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CURRENT INTELLIGENCE WEEKLY SUMMARY



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OFFICE OF CURRENT INTELLIGENCE

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~~SECRET~~**CONFIDENTIAL**

CURRENT INTELLIGENCE WEEKLY SUMMARY

25 April 1957

PART I

OF IMMEDIATE INTEREST

MIDDLE EAST DEVELOPMENTS

Jordan: Political

Egypt and Syria, together with antimonarchical Jordanian nationalist groups inside and outside of Jordan, have launched an all-out attack on King Hussain. Cairo and Damascus radio broadcasts as well as agent and fedayeen actions from Syria are aimed at instigating demonstrations and strikes. Egypt and Syria hope to develop a situation in which the king will be compelled to use force to maintain order, thus alienating him and his loyal troops from the bulk of the West Jordan and urban population.

King Hussain met this challenge on 24-25 April by appointing a new cabinet, nominally headed by a Ibrahim Hashim, a 73-year-old elder statesman. The real leader of the cabinet, however, is Samir Rifai, deputy prime minister and foreign minister, a relatively forceful pro-Western politician

The king has declared martial law throughout the country, imposed a curfew in major towns, and decreed the dissolution of all political parties.

The latest developments were precipitated by the king's appointment of a council of army officers to investigate loyalty in the army, and by his replacement of nationalist officers with Bedouin officers loyal to the crown. These moves and the arrest of several antimonarchical "free officers" led to the flight of the newly appointed army chief of staff,

General Hiyari, to Damascus, from where he tendered his resignation. Hiyari subsequently held a press conference in Damascus at which he accused the "palace" of plotting against Jordan's independence and liberties "in co-operation with non-Arab military attachés in Amman." A Bedouin officer, Major General Habis Majali, has been named acting chief of staff.

The leftist-dominated National Guidance Committees in various towns, representing the National Socialist, Baath, National Bloc (Communist) and Arab Nationalist Parties, have denounced "Western imperialist intrigue" in Jordan, and demanded resignation of the Khalidi cabinet, reappointment of the Nabulsi cabinet, reinstatement of all nationalist army officers, ousting of the American ambassador and army attaché, and rejection of the American proposals for the Middle East.

Jordan: Military

The Jordanian Arab Army, numbering about 25,000, organized into six brigades, is deployed in three principal areas -- Amman, Maan-Aqaba, and West Jordan.

Two infantry brigades and the all-important armored brigade are located in the vicinity of Camp Zerka about 15 miles from Amman. The fighting personnel of these units are largely Bedouins and are believed mostly loyal to the king. Two other infantry brigades are in West Jordan, where two thirds of Jordan's population live;

CONFIDENTIAL~~SECRET~~

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

25 April 1957

the political loyalty of these units and their officers is uncertain. The artillery brigade is split among the four infantry brigades.

Additional forces in West Jordan are 7,600 men of the frontier corps deployed along the armistice line, and up to 18,000 men in national guard units. These forces are an organized militia equipped primarily with small arms. Their loyalty to the king is questionable.

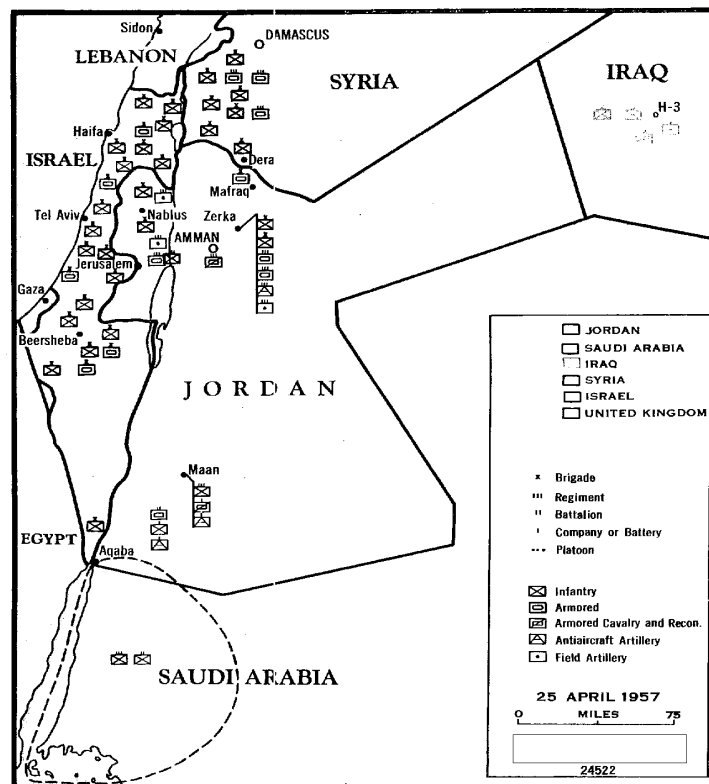
Saudi Arabia has about 3,000 troops in Jordan west of Amman near the Jordan River. An additional 4,000 Saudi troops are deployed adjacent to the Aqaba area in northwest Saudi Arabia.

A Syrian armored brigade of 3,000 men is located at Mafrag, north of Amman near the Syrian border. While its deployment was aimed at guarding against an Israeli thrust across the Jordan River, these forces could support the antimonarchical nationalists in West Jordan. The Syrian command on the Israeli front numbers about 42,000, and some portion of this force could intervene rapidly in Jordan.

Iraq has recently concentrated about 4,500 men at H-3 pumping station--50 miles from the Jordanian border and 235

miles from Amman. Additional forces necessary to concentrate a 12,000-man division at H-3 are reported to have been alerted for possible movement. Iraqi officials maintain that their forces will not intervene in Jordan unless requested by Hussain.

The 1,300-man British force in Jordan is preparing to



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evacuate in the next few months under the terms of the agreement terminating the Anglo-Jordanian treaty. The British units, including a tank battalion, now are at Aqaba. A small number of these troops and their equipment have already been withdrawn.

Israeli army forces number about 55,000, plus 25,000

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

25 April 1957

paramilitary Nahal personnel, with at least one-year training, in border settlements. In its present status of limited mobilization, Israel has four of its 23 brigades at full strength--at Eilat, Beersheba, Tel Aviv and Haifa. Israel could mobilize about 200,000 men within 48 hours, however. On 24 April the American army attaché in Tel Aviv reported signs of limited mobilization. Israeli chief of staff Moshe Dayan is reported to have cut short his European vacation to return to Israel on 25 April.

Suez

Cairo's amended declaration on the operation of the Suez Canal, sent to UN Secretary General Hammarskjold for deposit as an international instrument, contains some adjustments in language but no essential changes from the statement issued in March. Egypt remains the sole authority on the operation of the canal and the sole collector of tolls in authorized currencies.

Lip service is paid the "six principles" of last October in the covering letter from Egypt to the UN; the Egyptians balked at including anything about these principles in the text of the declaration, since Nasr said he feared a trap and asserted that Egypt's interpretation of the principles clearly differed from that of Britain or France.

The Egyptians have insisted that they genuinely recognize the necessity of establishing confidence among the users and the need to work in co-operation with maritime interests. They are loath, however, to engage in any government-to-govern-

ment negotiations, on the ground that such meetings on canal operations might derogate from Egyptian sovereignty. Private commercial interests would also presumably be much easier to deal with.

Behind Egypt's reluctance to extend recognition to any kind of users' association involving government representation there almost certainly lies primarily an implicit commitment that Egypt would enter a multilateral international conference on the canal only if the Soviet Union were included.

Meanwhile, the first British- and American-flag vessels have passed through the canal; the level of canal operations has remained low, however, with fewer than 20 ships per day making the trip compared to between 30 and 45 before hostilities. The American report to the Security Council, scheduled for 26 April, may well be the signal for a substantial increase in the use of the canal, despite the French government's attempts to maintain a boycott.

With vessels of major maritime nations again using the canal, the Israelis are faced with a decision as to when, if, and how they may implement their claim that Israeli-flag vessels as well as non-Israeli vessels headed to or from Israel pass through the canal on an equal basis with non-Israeli shipping. The Egyptian declaration, contrary to an impression given by press reports, does not provide a means for putting this question up to the jurisdiction of the International Court of Justice. Only differences between parties to the Constantinople Convention of 1888 are to be so handled.

