently reflect Peiping's intention to continue the facade of a united front in its effort to draw support from all quarters for its socialization program.  (Prepared jointly with ORR)

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**THAILAND  
RE-EXAMINING TRADE POLICIES**

Thailand has seized on the recent action of the United States in easing restrictions on trade with the USSR and the East European Satellites to re-examine the question of continuing Thailand's strict controls on trade with the Sino-Soviet bloc. Premier Phibun has already ordered the Foreign Ministry to consider the advisability of easing Thailand's embargo on trade with Communist China, within the limits specified by the United Nations. The semicontrolled Bangkok press has been calling for a relaxation of all restrictions.

In the past, Thailand has vigorously suppressed trade with the Communist world. All direct trade with Communist China has

been prohibited and very little has been permitted with the rest of the bloc. These controls have been maintained in the face of growing trade with Communist countries on the part of many of Thailand's neighbors.

Phibun, heretofore the leading defender of these controls, is being subjected to increasing pressure to ease them. Bangkok's influential Chinese merchants and the local press have been agitating for direct trade with Communist China and for permission to ship rice--Thailand's most important export--to other Communist countries. Certain high-level Thai officials, probably including the powerful police director General Phao, have also maneuvered for

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

17 May 1956

a relaxation of controls, chiefly in anticipation of the profits to be gained through their quasi-official "influence companies."

The bloc has not hesitated to encourage such sentiment. Peiping's radio, whose broadcasts reach Bangkok, has quoted with approval Thai editorials in favor of direct trade.

There have been numerous indications, moreover, that despite a recent reaffirmation of Thailand's strongly anti-Communist orientation, Phibun and other Thai leaders feel Thailand's policy is unduly rigid in the light of the relaxation of tensions since the Geneva conference. Although there is no serious challenge to their control of the government or their ability to maintain trade controls with impunity, they may conclude that a relaxation of trade restrictions would be a relatively innocuous first step toward a moderation of Thailand's policy toward Communist countries, while improving their own political and economic positions.

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#### THE FOURTH CONGRESS OF THE INDIAN COMMUNIST PARTY

The Fourth Congress of the Indian Communist Party, held between 19 and 29 April, apparently failed to eliminate serious factionalism within the party's ranks or to resolve basic policy problems which have plagued it for the last five years. The party's line remains one of limited co-operation with the Nehru government, though it hopes in India's national elections scheduled for early 1957 to replace Nehru with an "alternative" government or at least to strengthen its position at the state level.

#### Party Factions

There was much dissension between the three major party factions during the congress. The basic struggle was between the dominant group led by party general secretary Ajoy Ghosh,

which advocates limited co-operation with the Indian government, and the followers of P.C. Joshi, who favor complete co-operation with Nehru's socialistic program. Since Ghosh was apparently supported by about 300 of the 400-odd convention delegates and Joshi by only slightly over 100, the party line emerging from the congress reflects primarily Ghosh's views. The "violent" or "terrorist" wing of the party, which has lost considerable ground during the past year as the result of changes in Soviet policy, was represented by only a few delegates and seems to have had little influence in policy-making.

#### Party Line

The approved Communist line is that, while remaining an

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

17 May 1956

opposition party, the party will give "wholehearted" support to Nehru's government in its foreign policy of defense of peace, in its efforts to reduce the dependence of the Indian economy on imperialism, and in every measure taken against "feudal landlords." The Communists, however, will oppose any concessions by the government to "foreign capital" and will fight "antidemocratic" policies which suppress democratic rights. They will also bring pressure on the government to speed the pace of industrialization.

The prevailing sentiment among delegates at the congress was reported to be that the Indian Communist Party had been damaged by the Bulganin-Khrushchev visit last November, by the repudiation of Stalin, with which it does not wholly agree, and by the dissolution of the Cominform.

Election Tactics

As a matter of election tactics, the Communists apparently intend to try to develop a united-front movement to strengthen the party's hold in state governments and on the national level to achieve an "alternative" government to that of Nehru if possible. A special effort will probably be made to obtain control of the government of Travencore-Cochin state.

