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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

SUEZ DEVELOPMENTS Page 1

As the UN Security Council prepares to debate the Suez issue, Britain and France seem assured of support from Australia and Belgium, but there is some doubt regarding the attitudes of Peru, Cuba, and China. Iran, as spokesman for the Near East on the council, will probably follow a cautious course. Egypt is likely to receive full support from the USSR and probably from Yugoslavia. In Egypt, about half the old force of pilots continues to operate the canal with only minor interruptions. [redacted]

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ARAB-ISRAELI SITUATION Page 3

Israel's attack on Jordanian military positions southwest of Jerusalem on 25-26 September will probably be followed by a period of tension comparable to that which followed a similar raid against Egyptian forces in the Gaza strip just over a year ago. Neither side appears ready to expand this incident--or series of incidents--into an all-out war. [redacted]

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PART II

NOTES AND COMMENTS

SOVIET POLICY SPLIT RUMORED OVER TITO AND SATELLITES Page 1

As a result of Khrushchev's trip to Yugoslavia, reports have been circulating that the rapprochement with Tito and his influence in the Satellites have caused a rift in the Soviet leadership. It is probable that the consequences of recent "liberal" Soviet policies toward the Satellites and Yugoslavia are a cause of real concern to the Soviet leaders but that they have not led to a split among them. Khrushchev's return to the USSR on 27 September, accompanied by Tito, his wife, and Yugoslav vice premier Rankovic, indicates that discussions on Soviet-Yugoslav relations will continue. [redacted]

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DIVERGENT SATELLITE ATTITUDES
TOWARD THE USSR Page 2

The frank and often critical treatment of the USSR in the Polish press is completely different from articles on the USSR appearing elsewhere in the Satellites. While Polish papers are stressing the "independence of countries in the socialist camp" and playing down references to the USSR, articles in Albania and Czechoslovakia are virtually attacking the doctrine of "many roads to socialism" and are hailing close relations with the USSR as the indispensable foundation of the Satellite regimes.

[Redacted]

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HUNGARIAN WRITERS DEMAND
FREEDOM OF EXPRESSION Page 3

Hungarian writers, who have spearheaded the drive for moderate policies, have resumed their offensive against the Communist regime following a two-month period of relative restraint. They met in Budapest in mid-September to rally support for their cause and to re-endorse as their leaders those individuals who have led them in their fight for freedom of expression. Although viewed with varying degrees of disapproval by government leaders, the writers' program is more apt to be met with compromise than with repression.

[Redacted]

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CHINESE COMMUNIST STATEMENT
ON GENEVA TALKS Page 5

In its fourth official statement this year on the Johnson-Wang talks at Geneva, Communist China on 21 September repeated previous warnings against "dragging out the talks." The tone of the statement was moderate, and Peiping's expression of its desire to move on to a new subject suggests that the Chinese do not intend to break off the talks at this time.

[Redacted]

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CHINESE COMMUNIST CONGRESS Page 6

Speeches at the Chinese Communist eighth party congress, which was to end on 27 September, continued to place major emphasis on collective leadership and "democratic" methods at all levels. The special praise Mao Tse-tung received was extended, in some degree to Liu Shao-chi, who has apparently been chosen by Mao as the leader of the group that is to succeed him.

[Redacted]

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**CHOU EN-LAI PLANS
MAJOR ASIAN TOUR Page 7**

Chinese Communist premier Chou En-lai will leave Peiping in late November for a tour through South and Southeast Asia which may take him to the capitals of ten Asian nations. Chou's general objective probably is to repeat his success at the Bandung conference of 1955 and renew the image he created then of Communist China as a peace-loving great power. [redacted] 25X1

NICARAGUA Page 8

Should President Somoza of Nicaragua die as a result of the assassination attempt of 21 September, a long period of political uncertainty and violence may follow. The National Guard, Nicaragua's only armed force, would be a decisive factor in the post-Somoza political scene, and the defense minister, Colonel Francisco Gaitan, would probably play a leading role. [redacted] 25X1

**SOVIET BLOC CULTURAL CENTERS
IN LATIN AMERICA Page 10**

Soviet bloc countries are having some success with cultural and friendship societies in Latin America. These organizations are important in providing means through which bloc contacts with Latin America may be expanded. [redacted] 25X1

**NEW POLITICAL CRISIS THREATENS
IN PAKISTAN OVER SUEZ Page 11**

Pakistani president Mirza's desire to join the Suez Canal Users' Association and Prime Minister Suhrawardy's unwillingness to do so may result in a dispute between the two men which could end in Suhrawardy's dismissal or resignation. In this event, President Mirza would probably attempt to govern by direct rule. [redacted] 25X1

**JAPANESE POLITICAL DISPUTES
OVER RELATIONS WITH USSR Page 12**

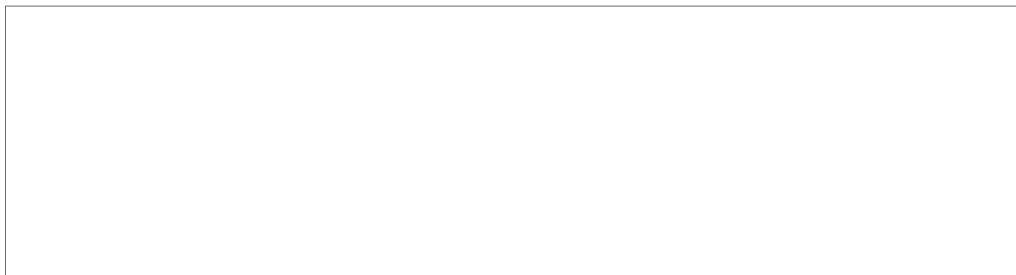
A new series of political disputes has been touched off in Japan by Soviet premier Bulganin's ambiguous note of 14 September agreeing to resume negotiations on the basis of the Japanese "five-point" proposal. The anti-Hatoyama movement within the Liberal-Democratic Party is growing and some elements have threatened to split the party if the prime minister goes to Moscow before the Soviet position is clarified. [redacted] 25X1

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SINGAPORE

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In the Singapore government's crackdown on Communist-front organizations, seven Communist-front leaders have been arrested and three organizations ordered dissolved. Caught off guard, the pro-Communist People's Action Party is reacting slowly and cautiously, but there is a possibility of disorders.

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REUNIFICATION PROBLEMS OF THE ITALIAN SOCIALISTS

Page 14

Major difficulties still block early reunification of the Socialists in Italy despite recent expressions of optimism by Democratic Socialist and Nenni Socialist spokesmen. Sentiment for reunification seems to be strong among the rank and file of both parties. Moscow is taking a cautious attitude on the reunification move.

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TURKISH PRIME MINISTER MOVES TO SUPPRESS OPPOSITION

Page 15

In the face of mounting economic difficulties, Turkish prime minister Menderes has instituted increasingly authoritarian measures rather than agree to economic reforms. He will probably be able to suppress opposition criticism as long as he has the support of his party and of the farmers.

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PROSPECT OF LABOR UNREST IN SPAIN

Page 17

Spanish industrial workers may soon strike again in protest against inadequate wage boosts in the face of rising living costs. The government does not seem prepared to offer the workers economic relief.

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PART III

PATTERNS AND PERSPECTIVES

PROSPECTS FOR THE MOLLET GOVERNMENT Page 1

When the French National Assembly reconvenes on 2 October, Premier Mollet will face mounting political opposition as a result of growing frustration over the Suez crisis, the Algerian problem and domestic inflation. Mollet will not take a merely defensive attitude toward these problems. He may in any event be overthrown in his attempts to deal with them.

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PROSPECTS FOR THE SOCIALIST PARTY OF JAPAN Page 3

The Japan Socialist Party has gained sufficient strength to worry seriously the dominant conservatives, but it is not expected to gain power in the near future. Although the party suffers from immaturity and factionalism, its influence will affect Japan's domestic and foreign policies. It will continue to oppose many American objectives and push for greater "independence."

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THE DE-STALINIZATION CAMPAIGN IN SOVIET GEORGIA. Page 7

In the face of the unexpected popular resentment in Georgia to the attack on Stalin at the 20th Soviet party congress, de-Stalinization was delayed there but has now begun in earnest. The effect of the incident on Georgian nationalism will probably color relations between Georgia and the Moscow government for years to come.

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PART I**OF IMMEDIATE INTEREST****SUEZ DEVELOPMENTS**

As the UN Security Council prepares to debate the Suez issue, support of Britain and France from Australia and Belgium appears virtually certain, but there is some doubt regarding the attitudes of Peru, Cuba, and China. Iran's position as spokesman for the Near East on the council will probably lead it to take an extremely cautious approach.

Egypt, attending as an interested party, is likely to receive full support from the Soviet Union and probably Yugoslavia. For the Soviet Union, the deliberations will serve as a propaganda forum for reasserting the similarity of Soviet and Arab policies on colonial matters, and an opportunity to draw out negotiations for a peaceful settlement on Egypt's terms.

The USSR's position probably will hew closely to the Soviet statement of 15 September, defending nationalization of the canal and Egyptian competence to operate it and supporting Nasr's call for a 45-nation conference as a means of achieving a peaceful solution to the problem. Moscow is likely to attack very strongly Western economic pressure on Egypt as economic sanctions without UN authorization. Moscow radio on 25 September stated that the Western appeal to the United Nations "is hardly likely to bring success."

Through amendments voted on separately and possibly paragraph by paragraph, any resolution introduced by

Britain and France may be so modified as to compel them to vote against it themselves. Any amendment eschewing the use of force would be as difficult to oppose as to defeat.