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

25 April 1957

The Israeli press has continued to exhibit concern that Israel's interests have been ignored in the big-power negotiations on the canal problem and to threaten a dramatic move to bring these interests again to world attention.

While there have been no recent reports that the Israelis are preparing a specific ship to send to the canal, the Israeli merchant marine has a number of older vessels available which it might be willing to risk in such a maneuver, and such a vessel could appear at the canal entrance with little or no warning if the Israelis chose.

Aqaba

At the same time, the Israelis' interest in the Aqaba question has become still more active as a result of Arab at-

tempts to deny Iranian oil to Israeli purchasers. Although the Shah of Iran cannot legally control the sales of the international consortium which markets the vast bulk of Iranian production, he and the Arabs probably can put effective pressure on its members.

The issue is critical for Israel inasmuch as the pipeline from Eilat to Beersheba is completed and operating. The oil discharged at Eilat earlier this month by the American-flag tanker Kern Hills has been put through the pipe as a test run; it was expected to arrive at Beersheba, the present northern terminus of the 8-inch line, on 24 April. The Kern Hills was originally to arrive back in Eilat from its second trip to Iran on 30 April; but the subsequent international complications seem likely to delay its voyage.

25X1

MOSCOW'S COEXISTENCE CAMPAIGN

Public statements by Soviet leaders last week and private overtures to Western diplomats suggest that Moscow believes it has succeeded in stabilizing the situation in Eastern Europe and now is in a position to return to the general foreign policy line laid down at last year's party congress.

Khrushchev struck the keynote with his remark at a public reception on 15 April that "the Hungarian situation was a rather sharp affair...but things now are settling down." In a farewell conversation with Ambassador Bohlen on 17 April, Khrushchev and Bulganin expressed optimism in regard to relaxation of international tension and improvement of relations with the West.

Soviet officials have taken the same line in recent talks with British and French diplomats. During the new British ambassador's first call on Bulganin, the Soviet premier deplored the absence of contact between high-level Soviet and British leaders. He asserted that the USSR wishes to return to the type of relations that existed at the time of the Bulganin-Khrushchev visit to London in April 1956. In a 20 April letter to Prime Minister Macmillan, Bulganin made a major bid for a return to the "Geneva spirit" in Anglo-Soviet relations, and asserted that "transient considerations" should not prevail over the fundamental interests of the two countries.

The Soviet ambassador in Paris, the counselor of the

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

25 April 1957

Soviet embassy and a Pravda correspondent have all pleaded for better relations between the USSR and France.

On 19 April, the USSR handed notes to the United States, Britain and France calling for a four-power declaration condemning the use of force in the Middle East. These notes are intended as a public demonstration of the Soviet interest in a big-power conference on Middle East problems and, together with the release on 23 April of letters exchanged between Bulganin, Eden and Mollet before last fall's invasion of Egypt, are designed to demonstrate to the Arabs the pro-Arab content of Soviet policy.

First Deputy Premier Mikoyan told Ambassador Bohlen on 17 April that the Soviet government did not understand why the United States, Britain and France were not prepared to talk over Middle East problems, and said that he felt if this were done some areas of common interest could be found.

Concurrently, Soviet officials have approached American, French and British representatives individually with especially tailored proposals for discussing Middle East problems. On 19 April a TASS representative emphasized to an American in Western Europe the need for a top-level Soviet-American conference on the Middle East as a prelude to restored confidence between the two countries. He added that "our top people should discuss measures to avoid a conflict in that area.... I keep saying the Middle East, because there, I believe, we might be able to go on to other things."

A high French Foreign Ministry official informed the US

embassy on 19 April of a recent conversation with a Pravda correspondent in Paris who sought a closer concurrence of Soviet-French policy in regard to the Middle East. He intimated that the USSR was not overly enthusiastic about Nasr and might even contemplate withdrawing support from him "under certain circumstances." He added that the USSR might take a conciliatory line regarding Suez and Middle East problems generally if France would show a more understanding attitude. The French official revealed that the same general line had also been taken recently by the Soviet ambassador in Paris.

The new British ambassador in Moscow told Ambassador Bohlen on 15 April that Gromyko and Bulganin recently had revealed the apparent desire of the USSR for Soviet-British discussions on the Middle East "at a responsible level." The ambassador received the strong impression that the Soviet government is most anxious to return to the state of relations prevailing after the Geneva conference.

Recent statements by Soviet leaders indicate that they feel that any drive aimed at moderating international tension and redeveloping a "Geneva spirit" necessitates a moderation of Soviet-Yugoslav polemics. However, any concessions to "national Communism" were precluded by last fall's events in Eastern Europe, and the Soviet leaders have very little room in which to maneuver with Tito. Any ideological concessions or even a reinstatement of large-scale economic aid would again prove that being a heretic, and an obstinate one at that, was profitable.

25X1

SECRET

CONFIDENTIAL

CURRENT INTELLIGENCE WEEKLY SUMMARY

25 April 1957

PART II

NOTES AND COMMENTS

GREEK-TURKISH RELATIONS CONTINUE TENSE

Relations between Greece and Turkey, exacerbated by the arrival in Athens of Archbishop Makarios, remain in a state of high tension. Provocative incidents then were avoided by extraordinary security precautions by the governments of both countries. However, there are increasing indications that the Turks may be contemplating drastic action against the Greek community in Istanbul. The Greek Orthodox Patriarchate of Constantinople is less secure of continued existence now than at any time since 1925, when the patriarch was expelled and forced to flee to Greece.

The congratulatory invitation of Governor Harriman to Makarios to visit New York has raised a new storm in Turkey. Most Turks do not understand the American federal system, and the invitation has been generally viewed as a statement of official American policy favoring the Greek case regarding Cyprus.

[redacted] Turks, who formerly thought the United States supported Turkey's position, may now revert to their basic conviction that the United States will always back Christians against Moslems.

The American embassy believes there is a growing feeling in Ankara that action against the patriarchate would give tangible evidence of the intensity of Turkish feeling as well as satisfy the popular demand for dramatic action on the part of the government.

Greek officials are increasingly concerned over the Turkish attitude toward the patriarchate, and fear that its expulsion from Istanbul would enable the Moscow patriarchate to assume the leadership of the entire Eastern Orthodox Church. The American consul general in Istanbul believes Athenagoras and his Holy Synod would resist any move toward expelling them and might ask for foreign assistance, presumably from the World Council of Churches, the Anglican Communion, and interested governments.

Makarios probably still aims at the eventual union of Cyprus with Greece, although the Greek government apparently is trying to influence him to accept eventually an internationally guaranteed independent status for Cyprus. Makarios is expected soon to go to London, where the British may invite him to discuss informally the prospects for negotiations on self-government for Cyprus between the British and representatives of all the island's communities.

25X1

CONFIDENTIAL

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

25 April 1957

INDONESIA

The deadlock between Djakarta and disaffected provinces continues in Indonesia despite a drive by government officials to restore national unity and to carry out President Sukarno's concept of government.

Sukarno gave a major address on 17 April in Central Java in which he defended and further spelled out his ideas for a national advisory council and a national planning board. Sukarno has again offered to head the advisory council and personally appoint its members, who will be both "functional" and regional representatives. The national planning board, as explained by Sukarno, would be a vast new bureaucracy which could absorb the energies and criticisms of provincial leaders.

Prime Minister Djuanda is touring Central and South Sumatra for talks with provincial officials, which he hopes will lay the basis for a reconciliation with Djakarta. The minister of the newly formed Department of Regional Affairs has told the press that the provinces do indeed have legitimate economic grievances and that the return of former vice president Hatta to the government is a "psychological necessity."

The army chief of staff, General Nasution, will preside at a three-day national conference in Djakarta beginning on

26 April which will include both military and civil officials from disaffected areas and will discuss measures to be taken under the state of war and siege. Meanwhile, he has designated his deputy chief of staff, Colonel Subroto--who is highly regarded in the disaffected areas and who may have obstructed some of Nasution's reorganizational efforts--as head of a military mission to Peiping. He appears also to be laying plans for a counter-coup in East Indonesia which, if successful, would restore at least half that area to Djakarta's direct administration.

