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19 December 1957

# CURRENT INTELLIGENCE WEEKLY SUMMARY



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State Department review completed

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**PART I**

**OF IMMEDIATE INTEREST**

**SITUATION IN INDONESIA**

The pace of Indonesia's 18-day anti-Dutch campaign has slowed noticeably as practically all Dutch-owned interests on Java are now in Indonesian hands. The army and moderate government elements appear to be concerned over the continuing drift toward economic and political chaos, and to be groping for ways to redress the situation. Thus far, however, no effective leadership has emerged to coordinate these groups and direct their activities. For instance, an army order to end the seizures of Dutch property has been ignored. Labor unions have continued their seizures--probably to test the army--and have not been punished as threatened.

The chief beneficiaries to date are the Communists, who exploited the anti-Dutch drive and who are now busily entrenching themselves in the seized Dutch firms. Labor "assistance teams," dominated by representatives of the Communist-dominated SOBSI labor organization, are playing a prominent role in the management of the firms. The Communists also hope to exploit the mounting economic dislocation, particularly the food shortages.

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there has been one instance of Communist-led dock workers refusing to unload rice and other staples from a ship in Djakarta's harbor.

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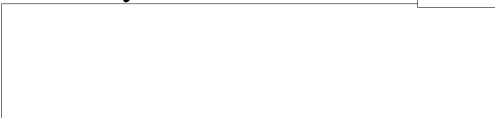
President Sukarno is to depart for India early in January; Premier Nehru has stated he will be welcome to stay as long as he likes. Sukarno's absence from Indonesia, whether for medical or political reasons, will provide the army and moderate politicians with perhaps their last opportunity to establish an effective non-Communist government in Djakarta.



Civil elements are also continuing to maneuver for the setting up of a new regime. The Masjumi and National party (PNI) are said to be cooperating toward this end, and a special parliamentary committee which has been working for the restoration of the Sukarno-

Hatta partnership has been ordered to submit a report sometime between 15 January and 31 March, a period which coincides with Sukarno's absence. Hatta has made it clear he will not return to high public office unless he is given commensurate authority. The chief weakness in these moves is the fact that the military and the politicians appear to be competing with each other.

Meanwhile, the confusion in Java appears to have stimulated intensified rebel activity in South Celebes. Military leaders in Central Sumatra plan to observe the first anniversary of their declaration of autonomy on 20 December.



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**ROLE OF SOVIET PARTY SECRETARIAT ENHANCED**

The Soviet party central committee plenum held on 16 and 17 December approved personnel changes in the top echelons of the party which will probably have the effect of further strengthening Khrushchev's position of pre-eminence. Three party presidium members were added to the party secretariat --the executive organ of the party under First Secretary Khrushchev. The officials involved--Nuritdin Mukhitdinov and Aleksey Kirichenko, heretofore party bosses of Uzbekistan and the Ukraine, respectively, and Nikolay Ignatov, party first secretary of the Gorkiy Oblast--will presumably relinquish their provincial posts

for full-time work in Moscow. Mukhitdinov was also promoted from candidate to full member of the presidium, apparently in order to fill the vacancy left by Zhukov's ouster in October.

As a result of the plenum's decision, 10 of the 15 full members of the presidium now are members of the secretariat, which now may replace the presidium as the locus of political power in the USSR. The effect of the addition of three more presidium members to the secretariat will be to break down the distinction between policy-making, formally a function of the presidium, and the

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implementation function, which resides in the secretariat. Since the secretariat is under the acknowledged command of its first secretary, Khrushchev, the principle of "collective leadership" would appear to have been further weakened.

In view of persistent hints of stresses and strains within the hierarchy, it is possible that the changes reflect an uneven compromise stemming from pressure for a transfusion of new blood into the secretariat to block Khrushchev from achieving one-man control. If so, the effort apparently failed since at least two of the three new secretaries, Kirichenko and Mukhitdinov, are clearly Khrushchev protegés. What seems more likely is that Khrushchev sold the move to the central committee on the grounds that day-to-day party control from the center needed to be strengthened, particularly as a follow-up to the decision to decentralize economic management.

Whatever the background, the net result would seem to be that Khrushchev has profited. A situation now might arise in which the full members of the

presidium who are not in the secretariat--Bulganin, Mikoyan, Shvernik, Kozlov, and Voroshilov--are gradually excluded from participation in the making of major policy. Khrushchev, for instance, might use this tactic against Bulganin and Voroshilov, who are said to have wavered in their support of him during the crisis in June.

At the same time, the diffusion of responsibility among a greater number of secretaries decreases the likelihood of any one of them obtaining sufficient power to become a serious rival to Khrushchev. Party secretary and presidium member Mikhail Suslov, for example, may find his horizons more limited as a result of the change. Suslov, of all the Soviet leaders, is most often identified as a rival of Khrushchev. Recent reports from the Eastern European satellites and Yugoslavia have linked Suslov with a militant and orthodox wing of the party which allegedly has been maneuvering to remove Khrushchev from his pre-eminent position. The chances that such a development would materialize have probably decreased considerably as a result of the plenum's actions.

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**MIDDLE EAST DEVELOPMENTS**

In Syria, internal political maneuvering continued this week against the background of growing hostility between out-right pro-Soviet elements, including local Communists, and the radical nationalists, typified by the Baath party, which favors close ties with Egypt be-

cause it sees in the Nasir regime an object of emulation and a protection against the further extension of Soviet influence. A campaign to diminish Communist influence, and possibly to remove or clip the wings of Chief of Staff Bizri, still seems some time away, however. A more

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serious collision between the two factions may occur when Defense Minister Azm returns from Moscow, where he is still negotiating more detailed agreements to follow up the Syrian-Soviet economic agreement.

An internal political controversy arose in Egypt last week with an attempt by Nasir's minister of education to resign his post following a vote by the National Assembly urging the government to admit more students to Egyptian universities, a move the minister has stated is impossible. The issue is insignificant in itself, but the assembly's reaction in ignoring government policy is another demonstration of the potential which the assembly may develop for irritating the regime and bringing hitherto private disagreements into the open.

Iraq's long-awaited cabinet change occurred last week when Ali Jawdat al-Ayyubi, who favored a mild policy toward Egypt and Syria, was replaced by Abd al-Wahhab Mirjan, a relatively obscure figure who has long been associated with Iraq's "strong man," former Prime Minister Nuri Said. The change came as Nuri himself returned from a trip to the West where he urged the need for further moves to settle the Palestine problem--on Arab terms. A similar theme was behind the recent meeting in Ankara of representatives of the Moslem members of the Baghdad pact.

To forestall any possible success for such moves, the

Israeli government has for some time been putting out feelers toward some kind of association with NATO. Israeli emissaries have visited several Western European capitals to talk about this subject.

Possibly as one preliminary step, Israeli Prime Minister Ben-Gurion apparently has been plugging the idea that Israel should encourage the establishment of closer relations with West Germany. Last week, the prime minister ran into heavy opposition from left-wing elements in his coalition cabinet. The opposition played on still warm Jewish feeling against the Germans, but behind its stand also lies a continuing reluctance on the part of Israel's socialist intellectuals to associate the state with what they think of as capitalist militarism.

Many Zionists also fear that a full-blown policy of closer association with the Western alliance system would permanently block the possibility that the USSR might eventually permit its substantial numbers of Jews to emigrate. Ben-Gurion, on the other hand, appears convinced that Soviet hostility toward Israel will not evaporate in the foreseeable future and that it behooves his government now to gain as many and as close security ties with the West as it can. The temporary setback Ben-Gurion suffered this week will not make him deviate from this objective, and he may take the occasion to force his opponents from the cabinet.

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**PART II****NOTES AND COMMENTS****FURTHER SOVIET MOVES TO UNDERCUT NATO**

In follow-up moves to the messages sent to major NATO powers and India just before the NATO conference opened, Soviet Premier Bulganin addressed additional letters to the smaller NATO states and all UN members plus Switzerland. These letters are a continuation of Moscow's efforts to achieve a "world-wide detente" and to promote opposition to American plans for strengthening NATO militarily.

The proposals made in the letters to NATO countries are reiterated in the letters to UN members. UN recipients are told that the present state of tension in the world can be attributed to aggressive plans of NATO under American leadership. The notes end with an appeal to individual UN members to support the Soviet proposals and cooperate to prevent war.

The notes dispatched to the NATO governments outlined the same general Soviet proposals for various declarations and agreements to reduce international tension. Each note, however, was tailored to achieve the optimum impact on the recipient and was particularly designed to stimulate opposition to American plans for the establishment of atomic and missile bases in West European countries.

Bulganin played on French pride in attempting to arouse suspicion of Anglo-American intentions at France's expense, and suggested that France, at the Paris conference, propose measures leading to a detente. Italy was encouraged to believe that its "peaceable" Middle East interests as a Mediterranean power would be jeopardized by

the "aggressive" Eisenhower-Macmillan policy.

The letters to smaller NATO countries were designed largely to foster and encourage neutralist sentiment by dwelling on the dangers of retaliation in the event of war if American atomic and missile bases were permitted on their territories.

The danger in rearming West Germany was a major theme; all the letters to NATO states except those to Italy and Turkey warned of the dangers inherent in permitting West Germany to acquire or manufacture nuclear weapons. Greece and Turkey were told of American desires to link NATO with SEATO and the Baghdad pact and were warned that such a development would involve those countries in military conflicts at great distances from their own boundaries. The note to Canada suggested that, as one of the major producers of missiles materials, Canada could play an important role in the settlement of the atomic problem.

Communist propaganda exploitation of the letters has been extensive, primarily following the lines set by the letters themselves. Texts or summaries of all the notes have been broadcast, accompanied by commentaries to the individual countries largely conforming to the slant used in the formal note.

Considerable comment has been devoted to refuting Western statements that the messages were intended to influence the NATO conference. At the same time, however, Soviet propagandists contend that the

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notes have had a definite effect on NATO.

Soviet domestic propaganda stressed the "decline" in American prestige in light of Soviet "scientific and technological advances" and predicted that the Paris meeting would accomplish little.