To achieve their ends, the Communists seem to be seeking support from the two socialist parties and have already attempted to strengthen their position in the labor world. The Communists also apparently intend to penetrate the Congress Party organization by supporting "progressive elements" within that party and by drawing certain Congress members into the united front movement.  25X1

ICELANDIC ELECTION  
DOMINATED BY AIR BASE ISSUE

The campaign for Iceland's parliamentary election of 24 June is increasingly dominated by the issue of the US-manned NATO air base at Keflavik. The Conservatives, which are the most moderate of the parties on the issue, appear to be making an impact on the public, largely through astute attacks on the Progressives, who insisted on calling the elections at this time. No single group, however, is expected to obtain a majority of the 52 parliamentary seats at stake, and whatever government emerges is considered certain to seek some changes in the status of the base.

After the Progressives called for the withdrawal of American troops from Keflavik

and forced a general election at an advanced date, the Conservative-Progressive coalition government assumed a "caretaker" status. The Conservatives have attacked Progressive foreign minister Gudmundsson for hypocrisy in accepting the recent communiqué of the NATO foreign ministers' meeting at Paris to the effect that the international situation warrants no relaxation of the common defense effort. This, they assert, reveals the Progressive stand to be only an election maneuver.

Though avoiding any direct defense of the status quo at Keflavik, the Conservatives are reported to be successfully appealing to the voters by emphasizing that the base is a

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**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY**

17 May 1956

real financial and economic asset to Iceland. In 1955, Iceland's net dollar earnings from the base were about \$12,000,000, almost double dollar receipts from exports and covering half Iceland's foreign exchange trade deficit. The Progressives are reportedly disturbed over the American decision to suspend negotiations on further defense construction until after the June elections, since they fear that this move, when it becomes public, will strengthen the Conservatives' argument.

Because of the success of the Conservative attacks, there is a growing possibility that the Progressive members of the caretaker government may make some move prior to the election to implement the Althing's antibase resolution of 28 March. The Communist press is demanding that the caretaker government send notes to the United States and NATO; and earlier this month Gudmundsson told the British minister he might have to do something to

convince the voters that the parliamentary mandate is not being ignored.

No decisive action is probable, however; the most the Progressives are likely to do is take some preliminary steps looking toward the post-election negotiations which all parties assume will be necessary no matter what the outcome of the election.

The Communists are campaigning vigorously against the base under the auspices of a "Labor Alliance", which includes the left-wing Social Democrats, but this group is not expected to fare any better than the straight Communist ticket did in 1953, when it polled 16.5 percent of the popular vote and gained seven seats. The majority of the Social Democrats are allied with the Progressives. No group is at present expected to win a majority of the 52 seats at stake.

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

17 May 1956

## PART III

PATTERNS AND PERSPECTIVES

## THE PROTEST IN THE POLISH COMMUNIST PARTY

The Polish regime, faced with intraparty factionalism and mounting public disregard for official efforts to limit criticism, has reached the point where it must decide whether to continue its present internal policies or resume the more rigid policies of the past. Either alternative will raise new problems for the already harassed Polish Communist leaders.

Origins of Conflict

Prior to the Soviet 20th Party Congress, the Polish political scene had been relatively stable on the surface, but underneath a "liberal revolt" had been gradually developing, led by the intelligentsia and a number of influential party members who had been agitating ever since the death of Stalin for a liberalization of party policy.

During 1954-1955, a number of writers began calling for less ideological control of the arts. Articles critical of life under Communism began to appear, climaxed in the summer of 1955 with the publication by the noted Communist poet Adam Wazyk of his Poem for Adults, a bitter portrayal of the degradation of human beings in Communist Poland.

These views of the writers reflected the opinions of an important element of the party which had been constantly

agitating for liberalization of party control and a more modern application of Marxist philosophy. [REDACTED]

[REDACTED] these "liberals" included about half of the approximately 200 leading party functionaries

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25X1Excerpts from POEM FOR ADULTS by Adam Wazyk

*Under the chestnut trees, children big and small are running,  
From half-dismantled scaffolding, they pull wood to the kitchen.  
On the stairs is the noise of girls' names, diminutives, melodious,  
Fifteen-year-old prostitutes jump down on the planks to the cellars.  
Their smile is as of lime, they smell of lime,  
Next door the radio is playing to the rhythm of a dance in the beyond,  
Night is approaching, hooligans are playing at hooligans,  
How difficult it is to fall asleep when you are young among the  
rustling chestnut trees.*

\* \* \*

*The dreamer Fourier charmingly foretold,  
That the seas would flow with lemonade.  
And is not lemonade flowing?  
They drink sea water,  
They cry -  
Lemonade!  
They go home stealthily  
To vomit.  
To vomit.*