The non-Javanese provinces--particularly Sumatra--show no sign of surrendering to Djakarta. On the eve of Djuanda's visit to Sumatra, Central Sumatran leaders were commemorating their 20 December coup and had sent congratulations to other disaffected provinces. President Sukarno, who heretofore has not been directly blamed for the errors of Djakarta, now has been charged by the Central Sumatran governing council with the chief responsibility for the "totally unacceptable" new cabinet. Lt. Col. Hussein, who controls Central Sumatra and who ignored the last army conference in Djakarta, will attend the 26 April meeting. His chief objective, however, reportedly is to contact disaffected commanders from Borneo and East Indonesia, who will also be present.

25X1

ADEN-YEMEN DEVELOPMENTS

Britain and Yemen have agreed to a meeting of local representatives on 9 May at Mukeiras on the Aden-Yemen border to discuss restoration of peaceful conditions, but these talks are not likely to do much to solve the long-standing border dispute.

Britain, suspicious of Yemeni aims, has already reinforced its troops in Aden with an armored car squadron and apparently does not expect to achieve more than a detente by these talks. Though London had indicated in January that it hoped to go on from cease-fire

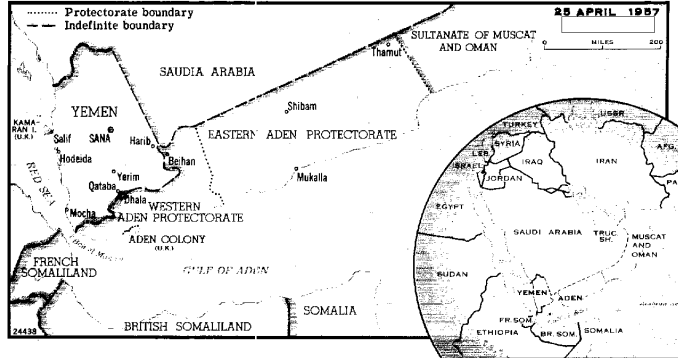
SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

25 April 1957

talks to a discussion of frontier demarcations, the head of the British delegation said on 18 April that Britain would refuse to consider a broad settlement before the Yemenis cease both hostilities along the border and provocations of dissidence within the protectorate.



25X1

Although maintaining that economic and political progress is impossible before internal security is achieved, British officials in Aden have made plans for pilot agricultural schemes and for encouraging the development of a nationalist group, which they hope will co-operate with them in resisting Yemeni encroachments.

Yemen's agreement to talks following months of equivocation is apparently inspired by the vigorous British military reaction to Yemeni attacks along the frontier and not by any change in the Imam's

aim to gain control of all of Aden.

The British anticipate more expert Yemeni raiding into the protectorate and expect that disturbances may be organized to give the impression that the protectorate peoples themselves are struggling against British domination. A British official in Aden told the American consulate there that he believes the more conciliatory tone of the latest Yemeni note results from a realization that Yemen's border attacks and its territorial claims to all of Aden have increased the reliance of some protectorate rulers on the British.

25X1

25X6

SECRET

25X6

Page Denied

25X1

25X6

25X6

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

25 April 1957

25X6

IRANIAN-SOVIET ECONOMIC RELATIONS

A three-year trade agreement was signed between Iran and the USSR on 18 April and discussions have been held on a civil air agreement and on offers of economic assistance. The Iranians have thus far not agreed to any Soviet assistance offers, despite the economic advantages to be gained.

The new trade agreement calls for yearly increases in the volume of exchange covering a wider range of goods than under earlier agreements. Iran is to export lead and zinc ores, and several agricultural products. The USSR reportedly is to "considerably expand" deliveries of industrial equipment, agricultural machinery, rolled

ferrous metal, chemicals and other commodities.

In further discussion, Iran reportedly agreed "in principle" to the establishment of direct air service from Tehran to Moscow, but rejected specific Soviet proposals. Details are to be worked out in the near future. While Tehran also is reported to have rejected conditions for the construction of hydroelectric projects and expanding facilities of the Iranian-Soviet railroad, both projects are to be subjects of further discussions.

Moscow has intensified efforts to gain Iranian approval for Soviet aid on these projects,

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

25 April 1957

first proposed during the Shah's visit to the USSR in the summer of 1956. Other projects for which the USSR has offered assistance are steel mills, the development of rail facilities in Julfa on the USSR-Iranian border, and port installations in Pahlevi on the Caspian Sea. Soviet negotiators claim the enlargement of the capacity of both ports of entry would facilitate handling of increased Iranian-Soviet exchanges of goods, as well as the transit of goods between Iran and Europe. Tehran may not be able to delay indefinitely acceptance of Soviet assistance for some of these projects which require joint development.

The USSR and Iran have been negotiating a transit agreement which would provide for the transit across Soviet territory of goods to and from Europe. The Iranians have objected to the presently prohibitive Soviet railroad rates and the Soviet conditions giving preferential rates to European countries having commercial agreements with the USSR. Soviet negotiators will probably ask for reciprocal rights which the Iranians feel they could not refuse. While Tehran will strive to maintain regular relations with the USSR, Iranian officials continue to be influenced by American advice and will proceed with caution on individual Soviet proposals.

(Prepared by ORR)

25X1

KHRUSHCHEV WARNS POLES ON WESTERN ECONOMIC ASSISTANCE

Soviet uneasiness over the prospect of American economic assistance to Poland became apparent on 19 April in an emphatic statement by Khrushchev that Western "aid" to Poland was designed to split the bloc and place Poland "in bondage to capitalist countries." He declared further that the bloc would furnish assistance to its own members, probably to encourage Poland to tie its economy more closely to the bloc and to counteract the impact of an American loan.

The strong position taken by Khrushchev may mean that the Kremlin will try to keep Poland from accepting further Western credits, although it will probably not interfere with current negotiations with the United States.

Soviet fears that Western assistance to Poland threatens the stability of the Soviet position in East Germany

permeate Khrushchev's threat to the West: "Don't test us as you did in Hungary and try another putsch in East Germany. If you start we will rap your knuckles."

Basic Soviet suspicions of Western economic influence, aroused by the Marshall Plan in 1947, caused Molotov to cancel abruptly Czech and Polish plans to accept Western aid at that time. These suspicions were demonstrated again recently by Khrushchev's remark that Tito was not receiving credits from the West "because of his blue eyes"--a remark which closely parallels his comment last week to Polish premier Cyrankiewicz that the latter was being wooed as a bride, but not because he was young.

The Poles have sought to quiet Soviet fears with repeated protestations that they need American assistance only to cope with "specific

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

25 April 1957

problems--the normalization of economic relations between Poland and the United States" and have denied that there are any political overtones in the negotiations. This is in line with Gomulka's statement on 11 January that Poland "would accept a loan from any country provided the conditions under which the loan is granted are exclusively of a business nature."

Recent grants of credit by Satellite countries to Poland, presumably made at the instance of the Kremlin, appear to have been timed to offset the impact of American aid and to tighten Poland's economic ties with the bloc.

Poland signed a mutually advantageous agreement with East Germany on 17 April which calls for a long-term East German credit of \$100,000,000, at 1.5 percent, to cover manufacturing costs of brown coal mining equipment.

It has also signed a long-term credit agreement with Czechoslovakia under which Warsaw is to receive \$27,500,000 worth of machinery and industrial installations. The credits give further substance to Khrushchev's position that bloc members can find the assistance they need within the family and would do better to seek it there. (Con-
curred in by ORK)

25X1

SOVIET-YUGOSLAV RELATIONS

Soviet leaders made a number of conciliatory gestures toward Yugoslavia during talks with Albanian leaders last week. On 15 April, Khrushchev, using Tito's own formula for improving relations, said that the Soviet government and party wanted to concentrate not on differences but on "what brings the people of our two countries together in the struggle for socialism."