The recurrent theme of Soviet propaganda as the Paris conference concluded its sessions was the "growing desire" among NATO countries to hold a serious discussion of Bulganin's proposals. Particularly emphasized was the speech of Norwegian Premier Gerhardsen rejecting missile bases and the stockpiling of nuclear weapons. Soviet commentators cited Western news reports as evidence that a ground swell of "backstage" support, including that of West German Chancellor Adenauer, was developing for Gerhardsen's position.

Public pressure in the NATO countries is claimed to have been the cause for a change in the original plans for the meeting. The chief objective of the United States was said to have been to induce its NATO partners to accept the American plan for deployment of missile bases and for a demonstration of unity of views. Because of the "popular" disapproval in Western Europe, Moscow asserted, Washington's plan for a "parade of Atlantic solidarity" did not come off.

According to Moscow, the United States obtained an agreement in principle for deployment of IRBM missiles in Western Europe only in return for a "solemn pledge" to renew negotiations with the USSR to end the cold war and solve the disarmament problem. A Soviet commentary labeled this agreement a hypocritical attempt to reconcile irreconcilables--"the policy of strength with the idea of negotiation."

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**REORGANIZATION OF SOVIET DEFENSE PRODUCTION**

The transformation of four Soviet defense production ministries into committees on 14 December has carried the general reorganization of Soviet industry further along lines initially proposed by Khrushchev, while still assuring uninterrupted development of new military items.

Khrushchev's original plans for the abolition of industrial ministries did not exclude the defense production ministries, but, at the time of the establishment of the new regional economic system last May, he called for retention of the de-

fense-oriented ministries. However, provision was made for at least some plants of these ministries to be transferred to operational control of the councils of national economy (sov-narkhozy), and apparently this was done.

Since May, Malenkov, Molotov, Kaganovich, and Zhukov, who might have opposed the abolition of defense production ministries, have been removed from high office.

Also the industrial economy has come through the first

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six months under the new system satisfactorily, according to Soviet claims. Perhaps for these and other reasons, the time was deemed ripe for a further step in the reorganization.

Reported recent conflicts between the defense production ministries and the sovnarkhozy may have influenced the timing of the present action. The manager of the Gorkiy automobile plant, one of the most important industrial plants in the country, reportedly stated early this winter that much strife of this nature existed.

By creating defense technology committees, the USSR has retained a team in Moscow which would presumably maintain central control and coordination--

particularly in developmental work. Such a team could, for example, coordinate development of complex weapons systems, which would be an impossible task for the sovnarkhozy.

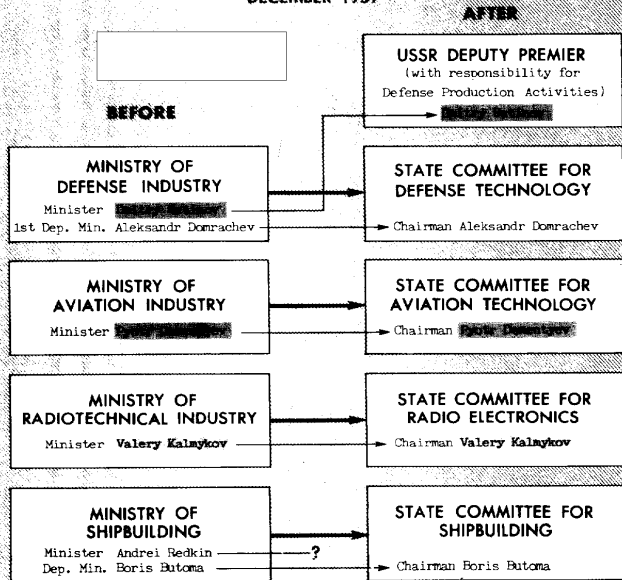
Planning the production of such systems and their necessary components and facilities will also undoubtedly be carried out at high governmental levels. Heading the team in the Presidium of the Council of Ministers is Dmitry Ustinov, former head of the Ministry of Defense Industry and now deputy premier. His former deputy and now chairman of the Defense Technology Committee, Aleksandr Domrachev, is relatively unknown, but may have been working on important missile projects. Valery Kalmykov, chairman of the Radio-electronics Committee, has earlier been identified as chief expeditor for the Moscow missile defense rings system.

The head of the Aviation Technology Committee, Pyotr Dementyev, has been associated with the Ministry of the Aviation Industry since Stalin's death, and most recently served as minister. The Shipbuilding Committee is headed by a former deputy minister of the abolished Ministry of Shipbuilding, Boris Butoma, who for the past 20 years has been engaged in shipbuilding. The former minister, Andrei Redkin, has not been noted in a new position.

While research activities and design

**REORGANIZATION OF SOVIET DEFENSE PRODUCTION ACTIVITIES**

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■ Full member, central committee, Soviet Communist party  
 ■ Candidate member, central committee, Soviet Communist party

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bureaus will presumably be subordinated to the new committees, the production plants, or at least the large majority of them, will now apparently be under the jurisdiction of the sov-narkhozy as other industrial plants are.

The only remaining industrial ministries are Medium Machine Building (atomic energy), Electric Power, Chemicals, and Transport Construction. The first mentioned is retained for its national strategic importance, while the last mentioned serves the Ministry of Transportation, not considered an industrial ministry. The Electric Power Ministry has apparently been retained because of its nature,

**USSR COUNCIL OF MINISTERS**  
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- PREMIER**  
BULGANIN
  - DEPUTY PREMIERS**
    - KOSYGIN  
Light and Food Industry
    - KUZMIN  
Planning
    - MIKOYAN  
General Matters and Trade
    - USTINOV  
Defense Production Activities
- COUNCIL OF MINISTERS PRESIDIUM**  
(Top-level responsibility for administrative direction of Soviet Government. Specific responsibilities listed are based on available evidence but are not necessarily exclusive.)
- MINISTERS OF ALL-UNION MINISTRIES (7)**
  - MINISTERS OF UNION-REPUBLICAN MINISTRIES (12)**
  - MINISTERS WITHOUT PORTFOLIO (8)**  
(Top Officials of Gosplan)
  - CHAIRMAN OF STATE COMMITTEES AND COMMISSIONS (11)**  
(Includes Deputy Premier Kuzmin, Chairman of State Planning Committee)
  - CHAIRMAN OF BOARD OF STATE BANK**
  - HEAD OF CENTRAL STATISTICAL ADMINISTRATION**

*Note: The premiers of Soviet republics are ex-officio members of the USSR Council of Ministers.*

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serving all branches of the economy. Reasons for retaining the Chemical Ministry are unknown. (Prepared by ORR)

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**THE AFRO-ASIAN SOLIDARITY CONFERENCE**

The Afro-Asian Solidarity Conference, sponsored by the Communist-front Asian Solidarity Committee and backed by Egyptian President Nasir and his government, will open in Cairo on 26 December. It is emerging as a major propaganda attempt to move the "spirit of Bandung" into a nongovernmental context, where it can be freely used to further nationalist and Communist objectives.

The conference will air a whole series of anti-Western issues affecting Asia and Africa under an agenda item called

"Resistance to Imperialism and Support for Rights of Peoples to Independence and Sovereignty." Indonesia's committee has stated it will raise the West Irian issue, while the Japanese delegation is slated to attack continued nuclear testing and the American occupation of Okinawa. "The War in Algeria" is already a separate agenda item.

Egyptian support of the conference was apparently intended to further Egypt's growing propaganda effort throughout Africa as well as boost Nasir's prestige as a champion

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of the principles of Bandung.

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[redacted] charges of Communist domination over the meeting have somewhat lessened Nasir's enthusiasm for the project, although there has been no noticeable letup in Egyptian organizational activities.

Between 300 and 400 delegates from more than 40 countries and territories are expected by the sponsors, who have taken full advantage of the nongovernmental nature of the meeting to secure the broadest possible representation of colonies and nationalist opposition groups.

The committee has approved attendance from Oman, Senegal, Somalia, and Eritrea and has accepted Jordanian refugees and Cameroonian "Freedom Fighters."

The Sino-Soviet bloc interest in the conference will probably be to register its own concurrence of interest with issues such as anticolonialism, and to encourage a trend anti-Western attacks.

The Chinese will play the major role in advancing Sino-Soviet bloc interests. Peiping's delegation will be led by Kuo Mo-jo, the Chinese Communist specialist in Afro-Asian

issues and the regime's chief spokesman on cultural and scientific matters. The USSR apparently is primarily interested in consolidating its identity as an Asian state. Pravda's discussion of the conference on 1 December included a rarely made assertion that the USSR is "equally a European and an Asian state."

African and Asian governments have for the most part recognized the Communist influence in the conference but in general have not made strenuous efforts to inhibit attendance by any individual nationals in a "private" capacity. Considerable local dispute has been generated over selection of delegations. The conference itself has not been subjected to much direct public attack, probably because of the powerful popular appeal to African-Asian sentiment of "solidarity," and "Bandung," and the desire not to be left out of any meeting concerning itself with regional problems.

The conference may also inspire the formation of new Afro-Asian front organizations. Both Japan and Egypt have indicated their intention of proposing an Afro-Asian Economic Conference for 1958. A new attempt to organize Afro-Asian Trade Unions might also be made.

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**SPAIN'S POLICY IN WEST AFRICA**

The Moroccan attacks on Spain's West African possessions present the Franco regime with the choice of pursuing military operations the Spanish economy can ill afford or losing Spanish territory and prestige. Spain's actions probably will be affected by French prospects in Algeria.

On 9 December, Spain began a withdrawal to five coastal perimeters, abandoning the hinterland of all its West African possessions. Spanish forces are superior in numbers and equipment to the attacking irregulars of the Moroccan Army of Liberation and, barring intervention by the Royal Moroccan

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Army, should be able to hold these perimeters.