\* \* \*

*There are people in Nowa Huta (much publicized new industrial  
Who have never been inside a theater. area in Poland)  
There are Polish apples which the children cannot get,  
There are children scorned by wicked doctors,  
There are boys compelled to lie,  
There are girls compelled to lie,  
There are old wives thrown out of their houses by their husbands,  
There are exhausted people dying of thrombosis,  
There are people who are slandered and spat on,  
There are people who are robbed on the streets  
By ordinary thugs to whom they are trying to give a legal definition,  
There are people who are waiting for a little bit of paper,  
There are people who are waiting for justice,  
There are people who have waited for a long time.*

who make up the Central Party Aktiv which is used by the politburo to keep in touch with affairs within the party.

This group was emboldened by the new look in Soviet policy to press the politburo continuously for the reforms which it felt were necessary to make Communism succeed in Poland.

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**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY**

17 May 1956

Throughout 1955, however, the politburo, led by a triumvirate consisting of First Secretary Boleslaw Bierut, Jakub Berman--the power behind the throne--and economic czar Hilary Minc, had refused to meet the "liberal" group's demands, awaiting the outcome of directives that would be laid down at the Soviet party congress. With the congress' apparent "green light" for the views of this "liberal" group, the party leadership set about to meet some of its demands. The party's problems in channeling and controlling the new liberal policy have been accentuated by the death of Bierut in March and the illness of Minc.

The personal enmity between the new first secretary, Edward Ochab, a militant Communist who is presumably not in sympathy with the demands for greater party "democracy," and the remaining member of the old triumvirate, Berman, probably was the principal cause for Berman's dismissal from his top party and government posts on 6 May. His dismissal gives the new first secretary an opportunity to grasp firmly the reins of party control, and may serve to placate the party dissidents, whose support Ochab must obtain.

Influential members of the "liberal" element in the party, however, will not accept Ochab

because of his evident willingness to use any means to stop the process of liberalization. An additional factor contributing to Ochab's unpopularity is the general belief within the party that Soviet

party first secretary Khrushchev personally intervened in Warsaw to assure Ochab's election as successor to Bierut.

Future Course of Action

So far Ochab has given no clear indication as to how he intends to meet the problem of mollifying the Polish people and unmistakably reasserting his control in the party. Under the new ideological pronouncements and policy decisions of the Soviet 20th Party Congress, Ochab has more freedom of maneuver than his predecessors to meet the present challenge to his and the party's authority. Certain of the demands of the dissident party elements probably will be met. Within the framework established at the Soviet congress, steps can be taken which will "democratize" the party.

If Ochab succeeds in reestablishing a satisfactory degree of party unity, he can then move to meet the problem of the uncontrolled public demands for greater internal freedom. Probably a number of specific changes will be made which will permit greater internal freedom and will prevent malpractices of the past.

If, however, the palliative measures serve only to encourage additional and more far-reaching demands by dissident party elements and by the people, the regime will be forced to crack down and resort to severe police measures in order to make it clear that there are very definite limits to the new "liberalism" and to what the people can expect.

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**CURRENT INTELLIGENCE WEEKLY SUMMARY**

17 May 1956

**LOCAL ELECTIONS IN ITALY**

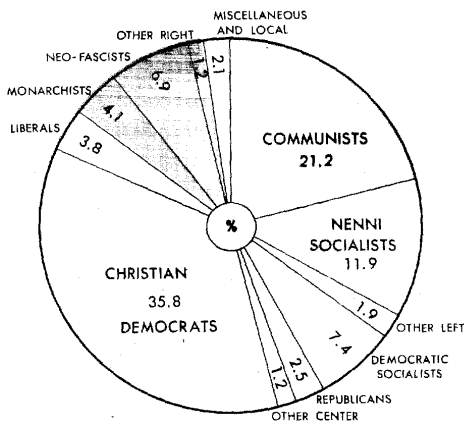
The nationwide election of provincial and communal councils on 27-28 May will be the first major test since 1953 of Italian political trends. Focusing on local aspects of national issues, the election may indicate whether a working alliance at a national level is likely to develop between the Christian Democrats and the Nenni Socialists, at the expense of the Communist-Nenni Socialist unity of action pact. The Christian Democrats' showing-- both in these and the national elections due by 1958--will

as: "Don't vote for those who voted for him!" In general, the Christian Democrats are stressing the progress made under ten years of national Christian Democratic government and in particular are pointing to the Vanoni Plan, the ten-year economic development program designed by the late budget minister to reduce unemployment and increase productivity. The party is carrying out a grass roots campaign similar to that used successfully in the Sicilian regional elections of