Numerous statements by Khrushchev also continue to make plain that economic aid and even high-level trade depend on "fraternal" relations with Moscow. He has said that the USSR extended aid to Yugoslavia and Poland only so they would not "have to rely on the capitalists."

Yugoslav leaders in speeches on 18 April to the executive committee of the Yugoslav mass people's organization clearly showed that they rejected the

Soviet gestures of good will. President Tito specifically noted that while Khrushchev's statements stressing the need to improve relations had "aroused a spark of hope" of a change in the Soviet attitude, they had been contradicted by statements of other Soviet leaders which directly attacked the Yugoslav position. Neither he nor Vice President Rankovic mentioned the possibility of developing good "party" relations in the future, discussing only their hopes for an eventual improvement in relations between the two states.

While Tito is intent on preventing a complete break between Yugoslavia and the Eastern European Satellites, he will undoubtedly insist on a real change in Soviet attitude toward Yugoslavia and the Satellites before any reconciliation can take place. The Yugoslavs are hoping to prove both abroad and to their own party ranks

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

25 April 1957

that it is they who are the real Communists and who showed good faith in trying to deal with the Kremlin, which in turn has shown bad faith and "Stalinist tendencies."

In view of this attitude and the lack of any real

compromise on the Soviet side, the most the recent Soviet actions may presage is a slowing down or cessation of what has been a continuous process of degeneration in public of the relations between Yugoslavia and the Soviet bloc. [redacted]

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BULGARIAN REGIME ATTEMPTS TO STEM POPULAR DISCONTENT

The Bulgarian regime is engaged in a program of mass deportations from Sofia and expulsions of students from universities on a scale not equaled since the Stalin era. These terror tactics seem to be aimed at preventing the formation of dissident groups in a restive population. [redacted]

[redacted] fear and panic are widespread and the terror tactics have created a feeling that "no one is safe."

Persons rounded up for deportation by the militia in the early morning hours reportedly include formerly "secure" elements, such as tram drivers and railwaymen, as well as anti-Communist and former bourgeois families. Ten thousand persons reportedly will be affected by 30 April. It is believed that those evicted are merely put on trains headed north and barred from the country's major cities.

[redacted] some party members and army officers are among those being sent away.

[redacted] party members, having flocked to the city in recent years, are being sent to rural areas where they can provide political direction and prevent possible resistance. The army transfers are reportedly intended to pare down an overstuffed headquarters.

Expulsions of students, which began after the Hungarian

revolution, reportedly have reached a total of several hundred and even involved some students suspected only because of bourgeois parentage.

Intellectual discontent has been admitted by the leader of Sofia's party organization, who recently called for a "decisive attack" on disorder in the party's ranks. He criticized particularly the party's intellectuals, university professors and cultural officials.

The Bulgarian population has become restive because of economic deficiencies, the most serious of which is widespread unemployment, particularly in Sofia. [redacted]

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To ease unemployment, the government is recruiting workers for jobs in other bloc countries, primarily the USSR, which is offering three-year contracts with "good pay and working conditions." Many women who have accepted will reportedly do agricultural work in Turkestan.

For the longer haul, a Soviet-Bulgarian declaration in February announced that Bulgaria would import Soviet raw materials and semifinished goods to be finished by local industry. Further, the country's agricultural emphasis will be shifted to crops such as fruits and vegetables which have a higher labor input. [redacted]

25X1

25X1

SECRET

(Concurred in by ORR)

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

25 April 1957

PEIPING WELCOMES JAPANESE SOCIALIST DELEGATION

Peiping's lavish treatment of the Japanese Socialist delegation visiting Communist China since 12 April marks a new effort to put increased strain on ties between Tokyo and Washington. The mission is certain to intensify pressures in Japan for diplomatic relations with Peiping.

A joint statement issued on 22 April declared that the "time is now ripe" for a Sino-Japanese peace treaty, called for increased cultural, technical and economic interchange, and urged that existing unofficial agreements between the two nations be converted to official ones "as soon as possible."

Mao told his visitors that Communist China was ready to consider conclusion of a non-aggression pact with Tokyo when Japan "becomes completely independent from the United States." He declared that diplomatic relations between Japan and Communist China should be restored "at the earliest possible date."

Peiping apparently will not press for terms which Tokyo could reject as unrealistic at this time. The Chinese Communists indicated they were not demanding immediate abrogation of Japan's security treaty with the United States as a condition for a Sino-Japanese pact, nor were they calling for a rupture of diplomatic relations between Tokyo and Taipei. Pei-

ping's stress on the need for Japanese "independence" and closer ties with mainland China appears intended to advance the Chinese Communist campaign for closer de facto relations with Japan by exploiting the present trend of Japanese public opinion.

Conservative Japanese leaders are concerned that the Socialists might monopolize public attention on this popular issue. To offset possible Socialist gains in this regard, the Kishi government has rushed preparations to send a Diet repatriation delegation to Peiping to investigate the status of approximately 40,000 missing Japanese nationals.

Minister of International Trade and Industry Mizuta has publicly stated the government intends to grant "considerable convenience" to the Chinese Communists in permitting them to establish a trade mission in Tokyo. This will probably include Japan's waiving of fingerprint requirements and the granting of some diplomatic privileges.

Mizuta also indicated the Japanese government would subsidize the establishment of a quasi-official trade mission in Peiping. In addition he noted that the government planned to give "positive" guidance in the coming private trade talks with Peiping.

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

25 April 1957

Chou En-lai's 15 April statement to the Socialist mission on the status of Taiwan in relation to the restoration of Sino-Japanese diplomatic ties was widely reported in the Japanese press. Most papers noted that Peiping appeared more "realistic" than in the past. Mao Tse-tung's offer to conclude a nonaggression pact with Tokyo when Japan becomes "completely independent" will stimulate additional pressure for Japan to pursue a

more independent course in foreign relations.

Prime Minister Kishi has declared that now is not the time to recognize the Peiping regime. Both he and his government, however, insist that special restrictions on trade with Communist China must be eliminated and he will press strongly for an equalization of the embargo against bloc nations.

25X1

COMMUNIST CHINA STRESSES SMALL LOCAL INDUSTRIES

Communist China's economic policy makers appear to have concluded on the basis of their recent economic difficulties that it is not wise, at least for the next few years, to concentrate too heavily on large, complex industrial installations. Instead they are trying to stimulate efforts to restore and create large numbers of small-scale facilities featuring a simpler technology and a greater geographical dispersion. In adopting this course, Peiping has not, however, abandoned its drive for rapid industrialization. Construction of large-scale industrial projects is to continue within certain limitations.

The Ministry of Metallurgical Industry announced on 4 April that during the Second and Third Five-Year Plans (1958-1967), small- and medium-sized metallurgical plants are to be

emphasized in order to stretch construction funds, obtain quick financial and physical returns and improve the geographical balance of the overconcentrated metallurgical industry. The ministry noted that capital investment in the three big iron and steel plants at Anshan, Paotow and Wuhan will be limited so that more small and medium plants can be built.

Some of the rolling equipment formerly earmarked for Anshan will go to equip small plants in other places. Plans still call for the large-scale development of the three centers and they will certainly continue to supply the overwhelming majority of China's iron and steel needs. The new local plants are probably designed to relieve the large integrated complexes of the need to supply small-scale local

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

25 April 1957

industrial needs for the simpler forms of steel mill products.

The State Council, in an effort to relieve the coal shortage, directed on 12 April that small coal pits be restored and new ones opened. Under the directive, counties, cities and agricultural producer co-operatives may operate small collieries to meet their own needs. On 22 April, the National Economic Commission decided to invest this year about \$16,000,000 in small plants designed to produce 400,000 tons of pig iron per year and \$24,000,000 in smaller coal pits producing 4,200,000 tons of coal.