Spain is willing to relinquish its protectorate over Southern Morocco, but it wants Rabat to forego further territorial claims. King Mohamed V, however, is not likely to perpetuate Spain's rights to the north coast enclaves of Ceuta and Melilla or to Ifni, Saguia El Hamra, and Rio de Oro on the west coast, where Spain hopes to exploit possible oil and mineral resources. Neither Spain nor Morocco wants open hostilities, but the success of the Moroccan irregulars in forcing the Spanish withdrawal will probably encourage the King to hold to demands unacceptable to Franco.

Spain will probably rely heavily on French backing in West Africa. A meeting of the French and Spanish foreign ministers at San Sebastian in August seems to have laid the base for closer cooperation; the French seem concerned with shoring up Spanish power in the area. If French aid is insufficient, however, or if France's position in North Africa continues to weaken, the Spanish position in West Africa would become untenable.

Even with assistance from France, the Spanish economy can ill afford military operations in West Africa. Spain has been hit by serious inflation, and living costs have risen about 25 percent in the past year. Labor is dissatisfied and busi-

ness objects to price controls and to import restrictions aimed at alleviating the serious balance-of-payments deficit. Expanded military expenditures would be a severe blow to the 1958 budget, which already contains a sizable deficit.

Although a serious economic crisis would threaten the stability of the regime, the political consequences of an abandonment of Spanish West Africa would probably be greater and more immediate. Many army officers were discontented over Spain's withdrawal from the Northern Moroccan Protectorate in April 1956, and the psychological effect of abandoning Spain's remaining African holdings might cause important army elements to shift their support from the Franco regime to a military junta or to those favoring restoration of the monarchy.

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**HAMMARSKJOLD'S TACTICS ON MIDDLE EAST ISSUES**

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His recent visit to Syria, Jordan, and Israel reinforced his earlier belief that an improvement in relations between Egypt and the West would have a reassuring effect on the Middle East. In addition to discussing implementation of the 3-percent surcharge on Suez Canal shipping, Hammarskjold will probably touch on other problems such as the Palestine refugees.

To aid these endeavors, Hammarskjold was eager to keep controversy over Middle Eastern issues to a minimum at the recent session of the General Assembly. Initially his efforts were seriously threatened by discussion of Syria's complaint of Turkish aggressive intentions. Shelving of this issue avoided a serious showdown both within the Arab-Asian bloc and the assembly itself. Three other troublesome Middle Eastern issues were disposed of by this assembly with relatively little rancor. On 22 Novem-

ber it decided that UNEF expenses should be borne by all members under the regular scale of assessments; on 12 December it called on all members to increase aid to the Palestine refugees; and on 14 December it authorized the 3-percent surcharge on Suez Canal shipping to defray the costs of the canal clearance.

Following his successful mission to Jordan concerning Israel's Mt. Scopus convoys, Hammarskjold visited Syria in order "to tie their hands vis-a-vis other Arabs." Israel, he believes, realizes that it is much more secure than it has ever been, except for the threat of Soviet intervention in the area. The secretary general was pleased over the amount of pro-UN public sentiment in the area. Much of this he attributes to the excellent job done by the UN Emergency Force.

Hammarskjold will probably continue to attempt to put out brush fires and keep the situation as conducive as possible for negotiations toward some type of settlement. He believes there is much less risk of an outbreak in the area now than there has been for a long time, but that the "patient is still very, very weak." 25X1

**NEW GOVERNMENT IN PAKISTAN**

Pakistan's third government in three months, which took office on 16 December under Republican leader Firoz Khan Noon, offers little prospect for capable leadership or for long tenure. The new government, replacing the one led by I. I. Chundrigar, may merely pave the way for a return to power of former Prime Minister Suhrawardy,

on whose support Noon's coalition is dependent.

President Mirza called on Noon, 64-year-old foreign minister in the outgoing Republican-Moslem League government, after Chundrigar failed on 13 December to form another cabinet. A new six-party coalition formed to support Noon is united only

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by common opposition to Chundrigar's policy of separate electorates for Moslem and minority communities. It has adopted a platform calling for elections no later than November 1958 under the noncommunal voting system now in effect.



Noon is not likely to provide effective leadership. Despite his wide experience, he is not considered a capable leader nor does he wield much political influence. He was able to form a cabinet only after considerable difficulty, and then only by including a disproportionate number of Republicans from the last cabinet. There are no effective representatives of East Pakistan in the new cabinet.

Pakistan's pro-Western orientation should not be af-

ected by the change in government. Its support of the Baghdad pact and SEATO will be strongly maintained by Noon, who has served as foreign minister in the last two cabinets.

Suhrawardy, ousted as prime minister in October, is likely to play a key role in future developments. While providing the essential backing for Noon's government in the National Assembly, he has refused to allow his Awami League colleagues to join the cabinet. Suhrawardy apparently agreed to stand aside as potential leader of the new government in order to expedite the defeat of the Moslem League. He probably intends, however, to exploit his controlling position to promote his own return to power relieved of any responsibility for the present government's shortcomings.

The appointment of Noon to head a coalition opposing the separate electorate policy constitutes a significant retreat by President Mirza. Mirza had strongly backed Chundrigar's attempt to form another government, and its failure left Mirza with the alternatives of sanctioning a government led by the Republicans, who had repudiated his leadership, or of resorting to authoritarian rule. The decline in his prestige and political capability will make the latter course of action increasingly difficult.

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**THAI ELECTION RESULTS**

Marshal Sarit and the ruling Thai military group should be convinced by the results of the 15 December parliamentary elections that continuation of Thailand's pro-Western foreign policy poses no threat to their political interests. Leftist candidates, who had campaigned on an anti-SEATO, neutralist platform, fared very badly, and

may wind up with even less seats than the 22 they held in the national assembly which was dissolved shortly after the 16 September army coup d'etat.

The lack of voter appeal of the leftists' neutralist platform was especially apparent in the Bangkok metropolitan area, where the strongly

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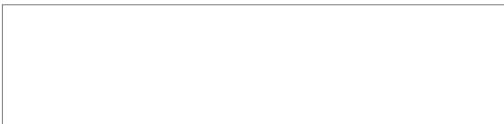
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pro-Western Democratic party swept 11 out of 12 seats, despite the strong support given leftist candidates by Bangkok's predominately leftist press.

Aside from the poor showing of the leftists, the most significant aspect of the election results was the large number of independents who were winners. With returns for 143 out of 160 contested seats reported, independents won 55, compared to 40 for the Sarit-sponsored Unionists, 36 for the Democrats, 6 for the leftist Economists, and 6 for minor parties, mostly leftist-oriented. Of the victorious independents, 37 were former members of the now moribund Seri Manangkhasila party (SMP), the government party during Marshal Phibun's regime.

Sarit and his military group are undoubtedly satisfied with the election results. They have already announced formation of a new government party composed of the 123 appointed members of the assembly, the Unionists, and former SMP members who were elected as independents.



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Although Democratic party leader Khuang Aphaiwong would have added luster to the new government, his inflexible attitude toward corruption probably could have made his presence in the government embarrassing to the military. It is thus probable that by mutual agreement Khuang and his party will function ostensibly as an opposition party.

The new legislature will meet on 26 December, and a new government is expected to be formed shortly thereafter. The chief difficulty facing Sarit in forming a new government will be that of finding a prime minister who is reputable, well-known abroad, and acceptable to the military. If he fails to induce outgoing Provisional Prime Minister Pote to stay on, Sarit may turn to Defense Minister General Thanom or even take over the position himself. He would probably prefer to remain in his capacity as armed forces commander, however.

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**SITUATION IN LAOS**

The Laotian government has installed its own governor in Sam Neua Province, formerly held by the Pathet Lao, and Pathet battalions are arriving at assembly points for demobilization or integration into the national army. These troops are surrendering only antiquated arms, presumably having shipped all modern arms to North Vietnam or stored them in clandestine depots.



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Western observers have been impressed by the discipline and alertness of the Pathet troops and officials. The British ambassador to Laos believes the dispersal of such determined activists throughout Laos constitutes a grave danger to the regime. The population in the province had been organized along Communist lines, but it is difficult to assess their fundamental attitude toward the

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Pathets. According to several reports, many people appeared favorably disposed toward the government delegation and complained of spending at least one or two weeks each month doing forced labor for the Pathet regime.

It is widely agreed that economic conditions in the province are dismal, with few consumer goods in the shops and rumors of a rice crop failure and possible famine. A severe food shortage would offer the government an opportunity to demonstrate its concern for the welfare of the population but would also probably be a severe test of its limited capabilities.

The Pathet Lao political party, the Neo Lao Hak Zat, has opened its headquarters in Vientiane and reportedly has formed an alliance with the left-wing National Union party, both parties agreeing to nominate joint candidates in all provinces for the supplementary elections scheduled for 4 May 1958. National Union leader

Bong Souvannavong reportedly is predicting that the alliance will win 15 of the 20 contested seats and will then demand four cabinet portfolios. Both parties have received a boost as a result of the government's 29 November order releasing all political prisoners held as Pathet Lao collaborators.

Prime Minister Souvanna Phouma and other conservative leaders of the leading Nationalist and Independent parties recognize the critical importance of holding pro-Communist electoral gains to a minimum and are therefore planning some form of campaign cooperation. Souvanna, however, is pressing for a merger of the two parties and possibly the small Democratic party into a single conservative bloc that would remain united after the campaign had concluded. He may be motivated, in part, by a desire to consolidate his ascendancy within the Nationalist party over his long-time rival, Interior Minister Katay, by forming a bloc from which the latter's supporters might be excluded.

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**SOVIET WRITER DUDINTSEV ADMITS "ERRORS"**

Vladimir Dudintsev, author of the controversial Soviet novel "Not By Bread Alone," at a recent meeting of the Moscow Writers' Union admitted the correctness and justice of criticism of his book by the Soviet Writers' Union and promised to write a new work about the Soviet intelligentsia which will portray "positive heroes." Although Dudintsev has been under heavy attack as a "revisionist" for almost a year, he had until now refused to accept publicly official criticism of his novel. That he has done so will probably be interpreted in the Soviet Union

as a triumph for Khrushchev's policy of "comradely persuasion."