Some elements in both Britain and France hope that an inconclusive UN debate will "prove" the necessity for more direct action. Despite this and recent minor additions to the military build-up, London and Paris probably do not intend the UN appeal to be merely a preliminary step to the application of military force against Egypt.

Users' Association

While attention centers on the United Nations, Britain is proceeding with its plans to set up a Suez Canal Users' Association (SCUA) at meetings in London beginning on 1 October. France's grudging acceptance of the plan dramatized the widespread lack of enthusiasm among the 18 London conferees for the project that many had initially hoped would show the way to forcing a settlement on Egypt.

Only seven have indicated they definitely will join: Britain, the United States, Italy, France, the Netherlands, Denmark, and Sweden. Acceptances from six others--Australia, New Zealand, West Germany, Portugal, Turkey and Norway--are anticipated.

Pakistani prime minister Suhrawardy has told the American ambassador in Karachi

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that Pakistan would not associate with the users' association, and the ambassador believes that no pressure from the West or from President Mirza will change the prime minister's mind (see Part II, p. 11). Japan evidently intends to reject membership.

Of the remaining three, Iran is hesitant to align itself publicly against Egypt. Spain's joining is doubtful, in view of its continued pressing of its own proposal for negotiations with Nasr. Ethiopia's position is uncertain.

Even among those most favorable toward the users' association, little agreement on SCUA's precise function is evident. The 18-nation discussions at London that ended on 21 September showed far too great differences to support any such a firm plan as sending a test ship through the canal to try Nasr's intentions. Britain and France still seek an active role for the organization.

French and British Reactions

Disillusion and discouragement with the results of the second London conference have been most marked in France. Blame has fallen principally on the United States. Foreign Minister Pineau has reiterated that direct force is not excluded.

Premier Mollet will probably be forced into a debate on Suez when the National Assembly reconvenes on 2 October. The government will be subjected to bitter attacks as a result of the mounting opposition to its Suez policy,

combined with frustration over the Algerian situation and domestic economic and social problems. (See Part III, p. 1.)

In Britain, the turn of events has centered attention on conflicting pressures within the Conservative cabinet. There are no indications that Eden's hold on the party leadership has been shaken. The Conservative Party conference on 11-13 October should give some indication of Eden's standing with the rank and file, and also the relative prestige of Chancellor of the Exchequer Macmillan and House of Commons leader Butler, respective champions of toughness and conciliation. Parliament reconvenes on 23 October.

Egyptian Developments

Egypt continues to maintain canal operations without a major interruption. For the first time since the Western pilots walked out, three ships were held up for lack of pilots on 23 September when the highest total of ships since the walkout--44--transited. Three convoys a day is likely to remain standard procedure until more pilots are trained.

About 100 pilots are now available--approximately half the number before nationalization. More than 40 new foreign pilots have arrived, including 15 from the Soviet Union, 12 from Poland, and 11 from Yugoslavia.

President Nasr sought to demonstrate solidarity within the Arab bloc by going to Dammam with Syrian president Quwatli for talks with King Saud of Saudi Arabia. The

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Syrian and Saudi chiefs could hardly do less for Egypt at this time than the communiqué they issued reaffirming their support. Nasr evidently was concerned lest Saud's preceding talks with King Faisal of Iraq suggest Arab differences.

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Nehru's statement criticizing Nasr's method of Suez nationalization almost certainly has also given the Egyptian president some worry.

Numerous press reports and rumors of the presence of British and French military units in Israel reflect extreme Arab nervousness and suspicion--reinforced by recent Israeli raids on Jordan and the sale of Canadian-built jet fighters to Israel--that the West will take advantage of Egypt's preoccupation and move on the Arab states in concert with Israel.

Sino-Soviet Support

Apart from pilots, Egypt continues to receive economic support from the Soviet Union.

and has had offers from Communist China. A delegation of Soviet cotton production specialists arrived in Egypt on 19 September for a three-week visit. The group is led by Deputy Minister of Agriculture Rasulov, and, in addition to other high agricultural officials, includes the minister of light industry of the Tadzhik Republic. Chou En-lai, in reporting to the Standing Committee of the National People's Congress, stated his government's complete support of the Egyptian position.

Over the last two weeks, Soviet propaganda attacks on the American position on Suez have steadily increased, especially in broadcasts to the Arab states, which say the United States is no better than Britain and France, label as American all "colonial" plans, and claim that American policy is hostile to Egypt, the Arabs, and peace and security. A Pravda editorial on 24 September pointed to the "failure" of the London conference and called Western introduction of the Suez dispute into the United Nations another colonial maneuver.

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ARAB-ISRAELI SITUATION

Israel's attack on Jordanian military positions southwest of Jerusalem on 25-26 September will probably be followed by a period of high tension comparable to that which followed a similar raid against Egyptian forces in the Gaza strip just over a year ago. Neither side, however, appears ready to expand this incident--

or series of incidents--into an all-out war.

As usual after the Israelis inflict a serious blow, Arab propaganda sought to minimize the political impact of the raid by asserting that Jordanian forces made a strong defense and were overrun only by "overwhelming" Israeli numbers.

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It seems that in this case, at least, there may be some substance to the claims.

Israel reportedly suffered substantial losses, since its attack was launched against prepared positions in full moonlight, and because the Jordanians had anticipated that an Israeli reprisal would come despite Amman's apologetic assertion that "temporary insanity" seized a machine gunner who killed four Israeli archaeologists two days before.

With Egypt still preoccupied with the Suez situation, the Arab reaction is likely to be confined mainly to complaining and biding time, although there almost certainly will be further minor Jordanian incursions into Israel, either centrally directed or uncontrolled by the Amman authorities.

The initial attitude of Jordan's leaders was indicated by an appeal from Chief of Staff Nuwar, who stated shortly after the Israeli attack began that unless it were stopped by morning there would be very serious consequences. These were not the words of a military leader seeking an opportunity to attack the enemy. King Hussain's immediate

reaction was to consult with Arab and Western diplomats, and to consider making a complaint to the UN Security Council.

The effect of the Israeli raid is likely to be greatest on the internal situation in Jordan. It seems doubtful that Hussain will want to repeat on this occasion the tactic he adopted in regard to earlier Israeli actions--an appeal to the people for calm on the ground that Jordan should not let itself be drawn into an Israeli trap. Such an implicit confession of weakness would further erode his prestige, even if his opponents were unable to suggest a better course themselves.

Hussain may, however, use the incident and the ensuing tension as an excuse to postpone the parliamentary elections scheduled for 21 October. Under present conditions, such elections would probably return a majority of extremists indifferent or hostile to the monarchy. The king may also use the incident to justify a new flurry of visits to Arab countries with the object of establishing closer Arab unity and obtaining additional financial support for Jordan's military forces.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****27 September 1956****PART II****NOTES AND COMMENTS****SOVIET POLICY SPLIT RUMORED
OVER TITO AND SATELLITES**

As a result of Khrushchev's trip to Yugoslavia, reports have been circulating that the rapprochement with Tito and his influence in the Satellites have caused a rift in the Soviet leadership.

The American embassy in Belgrade reports that a high Yugoslav official recently said that Khrushchev is "alone in the more liberal approach to Yugoslavia" and that the other Soviet leaders, including Bulganin and Mikoyan, would turn on him "at the first false step." Yugoslav vice president Vukmanovic-Tempo has also hinted that Khrushchev may be in trouble.

This Yugoslav hypothesis argues that Khrushchev, having sponsored the rapprochement with Tito, now finds that Tito is endangering the Soviet system of making trouble in the Satellites, and went to Yugoslavia to get Tito to "call off the dogs."

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It is likely that the consequences of recent Soviet policy toward the Satellites and Yugoslavia are causing varying degrees of concern to all Soviet leaders. Tito's continued pressure for liberalization in the Satellites and the results of some of the liberal policies already being enacted in Eastern Europe may have forced the Soviet leaders to decide to toughen up. Khrushchev's return to the USSR on 27 September, accompanied by Tito, his wife, and Yugoslav vice premier Rankovic, probably indicates that discussions on Soviet Yugoslav relations will continue.

Split Improbable

It is probably incorrect, however, to presume that Khrushchev stands alone as the

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champion of a more liberal policy toward Yugoslavia. Bulganin and Mikoyan--particularly the latter--have been at least as prominently associated with Soviet policy toward Yugoslavia as Khrushchev. Also, the decision taken last year to attempt to re-establish a close relationship with Yugoslavia was probably agreed on by a majority of the Soviet leaders.

Khrushchev, Bulganin and Mikoyan are probably the most powerful in the hierarchy and their alliance has shown no sign of being disrupted. Molotov, considering his present position, seems incapable of

heading an effective opposition to Khrushchev. Khrushchev's successful "packing" of the central committee last February also militates against the chances of a leadership upheaval.

Finally, it is unlikely that the figures most intimately concerned would be away from Moscow if, in fact, a major split did exist in the leadership over the Yugoslav issue. Khrushchev, however, was on vacation for more than two weeks before he left for Belgrade. Bulganin has been vacationing in the Caucasus since 1 September. Mikoyan was away between 14 and 24 September as the leader of the Soviet delegation to Peiping.

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DIVERGENT SATELLITE ATTITUDES TOWARD THE USSR

The remarkably frank and sometimes critical treatment of the USSR in the Polish press is completely different from articles on the USSR appearing elsewhere in the Satellites. While Polish papers are stressing the "independence of countries in the socialist camp" and playing down references to the USSR, articles in Albania and Czechoslovakia are virtually attacking the doctrine of "many roads to socialism" and are hailing close relations with the USSR as the indispensable foundations of the Satellite regimes.