Chinese industry has been hampered by shortages of money and raw materials and by transport tie-ups, aggravated by the speed-up in the construction program in 1956. Building small installations in more localities will probably ease some shortages and give limited relief to the overloaded transportation system. The less complicated facilities will save money and reduce the need for importing equipment and technical assistance from the rest of the bloc. Latent local productive potential can be tapped and some surplus manpower absorbed. [redacted] (Prepared by ORR)

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PEIPING CONCERNED OVER DECLINE IN POPULAR MORALE

Signs of a decline in the morale of the populace in Communist China

[redacted] are reflected in Chinese Communist statements. The seriousness with which Peiping views the ebbing enthusiasm is indicated by an intensive political indoctrination campaign, begun on Mao Tse-tung's personal initiative.

Commenting on popular attitudes in China, the second-ranking officer of the Dutch embassy in Peiping recently reported a "lack of enthusiasm" and slow working habits among urban workers. The departing counselor of the British embassy in Peiping has reported a "hardening of outlook" in the past year. People now show a tendency, he said, to make "more critical judgments" of the Communists.

The British official cited the tight food supply and a general rise in prices as major grievances in the cities. He

stated that "almost everyone" feels he is not eating as much or as well as he would like. Other consumer goods are also in short supply, and Peiping has found it necessary to promise that light industry will this year be allocated a slightly increased proportion of investment funds, although heavy industry will still receive priority.

In the countryside, the peasants have been making critical comparisons between urban and rural consumption levels.

[redacted] peasants in the Wenchow area on the East China coast are unenthusiastic about working hard in the absence of incentives. The attitude expressed was "Why should we work hard if we don't get the benefits of our work?" Openly critical of the Communists, the peasants are nevertheless not carrying their disaffection to the point of active resistance.

Peiping has intensified its efforts to reassure the

25X1

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

25 April 1957

peasants, but apparently without much success. The Communists acknowledge that landlords, rich peasants, and some middle peasants are "grumbling" about their decreased incomes after joining the collectives. They further admit that peasant living standards are much below urban levels. But they insist that the incomes of workers and peasants generally have been rising at "more or less" the same rate.

In the universities, the "unhealthy tendencies" first admitted by Peiping last fall have come in for renewed censure. The press has cited cases of students who defy school regulations, decline to participate in political activities, are addicted to dancing, and fail to make the proper distinction between "friends" and "enemies" in their discussion of developments in Hungary.

The signs of alienation of the populace from the party have occasioned two major addresses by Mao Tse-tung in recent months on the subject of "contradictions" between the people and the leadership. Peiping's view is apparently that the situation is a matter of some concern, but that it has not yet reached proportions requiring the return to a new terror. Communists are warned against antagonizing the people by "commandism" and bureaucratic practices. The "confused" populace is to be reindoctrinated along the line that people and leaders under Communism have an identity rather than a conflict of interests. For the moment at least, the propaganda organs rather than the public security apparatus of the state are to bear the brunt of the contest against popular disaffection.

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THE PHILIPPINE ELECTION AND OVERSEAS CHINESE

Leaders of the comparatively wealthy Overseas Chinese community of over 300,000 persons in the Philippines, traditionally an important source of election campaign funds, are reported determined to obtain maximum benefits from their contributions this year. With a large number of politicians entering the presidential race, Chinese financial backing may have an important bearing on both the party nominations and the outcome of the November voting.

Early in the present campaign, leaders of the Federation of Chinese Chambers of Commerce allegedly agreed to co-ordinate their contributions with the Chinese Nationalist ambassador in Manila in order to exercise greater control over funds and

to promote a solution of outstanding differences with the Philippine government.

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[redacted] the Chinese hope to obtain written guarantees from President Garcia, whom they regard as the most acceptable among the likely presidential nominees. In particular, they seek repeal of the retail trade nationalization law, which was aimed primarily at the economically powerful Chinese merchants and has pointed up the weakness of the Chinese Nationalist government in defending Overseas Chinese interests.

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Another goal is a grant of permanent Philippine residence for some 2,400 Chinese refugees from the mainland whose temporary

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

25 April 1957

visas have expired and whom Nationalist authorities maintain cannot be absorbed on Taiwan. President Garcia is reported amenable to a solution but, like preceding Philippine administrators, is fearful that generous treatment would expose him to charges of accepting Chinese bribes.

Other prominent candidates are actively seeking Chinese backing--at least financially. Manila's Mayor Lacson, who hopes to win a presidential nomination, is publicly charging that top government leaders are involved in graft from the Chinese, presumably in the hope of attracting Chinese support away from Garcia and to himself. Lacson has also announced that the first plank of his platform is repeal of the retail trade law.

Another approach to the Chinese reportedly has been made by Senator Jose Laurel on behalf of the vice-presidential candidacy of his son, the Speaker of the House. The senator apparently has indicated that he can head off an unfavorable Supreme Court ruling on the constitutionality of the retail trade law.

As the competition for nominations intensifies, such contacts can be expected to increase. Under the circumstances, the Chinese appear to be in a much better position to get sufficient returns for their money than they were during the last presidential election, when the election of the late Ramon Mag-saysay was practically a foregone conclusion.

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COMMUNIST REPRESENTATION IN THE INDIAN GOVERNMENT

The Indian Communist Party doubled its percentage of the popular vote in the recent national elections and increased its representation in parliament and in eight of the 13 state assemblies. However, the party is not in a position to affect the nature of legislation except in Kerala State, where it controls the government, and possibly in Orissa State, where it holds the balance of power between the Congress Party and the rightist Ganatantra Parishad party.

Although the Communists enlarged their representation both in parliament and in the states in the 1957 elections, their gain in seats does not correspond to the increase in the popular vote. The party and its allies now hold 29 out of 488 parliamentary seats for which elections have been held,

a gain of roughly 25 percent over the 1952 total of 23. The present Communist parliamentary group is probably a more cohesive one, however, since 27 are apparently Communist Party members, whereas in 1952 only 16 belonged to the party.

A comparison of the Communist position in the 13 state assemblies immediately before and after the 1957 elections indicates that the party lost seats in Andhra, Madras, and the Punjab, maintained its position in Mysore and Rajasthan, and gained strength in the remaining eight states. Kerala is the only state where the party has a firm foothold. In two of these eight states, Uttar Pradesh and Madhya Pradesh, the party is represented for the first time.

In West Bengal and Bombay, the Communists scored significant

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

25 April 1957

COMMUNIST STRENGTH IN INDIAN STATE ASSEMBLIES

STATES	ASSEMBLY SEATS 1957	COMMUNIST REPRESENTATIVES		
		1952*	NOV 1956	1957
GAINED STRENGTH				
KERALA	127	7	37	60
WEST BENGAL	252	28	27	46
BOMBAY	396	1	1	18
UTTAR PRADESH	430	0	0	9
BIHAR	318	0	1	7
ASSAM	108	1	1	4
MADHYA PRADESH	288	0	0	2
ORISSA	140	7	7	9
MAINTAINED STRENGTH				
MYSORE	208	0	1	1
RAJASTHAN	176	0	1	1
LOST STRENGTH				
ANDHRA	105	42	52	22
MADRAS	205	14	13	4
PUNJAB	154	6	8	6
TOTALS	2907	106	149	189

* Figures have been adjusted to correspond to the areas included in the new states created on 1 November 1956.

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gains of 19 and 17 seats respectively. As a result, the party will have a stronger voice in the assemblies of these two states, and will probably constitute a troublesome element.

In Orissa, where the recently formed Congress Party government does not control a majority, the Communists and

independents hold the balance of power.

Communists elsewhere in India will probably capitalize propaganda-wise on their positions in these states, and they may thereby gain some respectability and prestige throughout the country. Except in Kerala and Orissa, however, the Communists do not possess sufficient strength to influence the nature of legislation.

The government of India is aware of the problem it faces in Kerala, and will probably take discreet but firm steps to discredit the Communists and return the Congress Party to a dominant position. Madhavan Nair, one of the three Congress general

secretaries, is going to resign his party position in order to devote full time to the job of revitalizing the state party machine. The USSR is not likely to be of any direct help to the Kerala Communists because of its probable desire not to antagonize the Indian government at this time.