"Not By Bread Alone," serialized in the literary monthly Novy Mir last autumn, was at first praised but was later officially criticized for spotlighting "negative" aspects of Soviet society when it became evident it had become a rallying point for "dissident" Soviet intellectuals and students as well as a source for foreign criticism of the Soviet regime.

At a meeting in March of the Moscow Writers' Union,

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Dudintsev vigorously defended his novel against charges that it distorted Soviet life. However, two months later he wrote in a preface to the English edition that he was "horror-stricken" at the interpretation of his book by unfriendly Western critics, who paid attention only to the negative aspects of a novel which he intended chiefly for "internal consumption."

Khrushchev apparently made a special effort to bring Dudintsev into line. In his speeches on literature and art published on 26 August, Khrushchev predicted that Dudintsev, "with the assistance of the party," would be convinced of his errors and return to party-inspired creative activity. An interviewer quoted Khrushchev as saying on 14 November that he expected to see Dudintsev personally soon.

The newspaper Evening Moscow recently disclosed, in the same article which reported Dudintsev's admission of "errors," that a collection of his earlier short stories is being prepared for publication in book form. This probably is both a reward to Dudintsev for his "reasonableness" and an attempt to "prove" to Soviet and foreign readers that the regime does not black-list writers who have repented their mistakes.

Control of all publishing facilities and of the Soviet Writers' Union--which manages pension and loan funds as well as housing, medical, and vacation facilities for writers--gives the regime a considerable advantage in dealing with a recalcitrant writer such as Dudintsev. A more subtle but effective control measure is the professional isolation of the intellectual who deviates

from the party line. The colleagues of an artist or writer officially accused as a "deviator" are expected to avoid associating with him and to add their voices to the regime's criticism of him.



DUDINTSEV

When the de-Stalinization campaign resulted in an unanticipated degree of criticism of the Soviet system during 1956, Khrushchev countered with a policy of "comradely persuasion" designed to restore the proper perspective to erring artists and intellectuals. The bolder "dissident" writers reacted with a "conspiracy of silence," refusing either to defend their positions or to produce new works. However, during the past few months several leaders of the "conspiracy" have recanted and promised to produce literature "for the people."

The success of this policy has probably convinced Khrushchev that Stalinist terror will not be necessary in the near future. It seems only a matter of time before the few writers still remaining silent will admit their "errors."

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**NEW LAW MAKES ESCAPE FROM EAST GERMANY A CRIME**

The passage of legislation on 12 December making flight, or aiding and abetting flight, from East Germany a criminal act is a logical step for the regime in implementing its tougher domestic policy including norm increases, wage cuts, and greater pressures for stepped-up collectivization and socialization. The law is intended primarily to curb the serious loss of manpower and to reduce the transfer of the new East German currency to the West. The East German Communists, relying on the presence of 350,000 Soviet troops, seem willing to risk possible popular protests against the harsher policies.

Despite tighter controls on the Berlin sector borders since the 13 October currency

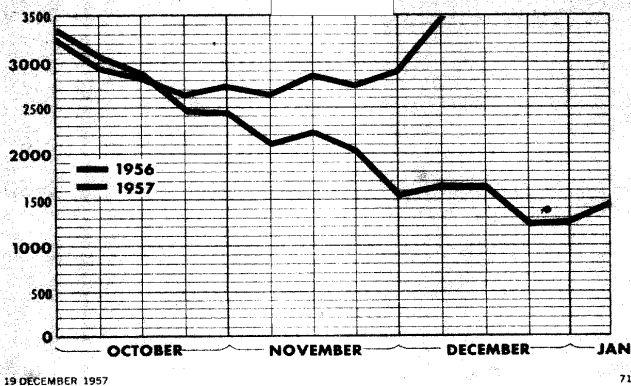
pressures on the churches in East Germany are partly responsible for the abnormal increase. In the main, however, the stepped-up rate of flight reflects the widespread fear of harsher domestic policies and tighter border controls which will make future flight more difficult and far riskier.

The new law is so general as to be subject to various interpretations. Its full effect, therefore, cannot be determined until steps are taken to enforce it. In addition to having as its aim the curbing of the refugee flow, the law was obviously intended to curtail contacts between East and West Germans and, through tighter passport control provisions, insulate the East German people from the atmosphere of political and economic freedom and the high standard of living prevailing in West Germany.

For several months the regime has been preparing to impose tighter controls on movement, and may have deferred introduction of stricter measures pending creation of a "legal" basis for punishment of offenders. The regime's drive for greater production at lower cost is al-

most certain to increase worker discontent, resulting in possible work stoppages and demonstrations. Increased sector and border controls, together with show trials of persons apprehended in flight, may discourage many potential escapees.

(Concurred in by ORR)

**REFUGEES ARRIVING IN WEST BERLIN**

conversion, the flow of refugees to West Berlin has increased--3,475 in the first week of December, more than double the number for the corresponding week in 1956--although the number usually drops at this time of year. West Berlin officials believe the growing

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**HUNGARY STEPS UP REPRESSIVE MEASURES AGAINST INTELLIGENTSIA**

The Kadar regime in Hungary--possibly under strong pressure from local Stalinists--may be abandoning its truce with Hungarian writers and returning to a "hard" repressive policy against the intelligentsia.

During September it appeared that Kadar might have reached some understanding with certain Hungarian writers who were becoming increasingly destitute as a result of their continued refusal to write. Some writers announced limited cooperation with a new periodical, although they made clear that they would not write on controversial subjects. In return, the regime appears to have meted out comparatively moderate sentences to writers implicated in the national uprising and to have tolerated circulation of Western literary works.

In November a number of prominent cultural figures were arrested and, on 13 December, Kadar, referring to them, declared, "Those who launched an attack on the people must be punished, and if the attack was very ugly, then they must be punished very severely."

Kadar's policies had been arousing serious concern in the powerful Stalinist wing of the Hungarian party, which is intensifying its demands for a return to full-scale party control of literature. In his first article in the official party newspaper since March, central committee member Jozsef Revai, long-time ideological czar under Rakosi, on 7 November sharply criticized the re-

gime's policy of permitting writers to treat "popular" subjects and demanded unrelenting application of "socialist realism" of the Khrushchev stamp. In a second article on 24 November, Revai bitterly attacked the "popular" writers. Revai is reportedly on good terms with Soviet presidium member Suslov, and his reappearance in print may reflect guidance from Moscow.

Echoing Revai's "hard-line" demands, Minister of State Gyorgy Marosan on 6 December demanded that writers "step up to face the people and admit that they made mistakes and committed crimes." He further declared that "a writer or poet who is silent now is alien to the people."

The Chinese Communists are also being invoked as an authority to justify harsh procedures against intellectuals. The Peiping correspondent of a Hungarian literary weekly on 29 November reiterated Mao's interpretation of the "hundred flowers" doctrine to cover "weeds"--"if it turns out that the flowers are weeds, we will root them out.... The same method should be used in Hungary."

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**PEIPING DEMANDS TIGHTER TRADE UNION DISCIPLINE**

Speeches and resolutions at the eighth congress of the All-China Federation of Trade Unions (ACFTU), which ended on 12 December, reflect Chinese Communist concern over any unrest which might develop as a result of renewed austerity for urban workers. The emphasis on the role of trade unions as a "school for Communism" and warnings against paying too much attention to questions of welfare and union-management conflict reveal the regime's determination to tighten up labor discipline and to ensure party control over workers.

This is the first ACFTU congress since 1953, and the regime treated it as an event of great importance. Five of the six members of the standing committee of the party politburo --including Mao Tse-tung and Liu Shao-chi, the two leading figures in the regime--turned out for the opening meeting. More than a thousand delegates attended, representing 16,300,000 trade union members from 23 industrial unions.

Speakers hailed the 63-percent increase in union membership during the past four years and proclaimed ambitious future goals. Liu Shao-chi, Vice Premier Li Fu-chun, and ACFTU Chairman Lai Jo-yu called for increased efforts in production so that Communist China can surpass British industrial output in 15 years.

A principal amendment to the ACFTU constitution made during the congress formally established a "workers' congress" organization. Lai Jo-yu noted that formation of these groups had been discussed at the eighth congress of the Chinese Communist party in 1956--at a time when the Yugoslavs were stressing their

workers' councils as a distinctive contribution to Communist practice. Moscow has indicated its disapproval of Belgrade's concept, however, and the Chinese Communist workers' congresses, approved by the party central committee last September, have only a surface resemblance to the Yugoslav organizations.

A workers' congress, Lai said, is entitled to hear work reports, to inspect production and welfare expenditures, and to "make all kinds of suggestions"--so long as these do not contradict directives from higher authority or "infringe on the rights of management." This is in contrast with the Yugoslav councils, which play an actual role in factory management.

The new organizations will be little more than an additional instrument to help the unions act as a "link between the party and the masses." Liu Shao-chi underlined the importance of worker indoctrination, declaring that all new workers must undergo "ideological transformation" to offset "bourgeois" ideology seeping into the ranks of the workers through "non-proletarian elements."

Statements by Lai Jo-yu and other spokesmen indicate that the regime plans to impose harsher austerity on the workers, until now a favored group, in order to bring their living standards into line with those of the peasants. Lai stated that increases in wages and welfare benefits should be "somewhat smaller" than increases in production, and declared that the regime had promoted some workers too fast, set the rates too high for certain jobs, and made the terms of welfare benefits too liberal.

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**JAPANESE PRIME MINISTER FACES DOMESTIC POLITICAL DIFFICULTIES**

Renewed factionalism in Japan's ruling Liberal-Democratic party will probably be intensified at the regular session of the Diet beginning on 20 December and is expected to be the major consideration in Prime Minister Kishi's timing of the general elections. Party discord could threaten the stability of Kishi's government, strengthen the Socialist opposition, and delay passage of any legislation, including the budget for the fiscal year beginning 1 April 1958.

Former Prime Minister Shigeru Yoshida and other conservative party leaders who resent continued exclusion from key positions are threatening to form a third party and topple the government. Their opposition has centered on Kishi's retention in the cabinet of Economic Planning Board Minister Ichiro Kono, who they believe is too ambitious in expanding his power. The Yoshida group may attempt to gain popular support by claiming an ability to obtain greater concessions from the United States than can the Kishi government.