Poland

According to at least one Polish author, writing this month in testimony to Polish-Soviet Friendship Month, Polish relations with the USSR "are only being formed" and have as yet to "find their equilibrium." The same writer suggests that the "tragic element of truth"

about Soviet-Polish relations during the war has been concealed and that the full story should now be told.

A Polish radio commentator, speaking to a domestic audience on 19 September, stated that the appearance of critical comments "shows the evolution of our friendship with the USSR--from sugar-coated, lacquered glorious descriptions of everything that was Soviet to the present sober evaluations." Admitting that the present period of franker discussion of the USSR is causing "considerable difficulties" because of "conservative" opposition both in Poland and in the USSR, the same speaker nevertheless claimed that the "new atmosphere is spreading with varying speed" throughout the bloc.

Other Satellites

This new atmosphere, however, has been rejected by at

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least two other members of the bloc--Albania and Czechoslovakia. An Albanian editorial, on the occasion of Albania's Soviet Friendship Month, claimed that "only the enemies of socialism" try to deny the international importance of the USSR. The Albanian party has "always based its activities on the valuable and tested experience of the Soviet Communist Party."

The Czech party daily, Rude Pravo, took a similar line on 7 September. The Czech regime, the paper declared, is based on its alliance with the USSR; consequently, attitudes toward the USSR are not a fit subject for discussion. Every "slander" against the Soviet Union is aimed against the very existence of Czechoslovakia.

All of these statements were made after 3 September, when the USSR reportedly warned the Satellites that the Soviet Union, not Yugoslavia, was the correct socialist model and attacked the Yugoslav concept of genuinely "independent roads to socialism." The reaction in Albania and Czechoslovakia, apparently to this warning, reflects loyal, unquestioning subservience to the latest line from Moscow.

Irritation Over Warning

The statements by the Poles, on the other hand, are very

much in line with their apparent irritation over an earlier Soviet warning, delivered by Bulganin in Warsaw last July, about the limits of de-Stalinization and freedom from Soviet control. The chief of the Polish parliamentary delegation in Yugoslavia, for example, declared on 20 September that what had struck him most during his visit was the Yugoslav "independence of views" and a "boldness for independent experimenting in building socialism."

A great many Polish Communist officials apparently see a real need for a modification of Polish-Soviet relations, within the framework of an alliance with the USSR. They seem bent on gaining this, regardless of the attitudes in the other Satellites and regardless of signs of disapproval from Moscow.

Specific official statements concerning Soviet-Satellite relations have not been observed in recent weeks from Hungary, East Germany, Rumania and Bulgaria. On the basis of their over-all policies, however, it is likely that Hungary will avoid statements of implicit subservience to the USSR, while the other three countries can be expected to echo the sentiments expressed by Albania and Czechoslovakia. 25X1

HUNGARIAN WRITERS DEMAND
FREEDOM OF EXPRESSION

Hungarian writers who have spearheaded the drive for moderate policies have resumed their offensive against the Communist regime, following a two-month period of relative restraint. They met in Budapest in mid-

September to rally support for their cause and to re-endorse as their leaders those individuals who have led them in their fight for freedom of expression. Although viewed with varying degrees of disapproval from

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within the regime, the writers' program is more apt to be met with compromise than with repression.

Renewed Attack

The uneasy cease-fire during the first weeks of the Gero regime between the government and the writers, who play a strong political role in Communist nations, was brought to a dramatic close on 8 September by Gyula Hay, a leading Hungarian Communist writer. Hay, in a magazine article, demanded complete freedom of expression for "both Marxists and non-Marxists, the right to believe in God or not to believe in God, the right to criticize anybody or anything, and to like or not to like any of Hungary's leaders." Hay's position was democratic in tone and concept and, in effect, represents a public denial of Communist omnipotence.

This attack, described by the American legation in Budapest as the clearest challenge to Communism yet publicized, set the stage for the general meeting of the Hungarian Writers' Association which opened on 17 September. Speaker after speaker, inspired by Hay's words and angered by two antagonistic Szabad Nep editorials on the eve of the meeting, indulged in defiant speeches against Hungarian regime policies and regime "reactionaries."

The writers, as a body, vigorously re-endorsed their leadership and also elected to high office in their association a number of members who had been censured for "anti-party" views during Rakosi's tenure in office. Hay was elected vice president and several non-Communist writers were elected to the presidium.

The writers repeatedly asserted their unwillingness to compromise on any points. As one writer stated, "We cannot enter into a 'gentlemen's agreement' with anybody, we must go straight to our goal."

As a group, the writers appeared sensitive to the fact that some of their attitudes are known only in literary circles and hence do not have widespread popular support. To rectify this, one literary leader proposed that groups of writers visit factories to ensure that their point of view is received by working groups.

Party Reaction

Since Rakosi's ouster, the new party leadership, headed by doctrinaire party first secretary Gero but including a number of moderate Communists, has moved steadily toward moderate domestic policies, including a significantly more concessionary attitude toward the intellectuals. Reaction within the party, however, to the present sweeping demands of the writers will be mixed. The natural response of party first secretary Gero, who personifies the doctrinaires, presumably would be to resist. The regime as a whole, however, which includes a significant number of party moderates, appears to have little inclination to crack down on the writers for their beliefs at this time and may grant added concessions in an effort to appease the intelligentsia.

But the "moderate" forces in the party are not unanimous in their views. One group, including a significant number of party intellectuals and activists who support former premier Imre Nagy, is undoubtedly sympathetic to and active in support of the demands of the writers.

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But other "moderate" elements in the party who are willing to permit the natural development of political and intellectual endeavor within certain limits may object to at least some of Hay's demands.

Members of this group are sufficiently good Communists to reject proposals which pose a direct challenge to the principles of party discipline and, in effect, the primacy of the party in society. In addition, this group, which may include politburo members Szalai, Kovacs and Kadar, may be wary of a too rapid liberalization of policy lest the domestic situation get out of control and lead the Soviet Union to interfere.

Soviet Attitude

Soviet leaders undoubtedly recognize the risk involved in giving the Hungarian writers free rein to work out their own ideological standpoint and are aware that a mere "braking action" will not be enough to forestall demands for increasing freedom in other fields.

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If there is no Soviet intervention at this time, it might indicate that the USSR has accepted a further gradual liberalization in Hungary and that the point has not yet been reached--nor been defined--where the USSR will attempt to call a halt in this readjustment.

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CHINESE COMMUNIST STATEMENT
ON GENEVA TALKS

In its fourth official statement this year on the Johnson-Wang talks at Geneva, Communist China indicated on 21 September that it regards further discussion of the US proposal on a renunciation of force in the Taiwan area as fruitless and repeated previous warnings against "dragging out the talks." The tone of the statement was moderate, however, and Peiping's expression of its desire to move on to a new subject suggests that the Chinese do not intend to break off the talks at this time.

The Chinese comments on the renunciation-of-force question indicate that Peiping will not agree to any declaration which might compromise its position that the "liberation" of Taiwan is an internal problem

to be settled by peaceful means if possible, but by force if necessary. Peiping evidently expects no concessions from the United States on this question, and believes that continued exploration of the issue will yield no further propaganda advantage.

Peiping charges that although the Communists have "time and again" put forward proposals for the peaceful settlement of disputes--including a conference of foreign ministers--the United States has made agreement impossible by persisting in its demands for a declaration on the renunciation of force which would infringe on China's "sovereignty." In order that the Geneva meetings may not be further "dragged out meaninglessly," the Chinese

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on to the question of the "embargo." Peiping apparently considers that this issue could be exploited to embarrass Washington in the light of present pressure from many free world nations for a relaxation of trade controls.

Despite its charges of American intransigence at Geneva, the Chinese statement is couched in moderate language and leaves the door open for further discussions. This, plus the lack of a propaganda build-up for a breakoff in the talks, makes it unlikely that the Chinese plan to end the meetings at this time. Nor does it seem probable that the new line adopted at Geneva pre-emptively moves to increase tension in the Taiwan Straits. The "liberation" of Taiwan has

received little attention during the Chinese Communist eighth party congress. Mao Tse-tung ignored the subject, and other officials referred to Taiwan only in passing and continued the "soft" approach which Peiping has taken to the problem for the past 18 months.

Peiping's statement makes no mention of the ten American prisoners still held in Communist China. The only prisoners freed thus far in 1956 were released after the expiration of their sentences. If the Chinese continue this practice, which suggests they still regard the prisoners as having some value as hostages, no further releases can be expected until 1957, when the sentences of four imprisoned missionaries expire. 25X1

CHINESE COMMUNIST CONGRESS

Speeches at the Chinese Communist eighth party congress, which was to end on 27 September after election of a 170-man central committee, continued to place major emphasis on collective leadership and "democratic" methods at all levels. Mao Tse-tung still received special praise, and Liu Shao-chi was included in this treatment to some extent.

Collective Leadership

Further changes in the organization and operation of the party have been disclosed which appear designed to enhance the "democratic" features of party life. Under the new party constitution, national, provincial and county congresses, whose members will be elected for terms of five, three and two years respectively, will meet annually. Peiping

claims that these congresses will constitute an annual check on the work of the central, provincial and county party committees.

The party intends to establish more organs under the central committee. This apparently includes the resurrection of military, women's and youth affairs committees, all of which are primarily concerned with supervising party control in these areas.

Party Control

The speech of Defense Minister Peng Te-huai placed detailed emphasis on the leading role which the party plays in making military policy. Peng specified that all "important matters" are discussed at party committee meetings, and that decisions are transmitted to military commanders.

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Peng's speech confirmed that in the Chinese Communist system, party committees at all military levels are superior to both the military commanders and the political officers. As the political officer is usually the head of the party committee, in most cases the political officer is more powerful than the commander.