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INCREASING COMMUNIST INFLUENCE IN PERUVIAN AND BOLIVIAN LABOR

The mineworkers' congress meeting in Peru from 25 to 30 April and the second congress of the Bolivian Workers' Central scheduled for 1 June will be key tests of strength for the pro-Communist labor forces in Peru and Bolivia. Communists

in both countries are expected to play up the co-operation of non-Communist labor leaders with the governments as a major factor in the non-Communists' failure to make gains for labor.

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

25 April 1957

Peru

Communist influence appears to be increasing among organized labor in Peru primarily because the Communists' chief opponents in the labor field--the leftist but non-Communist APRA--have been prevented by political considerations from pressing for labor gains. Early this year the Communists recaptured two key labor bases which APRA had won in 1956 and gained another federation long controlled by APRA. The Communists have reportedly succeeded in a recent attempt to organize miners at Toquepala in southern Peru, where American companies are investing \$200,000,000 in new copper exploitation, and they appear to be having considerable success at the American-owned mines in central congress.

The miners' congress sponsored by ORIT, the inter-American anti-Communist labor organization, and recently scheduled for 25 April, may provide a test of Communist and APRA influence among the miners. The Communists will probably exploit APRA's commitment to oppose visits by congress delegates to certain American-owned mining installations where housing is substandard and to prevent criticism of health conditions at mines and smelters.

Bolivia

In Bolivia, Juan Lechin, long Bolivia's dominant labor leader and a key figure in the government party, is apparently losing influence. He is reported discouraged because he realizes that support of the government's anti-inflation program is essential even though it sharply curtails his maneuvering for patronage and labor gains.

The government party formerly controlled 94 of the 104 labor unions in La Paz, but reportedly lost control of 20 of these to orthodox Communists or Trotskyites in recent months. An extreme leftist secretary general gained control of the railway federation, and third largest labor group in Bolivia, in April.

A key test of pro-Communist strength in Bolivian labor will come at the second national congress of the Bolivian Workers' Central on 18 May. Any marked decline in Juan Lechin's dominance is likely to result in irresponsible agitation by the Workers' Central--the most powerful pressure group in Bolivia.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

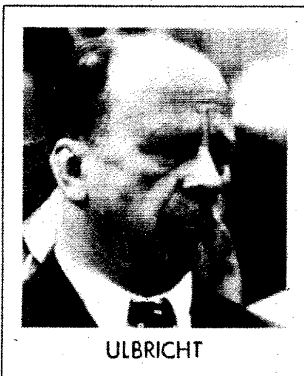
25 April 1957

THE STABILITY OF THE EAST GERMAN GOVERNMENT

Discontent among intellectuals, students, farmers and workers in East Germany continues to be the most serious problem facing the East German Communists. The survival of the present leadership depends on support from the USSR, and this support in turn hinges on the regime's ability to hold in check the various dissident elements. Stalinist party boss Walter Ulbricht is determined to take tough measures, which will probably be successful in the absence of a leader around whom critics of the regime could gather.

Party Factionalism

Although there are some differences on specific policy questions among the party lead-



ULBRICHT

ership, as well as widespread opposition sentiment throughout the country, there is no German Gomulka with the convictions, will or following to challenge successfully the Stalinist Ulbricht for control of the party.

Most reports of differences within the Socialist Unity (Communist) Party (SED) leadership indicate that the disputes have been concerned largely with matters of economic policy. Economic technicians like Deputy Premiers Heinrich Rau, Fritz

Selbmann, and Fred Oelssner have frequently found themselves in conflict with the group interested primarily in maintaining the purity of Communist Soviet-style ideology. The creation on 11 April of an economic council to co-ordinate the direction of the country's economy appears to be a victory for the economists, who frequently oppose Ulbricht on practical grounds.

Although Ulbricht is unpopular, both inside and outside the party, the opposition has no hard-core group; it lacks cohesion and its composition appears to shift depending on the issues involved.

Ferment Among Intellectuals

A ferment of new and liberal ideas among intellectuals and students has grown steadily since de-Stalinization began following the Soviet 20th party congress in Moscow in February 1956. It increased sharply after the "Polish October" and the Hungarian revolutions, when most intellectuals, along with other elements of the population, rejected the SED's explanations of those events.

Thus the 30th plenary meeting of the SED central committee held from 30 January to 1 February 1957 placed primary emphasis on overcoming the ideological deviations which admittedly had reached dangerous proportions in high party circles as well as among the intelligentsia. References by party officials to "certain experiments in Poland" and "differences of opinion" with the Polish Communist Party substantiate reports that SED leaders regard Poland as a major source of heretical and deviationist ideas in East Germany. The "Yugoslav example" and the thesis of a "special German path" to socialism, both of which have

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

25 April 1957

considerable appeal to some East German Communists, were also attacked and categorically rejected by the party leadership.

The trial in March of Professor Wolfgang Harich of Humboldt University was an obvious attempt by the regime to intimidate East German intellectuals and liberals. The court stated on 9 March that Harich and his associates were imprisoned for active conspiracy against the state; in fact they were imprisoned for holding ideological views of their own which differed from those of the party leadership. The entire affair may boomerang, however, since it provides dissident groups with a martyr and a focus which they have hitherto lacked.

In a long memorandum to party members written before his arrest last November, Harich disclosed radical reformist ideas the East German intellectuals espoused and the profound bitterness and resentment they held toward the regime. Although professing loyalty to Marxism-Leninism and disclaiming any intention to become renegades, the Harich group proclaimed its complete alienation from the Ulbricht leadership and its intention to liberate East German Communism from "Stalinism and dogmatism and to restore its basis of humanist non-dogmatic thought."

Experience had shown him, Harich declared, that reform of the SED was impossible without the overthrow of the Ulbricht leadership. He had attempted without success to present his ideas for party reform to party leaders in the hope of effecting the development of democracy within the SED in an open, legal fashion. "But we are ready also to use the method of faction and conspiracy if forced to it," Harich declared.

Harich denied that the "transition to socialism" is

a monopoly of the Communists and asserted that only the Social Democratic Party could bring socialism to West Germany. He also charged the Soviet Union with exploiting the "People's Democracies" and said that its political system is an impediment to further progress throughout the Soviet bloc.

Farmers and Workers Restive

The restiveness of workers and farmers is also a matter of serious concern to the regime. Here the problem is largely economic. Workers' hours are long, wages are low, food prices are high, and consumer goods are scarce; farmers' delivery quotas are high, prices for produce are low, and the pressures for collectivization are highly unpopular.

The regime has been forced to cut back its economic goals for 1957, and critical shortages of coal, coke, iron ore, non-ferrous metals, and foodstuffs jeopardize the fulfillment of even the reduced plans. Although the Soviet Union has promised to shore up the shaky East German economy, party and government officials have warned that significant economic improvements must not be expected this year. The end of food rationing, promised for the spring of 1957, almost certainly will not be realized.

Security Forces

The regime is continuing its efforts to create effective, reliable armed and security forces capable of controlling dissident elements and suppressing any outbreaks of anti-regime violence. East German forces, themselves of questionable reliability, would not alone be able to maintain the regime in power. They should be able to do so, however, with the support of Soviet troops stationed in the country.

The regime has intensified its efforts to develop the

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

25 April 1957

armed workers' militia (Kampfgruppen) into an effective force which would be called out first to deal with domestic uprisings, strikes, or riots. Operating directly under party control, the Kampfgruppen have recently held maneuvers and tactical exercises emphasizing street fighting in several East German cities, including East Berlin. In the Kampfgruppen, too, however, reliability is a major problem.

Church-State Relations

Relations between the German Evangelical Church and the

government continue to deteriorate. While there are indications that the regime would like to establish a separate East German church and has created a State Secretariat for Church Affairs to handle church matters, it is faced with the task of finding a churchman willing to head a puppet church. Furthermore, a split of the German church would destroy one of the remaining links between East and West Germany and would be extremely unpopular in both parts of the divided country.