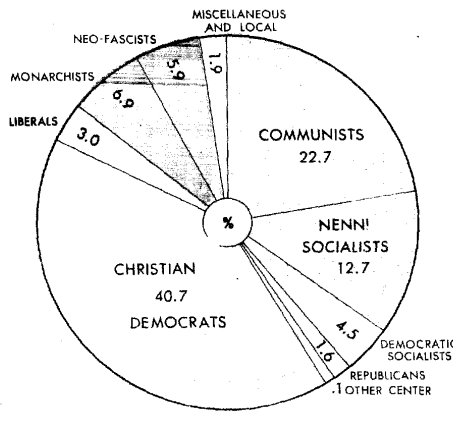
**ITALIAN ELECTIONS**

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**1951-1952 LOCAL ELECTIONS**  
(PARTY STRENGTHS BY PERCENT OF TOTAL POPULAR VOTE)



**1953 PARLIAMENTARY ELECTIONS**



17 MAY 1956

60515 2

depend in part on their ability to convince the electorate of their intentions to carry out reform programs.

The Campaign

The campaign opened officially on 15 April, with the Christian Democrats in the large cities displaying posters of Stalin, bearing such captions

1955, and seems generally confident about its prospects.

The Communists, embarrassed by Moscow's new line on Stalin, are reported hopeful the Soviet Union will come forward with some kind of economic development loan to Italy of the sort President Gronchi has been seeking from the International Bank. The Communist campaign has

**SECRET**



**SECRET**

## CURRENT INTELLIGENCE WEEKLY SUMMARY

17 May 1956

has consisted largely of attacks on the unpopular new "monopolist" front formed by the industrialists, agriculturalists' and merchants' confederations as a kind of economic lobby. The party is also trying to take credit for some of the Segni government's reform

denigration of Stalin to emphasize long-standing differences between his party and the Communists.

The smaller government parties are, on the one hand, stressing their accomplishments through association with the coalition government, and, on the other, attacking the Christian Democrats for acting independently of their partners.

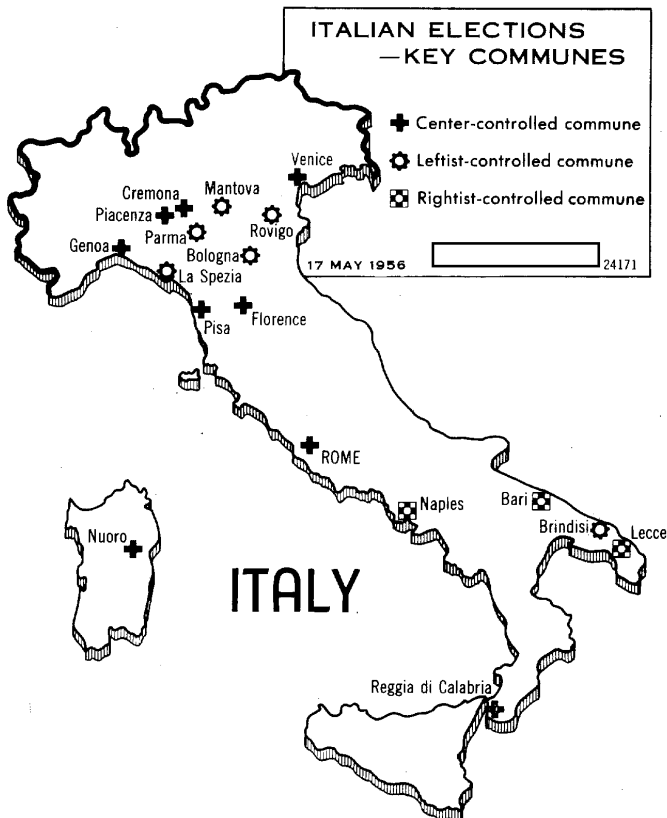
The election efforts of the Monarchists and the Neo-Fascists have aroused little interest.