While hailing China's recent strides toward increased modernization of the armed forces, Peng referred only once to his air force--fourth largest in the world--declaring that it is "no longer a very weak one." Chinese air defense forces, which have consistently demonstrated general ineptness, were said by Peng to have received "modern technical equipment," but Peng made no claim of air defense capability.

Both Liu Shao-chi and Teng Hsiao-ping stressed the need for party control of government affairs, which are directed by Premier Chou En-lai. Teng stated that party members in government organs must obey the party, and that the party must regularly discuss and decide all policy and important organizational matters relating to government work. He also said the party must exercise regular supervision

over the work of government organs and that no comrades should be permitted to make their own departments into "independent states."

Treatment of Mao and Liu

Chairman Mao Tse-tung continues to be the subject of laudatory references. The party's successes are attributed "particularly" to Mao, although Peiping's comment portrays Mao as a modest personality. Teng said that Mao himself was responsible for prohibiting the offering of birthday greetings to party leaders and the use of their names for places, streets and enterprises.

Liu Shao-chi is now being accorded a small share of the special propaganda treatment previously reserved exclusively for Mao. Teng Hsiao-ping described Liu's report to the seventh congress in 1945 as being, like Mao's report, a "brilliant elucidation" of doctrine. Peiping radio has described a new Chinese Communist film as depicting the caves where "Mao Tse-tung, Liu Shao-chi and other leaders" lived during Yen-an days. This line supports other evidence that Mao has chosen Liu as the leader of a collective to succeed Mao.

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**CHOU EN-LAI PLANS
MAJOR ASIAN TOUR**

Chinese Communist premier Chou En-lai will leave Peiping in late November for a tour through South and Southeast Asia which may take him to the capitals of ten Asian nations. Chou's general objective probably is to repeat his success at the Bandung conference of

1955 and refurbish the image he created then of Communist China as a "peace-loving" great power. He will undertake negotiation of the Sino-Burmese boundary dispute while in Rangoon.

Chou's itinerary apparently is not yet firm, but he reportedly

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plans to visit North Vietnam, Cambodia, Burma, India, Pakistan and possibly Indonesia, Ceylon, Nepal and Afghanistan. Souvanna Phouma has denied inviting Chou to visit Laos but has indicated that if he sought an invitation, it could not be refused.

Chou is tentatively scheduled to arrive in Cambodia in late November, which suggests that the first leg of the tour will cover North Vietnam, Laos and Cambodia, where Peiping has apparently been working to establish a "southern tier." A dramatic final settlement of the Pathet Lao insurrection could spell success for this venture. Pathet strength derives directly from the Viet Minh and indirectly from Communist China. Chou may thus be in a position to arrange a final settlement. In Cambodia, where a Chinese economic aid mission is momentarily expected, Chou will meet once again with Prince Sihanouk, who took over as premier on 15 September, and may take this opportunity to press for formal

diplomatic relations with Cambodia.

While in New Delhi, Chou will probably seek to smooth over points of friction which have developed along the Sino-Indian border and to reassure Nehru concerning Chinese Communist efforts to establish closer relations with Nepal. At the same time, Chou will probably try to undercut possible Indian support for Burma in the Sino-Burmese boundary dispute.

The main item of business during Chou's visit to Rangoon will be the boundary question. Chou will need all his skill as a negotiator to quiet Rangoon's outcries--which jeopardize Communist China's pose as a "peaceful" power--while temporizing on substantive issues.

In the remaining countries on his itinerary, Chou will probably concentrate on generating good will and persuading Asian leaders that he is a "man of peace."

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NICARAGUA

Should President Anastasio Somoza of Nicaragua die as a result of the 21 September assassination attempt, a period of political uncertainty and violence may ensue. The Nicaraguan strong man, who has been dictator since 1934, was shot only a few hours after being acclaimed Liberal Party candidate for the 1957 to 1963 presidential term. If he lives, his victory in a controlled "election" next February is virtually assured. Even then, however,

he would face continued and possibly heightened domestic opposition. If he is incapacitated and retains his mental faculties, he is likely to continue his domination of the Nicaraguan political scene.

The president's elder son, Luis, who is president of congress, is Somoza's constitutional successor and now acting president. The younger son, Anastasio, Jr. ("Tachito"), is director of the national guard

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and chief of the air force. Together, the two brothers can probably hold the fort for their father if he lives. Somoza, who is in a Panama Canal Zone hospital, can constitutionally continue as president for up to three months as long as he remains somewhere in Central America or Panama.

If Somoza dies, any attempt to maintain the regime by force alone would lead to serious violence.

A solution offering the best chance of political stability would be agreement on a new government among the opposing political factions. Such an agreement would be possible, since the most irreconcilable issue--Somoza's dictatorship--would no longer exist. There are prominent members of Somoza's Liberal Party, among them Luis Manuel Debayle and Alejandro Abaunza Espinosa, who opposition Conservative Party leaders have previously indicated would be acceptable as a compromise for president. Such an agreement would probably require the postponement of the February election and guarantees of free elections later.

A political solution acceptable to the national guard would almost certainly have to include the replacement of the 32-year-old "Tachito" as head of the guard. He is hated by many officers and known for his cruelty and impulsiveness. Luis Somoza, an easygoing gentleman farmer of 34, might be more pliant. However, the actions of the Somoza brothers will be dictated by their estimate as to how they can best protect the tremendous wealth amassed by their father.

The position of the 3,500-man national guard, Nicaragua's well-trained and efficient army,

would be a decisive factor, if not directly, then as a behind-the-scenes political referee. The minister of defense, Colonel Francisco Gaitan, a staunch friend of the United States who came up through the ranks and enjoys wide popularity in the guard, would probably be able to control the guard. If political leaders are unable to reach an acceptable solution on a post-Somoza government, or if "Tachito" attempts to act independently, guard leaders would probably assume direct control of the government.

The danger of violence will be heightened if the regime carries out widespread reprisals against the opposition.

Although most present evidence suggests that Somoza's attacker acted on his own, the Somoza brothers seem to be trying to implicate Conservative leaders or Somoza's enemies in exile. Over 200 opposition leaders were arrested within hours of the attack and are now undergoing interrogation. 25X1

It is still possible that evidence may be found--or manufactured--to link the assassination attempt with Nicaraguan exiles in Costa Rica and, through them, with Costa Rican president Figueres. If so, the Nicaraguan government could be expected to react strongly, possibly to the extent of instigating an assassination attempt against Figueres. 25X1

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**SOVIET BLOC CULTURAL CENTERS
IN LATIN AMERICA**

Soviet bloc countries are having some success with cultural and friendship societies in Latin America. These organizations are important in providing means through which bloc contacts may be expanded. The centers have increased in number during the past year or so and several have become more active.

The greatest activity has taken place in Argentina, where the Argentine-Soviet Institute of Cultural Relations has opened even new branches outside Buenos Aires, bringing the total of such branches to 11. The institute's lecture program has been intensified this year, and its showings of Soviet bloc films reportedly have increased in a number of cities in the interior. New bloc binational centers reportedly have opened in Mexico and Brazil in 1956.

In addition to publishing and distributing a variety of Communist propaganda, part of which comes from bloc nations and missions, and offering cultural attractions, the centers are engaged in the promotion of cultural exchange visits with bloc countries and the exploitation of returning travelers. In Chile, for instance, the Chilean-Chinese Institute of Culture played an active role in the entry of the Chinese Communist opera troupe last August. A group from the Argentine-Soviet Institute traveled to Moscow in April at the invitation of the Soviet cultural society VOKS, and a VOKS delegation

reportedly attended the institute's national conference in Cordoba.

The centers apparently have been involved in the bloc repatriation program in Uruguay and Argentina. Most repatriates from Uruguay during 1956 reportedly came from an area where the Soviet legation and the Uruguayan-Soviet Cultural Institute had been conducting a campaign. The institute in Argentina probably has facilitated the large-scale repatriation effort there.

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Many of the centers maintain close ties with Soviet and Satellite diplomatic missions, which participate in the cultural programs and probably give at least some direction to center activities. Presumably the centers receive financial support from the bloc, although some apparently operate on insufficient funds.

Chile is the only one of these countries which has bloc

**LOCATION OF BINATIONAL CULTURAL
AND FRIENDSHIP CENTERS IN LATIN AMERICA**

| | Argentina | Uruguay | Bolivia | Brazil | Chile | Mexico |
|-----------------|-----------|---------|---------|--------|-------|---------------|
| USSR | ■ | ■ | | ■ | ■ | ■ BRANCHES |
| Czechoslovakia | | | ■ | | ■ | |
| Poland | | | | ■ | ■ | ■ |
| Rumania | | | ■ | | ■ | ■ |
| Hungary | | | | | ■ | |
| Bulgaria | | | | | ■ | |
| Communist China | | | | ■ | ■ | ■ |

Pro-bloc Slav organizations exist in a number of countries.

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cultural centers and does not have relations with any Communist country.



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NEW POLITICAL CRISIS THREATENS IN PAKISTAN OVER SUEZ

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Pakistani president Mirza's desire to join the Suez Canal Users' Association and Prime Minister Suhrawardy's unwillingness to do so may result in a dispute between the two men which could end in Suhrawardy's dismissal or resignation.

Mirza only reluctantly accepted Suhrawardy as prime minister. He has several times indicated his intentions to get rid of him if he fails to support a pro-Western policy. Mirza seems inclined to press Suhrawardy to join the users' association and might take this opportunity to take drastic action against Suhrawardy.