(Concurred in by ORR)

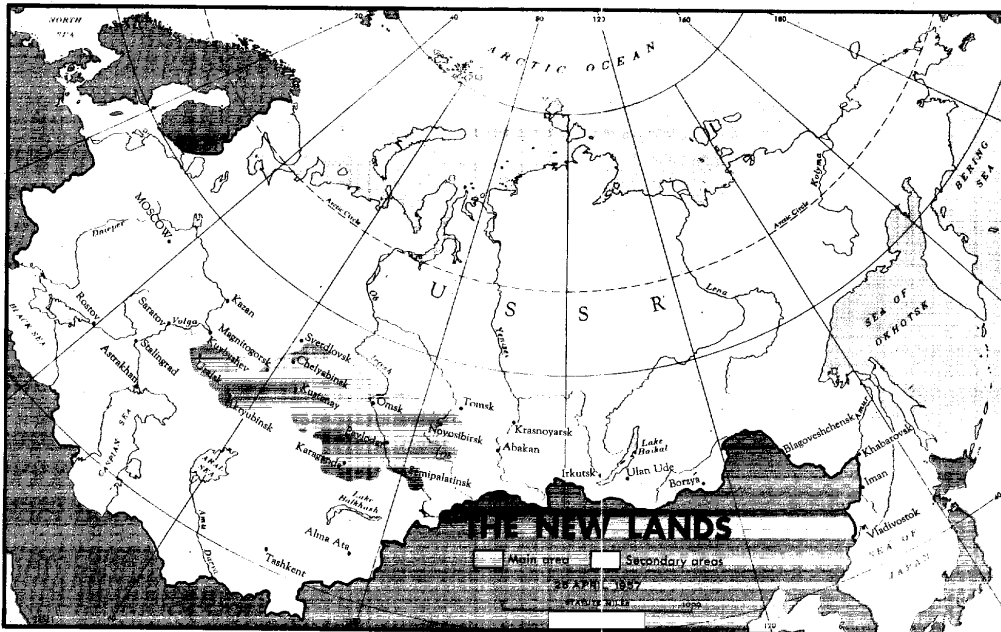
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STATUS OF SOVIET AGRICULTURE

Last year, through a combination of good weather and the yields obtained from the new lands program, the USSR achieved a record-breaking harvest. It has not, however, solved its basic agricultural problems--low yields per acre, underdeveloped

animal husbandry and excessive manpower requirements. Current Soviet plans have the effect of placing agriculture in direct competition with industry for manpower and investment funds, and thereby impeding Soviet industrial growth. Per



25X1

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

25 April 1957

capita agricultural production over the next few years probably will improve but slightly.

Programs After Stalin

During the quarter century preceding Stalin's death, Soviet agriculture remained virtually stagnant while industry grew rapidly. In 1953, agriculture still suffered from low yields and insufficient machinery, and absorbed a large, relatively unskilled labor force. The national diet remained monotonous, and contained little meat, milk and fruit. Finally recognizing the critical imbalance in the economy, the post-Stalin regime in its first months raised the priority of agriculture in the economy.

The new leaders enlarged the sown area of the country about 25 percent, primarily by developing virgin lands in Siberia and Kazakhstan. Even before completing this operation the government launched a program to multiply more than six times the area in corn. These programs were aimed at greatly increasing supplies of feed for livestock, while maintaining a satisfactory level of grain production for bread.

To raise efficiency in production, the new regime has provided greater incentives to agricultural workers. Between 1952 and 1956 state payments for agricultural products increased two and one-half times. The total cash income of the peasants for labor performed on the collective farms more than doubled during this time, and peasant income from private plots appears to have remained stable. Benefits for state farmers have also grown considerably.

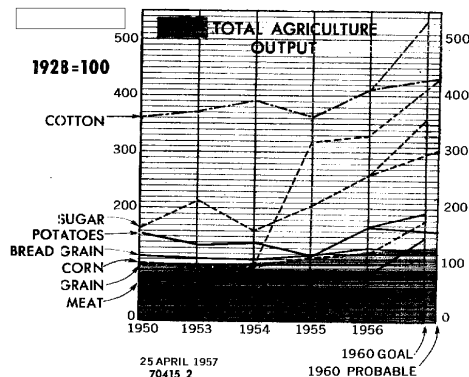
These post-Stalin programs and their supporting industrial and construction activities have been expensive, with the result that agriculture has received a bigger share of state investments since 1953. This modi-

fication of the traditional investment pattern is to continue through 1960. The programs are also costly in terms of manpower, which is becoming tighter in industry. From 1954 through 1956 the agricultural labor force actually increased in number, reversing the trend of many years.

Organizational changes undertaken since 1953 have been largely in the management field and have had little effect on the basic agrarian structure, although the state's control over the peasant has increased somewhat. Broad supervisory powers over collective farms have been conferred on Machine Tractor Stations, strengthening their position as "the command posts of the party in the countryside." At least one third of the collective farms have received new managers who, for the most part, are party members from the cities. Some of the detailed planning, such as deciding the local crop planting pattern, has been shifted from Moscow to regional jurisdictions and even to farms themselves. It is doubtful if this has appreciably improved agricultural administration.

Present Situation

In 1956 the vastly expanded sown area, together with extremely favorable weather in the new lands areas, led to a record-breaking grain harvest

USSR PER CAPITA PRODUCTION OF SELECTED AGRICULTURAL PRODUCTS

25X1

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

25 April 1957

25X1
 estimated at 115,000,000 tons, or 12 percent more than in 1955. Milk production increased by 17 percent, but the advance in meat production was negligible. Production of other field crops went up only modestly.

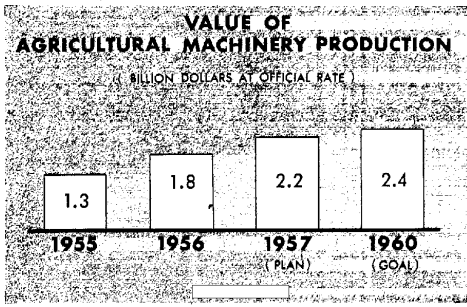
In the last few months, the results of 1956 have been lauded far and wide, medals have been awarded to many workers and Khrushchev has been awarded highest honors as originator of the successful new lands program. The government hopes this year's crop will be as good as that in 1956 and that there will be a great increase in livestock products. Speeches at a series of recent regional agricultural conferences have not set forth any new agricultural programs, but have expressed confidence in existing policies and organizations.

SELECTED AGRICULTURAL MACHINERY DATA

	1955		1962
	U S	USSR	USSR (ESTIMATE)
TOTAL TRACTORS (15-HP UNITS)	4,300,000	1,338,000	2,995,000
APPLICABLE ACREAGE	410,000,000	460,000,000	495,000,000
ACREAGE PER MACHINE	95	344	165
TOTAL GRAIN COMBINES (15-FT UNITS)	502,000	342,000	1,240,000
APPLICABLE ACREAGE	131,000,000	290,000,000	306,000,000
ACREAGE PER MACHINE	261	848	247
TOTAL CORN PICKERS	660,000	3,100	160,000
APPLICABLE ACREAGE	82,000,000	45,000,000	69,000,000
ACREAGE PER MACHINE	124	14,516	431
TOTAL WINDROWERS		3,400	291,000
APPLICABLE ACREAGE		290,000,000	306,000,000
ACREAGE PER MACHINE		85,000	1,050

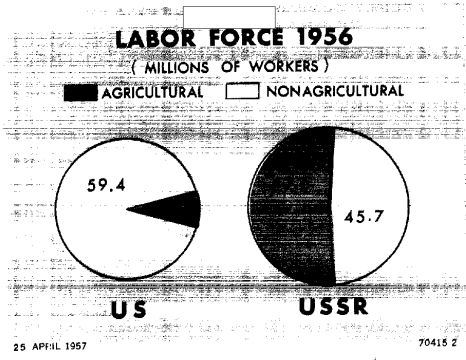
should tend to level off, although meat and milk production should rise. Agricultural output may rise by roughly 30 percent from 1955 to 1960, well below the 1960 goal of 70 percent, although these figures are not strictly comparable. In per capita terms, output will improve but slightly.