The Yoshida and Kono groups are irreconcilable and both are confident of winning Kishi's approval in the showdown they are demanding. Kono believes his support of Kishi's rise to power, which initially was opposed by the Yoshida forces, gives him a strong advantage. He believes also that he holds the balance of power in the present cabinet and that he would probably be able to force the government's resignation if

the prime minister should show any lack of support for him.

Yoshida, who has been demanding elections in January or February 1958 before Kono increases his power further, told Ambassador MacArthur that a long discussion with Kishi on 10 December had convinced him that elections would not be held before April. He said Kishi must ease Kono out, but recognized that this would be difficult and would take time.

Kishi has said only that elections will not be held before the Diet approves the 1958 budget, and apparently has not decided definitely on when the elections will be held. In any event, elections must be held by February 1959.

Continued open factionalism in Japan's conservative ranks would favor the trend toward the left and neutralism that has been evident in Japan over the past several years. It is possible that a successor to Kishi, particularly if he is Kono, not only might loosen ties with the United States but might seek closer relations with the Communist bloc, especially Communist China. Such a policy would have the support of many conservatives as well as that of the Socialists.

Ambassador MacArthur regards the forthcoming elections as equal in importance to the recent German elections and believes the outcome will have an important influence on the American position in Japan and on Japan's role in Asia.

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**DOMINICAN REPUBLIC INTERFERENCE IN THE CARIBBEAN AREA**

Unsettled political conditions in several countries of the Caribbean area have opened the way for renewed plotting by Generalissimo Rafael Trujillo of the Dominican Republic, who has frequently manifested a desire to establish personal hegemony over the area. His major effort now is being directed against Guatemala, where he is intriguing to install a rightist regime friendly to his dictatorship.

Dominican subversion in Guatemala, reported as early as May 1957, increased considerably following the assassination of President Carlos Castillo Armas in July. Trujillo attempted, through support of extreme rightist elements, to influence the outcome of the 20 October presidential election. Confusion arising from mob action fomented by the defeated rightist candidate, Miguel Ydigoras Fuentes, the subsequent annulling of the election, and the rise of the leftist Revolutionary party inspired even greater Dominican efforts. The Dominicans apparently resorted to at least one murder-- a method they are widely accused of using--in an

attempt to achieve their ends in Guatemala.

Guatemalan press stories of Dominican activities, including an unsubstantiated allegation that Trujillo was involved in Castillo's assassination, coincided with a lurid Dominican



TRUJILLO

radio propaganda campaign against Guatemala and almost resulted in the severing of Guatemalan-Dominican relations. Trujillo continues to support Ydigoras Fuentes financially, adding to the already serious division among anti-Communist political parties.

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In Honduras, Dominican interference is directed against President-elect Ramon Villeda Morales, whose stand against dictatorships and friendship with Costa Rican President Jose Figueres are anathema to Trujillo. Dominican-Honduran relations were disrupted early last May following Honduran allegations

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that Trujillo was supplying arms to Nicaragua in the then explosive Honduran-Nicaraguan border dispute.

second visit in December provoked similar rumors, but evidence of Dominican conniving was much less tangible.

The recent exchange of honorary decorations between Trujillo and Haitian army chief Kebreau indicates Dominican interest in the growth of strong military control over Haiti's newly inaugurated government. Although previous rumors that Trujillo might offer economic aid to Haiti as a means of exerting political influence were never substantiated, the Trujillo-Kebreau rapprochement leaves open such a possibility.

With respect to Colombia, the arrival of ousted Colombian dictator Gustavo Rojas Pinilla in the Dominican Republic late in August was accompanied by indications that Trujillo was supporting Rojas' plan to reinstate his authoritarian regime. Rojas'

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**CYPRUS**

Governor Foot's imaginative gestures of good will have been favorably received both in Athens and in Cyprus. When he returns to London, probably in January, the British cabinet may adopt his expected recommendations for rapidly advancing Cypriot self-government.

Foot's planned solution is evidently a considerable departure from present British policy, but he professes confidence that he can sell it both to the Cypriots and to the Colonial Office. Although Foot refuses to divulge any details yet, his plan is likely to include the unconditional return of Makarios and the drafting of a new constitution in which Makarios and other Cypriots would participate.

The governor's surprise visit on 11 December to the strongly nationalist mayor of Nicosia and his stroll down the streets of Nicosia following serious rioting--the first time a governor has done so for years--indicate his willingness to break with precedent and dramatize his aim of ending what he terms "the present dreadful mess." At least for the present, most Greek Cypriots, including the leaders of EOKA, appear willing to grant the governor the few weeks' grace he has requested to conduct his appraisal. For his part, the governor has said he would minimize the use of security forces during provocative incidents.

Otherwise, Foot may suggest that Britain proceed immediately to grant wide powers of self-government unilaterally and call for elections to implement them. He will probably also recommend some positive statement promising self-determination after a specified period. In his last post, Jamaica, Foot was noted for promoting timely concessions in order to forestall more extensive demands.

Pressure from both the Labor party and the press to do something about Cyprus is likely

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to make the cabinet receptive to Foot's ideas. Anxious not to prejudice the possible implementation of his proposals, British officials will await Foot's suggestions before taking any further action. The government apparently places considerable reliance on his judgment as an experienced and liberal colonial administrator.

Adoption of his recommendations might require abandonment of Britain's long-standing aim of negotiating for agreement

on the island's status with Greece and Turkey.

Turkey would probably oppose strongly such a change in British policy. Ankara continues to insist that any scheme of self-government is a step toward enosis--union of Cyprus with Greece. The Turks insist that partition is the only solution to the Cyprus problem and are following a policy of "watchful waiting" pending a declaration of intention by Governor Foot.

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**THE CEYLON STRIKE SITUATION**

The wave of strikes recently instigated in Ceylon by unions affiliated with the Trotskyite Nava Lanka Sama Samaja party appears to have quieted down, but it has left confusion in its wake. The government, which temporarily settled most strikes by granting interim wage raises, now faces the problem of finding funds with which to pay its workers, while private industry anticipates a series of demands from workers comparable to those recently made on the government.

The major strikes of municipal, port, transportation, communications, and other labor organizations which paralyzed Colombo from 20 November were for the most part settled by 6 December. However, Colombo port was still in a chaotic condition a week after the settlement, with labor continuing an unofficial slowdown, warehouses bulging, the harbor congested, and ships bypassing or leaving the port without loading. Tea and rubber sales were suspended and some small plantations were in financial difficulties.

Prime Minister Bandaranaike, who expressed sympathy for the workers and granted pay increases to most striking unions, will now have to find over \$10,000,000 with which to make the promised payments. At the moment, there is no clear indication of how this will be done. If Bandaranaike temporizes, he may find himself faced with another series of strikes more difficult to end.

A one-day strike on 9 December of 375,000 non-Communist tea estate workers of the Ceylon Workers' Congress demonstrated the power of this organization and emphasized that workers employed by private industry will have to be appeased if government unions are given extensive wage raises. Tea, rubber, and coconut estate workers in interior Ceylon far outnumber the working population of Colombo and would present a serious problem both to private employers and to the government if they should strike for an extended period. Ceylon's economy is heavily dependent on the smooth operation of these plantations.

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One of the main features evident in the recent strikes is the growing strength of N. M. Perera, leader of the Trotskyite Nava Lanka Sama Samaja party, who controls most of the striking unions in Colombo. His rival, Philip Gunawardena, Ceylon's food and agriculture minister, used to have consider-

able labor support but now appears to have very little. Should Perera and S. K. Thondaman, who controls the estate workers of the Ceylon Workers' Congress, at any time place pressure on the government simultaneously, Bandaranaike would be in a difficult position.

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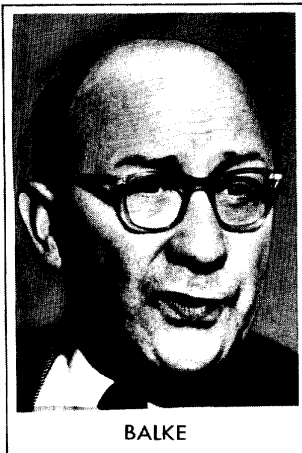
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**PART III****PATTERNS AND PERSPECTIVES****THE WEST GERMAN NUCLEAR ENERGY PROGRAM**

West Germany's recently announced atomic energy program provides for the building over the next five years of nuclear power stations with a combined initial capacity of 500 megawatts at an estimated cost of at least \$200,000,000. Several research reactors are already under construction. The nuclear build-up will serve basic research as well as provide the beginning of a power and propulsion program and could be adapted for military research purposes.

Atomic affairs Minister Siegfried Balke has indicated that the projected power reactors will be supplied by firms from various countries, including Britain, the United States, and Germany itself.



BALKE

Different kinds will be used in order to choose the most effective type for the future. The combined capacity of the proposed plants will be 500 megawatts, with the possibility for an expansion to 1,500 megawatts.

**Objectives**

In a public statement on 7 November, Balke declared that

the Federal Republic cannot stand aside while other countries plan the exploitation of nuclear energy. Other German officials also feel that Germany must lead the way in scientific and engineering development. Balke has pointed to the importance of nuclear energy in view of the enormously increasing demands of German industry on other sources of energy. He recently wrote that "the time is not far off when the Federal Republic will be able to bridge a gap in the energy field only by providing nuclear sources of energy." Undoubtedly, the Federal Republic will eventually want to undertake the production of nuclear weapons.