Party Expectations

The Christian Democrats are confident of doing at least as well as in the last local (1951-52) and national (1953) elections, and hope to make gains of from one to five percent. They tend to get a smaller share of the vote in local than in national elections. Nevertheless, they are likely to win votes from the Monarchist and Neo-Fascist parties in the south and retain enough of the

small city councils to give them control of slightly over half of Italy's 8,000 communes.

The Nenni Socialists are expected by independent Italian observers to make gains also, and possibly to increase their 1953 vote as much as a third to give them some 17 percent of the total. Much of that gain would be at the expense of the small anti-Communist Social Democratic Party. Even Communist Party leader Togliatti



measures on the ground that these could not have been passed without both Communist and Nenni Socialist support.

Nenni is also stressing the effectiveness of his parliamentary support of the government, but is insisting that no more social progress can be expected unless his party--he does not say the left in general--gains strength. He is also making a point of exploiting the confusion over the

25X1

**SECRET**

**SECRET**

## CURRENT INTELLIGENCE WEEKLY SUMMARY

17 May 1956

fears that Nenni will draw votes from the Communists.

For the Communists, the same observers predict a loss of some five percent which would leave them with less than 22 percent of the total vote. In the south, where Communist popularity is based mainly on promises of a better life economically, the party may hold its own. Losses are anticipated mainly in the more internationally minded north of Italy, an area where the party is disoriented by the results of the Moscow congress and by domestic strains. In communal administrations, the Communists have tended to govern smoothly, however, and in Milan and Genoa, for example, they have attracted middle-class support. Thus the Communists hope to retain control of certain northern cities.

Of the three small center parties, only the Liberals expect to gain. The Republicans fear virtual extinction, and many Social Democrats believe they can avoid such a fate themselves only by rejoining the Nenni Socialists. The Monarchists and Neo-Fascists are expected to show a marked decline.

Postelection Problems

Some Christian Democrats are already talking about the possibility of calling national elections this year instead of in 1958, if they show up well in these elections. The leaders of the party reportedly consider this would be a risky move, however, in view of the weakness of the party's coalition partners and other problems facing it.

The recent canceling of a provision whereby the group polling the largest vote receives extra seats will make more difficult the formation of new local governments in the larger cities. The Christian Democrats, in particular, may be forced in a number of these cities to form coalitions. In the south, the Christian Democrats would probably form alliances with the rightest parties, but in certain large communes in the north, such as Milan and Turin, there would be pressure on them to become allied with the Nenni Socialists.

If the center parties did in fact form local alliances with the Nenni Socialists and these worked out well, the question of a Christian Democratic-Nenni Socialist alliance on a national level would almost certainly arise.

For many months, the Christian Democrats have discussed the advisability of some such "opening to the left." The proponents of such a move assert it would both strengthen the Christian Democrats' political position and split the Nenni Socialists from the Communists. In the latter regard, they point to the Nenni Socialists' support of the Vanoni Plan as indicative of the cleavage already existing between Nenni and his Communist allies.

The Vanoni Plan

The Vanoni Plan is a ten-year development project which has been described as the Christian Democrat's most dynamic weapon against the Communists. The plan was designed by the

**SECRET**

**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY**

17 May 1956

late budget minister to curb Italy's serious unemployment, increase productivity and diminish the present wide gap between the economies of north and south Italy.

It would require the investment of some ten billion dollars, much of which Italy hopes to get from American and other Western sources on the strength of OEEC's approval of the plan in principle. Implementation of even the early stages of the plan has, however, been held up so far by the Christian Democratic Party leadership, which claims to be worried by the opposition of right-wing elements within the party and the lack of American support.

The Communists were taken by surprise when the Christian Democrats presented the plan two years ago. They initially opposed it and finally approved it only grudgingly, with reservations. The Nenni Socialists, on the other hand, went on record hastily in support of it and the question arose as to how they had become so familiar with it so fast. There was some speculation as to whether the plan had been discussed with them.

Meanwhile, the general public has responded with marked enthusiasm, and impatience is growing over the delay in implementation. Even the conservative weekly, Twenty-Four Hours, which serves as spokesman for

industry, came out last month with an editorial protesting the government's "attempt to bury" the plan and indicating the intention of some conservative groups to keep it alive.

Reliable observers believe the plan has so much popular appeal that Nenni's following might force him into support of the Christian Democrats if the latter indicated a real intention to implement it. Such an alliance in support of the plan would leave the Communists in a position of uncomfortable isolation or unhappy support.