Suhrawardy's government has already publicly opposed the users' association. Suhrawardy has also told the American ambassador that while he did not denounce it during the second London conference to avoid embarrassing Pakistan's Western allies--his country would not associate itself with the association under any circumstances.



the new prime minister faces a particularly tricky problem on Suez. His predecessor, Chaudhri Mohammad Ali, was shouted off the platform at a public meeting a month ago because of Pakistan's pro-Western policy on Suez, and popular pro-Egyptian opinion has mounted since then.

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Suhrawardy probably feels that if he gives in to Mirza and the West on the users' association, he will lose his popular support and become just another one of Pakistan's "puppet prime ministers." Consequently, if Mirza forces the issue, Suhrawardy may resign instead of forcing Mirza to dismiss him.

Since the Suhrawardy government constitutes the only representative political grouping now available in Pakistan, his downfall would probably mean the establishment of direct rule by Mirza with the backing of the army and civil service.

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**JAPANESE POLITICAL DISPUTES
OVER RELATIONS WITH USSR**

A new series of disputes and maneuvers among Japanese government and conservative party leaders has been touched off by Soviet premier Bulganin's ambiguously worded note to Japan's prime minister Hatoyama on 14 September that the USSR is willing to use Japan's "five points" as a basis for the normalization of relations. While a special emissary is now in Moscow to clarify the Soviet position, Japanese press and business community criticism of the Hatoyama government's ineptness has been mounting, and former prime minister Yoshida's followers are threatening to split the ruling Liberal-Democratic Party if Hatoyama goes to Moscow as planned in early October.

The Japanese five-point proposal envisaged an agreement calling for the termination of the state of war, an exchange of ambassadors, the immediate repatriation of Japanese detainees in the USSR, implementation of the fishery agreements, and the USSR's unconditional support for Japan's admission to the United Nations. Japan also wants to continue the negotiations for the return of the Southern Kurils and to have Shikotan and the Habomai Islands turned back immediately.

Official Japanese reaction to Bulganin's letter is that the Soviet position is too vague. It apparently made no mention of the territorial issues and, moreover, did not give assurance that the USSR is ready to drop its insistence

on the simultaneous accession of Japan and Outer Mongolia to the United Nations. On 21 September, Special Ambassador Shunichi Matsumoto was sent to Moscow to determine the Soviet position on these points.

Business leaders who finance the Liberal-Democratic Party have become impatient with the government's inability to conclude the negotiations with the USSR successfully. They regard Hatoyama's weak leadership as the primary difficulty and have demanded that he retire before further negotiations are undertaken.

The Japanese press, which earlier had been instrumental in forcing the government to stop Foreign Minister Shigemitsu from signing away the disputed islands, now has objected to Hatoyama's trip until the Soviet position is clear and in agreement with Japanese demands. The press seems fearful that Hatoyama, given any room for negotiation, will be inveigled by the USSR into selling out Japanese interests.

The anti-Hatoyama movement within the Liberal-Democratic Party is gaining strength, and 224 of 423 party members in both houses of the Diet have supported the formation of the "Situation Discussion Council," which has the avowed purpose of preventing Hatoyama's trip to Moscow and forcing his retirement. Hatoyama continues determined to make the trip and fulfill his February 1955 election pledge to normalize relations with the USSR.

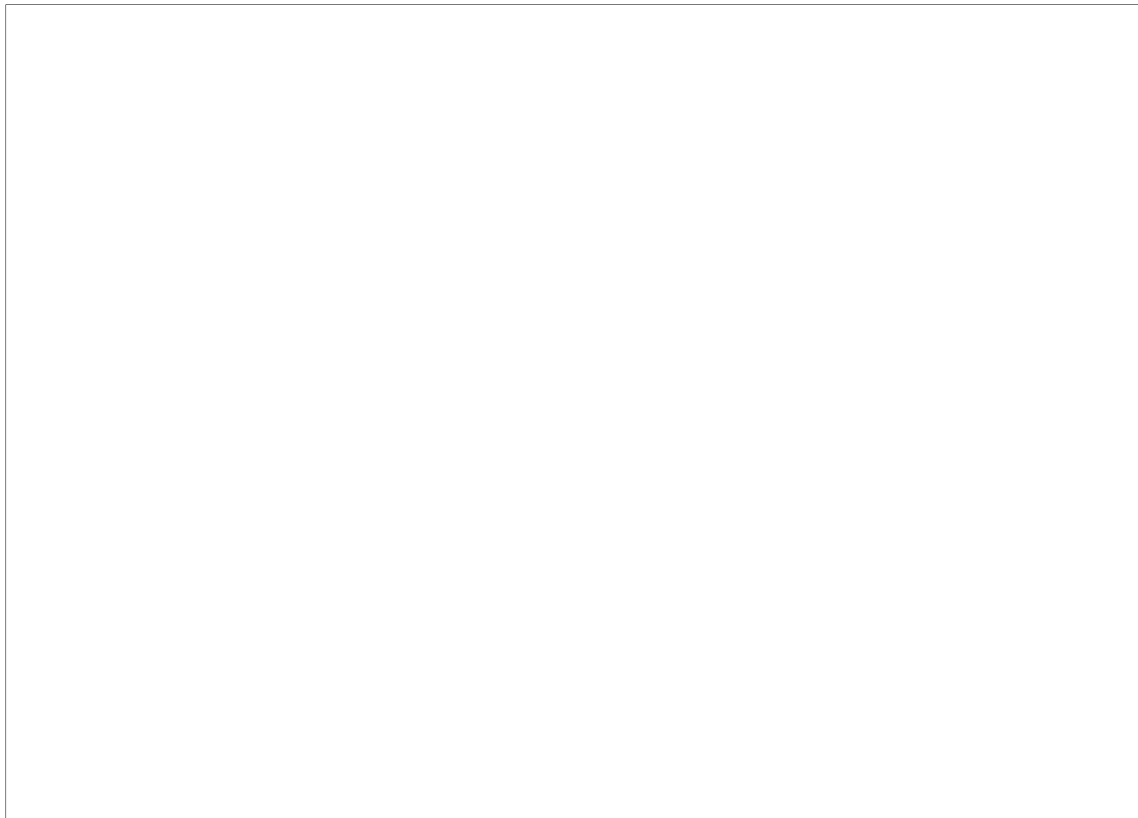
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**SINGAPORE**

The Singapore government's move to suppress Communist activity in the British crown colony, which began on 18 September, was well planned and deliberately executed. In the initial action, seven Communist-front leaders were arrested and three organizations ordered dissolved.

One of the groups was the 3,000-member Chinese Middle School Students' Union, probably the most thoroughly indoctrinated front in the colony. It was banned on the grounds that although it had registered as a nonpolitical organization, it had "persistently flouted" its pledge to abstain from political activity.

Chief Minister Lim Yew Hock says he intends to press his challenge and to eliminate

as an effective political force the pro-Communist People's Action Party. The Action Party has been the most vigorous political party in Singapore and the chief co-ordinating body for Communist activity. Lim set the stage for his crack-down on 6 September when he demanded a vote of confidence from the Legislative Assembly for his government's entire program, which specifically included the antisubversion campaign.

With attention centering primarily on the negotiations with London for more independence, he won a unanimous vote of confidence and has since rejected a demand by the People's Action Party for a special assembly debate on the arrests, claiming that he already has clear-cut support for his actions.

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The People's Action Party and its affiliates were caught off guard by the government's sudden moves. Reaction so far has involved a one-hour protest strike by the leftist Factory and Shopworkers' Union on 24 September and a "stay-at-school" strike by nearly 1,000 Chinese students.

Left-wing unions have threatened to use a "peaceful secret weapon," and various front organizations have accused the government of arresting "ardent" independence supporters and of being led by "colonialist stooges." The People's Action Party has publicly limited itself to a statement that the government's action was "sudden and arbitrary," giving rise to "grave concern," and that the party

would investigate the matter and "pursue it to the end."

Although at the moment it appears unlikely that the People's Action Party will risk a major showdown, the possibility exists that it might mobilize large-scale disorders in an effort to discredit Lim. The chief minister has publicly stated, however, that any unlawful activities by the Communists would be "ruthlessly wiped out."

Two members of Lim's government have informed American officials that the action taken to date is "only the beginning," and other moves will follow shortly to keep the Communists off balance. They emphasized that there is no turning back since to do so would be political suicide. 25X1

REUNIFICATION PROBLEMS OF THE ITALIAN SOCIALISTS

Major difficulties still are likely to block early reunification of the Socialists in Italy, despite recent public expressions of optimism by spokesmen of both the Democratic Socialist Party and the Nenni Socialists.

The chief obstacles to the creation of a unified party are trade union problems, the Nenni Socialists' undemocratic internal organization, and their strong pro-Communist faction. The merger outlook is further complicated by reported opposition from the Nenni Socialist left wing in the face of the apparently favorable attitude of the Italian Communists.

Both Socialist parties call for a single labor union free from domination by any political

party, but the Nenni Socialists endorse the Communist-controlled General Confederation of Labor as the basis for unity in the trade unions. The Democratic Socialists, however, seem inclined to compromise by postponing this issue.