**Power Reactors**

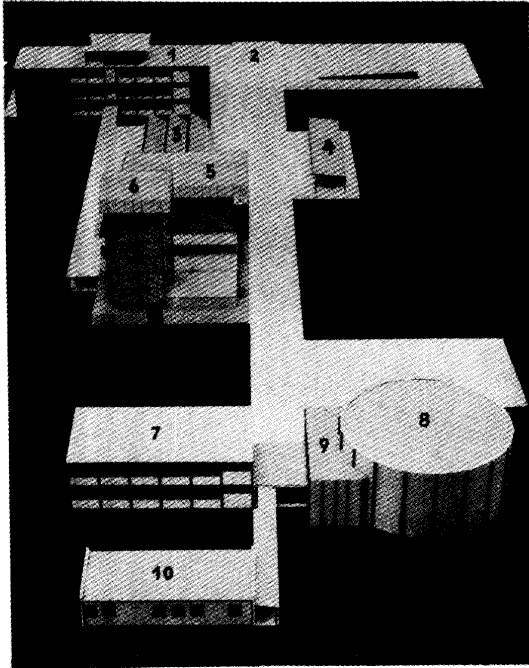
The inception of a German nuclear energy program has caused intense competition--as well as cooperation--among firms of several nations anxious to supply reactors and undertake construction. Various projects are afoot. The Rhine-Westphalian Electricity Works (RWE) has plans for a nuclear power reactor. Following cancellation of its contract with a US-British group for construction of a 15-megawatt boiling water reactor, RWE has requested new tenders for a 100-megawatt power plant. A Calder Hall type will probably be selected if suitable guarantees can be agreed on.

Brown-Boveri and Krupp seem likely to build a power reactor for the Duesseldorf city power company. Three utility companies in North Germany are jointly planning an atomic power plant of 100 megawatts. For other locations, Babcock and Wilcox of Germany has offered to build a 50-megawatt Calder Hall - type reactor, and the

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**MODEL  
OF THE  
FRANKFURT  
RESEARCH INSTALLATION**

1. Main institute building
2. Entrance
3. Work hall
4. Power plant
5. Building for the 1.5-megavolt Cascade accelerator
6. Building for the 6-megavolt Van de Graff accelerator
7. Reactor laboratory
8. Reactor building
9. Control room and entrance sluices
10. Radio-chemical laboratory

Frankfurt General Electric Company is interested in constructing a power reactor of 100 megawatts capacity. These firms will reportedly maintain contact with each other and synchronize their projects.

Research Reactors

Because of the enormous costs, German industry has shown little interest in developing nuclear energy on its own. Consequently, the federal and state governments have been investing in the projects along with private citizens and firms. This type of financing was arranged for the Karlsruhe research reactor, scheduled for completion in 1959 under the direction of Prof. Karl Wirtz.

The universities are the center of operations for Germany's top nuclear physicists, among whom are Prof. Rudolf Fleischmann of Erlangen and Prof. Wolfgang Gentner of Freiburg. Several universities are building research reactors, and in the state of North Rhine - Westphalia, Prof. Leo Brandt

has organized an atomic research center which, located probably at Juelich, will be accessible to three universities. One of two research reactors there will be used to develop fuel elements for aircraft propulsion



MUNICH RESEARCH REACTOR

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reactors. In Hamburg, negotiations are under way to purchase a prototype for a ship propulsion reactor.

Uranium and Legislation

West Germany has only a meager supply of uranium at present. The only actively mined uranium deposit was closed in November, but other areas, especially in the Palatinate, give promise of future output. Through its membership in EURATOM, however, the Federal Republic is assured of adequate supplies of uranium and other fissionable materials. In addition, it has concluded several bilateral agreements to obtain supplies for peaceful purposes. It can obtain 2,500 kilograms of contained U-235 from the United States; nuclear fuels from Britain; and 500 tons of uranium over the next five years from Canada.

At the current session of the Bundestag, an effort will be made to adopt the two atomic energy laws which failed to pass last summer when the government refused to accept Social Democratic amendments prohibiting the use of nuclear materials for military purposes. One, an amendment to the constitution, gives the federal government concurrent jurisdiction with the states over atomic energy; the other governs the utilization of nuclear energy by regulating the handling of fissionable materials, providing penalties for misuse, guaranteeing fulfillment of international obligations, and providing licensing procedures. By treaty, all special fissionable materials produced or imported will be the property of EURATOM when the treaty becomes effective.

Military Applications

The Paris treaties of 1954 prohibit the Federal Republic

from manufacturing nuclear weapons. The Bonn government's interest in the general field of nuclear weapons has been growing, however, and, in the spring of 1957, provoked a reaction from 18 leading German nuclear scientists who said in the "Goettingen Manifesto" that they would have nothing to do with the production of nuclear weapons. Among the 18 were Nobel prize winner Dr. Otto Hahn and Dr. Werner Heisenberg, also a Nobel prize winner and director of the Max Planck Institute for Physics, which is building a research reactor. Minister Balke is also among the opponents of military uses and supported the 18 scientists. Bonn may, however, at some time ask for a repeal of the treaty restrictions and, until then, is free to carry on civilian nuclear activities.

The nuclear program outlined by Minister Balke can serve a variety of purposes--for pure research, provide the beginning of a power and propulsion program, and could be adapted for research for military uses. The Germans are very interested in obtaining plutonium from their program. In addition to use in weapons, plutonium may also be used as fuel in advanced types of power reactors.

While the West German nuclear energy program is in the early development stage and is modest in size compared with the programs of Britain and France, Germany, through its membership in EURATOM, may participate in a much larger nuclear power program that Balke has announced. The release from present treaty obligations and unrestricted access to source materials will permit Germany to develop a nuclear program at least comparable to that in France.

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**FRENCH CONSTITUTIONAL REVISION**

Many Frenchmen are beginning to stress early reforms of the French constitution and electoral system as the only alternative to dictatorship. A special parliamentary committee to draft revisions began deliberations early in December, and Premier Gaillard has called for consideration of constitutional reform by parliament immediately after the Christmas recess. Despite growing recognition of the need for reforms, differences in party objectives limit the prospects for an early positive step.

The 1946 Constitution

The continuing drain of the Algerian war on French resources and renewed speculation that a "strong man" may be the only alternative have spurred the drive for fundamental changes in the present constitution. Public approval of a change is indicated in the results of a recent press poll which showed that nine out of ten Frenchmen believe modification of the constitution could improve government stability; four out of nine are convinced that the 1946 constitution is the chief cause of chronic cabinet crises in France. Political leaders have contributed to the present mood by citing the inadequacies of the constitution as an excuse for their parties' behavior in repeatedly overturning cabinets.

The French constitution of 1946 was endorsed by little more than one third of the voters, opposed by only slightly less, and ignored by the rest. Contrived by the overwhelmingly leftist postwar assembly, which was determined to assure the dominance of the legislature, the constitution compromised or complicated most legislative processes and perpetuated the ineffectiveness of the cabinet. Every premier under the Fourth Republic has paid lip service

to the need for constitutional reform, but many either privately opposed it or were so overwhelmed by day-to-day business that their proposals soon became dead letters. In any event, the complexity of the amending process--the last amendment took four years--has militated against any fundamental revision.

Status of Reform Proposals

Parliament in 1955 took the first step required for presently envisaged reforms by specifying the articles in need of amendment. Despite the interest in action to complete revision now, however, the chances are against immediate improvement. Wide divergences of opinion on the shape reforms should take have discouraged any strong drive for a change.

Gaillard's plans call for the special unofficial parliamentary committee formed early in December to prepare a draft of recommended changes. The committee represents only those parties which make up his majority, excluding from preliminary stages the Communists and Poujadists, who reject any idea of strengthening a democratic regime. Gaillard has threatened to present his own reform bill, embodying measures for reinforcement of the executive power and redefining France's relations with the overseas holdings, if the committee fails to arrive at a decision by 15 January.

His proposals to strengthen the executive call for widening the power of the president of the republic to dissolve the assembly under certain conditions, modifying vote-of-confidence procedures, and ending legislative initiation of expenditures.

The Parliamentary Situation

There is a parliamentary majority in favor of steps to

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reduce government instability. Nearly every political party has at least one pet project, however, and no one of the numerous reform proposals has majority support. A group of deputies, allegedly supported by most non-extremist parties except the Socialists, favors a proviso similar to one in the West German constitution, requiring the approval of a successor before a government can be overthrown.

To counter negativism in the assembly, the Socialists propose that the assembly have its own bills prepared before it can reject government proposals. The Socialists have wanted to avoid appearing less leftist than the Communists in maintaining the supremacy of the assembly as the repository of political power, but an evolution in Socialist thinking may be under way as a result of Guy Mollet's experience as premier. Shortly after his investiture in 1956, he called on "the republican parties" to strengthen the executive without encroaching on parliament's power.

Many conservatives agree with former Premier Paul Reynaud's plan that reform must begin at the beginning by simplifying the method of amendment. They would cut the requirement for a two-thirds or three-fifths majority on constitutional legislation. Rightist emphasis on the right of dissolution as the key to adequate reform has been somewhat reduced by Edgar Faure's unexpected use of the power in 1955. The extremely fragmented assembly which resulted failed to show the gains expected by the rightists.

Gaullist demands for a complete overhaul of the constitution were intensified by the recent crisis, which occasioned an unusually strong flurry of rumors about the general's return to power. The official

Poujadist position favors a strong executive under General de Gaulle. The general himself is understood to favor putting deputies "on paid vacation" until a new constitution is submitted to public referendum.

President Coty has stepped out of his neutral role to call for major constitutional reforms. His concern over the frequency of crises was dramatized by reports that he was seriously considering summoning De Gaulle for consultations and by his reported threat to resign if another crisis as grave as those of 1957 occurred soon.

Electoral Reform

The frustration of democratic procedures by the consistently negative votes of 200 Communist and Poujadist deputies has also quickened interest in electoral reform, but profound disagreement among the republican parties makes a resolution unlikely soon. The single-district system, which conservatives and Radicals favor, is opposed by the Popular Republicans, the Socialists, and the Communists, who prefer the existing system of modified proportional representation.

The party-alliance subterfuge adopted in 1951 to reduce Communist and Gaullist representation in the assembly broke down in the 1955-56 electoral campaign. Some modification of the electoral law is in prospect, but Gaillard appears to have discouraged any hope for major changes by appointing a Popular Republican to handle the government's constitutional and electoral reform policies. There is little prospect of early results from a reported agreement last summer between Mollet and a prominent Independent leader, Senator Duchet, to work for a two-party system.