Nenni's Position

Meanwhile, Nenni continues, despite his differences with the Communists, to reaffirm publicly his unity-of-action pact with them and to avoid making a decision until events, which are moving in the direction of a showdown, provide him with one. Various observers report that Nenni clearly feels himself heir to the Communist Party, but knows he does not have the strength to claim his inheritance now. They think he must first: (1) reinforce his own party and make sure that his following is prepared for a change and (2) take account of public opinion and show that he is prepared to play a role far different from that of recent years.

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**SECRET**

Next 2 Page(s) In Document Exempt

**SECRET**

## CURRENT INTELLIGENCE WEEKLY SUMMARY

17 May 1956

## LEGAL AND JUDICIAL REFORM IN THE USSR

Since Stalin's death Soviet leaders have been moving cautiously toward legal and judicial reform. Some of the more onerous restrictions imposed on the individual during the Stalin era have been removed, and the judicial powers of the police and military tribunals have been curtailed. Measures have also been taken to standardize and streamline the cumbersome system of administering justice.

Revision of Criminal Code

The present Soviet leadership has renewed the demand voiced by Lenin in 1922 for the establishment of a uniform code of laws for the Soviet Union. The codes of the several union republics, although based on that of the Russian Soviet Federated Socialist Republic, contain differences which make for inequities in the administration of justice. Of primary importance to the regime is a revision of the RSFSR criminal code which will be made applicable throughout the country. Presumably the publication of an all-Union criminal code would be followed shortly by uniform civil and procedural codes. Propaganda media are now stating that new criminal legislation may be completed during 1956.

It is evident from propaganda and from the few changes that have taken place that any new criminal statutes will provide more severe punishment for such serious crimes as treason, espionage and sabotage. At the same time, criminal responsibility for lesser offenses, such as malfeasance and breaches of the peace, will be replaced by administrative penalties and disciplinary measures.

Some changes exemplifying the new trend in criminal legislation have already been made. In mid-1954, for example, the death penalty was extended to

cover cases of premeditated murder. At the same time, the system of parole, abolished in 1939, was reinstated. Several categories of corrective labor camp inmates were declared eligible for parole, and many prisoners were evidently released. Persons guilty of political crimes were unaffected.

Official insistence on increased punishment for serious crimes makes it highly doubtful that the harsh provisions of Article 58 of the RSFSR criminal code, which deals with counterrevolutionary crimes, will be modified. Prior to the amnesty of September 1955, propaganda reiterating the necessity for increasingly stringent penalties for anti-state activities made clear the limited application of the amnesty decree. Only persons guilty of collaborating with the enemy during World War II, and particularly those who had left the USSR, were pardoned.

Administrative machinery for performing the basic work necessary for revising the criminal code and writing an all-Union code of laws may already have been set up. In April 1956, a section for the systematization of legislation was established in the office of the USSR prosecutor general. It is likely that this section is charged with resolving the differences existing between the various republic codes and that of the RSFSR and recommending any changes necessary for drafting a USSR code.

Abolition of Special Tribunals

Perhaps the most sensational aspect of the judicial reform movement has been the abolition of the special tribunals which meted out summary justice during the purges of 1934-38. Following the downfall

**SECRET**

**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY**

17 May 1956

of Beria in July 1953, the Special Conference of the MVD was abolished. Officially empowered to sentence counter-revolutionary elements to exile, forced labor, or banishment from the Soviet Union, the Special Conference in actuality imposed much more severe punishments, including the death sentence.

Although it was frequently rumored during 1953-56, public announcement that the conference had ceased to exist was delayed until 1956, after the legal basis for such special tribunals had been destroyed by the repeal of two laws, enacted in 1934 and 1937. These laws had established exceptional methods for the investigation and trial of persons accused of violation of Article 58 of the RSFSR criminal code. Tried in secret by special tribunals within ten days after indictment, the defendants had no right to counsel and no right of appeal. The death sentence, if imposed, was carried out immediately.

Public announcement of the above developments was accompanied by scathing denunciations of the "trial by confession" tactics employed by the late Andrei Vyshinsky, Soviet public prosecutor during the purge era. In the anti-Vyshinsky campaign, party and government admitted that many persons had been accused falsely and that their guilt had been established on the sole basis of confession. The police apparatus was accused of extorting admissions of guilt via "improper" methods of investigation and questioning of the accused.