In an obvious bid for Socialist support, Giuseppe di Vittorio, the General Labor Confederation's secretary general, declared in August his organization would be apolitical. According to a rumor reported in the Italian press of 25 September, Di Vittorio may announce his resignation as president of the Communist-dominated World Federation of Trade Unions at that organization's congress now meeting in Sofia. Such a move could be a Communist tactic to make the General Labor Confederation

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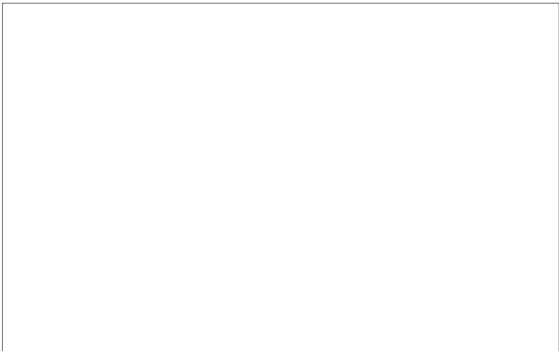
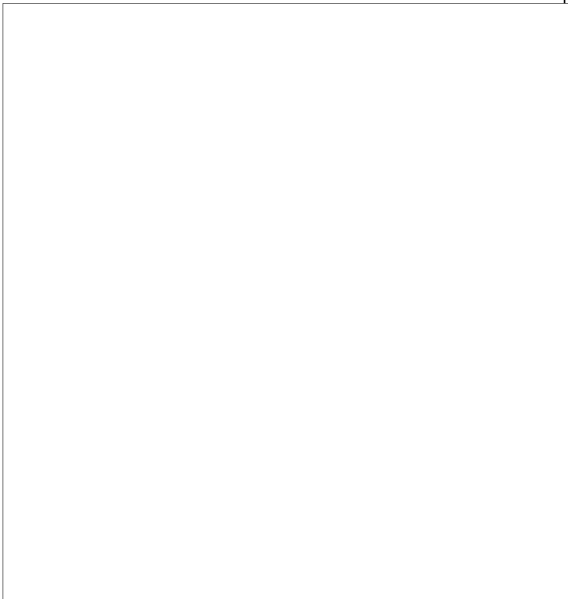
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more attractive to the free trade unions by appearing to weaken its connection with the world federation.

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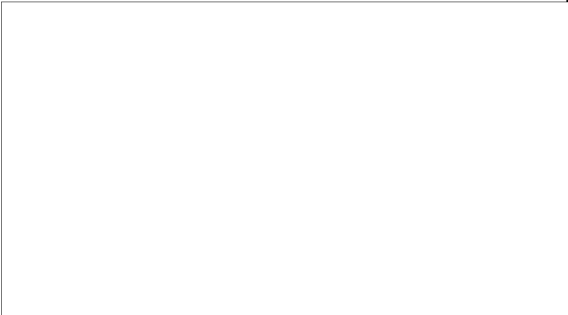
Radio Moscow

and Pravda on 13 September carried summaries of a speech by Togliatti in which he said the Communists could not be opposed to a restoration of Socialist unity, but warned that enemies of the working class were trying to win over the Socialists to the anti-Communist front. Moscow thus appears to be endorsing Togliatti's cautious attitude of approving Socialist reunification. Nenni himself has said reunification would not impair and might benefit his party's relations with Communists. The Communists may hope to exploit a merged Socialist Party, even if an open break with Nenni results.

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Nenni Socialist leadership is already insisting that a united Socialist Party reject any discrimination against Communists, beginning with employment in public administration.

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The Nenni Socialist central committee is to meet from 27 to 29 September to consider the unity question, and the Socialist International Bureau appointed a three-man committee on 20 September to follow this problem.

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TURKISH PRIME MINISTER MOVES TO SUPPRESS OPPOSITION

In the face of mounting economic difficulties, Prime Minister Menderes has instituted increasingly authoritarian measures rather than agree to economic reforms. He will

probably be able to suppress opposition criticism as long as he has the support of his party and of the farmers.

Opposition attacks on Menderes' economic policies have

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been the main factor in the government's decision to institute controls over all means of public expression. Menderes is committed to a continued high rate of industrial and agricultural expansion, although these policies have produced a critical economic situation, including a heavy foreign debt and trade deficit, sharp inflation and domestic shortages. An economic stabilization program which the prime minister agreed to reluctantly after a cabinet crisis in late 1955 apparently has now been abandoned. Menderes reportedly brought about the resignation of two key cabinet ministers responsible for carrying out the program so that he could appoint men personally loyal to him.

The opposition Republican People's Party is exploiting the government's handling of the economic situation in its attack on the government. Menderes has responded by instituting repressive measures, reminiscent of the Ataturk era.

With an overwhelming parliamentary majority, Menderes has had little difficulty in obtaining approval for laws restricting assembly, silencing press criticism of the government, and lifting the parliamentary immunity of opposition deputies.

Several High Court judges who were known to oppose the government have been retired, and newspaper editors have been arrested for "journalistic sabotage"--criticism of government officials or policies.

An example of the operation of the press law is seen in the case now being tried in an Ankara court of a 15-year-old newsboy, arrested for shouting the headline that the minister of finance had resigned.

Opposition leader Kasim Gulek, who is already under a six-month suspended sentence for violating the law restricting assembly, appears to be continuing to try to goad the government into further action against him. It is not yet clear if his attempts at political martyrdom will win widespread public sympathy.

The opposition parties--the Republican People's Party, the Republican Nation Party and the Freedom Party--apparently hope to keep the government on the defensive while they seek enough public support to be a challenge to it in an election.

The Freedom Party, an offshoot of the Democrat Party, has been especially active in seeking co-operation, but the leaders of the two Republican parties appear wary of any formal arrangement. The great mass of the voters are farmers and strongly support the Democrat Party, whose policies favor agriculture.

Barring an economic crisis intense enough to lose Menderes the confidence of his party and the support of the farmers, the prime minister's policy of suppressing all criticism will probably continue, and further repressive measures may be taken.

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**PROSPECT OF
LABOR UNREST IN SPAIN**

Spanish industrial workers may strike again shortly after 1 October in protest against the meager wage raise which will be effective on that date. The steady rise in the cost of living during the past year is a source of mounting concern to labor, which blames the government for its precarious economic status. Moreover, the workers still resent the harsh measures employed by the regime against the strikers in northern Spain last May.

Although the upward trend of living costs leveled off somewhat during the summer, it will probably advance again in the autumn, particularly in view of last spring's wage increase and the salary raise granted on 1 June to civil servants and the armed forces.

A 16-percent wage increase on 1 April brought walkouts in northern Spain because the increase neither offset the rise in prices nor improved the living standard of low-income groups. Labor had been led to expect a 30- to 60-percent

increase, but in most cases the April hike amounted to only 6 or 7 percent of take-home pay. The wage boost for industrial workers scheduled for 1 October amounts to an additional 6 percent.

Labor resents the small contribution to the pay increase to be made by employers during a period of high profits for industry. An additional irritant is the discrimination evident in the considerable raise given civil servants, amounting to as much as 60 percent on the lowest salaries.

Genuine economic relief would require the government to improve the workers' living conditions, provide a more flexible wage policy, raise the minimum wage rates, and place adequate controls on prices. The government, however, has not yet shown any intention of repealing the punitive measures taken in May against strikers which have deprived them of seniority rights and, in some cases, resulted in their transfer to other cities at lower pay.

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PART III**PATTERNS AND PERSPECTIVES****PROSPECTS FOR THE MOLLET GOVERNMENT**

When the French National Assembly reconvenes on 2 October, Premier Mollet will face mounting political opposition as a result of growing frustration over a number of domestic and foreign issues, any one of which could lead to Mollet's overthrow. Despite the difficulties over Suez, his failure to achieve a settlement in Algeria, and strong inflationary pressures in the French economy, Mollet will continue to press for enactment of a positive program.

Parliamentary Picture

Many deputies who voted Mollet's investiture on 31 January are now ready to risk his overthrow because of the deadlock on an Algerian settlement and disillusionment and discouragement over the Suez crisis. Many right and right-center deputies acquiesced in his minority government's program for social welfare, economic expansion and European integration only in the hope of seeing Mollet saddled with an unpopular settlement in Algeria. Regardless of whether or not he gets a settlement there, the assembly is unlikely to continue subordinating everything else to this problem.

Radical leader Mendes-France left the cabinet last May, and will probably become increasingly critical of the government's economic and social policies. Some of Mollet's fellow Socialists are irritated at the slow pace of reforms in Algeria; and when the second London conference on Suez ended, one of

his Gaullist ministers called on the cabinet to resign. The center Popular Republicans are reported negotiating with the Socialists with an eye toward entering the cabinet. This step would greatly strengthen Mollet's position and would make him less susceptible to pressure to rely on the Communists, who backed him until the Suez issue arose, and who still seem eager to "co-operate" with the Socialists.

While Mollet is under no strong domestic pressure to forge ahead on EURATOM and the common market, European integration has broad Socialist backing, and the government seems prepared to press for simultaneous assembly approval of both.



MOLLET

The authority of the regime may be threatened by antitax leader Pierre Poujade's call for a massive demonstration in mid-October in Paris to serve as the "legal parliament" of France. Poujade hopes to attract half a million adherents to the meeting, which apparently

is to be his long-heralded States General. Mollet may feel it necessary to prohibit this gathering because of the danger of violent countermanifestations.

Suez

Despite unprecedented assembly support for the government's strong position against Egyptian nationalization of the Suez Canal, this issue may precipitate Mollet's overthrow. The effect of the deadlock on France's already tight budget is becoming increasingly

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apparent. The requisitioning of commercial ships and the transfer of troops to Cyprus have already boosted expenses considerably, and any rise in oil prices would have an additional deleterious effect on the economy, particularly on the government's wage-price stability campaign.

There is growing sentiment in France against military action in Egypt. In general, the right and right-center is less enthusiastic than the government on using force. French disillusionment at the outcome of the second London conference has unleashed the first attacks on Mollet's Suez policy and is likely to lead to a bitter and prolonged debate. The premier's failure to obtain a satisfactory solution undermined his prestige and may deal the final blow to France's position in North Africa.