Crisis of Empire

The Algerian war has brought into sharp focus

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France's need for a decisive government and a redefinition of its "union" with its dependent areas. Some of the foremost advocates of constitutional reform part company over the future of Algeria. The Social Republicans, who want a strong executive, are also adamantly opposed to relinquishing sovereignty over Algeria. One of the chief arguments cited by opponents of the basic statute recently adopted for Algeria was that it opened the gates to dissolution of the French Union, and this position will be even more pronounced when the Council of the Republic debates the statute.

Nevertheless, the original concept of a centralized French

Union has already been overtaken by events, and the idea of some form of "federal union" between France, Algeria, and other French-controlled areas preoccupies all political elements from the Socialists to De Gaulle. One prominent politician has pointed out that if the cumbersome provisions for amending the constitution had been followed to the letter, French Black Africa might already be in revolt. The administrative reforms railroaded through the assembly last year as "basic statutes" are sufficiently flexible to permit the complete political evolution of France's possessions south of the Sahara. They may yet serve as a model for an understanding with the ethnic Algerians.

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**"RECTIFICATION" IN THE CHINESE COMMUNIST PARTY**

The "rectification" campaign in the Chinese Communist party--which is entering its final stage--has thus far resulted in the reassignment of perhaps half a million low-level party officials to menial jobs and apparently in the downgrading of a few of the party's leaders. The campaign is expected to entail the expulsion of thousands of party members, and may culminate in the arrest and punishment of two or three members of the party central committee.

First Warnings

A cleansing of the party was foreshadowed at the eighth national congress in September 1956, when both Mao Tse-tung and Liu Shao-chi, number-two man in the Peiping regime,

called for strengthening of organizational work and "education" in the Communist ranks. In his report to the congress, Party Secretary General Teng Hsiao-ping noted that the party had grown eightfold since 1945, and that more than half its members had joined after "liberation" in 1949. Teng declared that some party members, new to power, had become arrogant and independent--the error of "subjectivism." Unfamiliar administrative responsibilities had made others prone to "bureaucratism" and "sectarianism"--the latter a tendency toward unnecessarily authoritarian methods.

Efforts at party reform began soon after the close of the congress and gained new force in early 1957, probably as a result of further reflection by

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Communist leaders on the disorders in Poland and the Hungarian rebellion. In February, Mao dwelt at length on the subject of "contradictions" between the people and their leaders in a "secret" speech to the Supreme State Council.

In March, party propaganda chief Lu Ting-i stated that a party "rectification" campaign, patterned on the 1942-44 Cheng Feng movement--a contraction of the Chinese phrase "cheng tun tso feng," meaning to correct the style or spirit of work--would begin "soon." This was followed by a spate of editorials and official statements on the question of solving contradictions through rectification, climaxed by a central committee directive on 27 April formally launching a new campaign.

The movement was slow in getting off the ground. "Blooming and contending"--the technique of large group discussions and criticism prescribed as the main tool for rectification--was carried on in a "perfunctory" manner. The rank and file responded without enthusiasm to a party directive issued in May calling on cadres to get close to the "masses" by performing manual labor.

Peiping made a new call for "criticism" in May and renewed requests that nonparty people help in correcting Communist errors. The result was an outburst of criticism late in the spring attacking Communism itself--both the party's monopoly of power and its basic program. The attack seemed to take the regime by surprise, particularly when some members of the party became involved.

#### Intensification of Campaign

Peiping reacted by speedily redefining the limits of "criticism" in terms that left no doubt that "liberalization" was

finished and by launching a massive counterattack against "rightists" inside and outside the party. These measures brought expression of dissident opinion to an abrupt halt, and Peiping took a second look at the whole question of "rectification." The result was a decision to broaden the Cheng Feng into a nationwide campaign, including non-Communists, and to adopt a tougher line on the question of party purity.

Teng Hsiao-ping formalized the shift in September in a long report before an enlarged plenum of the central committee. He spoke of the "extreme necessity of conducting a large-scale Cheng Feng movement within the fundamental column" of the Communist party. While asserting that the party was basically healthy, Teng declared that party members were committing dangerous errors. Some Communists, he said, had been infected with "bourgeois individualism" and a few were "degenerate and corrupt." Liu Shao-chi, Teng's boss in party matters, took a similar line in a major policy speech delivered on 6 November, in which he pointed to revisionism as the "main danger" at present.

Both Liu and Teng were careful to stress that mass debate--a technique closely linked to Mao himself--would be the chief method used in restoring the party to full health. Their statements make it clear, however, that the old formula of "blooming and contending" had acquired a new interpretation. Teng compared public discussion during the rectification campaign to a purifying "fire." Liu used the same imagery, asserting that "the flames of full and frank criticism will not only burn out the enemy, but our own shortcomings and mistakes as well." Cadres who are loyal to the "socialist cause," Liu added, need not fear "being licked by the fire."

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"Rectification" at the lower levels has been markedly accelerated since Teng's report to the central committee. The Communist press has boasted of the number of "opinions" brought out in mass debate, although the regime has complained that cadres are still afraid to encourage "basic" criticism. Officials now are said to be responding with enthusiasm to the program for manual labor and making progress in "improving their relations" with the workers. A recent Peiping broadcast asserted that "many of the cadres who used to cover their noses with handkerchiefs when they came across a dunghill now scramble to carry baskets loaded with dung."

Results to Date

Peiping announced in early December that more than 810,000 party and government cadres had been relieved of their posts and sent to "production" jobs on farms or in factories, and promised that the number still to be transferred would "far exceed" this figure. Fragmentary information indicates that about half those demoted in this fashion have been party members.

The campaign appears to be picking up speed in the middle reaches of party membership--the 300,000 cadres who hold posts higher than country committee members and whose achievements Teng Hsiao-ping has called of "decisive significance" to the work of the party.

On 5 December, Peiping revealed that Wang Han, a vice minister of supervision, an alternate member of the party control commission, and a party member for 25 years, is under attack for casting aspersions on Mao and opposing Communism. People's Daily reported on 12 December that four senior officials of the Supreme People's Court, of whom three are party members, have been denounced for opposing party leadership in legal matters.

None of the top party leaders--that is, members of the central committee--has yet been accused under the "rectification" campaign. However, at least three seem to have been demoted this year, and one of them may have been dropped from the committee. In April, Tseng Shan, a deputy director of the government's important Fifth Staff Office--coordinating work in finance, currency, and trade--was apparently relieved of that post, and has been out of the news ever since.

In June, Chen Man-yuan, party first secretary in Kwangsi Province, was removed from his post for failure to distribute food properly, and may have lost his central committee post as well. In August, Chen Yu, minister of coal industry, whose ministry had been under fire for insufficient production, was named to a largely ceremonial position as governor of Kwangtung Province.

Scope of the Purge

The purge of the party--that is, the expulsion of thousands of its members, and the arrest of many of them--is not expected to claim as many casualties as the "reorganization" of 1951-54. Teng Hsiao-ping, who will apparently preside over the final phase of the purge, has himself acknowledged the importance of avoiding destructive terror in the party ranks. The operation appears to resemble painstaking and no doubt painful dentistry--the removal of decayed matter to save a tooth--rather than a dramatic extraction. Whereas the 1951-1954 campaign resulted in the expulsion or forced resignation from the party of about 10 percent of its members, no more than 5 percent are expected to be dropped in the present campaign.

The largest category of purgees will probably be those branded as "rightists"--a catch

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all charge covering all forms of revision of Marxist dogma in the direction of Western-style liberalism. Most of those in this category will probably be intellectuals. Teng Hsiao-ping last September observed that the party has absorbed "too many young intellectuals," and said that of the 1,880,000 party members with intellectual backgrounds, the great majority had not been "steeled in production" or put to the test of serious class struggle. Other party members will be attacked and punished on general charges of sloth and incompetence in carrying out party policies, for specific failures, or for personal shortcomings--corruption, abuse of authority, and the like.

Two specific issues have been indicated by top party spokesmen as possible grounds for charges which may be made against more highly placed members of the hierarchy. The first, put forward by Liu Shao-chi, concerns the attitude of party members toward rapid socialization. Liu noted in November that "vague doubts and rejection" of this policy by "some people" hinder the advance of the Communist cause.

The second issue, indicated by Teng Hsiao-ping in his September report to the central committee, is the formation of cliques and factions having personal loyalty toward a specific individual. The Chinese Communists have been keenly alive to this problem since 1954. In his report, Teng declared that to have a "flush hand" of cadres--a term previously used with reference to "kingdoms" within the party--was unwholesome at the country level, "not to mention this situation on any other level higher than the county."

Purge of Top Leaders

Some high-level Chinese Communist party leaders, in

addition to the three previously noted, are expected to be casualties of the "rectification" campaign. Most of them will probably be demoted to less responsible posts--like the majority of lower-level members caught in the campaign--without losing their membership on the central committee, but a few will probably be dropped.

Peiping may even choose to climax the campaign with the expulsion and arrest of two or three party leaders, just as the party "reorganization" of 1951-1954 concluded spectacularly with the discovery of the "antiparty conspiracy" of politburo member Kao Kang--an alleged suicide--and party organization director Jao Shu-shih--reportedly still in jail.

Several central committee members have been out of the news for an unusually long period or have appeared in a curious fashion. These include: a member of the party secretariat; two deputy directors of major party departments, the organization, and the industrial work departments; the directors of two important government staff offices coordinating the work of various economic and political ministries; the chairmen of two important planning commissions; a few directors of major ministries; some secretaries of provincial party committees; and some military figures, in Peiping and in major military headquarters elsewhere. While most of these persons are expected to appear sooner or later in good health and standing, as has been the case in the past, their party and government posts are such that some of them could plausibly be accused of the kind of errors that "rectification" seeks to expose.