The Soviet leaders have promised that such glaring violations of Soviet law will not be permitted in the future. Both the decree revoking the 1934 and 1937 laws and current propaganda state that henceforth the investigation and

prosecution of antistate crimes must be guided by "normal judicial standards established by law."

The Prosecutor's Office

Among the more important steps taken by the regime to prevent a recurrence of the terror of the 1930's have been a thorough reorganization of the prosecutor's office and changes in the court system.

Shortcomings in the office were acknowledged immediately after the execution of Beria, when Prosecutor General Rudenko admitted in Pravda that his office had permitted violations of the law on the part of certain government officials. In early 1955 Pravda again lashed out at Rudenko's office for its lack of firmness in halting the "antistate activities" of some public officials. The paper demanded that work be so organized as to make impossible the "unfounded arrest and indictment of citizens."

The functions of the prosecutor's office as conceived by the present regime were spelled out in a decree of the Supreme Soviet published in June 1955. The office was made subordinate to the Presidium of the Supreme Soviet rather than to both the presidium and the Council of Ministers as formerly, and was charged with the responsibility of preventing false arrest and investigation of citizens by the police. The decree also required that state prosecutors have a higher education.

These provisions were put into force with the reorganization of the central apparatus of the prosecutor's office in April of this year. The creation of a department for supervision of investigations by the organs of state security was accompanied by the subordination of "investigators for especially

**SECRET**

**SECRET**

## CURRENT INTELLIGENCE WEEKLY SUMMARY

17 May 1956

important matters" to the prosecutor general.

It appears that this latter move gives Rudenko supervisory powers over the functions of the former "Investigative Unit for Especially Important Affairs" of the KGB. If this is the case, the office of the prosecutor general may now have certain real, if limited, powers of controlling the investigative work performed by state security organs.

The Court System

Although the court system has not been basically altered, the formation, evidently in mid-1954, of presidia of the republic supreme courts and of oblast and rayon courts is of some significance. The presidia were established in order to "safeguard" the courts "against possible mistakes and to eliminate quickly violations of legal procedures." This means, in effect, that a modified form of judicial review has been instituted.

At the instance of prosecutors general or of presidents of supreme courts, the presidia are empowered to review and to reverse the decisions of the courts of the next lower echelon. The right to appeal the decisions of lower courts was in no way extended to litigants directly. Available information indicates that the only method by which an appeal can be made by litigants is by privately gaining the ear of a prosecutor.

Supreme Court chairman Volin recently indicated to a visiting delegation of French Socialists that certain other changes in court procedures will be made. He stated that drafts to modify investigation and trial procedures "have been prepared." While he did not specify what changes the drafts recommended, he asserted that

defense attorneys would "soon" have the right to participate in investigation procedures from the point at which charges are lodged against the accused.

Effects on the Individual

Beyond doubt, the efforts of the post-Stalin leadership to eradicate all reminders of the police terror of Stalin's day and to establish a facade of strict legality in its dealings with the individual have had a markedly favorable effect on the Soviet population.

The official end of terror as a means of control, amnesties and reductions in prison terms, lightened punishment for misdemeanors, and recurrent propaganda calling for ensuring the rights of the individual Soviet citizen, have created an atmosphere of security against oppression previously unknown in the Soviet Union.

According to public pronouncements, the citizens of the Soviet Union may expect further reforms of their judicial system in the near future. Among these will be discontinuance of the use of the doctrine of analogy and the disappearance of corrective labor camps. Under the doctrine of analogy, defendants accused of crimes not specifically enumerated in the criminal code are sentenced in accordance with provisions of the law covering the crime most closely akin to that committed. In order to eliminate the doctrine of analogy, it will presumably be necessary to include several heretofore unspecified crimes in the revised criminal code.

With regard to the corrective labor camps, information thus far available indicates that no abolition of camps per se is contemplated. The camps will evidently be converted into "work rehabilitation colonies" having their own industrial

**SECRET**

**SECRET**

**CURRENT INTELLIGENCE WEEKLY SUMMARY**

17 May 1956

enterprises. It will be forbidden to assign prisoners to work outside the colonies, and convicts will not be deported to places unreasonably distant from their homes.

Despite the liberalization of the Soviet judicial

system as it has evolved thus far, the fundamental concept of "socialist legality" has remained unchanged. The primary function of the law in the Soviet Union is clearly to promote the aims of the Communist state rather than to ensure justice for the individual. 25X1

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