Algeria

The Suez seizure did, in fact, kill Mollet's faint hope of pacifying Algeria as the first step toward a settlement. Paris has concluded that it is unable to combat Nasr's rising prestige as a nationalist Arab leader, and the government now seems resigned to imposing a reform plan unilaterally. The plan has little prospect of being accepted by the Algerian nationalists.

General Juin's public statement in late August favoring federation for Algeria may help get a fairly liberal proposal through the assembly, and the Algerian nationalists

might be led to consider it. However, Mollet is in no position to agree now to complete independence, the nationalists' goal.

Economic Situation

The impact of increased expenses resulting from the Algerian and Suez crises has forced the French economy from a period of price stability and economic growth to a period of strong inflationary pressures. The damage to agricultural production from last winter's freezing weather, a major military effort imposed on a full-employment economy, increased wages and consumption, the expansion of industrial production, and the effort to maintain a high level of investment have already brought about an upward movement in prices and costs of production, speculation against the franc, labor restiveness, and a deterioration in the French balance of payments.

To contain the inflationary movement, the Mollet government has instituted price controls and has been manipulating the price index to keep it below the point that would make a general wage increase mandatory. In the fiscal sphere, the government reportedly intends to practice a policy of selective investments, and plans a drastic financial reform, including a widening of the tax base and more stringent provisions to prevent tax dodging.

The government's effort to keep prices and wages stable will depend on its success in winning voluntary support of employers to hold the price line and of the labor federations to forego requests for wage increases. Following conversations with Mollet on 12 September, the major employers' association modified its outspoken opposition to price controls but insisted on increasing prices to meet rising costs. The medium and small employers' organization,

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however, virtually defied the premier to try to enforce price controls. Bakers and grocers have already staged protest strikes in Paris against price ceilings, and farmers are expected to increase agitation, particularly if the government succeeds in reducing subsidies.

Labor Unrest

While the fall traditionally is a time for working-class unrest, the non-Communist labor federations do not seem inclined at the present to launch agitation that would cripple the government's stability program. They seem temporarily mollified by Mollet's reaffirmation on 11 September that the escalator wage law will be allowed to operate and by his promise to continue technical discussions of the wage-price problem, despite his firm opposition to a general wage increase.

The Communist-dominated General Labor Confederation (CGT) offers the most serious threat to labor stability, but it has reacted relatively mildly. In the mid-September discussions, it contradicted the government's analysis of inflationary pressures and announced its intention to agitate for a 15-franc increase in the hourly minimum wage and replacement of the consumer price index with the budget index as a more accurate reflection of the cost of living. Many non-Communist labor leaders also favor the latter move. Communist press comment indicates that the CGT intends to use protests and strike actions in the factories on the local level, with an appeal for the unity of workers, rather than nationwide agitation.

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PROSPECTS FOR THE SOCIALIST PARTY OF JAPAN

The Japan Socialist Party won almost one third of the seats in the Japanese upper house elections in July. In the more important and representative lower house elections in February 1955, the Socialists had garnered 29.2 percent of all votes cast to the conservatives' 63.2 percent. The conservatives, although down from their postwar high in 1952 of 66.2 percent, still hold approximately two thirds of the seats in both houses of the Diet.

Despite this disparity, there has been a discernible trend toward the Socialists since their postwar low in 1949, when they received only 13.5 percent of the vote. The Socialists point out that at their present rate of growth of about 1,000,000 votes a year, their support should match that of the conservatives within three years.

The conservatives have been considerably disturbed by this trend, however. In calling

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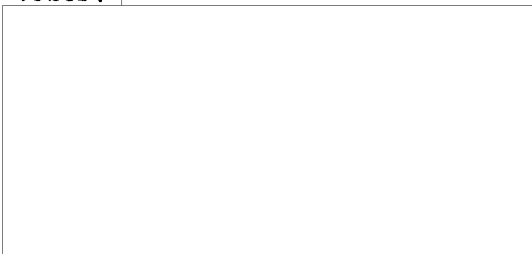
for Prime Minister Hatoyama's early retirement recently, 90 Japanese businessmen, described as the "pillars" of Japan's economy, were motivated by the fear that if new leadership were not provided soon, the Socialists would head the government in Japan.

Socialist optimism was given a boost by the results of a nationwide public opinion sampling by Tokyo's largest newspaper, the Asahi Shimbun, published on 7 September. The poll found that 33 percent of those interviewed supported the conservatives while 30 percent favored the Socialists, a 6-percent drop and 4-percent gain, respectively, since November 1955.

Party Program

The Socialists are actively moving to increase their following. A campaign is under way to gain 100,000 new party members by the end of November and each Socialist officeholder has been assigned a quota to recruit. The membership drive aims at broadening the party's support beyond labor's ranks, with emphasis on new farmer and small entrepreneur members.

At the same time, a "practical" economic program--a five-year plan to begin in 1957--is to be mapped out by mid-October.



The Socialists, as avowed "neutralists," have indicated they will still call for the return of Okinawa to Japan, and the early restoration of relations with the USSR and

Communist China, and will oppose American bases in Japan, nuclear weapons, a constitutional revision to "legalize" rearmament and the US-Japan Security Treaty.

Views on US and Bloc

The Socialists' domestic program emphasizes protecting "the people's livelihood" and safeguarding "human rights," which particularly appeals to Japanese labor. Their foreign policy, stemming from their "humanistic" attitudes, appeals to the widespread pacifist sentiments among Japanese women, youth and intellectuals. In practice, the Socialists oppose practically every American objective in Japan and emphasize the necessity for "independence" from the United States.

Most Socialists accept the leftist caricature of America.



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Pacifist and neutralist sentiment leads the Socialists to welcome the Communist "peace offensive," and they attribute America's "hard" policy to a "pathological" fear of Communism. One party leader says Socialist dislike of America springs from an inferiority complex resulting from the knowledge that Japan is dependent on the United States and must cast its lot with America. Regardless of the reasons, the Socialists can be expected to continue vocal opposition to American policies, at least as long as they are outside the government. Should the Socialists themselves form the government, the responsibilities of office would force a more practical consideration of politics.

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The Socialists are split on their views of the Communist bloc. A very small faction sees the Communists as the "camp of peace." The dominant group tends to equate the "sins" of capitalism and Communism--both are said to be systems in which "man exploits man"--and to see socialism as the middle road. Another relatively small faction is realistic in its appraisal of Communism and, while avoiding actions which could be interpreted as "pro-American," recognizes the advantages accruing to Japan as a result of its ties to the West.

Labor Support

The Japanese labor movement is the main source of Socialist strength and, in the estimation of one high Socialist, delivered roughly one half of the 11,200,000 Socialist votes in the recent upper house elections. While this support is vital to the party, the drive to broaden the party's popular base reflects concern that such support will not be sufficient to bring the Socialists to power.

In addition, labor's influence on Socialist policy has, in some cases, been embarrassing. In one instance, labor insisted that the Socialists include provisions in a Socialist budget proposal for the payment of minimum wages even though it was known revenues were not available and that labor's objective was to dramatize its call for a national minimum wage. A party official said that although this action added substance to charges of Socialist "unrealism," the party had to include the provision for fear of losing labor votes in the next election.

Labor's support may also complicate the Socialist stand

vis-a-vis the Japan Communist Party. The Socialists have maintained, since their merger in 1954, a clear distinction between themselves and the Communists. They maintained this stand during the July election despite repeated Communist overtures for a "united front" and the temptation posed by a few more possible Socialist victories if Communist support were accepted. Three prefectural parties did accept Communist support against the central leadership's advice. On the whole, the party has avoided becoming a Communist captive and the small pro-Communist group within the party has been virtually isolated.

One of the best avenues for Communist influence on Socialist policy would seem to be through the labor movement, in which awareness of the danger of Communist infiltration is not so strong. Sohyo, Japan's largest labor federation, showed signs of serious Communist infiltration at its convention in late August and adopted an action policy which, among other things, follows the line of the Communist-dominated World Federation of Trade Unions and calls for joint action with the Communists in "nonpolitical" matters. Just what this will mean in practice is, as yet, unclear.

That the Socialists will be able easily to break away from their espousal of labor's interests seems doubtful in view of the party's heavy dependence on labor. The unions have demonstrated their ability to deliver votes and funds to the Socialists and, in the recent election, to elect labor-backed candidates. Of the Socialist Diet seats, almost one third are held by former Sohyo members and 10 percent by former members of one union, the Communist-dominated Japan Teachers' Union.

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The immediate outlook is rather for increased labor union influence in the Socialist Party, and Sohyo's secretary general is urging union members to join the party. Modifications in the Socialist platform to gain wider appeal--for example, by revising the call for a national minimum wage, which small entrepreneurs find unpalatable--probably will be objected to by the labor element, however.

In addition, the Socialist leadership itself is split on the issue, with the Marxists favoring a labor-dominated party. Serious attempts to weaken labor's influence, therefore, could precipitate an intra-party factional struggle which would be as likely to split the party as win it added support.

In expanding their influence among the farmers, the Socialists are faced with the difficulty of breaking the association between Socialism and radicalism in the minds of many rural voters. This belief, fostered by the prewar government, has not been weakened by Socialist-inspired riots in the Diet.

Socialist Chances

Socialist prospects for attaining power in the next few years remain limited, except in the case of a prolonged economic crisis, gross conservative ineptitude, or a major split in the conservative party. Public support of the party will probably continue to grow gradually as the Socialists exploit the labor field more intensely, "enlighten" more pacifist women voters, and hold the votes of intellectuals and youths.