The only member of the inner core of party leadership--the six-man standing committee of the politburo--whose status is in doubt at this time is Chen

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Yun, for some years the party's fourth-ranking figure and its leading economist. Chen has seemed to be declining in importance during 1957, and has been out of the news since early November, missing several occasions he could have been expected to attend. Chen may be

opposed to certain of the regime's ambitious economic ventures. While there seems almost no chance that he will be purged or even formally demoted at this time, it is conceivable that he is being slowly squeezed out of the handful of top policy-makers. 25X1

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**COMMUNIST MILITARY POWER IN THE FAR EAST**

The Communist armed forces in the Far East, besides the Soviet forces in the area, constitute the three largest bodies of troops in the Sino-Soviet bloc: the armies of Communist China, North Korea, and North Vietnam. The Asian Communist forces have all been built up in recent years through large amounts of direct and indirect Soviet aid. Following the recent talks between 12 top-ranking Chinese Communist military officials and their Soviet counterparts, the USSR probably agreed to provide new military aid to Peiping. Soviet Defense Minister Malinovsky's statement that Moscow is willing "to transmit our experience in the building up of armed forces to our Chinese friends" may also affect the development of the other Asian Communist armed forces.

**Ground Forces**

Total Communist ground force strength in the Far East is estimated at about 3,600,000, or about twice the strength of the free world armies in the area. These Communist armies are making significant efforts to improve their already superior military capabilities.

The USSR has built up a 445,000-man force in the Soviet Far East despite the area's lack of economic or military self-sufficiency. Concentrated in the Southern Maritime District and the Lake Baikal area, they have the best of World War II-type equipment, presumably are being supplied with new weapons and equipment, and are believed to have a nuclear capability.

Chinese Communist ground forces, which total about 2,600,000, are deployed in strength along the coastal areas, with the greatest concentrations in Northeast, North, and East China opposite Taiwan. Chinese military leaders have indicated they favor reducing the size of these forces while reinforcing them through modernization and re-equipment.

Peiping relies greatly on Moscow for heavy and complex equipment, 25X1

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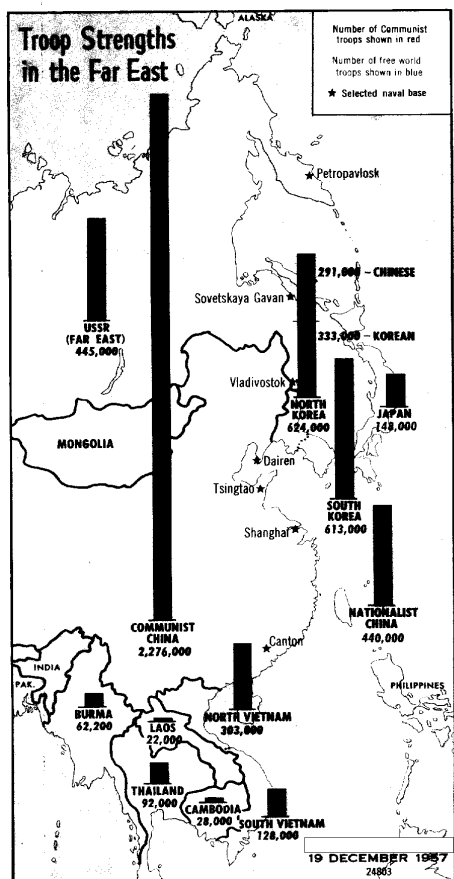
North Korea's army of about 338,000 troops, the third largest in the Sino-Soviet bloc, has improved significantly in combat capability, largely as a result of extensive Soviet aid. Artillery firepower of the Soviet-equipped North Korean army is at least twice that of South Korea's. Training continues to improve and includes simulated nuclear exercises. A large-scale corps-level maneuver was held in December 1956, and large-scale winter field exercises may be a regular feature of the annual training program.

The most significant weaknesses of North Korea's armed forces are heavy reliance on the Soviet Union for virtually all major equipment and an acute manpower shortage which prevents any substantial increase in the number of troops. Although North Korea continues to increase its military capability through improved training and logistics, it will remain dependent on supplemental Chinese Communist manpower and Soviet equipment.

Numerically inferior to South Korea's army, North Korea's ground forces are supplemented by five armies of Chinese Communist troops numbering about 300,000. As many as six additional Chinese Communist armies could be deployed to North Korea on short notice.

The army of North Vietnam, numbering about 300,000 including 35,000 regional troops, is the weakest of the Asian Communist forces. It is, however, pursuing a fairly rapid program of development. With the fourth largest ground force in the Sino-Soviet bloc, Hanoi recently began military conscription on a trial basis in a manner reminiscent of Communist China's program in 1954.

The North Vietnamese army has evolved rapidly from a guerrilla organization to a force of one artillery and 14 infantry



Chinese military training, regarded as fair to good, emphasizes night combat, marksmanship, and defensive training in atomic warfare.

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divisions with various support troops. Hampered by a severe shortage of modern equipment and trained technicians and by logistics problems, it is increasing its capabilities through considerable aid from Communist China.

Despite its weaknesses, the army of North Vietnam is capable of defeating the combined forces of Laos, Cambodia, and South Vietnam.

**Air Forces**

About one fifth of total Soviet air strength--some 3,450 aircraft representing all major components of Soviet military aviation--is based in the Far East, concentrated largely in the Maritime territory, the Lake Baikal region, Sakhalin Island, and the lower Kurils.

Soviet offensive and defensive capabilities have been improved during the past year by the introduction of BADGER (TU-16) jet medium bombers and BISON (MYA-4) jet heavy bombers. New aircraft also have appeared in fighter units.

There has been no firm evidence of a deployment of missiles to the Soviet Far East.

The Chinese Communist air force has made remarkable strides since the Nationalist withdrawal and now ranks fourth, behind Britain, in the world in terms of aircraft in operational units. Since June 1950, its air strength has expanded from approximately 350 obsolete planes to some 2,500 modern aircraft. Developed with Soviet material aid and policy guidance, the air force has attained significant military stature in its own right and has increased the Communist air threat in the Far East.

Most Chinese air units are concentrated in Manchuria and

along the East China coast in the Canton-Shanghai-Tsingtao areas. Over half the force consists of fighter aircraft, almost entirely jets. However, the jet light bomber force--estimated at 350 aircraft--poses

**COMMUNIST AIR POWER FAR EAST**

	JET FIGHTERS	PISTON FIGHTERS GROUND ATTACK	JET LIGHT BOMBERS	PISTON LIGHT BOMBERS	JET MEDIUM BOMBERS	PISTON MEDIUM BOMBERS
<b>SOVIET</b>	1709	—	710	—	142	142
<b>CHINESE</b>	1670	105	450	165	—	20
<b>N. KOREAN</b>	445	—	75	30	—	—
<b>TOTAL</b>	3824	105	1235	195	142	162

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a formidable offensive capability, China's is the only non-Soviet Communist air force with a long-range bombing capability, although at present this is limited by the possession of only 20 piston medium bombers.

There have been numerous reports indicating a substantial increase in the number of FRESCO (MIG-17) fighters.

In the strategic Taiwan Strait area, the Chinese Communist air force has the capability, barring American intervention, to establish and maintain air superiority. Although possessing adequate aircraft strength and air facilities for offensive purposes, the Chinese continue to maintain a defensive posture in the area, avoiding air operations which could be interpreted as warlike. There are no known air force tactical units based on the China coast directly opposite Taiwan. In the event of hostilities, however, the Chinese could rapidly deploy fighters and bombers to the area.

North Korea has succeeded in building up--in violation of the armistice agreements--a modern jet-equipped air force overwhelmingly superior to that of South Korea. The North Korean air force consists of

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three fighter divisions, one ground-attack and one light bomber division, and numerous technical and support units. It is equipped with an estimated 590 aircraft, of which over 400 are jet fighters. Some of North Korea's jet fighters are believed to be MIG-17's.

North Korea's bomber division, estimated to have 75 BEAGLE (IL-28) jet and 30 BAT (TU-2) piston light bombers, has been based in Manchuria. Gradual transfer of the entire bomber force to North Korean bases is expected.

Pyongyang has apparently placed emphasis on increasing its air defense capability, especially near the demilitarized zone and along the east coast.

North Vietnam operates a few light liaison and transport aircraft but has no air force.

Naval Forces

The USSR has considerably strengthened its naval forces in the Far East during recent years by transferring warships from the European USSR and by building new vessels in the Pacific area, primarily in Komsomolsk.

The main naval forces operate out of the major naval bases at Vladivostok, Sovetskaya Gavan, and Petropavlovsk, while the remaining units are located in other ports in the Soviet Far East. The principal operating areas of this fleet are the Sea of Japan, and more recently the Sea of Okhotsk.

Long-range submarines of postwar design now constitute

almost half of the USSR's Pacific submarine strength. A submarine possibly equipped to carry and launch guided missiles was sighted in the Sea of Japan in November 1956. This sighting was made only a few months after a similar one in the Baltic.

Future Soviet naval expansion in the Far East is expected to feature submarines as the principal naval weapon.

Communist China is making rapid strides in building up its naval forces. It has the most effective naval force of any Far Eastern power except the Soviet Union. While the Chinese navy is at present principally a coastal defense force, its capabilities will show continued improvement as ship-building programs progress. Soviet Riga-class destroyer escorts have been under construction at Shanghai's Hutung shipyard. Possibly four of these vessels have been launched. Also under construction are Kronstadt-class patrol craft and motor torpedo boats.

**CHINESE COMMUNIST NAVAL FORCES**

Destroyer Types	7
Long-Range Submarines	7
Medium-Range Submarines	4
Short-Range Submarines	4
Old Submarine (Short-Range)	1
Mine Sweepers (Fleet)	4
Submarine Chasers	21

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The greatest offensive potential of the Chinese Communist naval force is its short-haul amphibious lift capability.

The North Korean navy, which consists of a few patrol craft, has little capability beyond limited coastal patrol and is not likely to be substantially improved in the foreseeable future.

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North Vietnam has no navy, but the Directorate of Coastal Security maintains a small marine element equipped with 25 to 30 small patrol craft based principally in the Haiphong

area. These vessels are employed in coastal and inland waterway patrol. This small force could provide the nucleus for a small naval force at some future time.



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