The means of achieving this rise will continue to be quite costly both in men and money. With the new lands expansion program practically completed, the regime is now relying on further incentives, on large capital investments, and on organizational measures to increase yields and to improve animal husbandry. To pay for this, investments in the Sixth Five-Year Plan are to be double that of the previous plan. Furthermore, it is unlikely that significant reductions in the size of the agricultural labor



Looking Ahead

The regime probably will not be satisfied, however, with future prospects if it is looking at realities rather than the wholly unrealistic 1960 targets. The substantial advances in 1956 will probably be followed by slower production gains in the next few years and almost certainly by some years in which production will be below 1956. Grain production



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SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

25 April 1957

force can be made from now through 1960.

Agriculture and the Economy

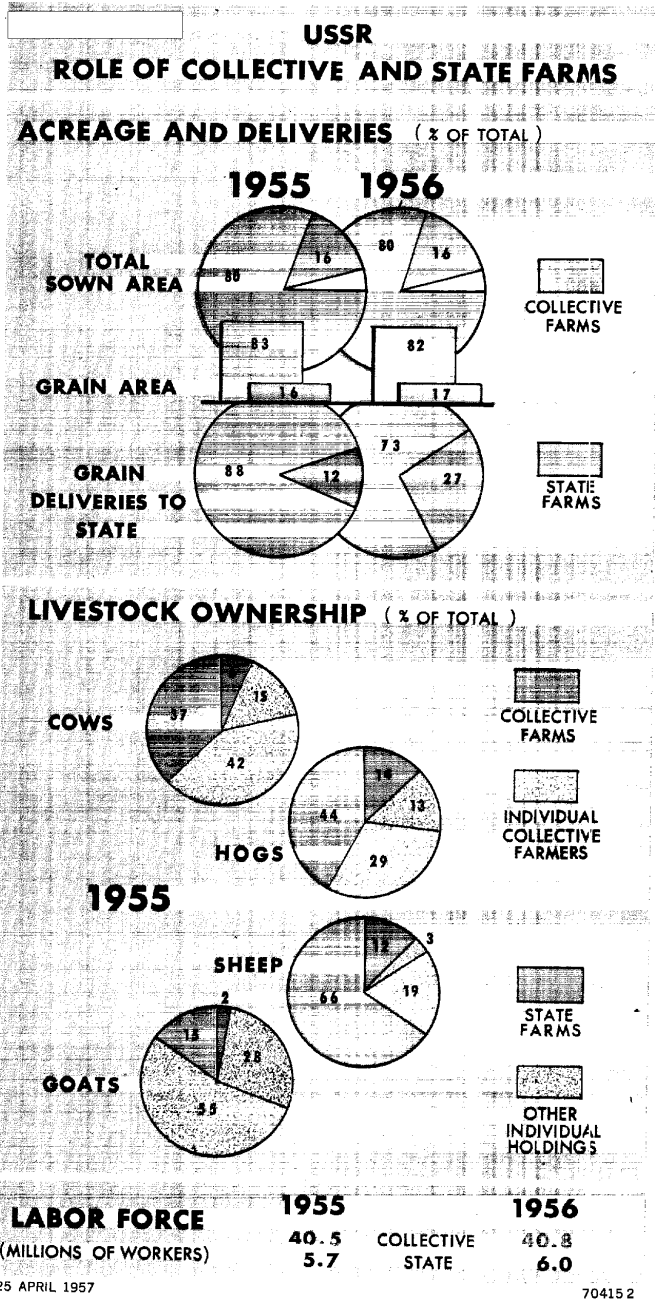
The meeting in May of the Supreme Soviet apparently will dwell on the proposed reor-

ganization of industry aimed at solving the problem of the lowered industrial growth rate-- a problem to which agriculture holds several important keys. Incentive programs for urban workers rely heavily on consumer goods based on agricultural products.

Furthermore, the tightened general labor situation over the next decade puts a premium on releasing farm labor for industrial use. The raised priority of agriculture, both in terms of investment and retained manpower, will continue, as at present, to place impediments to industrial growth.

Since so many agricultural measures have already been taken by the post-Stalin regime, its freedom of maneuver is now more restricted. Drastic changes in the organization of the countryside might appear profitable to the leadership as a means of stimulating production. However, the regime will have its hands full with industrial reorganizations for some time to come. It will probably not attempt any large-scale agricultural shake-up, such as widespread conversion of collective farms to state farms, which might stir up peasant opposition. Khrushchev has stated that the central apparatus of the Ministries of Agriculture and State Farms will be greatly reduced but not abolished in the scheduled general reorganization.

(Prepared by ORR)



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SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

25 April 1957

DISSENSION IN THE JAPANESE COMMUNIST PARTY

Personal rivalries among top leaders, disputes about tactics, and general confusion and resentment over Moscow's direction have created serious dissension within the Japanese Communist Party. Party leaders acknowledge that there is growing indifference among members toward party activities, and supporters of expelled central committeeman Shigeo Shida reportedly are working to establish a "Racial Communist Party." A major split seems unlikely in the near future, however, and the recent re-establishment of the Soviet diplomatic staff in Tokyo probably will be followed by measures designed to strengthen the party's organization and effectiveness.

Tactical Shifts

Since its founding in 1922, the party has been hampered by



SHIGEIO SHIDA

factional struggle and by numerous revisions of policy which, since 1950 alone, have resulted in shifts from parliamentary to violent tactics and back again.

The party has existed legally only since 1945, having been suppressed by the Japanese government prior to that time.

In 1949 it reached a peak registered membership of 108,000 and received a high of approximately 3,000,000 votes, 10 percent of the total, while functioning primarily as a parliamentary party. In 1950, it was criticized by the Cominform journal for lacking a revolutionary spirit and a covert apparatus. Subsequent outbreaks of party-instigated violence prompted American occupation authorities in May 1950 to bar central committee members from political activity. Most of them went into hiding, directing the underground movement for the next five years while a proxy committee maintained leadership of overt party activities.

Shida's Role

It was during this five-year period, and particularly from 1950 to 1952, that Shigeo Shida became a dominant leader in the underground, directing a major portion of the violent activities in which the party engaged. It was during this period also that struggles for party leadership were intensified and several top officials expelled.

The international Communist shift from violent to peaceful tactics in 1955 had a devastating effect from which the Japanese party has not yet recovered. Underground leaders surfaced and the policy advocated by Shida was denounced as "extreme left-wing adventurism." Leaders who supported the new peace line and several of Shida's purged rivals who were restored to party rank increased their power positions at Shida's expense.

During 1956, it became evident that Shida, although he had severed contacts with party headquarters, was

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

25 April 1957

endeavoring to recover his lost strength, promoting a movement against the "collective leadership" of Sanzo Nozaka, Yoshio Shiga and Kenji Miyamoto. Much of Shida's strength is believed to have been drawn from the regional party levels and below. The central committee, with the twofold purpose of stopping this movement and of gaining more popular support by disclaiming the tactics of violence with which Shida was identified, expelled him from the party in September 1956.

particularly among rank-and-file Japanese members. The practice of the party collective leadership to accept, without satisfactory explanation and guidance, the Soviet position on reversion to peaceful tactics, the return of the southern Kuril Islands to Japan, and the suppression of the Hungarian revolt has weakened internal discipline and caused considerable criticism of party leaders.

Those rank-and-file members who are dissatisfied with Moscow's direction, but who also would not support Shida's movement for a separate party, appear to be disorganized and leaderless and therefore not in a position to challenge seriously the party leadership. While the present membership of the party is estimated at 80,000 to 90,000, the number of reliable party workers probably is considerably less.

The seventh national convention of the party, the first to be held since 1947, is tentatively scheduled to be convened this summer. It has been postponed several times since early 1956, probably because of the desire by party leaders to avoid an open challenge to their control and policy. These leaders, especially Kenji Miyamoto, may now feel strong enough to weather the convention and successfully overcome any challenge without seriously dividing the party.

Activities of the recently re-established Soviet diplomatic mission in Tokyo suggest the mission will provide increased direction, discipline and financing for the party in an effort to transform it into the type of disciplined, properly led Communist Party desired by Moscow.

Effects of Soviet Policies

Perhaps more widespread in its effect on the party as a whole is the confusion, resentment and indifference to party activities which the twists in Soviet government and party policies have engendered,

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