There are some signs that the party is becoming increasingly mature and realistic on certain issues. On the problem of restoring relations with the USSR, for example, the Socialists have recently eased indiscriminate attacks on the government for failure to secure an

"early settlement" and, for the moment at least, have agreed to co-operate with the Hatoyama administration in bringing about an agreement which does not sacrifice Japan's territorial claims permanently. While decrying "American interference in Japan's internal affairs" during the debates on Japan's policy in the negotiations, Socialist secretary general Inijiro Asanuma even admitted it might be proper to seek American views, "for reference only."

Socialist influence on Japan's national policy is likely to be somewhat greater than the party's vote-getting ability or Diet representation might indicate. The conservatives' fear of the Socialist "trend" has prompted them to appropriate certain Socialist campaign planks and to attempt to avoid creating clear-cut issues on others. The conservative setbacks in the July election, following blatant attempts to rig the election mechanism against the Socialists, may make the conservatives more cautious in their efforts to contain the Socialists.

In addition, the vocal intellectuals and much of the press are sympathetic with the Socialists, and few conservatives have so far been willing to explain vigorously the rationale behind their willingness to see Japan go along with certain American policies. This assures wide publicity, without refutation, of Socialist charges of "subservience" to America. The political climate makes a showing of "independence" from America politically valuable, even to conservatives.

Japan's basic alignment with the United States is not likely to be broken either by Socialist influence on a conservative government or even by a Socialist government. At the least, however, the Socialists can be expected to push to increase Japan's maneuverability in its international relations.

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THE DE-STALINIZATION CAMPAIGN IN SOVIET GEORGIA

In the face of the unexpected popular reaction in Georgia to the attack on Stalin at the 20th Soviet party congress in February, de-Stalinization was delayed there but has now begun in earnest. The effect of the incident on Georgian nationalism will probably color relations between Georgia and the Moscow government for years to come.

March Demonstrations

The details of what took place during the four days of disorder in Tbilisi can now be pieced together

[Redacted]

The students went ahead with their plans to read poems and lay wreaths at Stalin's statue in Stalin Park. The police apparently took no action. An air of excitement developed because of the semi-illegal nature of the activity, and crowds drifted into the city from outlying towns.

At the same time, resentment mounted as word leaked out of Khrushchev's secret speech at the party congress.

Apparently there was no violence until 8 March, when students rioted through the town shouting anti-Soviet, anti-Russian slogans, smashing windows and overturning streetcars. Other citizens joined in.

[Redacted]

Although many of the demonstrators were undoubtedly motivated by genuine hero worship of Stalin, the prevailing sentiment seemed to have been one of outraged national pride. There are indications that over the past several years, Georgians have grown resentful at losing the prestige they had enjoyed under Stalin and his fellow Georgian, Beria.

In an unusual gesture of deference to public opinion, the authorities on 8 March officially authorized commemorative meetings, probably in the hope of ending the disorder. Zarya Vostoka, the Georgian party newspaper, appeared the next day with a front-page picture of Stalin and Lenin and an editorial commemorating Stalin's death. The paper announced the scheduling of mass meetings that day in factories, schools and other institutions. These moves did not placate the people. Disorders continued throughout

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ЗАРЯ ВОСТОКА
Орган Центрального и Тбилисского комитетов Компартии Грузии и Советов депутатов трудящихся Грузинской ССР
Выходит ежедневно по пятницам на территории Грузинской ССР

№ 58 (9558)
Пятница
9 MARCH 1956
марта
1956 г.

Третья годовщина со дня смерти И. В. Сталина

Принято три года после смерти И. В. Сталина — выдающегося учителя революции и коммунистического строительства, несомненно основной прочностью советского общества и государственного строя. Неустанный труд привнес в родину Коммунистическая партия в том, чтобы казды братская дружба людей Советского Союза, чьей политикой партии из указания великого учителя громадные успехи в постройке различных отраслей промышленности и сельского хозяйства, осуществил по плану для кооперации, устраняет взаимное недоверие... На по Ленинскому пути, наша партия соединяет все народы Советского Союза неразрывными нитями братской дружбы.

WORKING PEOPLE OF GEORGIA REVERE THE MEMORY OF I. V. STALIN
Исторические решения XX съезда КПСС, советский народ твердо борется за осуществление главной экономической задачи СССР — в исторически кратчайшие сроки догнать и перегнать наиболее развитые капиталистические страны по производству продукции на душу населения. За годы пятого пятилетия партия добилась нового многого парала все отрасли промышленности. Пятый пятилетний план по промышленности был выполнен досрочно — за 7 года и 4 месяца. Теперь перед рабочими промышленности поставлены более трудные и важные задачи. Людьми по достижению пятилетнего плана идет на то, чтобы повысить в 1960 году уровень промышленного производства в 1956 годом производства на то, чтобы довести в шестой пятилетке производство зерна до 11 миллиардов пудов и много увеличить производство продукции животноводства. Благодаря героическому труду и творческой инициативе рабочего класса, колхозного крестьянства, народной интеллигенции. Эта задача достигнута потому, что наша партия, ее Центральный Комитет во всей своей деятельности неизменно руководствуется теорией марксизма-Ленинизма.



В. И. Ленин и И. В. Сталин в Горках (1922 г.).

Трудящиеся Грузии чтут память И. В. Сталина

К новому подъему промышленности и транспорта Советской Грузии

ТБИЛИСИ

Исторические решения XX съезда КПСС — могучий источник нового подъема политической и трудовой активности советских людей. Народы Советского Со-

that day despite exhortations from loudspeakers that people go home.

On the evening of 9 March, crowds gathered in Stalin Park shouting, "To the post office!" The idea reportedly was to send a telegram to Molotov and the United Nations protesting the denigration of Stalin and discriminatory treatment of Georgia. Army troops, which had apparently been moved into the city the night before, were drawn up in front of the government buildings. As the people converged on the post office, troops opened fire, first into the air and then into the crowd. Reports of the number killed have ranged from 10 to 100, with many others wounded.

There apparently was no further violence. More troops

were brought in and patrols from the security forces ranged the streets. Patrols were still in evidence, however, when foreigners were again allowed to visit Tbilisi a month later, and Western newsmen noted that an underlying bitterness among the population which they felt would not soon disappear. As one old woman put it, "We don't say much openly, but inside we are seething."

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Official Reactions

The local authorities apparently had not expected such a strong reaction to the de-Stalinization campaign in Georgia and were dismayed by the

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show of nationalism. There was probably considerable reluctance to push the campaign in the face of such opposition. It is probable, furthermore, that Georgian officials requested Moscow for permission to slow down the campaign to allow more time for propaganda groundwork.

In the uneasy period that followed, the Georgian papers struck out against propaganda organizations, hooliganism, and "collective" cutting of courses on dialectical materialism. They referred menacingly to "enemies of the people who are trying to weaken the friendship of people and restore bourgeois nationalism and national exclusiveness." Two Komsomol central committee secretaries and the first secretary of the Tbilisi city party committee were removed.

The de-Stalinization campaign was virtually halted and praise for Stalin continued in the press. In reporting the May Day parade in Tbilisi, Zarya Vostoka observed that demonstrators carried portraits of Stalin which described him as "one of the most outstanding figures of the Communist movement" and included a reference to a number of institutes named after him. The press also reported that the Georgian government had received approval from Moscow to complete the construction of a museum dedicated to Stalin.

De-Stalinization

After publication of the central committee's resolution of 30 June, however, the de-Stalinization campaign was resumed in Georgia, probably as a result of impatience in Moscow over foot-dragging by Georgian officials. In early August, P. V. Kovanov, a deputy head of the all-Union central committee's Department of Propaganda and Agitation, was

transferred to Georgia as party second secretary--the first non-Georgian to serve in the top leadership since the early thirties.

During the first two weeks in August, an intensive propaganda campaign was launched with a series of articles in Zarya Vostoka which indicate that the aim was to interpret the "evils" of the personality cult in terms of specific local problems. The alarming extent of bourgeois nationalism in Georgia was the principal deviation blamed on the Stalin cult. The goal is to eliminate both deviation and its cause.

The burden of blame was placed on Beria, but it was made clear that Stalin was responsible for Beria's regime in Georgia. The unpopular Beria image is thus being used as a means of discrediting the still revered Stalin.

Because of the influence of Beria and Stalin, the articles explained, a "barrier existed between the Georgian leadership and the central committee" of the Soviet Communist Party, and thus for many years Georgia remained outside the effective control of Moscow. As a result, "foreign, anti-party practices" sprang up, and literary works saturated with ultranationalistic, anti-Russian feeling were allowed to run into many editions. Historians, it was said, belittled the importance of the union of Georgia and Russia and concentrated on the distant past. No serious studies of problems of Marxist philosophy were published for ten years, and ideological indoctrination, particularly of the youth, was almost nonexistent.

Party boss Mzhavanadze admitted at the party plenum in August that the "central committee of the Georgian Communist Party underestimated how

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deeply the Stalin cult had become rooted in the consciousness of the people of Georgia, or its excessive proportions and nationalistic character." It "failed to give an adequate explanation to the people" or take any effective action.

Although Mzhavanadze placed the blame on the Georgian central committee, it is clear that Moscow did not take a firm stand on what course should be pursued. Georgian officials, lacking definite directives, perhaps disagreeing as to approach, and differing in their degree of enthusiasm

for the de-Stalinization campaign, allowed the situation to drift, and this led to Moscow's action in early August.

Moscow faces a real problem in the existence of strong nationalist sentiment in Georgia. Never far below the surface, this sentiment has now been aroused by a direct and open clash with Moscow. Although the regime is apparently determined to employ every means to overcome this attitude, it will probably continue to be a source of trouble for some years to come.

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