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9 July 1959

CURRENT INTELLIGENCE WEEKLY SUMMARY

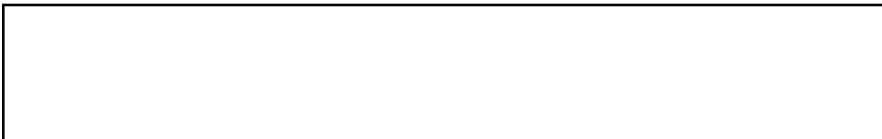


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CURRENT INTELLIGENCE WEEKLY SUMMARY

9 July 1959

THE WEEK IN BRIEF

Part I

OF IMMEDIATE INTEREST

THE CARIBBEAN SITUATION Page 1

The Cuban and Venezuelan governments have not abandoned their determination to oust the Trujillo dictatorship in the Dominican Republic and are probably still plotting against the Somoza regime in Nicaragua. There are persistent indications that Haitian exiles in Cuba are being pressed to launch an attack on the Duvalier regime in Haiti, apparently as part of Castro's strategy to open a new front against Trujillo. In dealing with the problems posed by Trujillo's charges of intervention, the OAS faces its most critical test to date.

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MIDDLE EAST HIGHLIGHTS Page 3

Iraqi Prime Minister Qasim continues to oppose local Communist demands, and the Communists may try to stage major demonstrations to bolster their political influence. Nevertheless the Iraqi Government's relations with the USSR remain close, and more Soviet materiel is being delivered. At the same time, Qasim has responded to the British arms aid offer by ordering jet light bombers. The National Union elections held this week in the UAR were aimed in part at reducing Baathist influence in Syria.

In Iran, pressures are growing for moves to improve relations with the Soviet Union, although the Shah apparently still holds to his firm policy. Israeli Prime Minister Ben-Gurion, having forced left-wing critics out of his cabinet, now heads a caretaker government, pending elections next fall. Yemeni Crown Prince Badr's growing reliance on Egyptian support suggests he fears possible new outbreaks of trouble.

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EAST-WEST NEGOTIATIONS Page 5

Pronouncements by Soviet leaders since the foreign ministers' conference recessed suggest that Gromyko will return to Geneva with instructions to make a serious effort to obtain at least agreement in principle on the main elements of an interim Berlin settlement which could be referred to a summit meeting for final approval. The Soviet leaders' minimum objective apparently will be

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Part I (continued)

to obtain new arrangements which, in their view, would supersede the postwar agreements on which existing Allied rights in Berlin are based and be the point of departure for future negotiations concerning the presence of the Allies in Berlin. The USSR will also hope to win agreement to the creation of an all-German committee which would enhance the international status of the East German regime. [redacted]

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Part II

NOTES AND COMMENTS

PEIPING MODIFIES MESSHALL SYSTEM IN COMMUNES Page 1

Peiping has retreated on a fundamental feature of its commune system. A leading regime spokesman on agriculture stated in a recent magazine article that peasants are no longer required to eat in communal messhalls. This move--which has already led to the closing of some messhalls in South China--constitutes a significant admission of failure to obtain peasant compliance with a major regime program. [redacted]

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TAIWAN STRAIT Page 2

The engagement on 5 July between Chinese Nationalist and Communist fighter aircraft was probably precipitated by Nationalist action and appears to have been an isolated incident. Latest Chinese Nationalist claims are that one MIG was shot down over the mainland and one crashed in the water. Communist alternate-day shelling of the offshore islands remains light. [redacted]

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SOVIET CENTRAL COMMITTEE MEETING Page 3

The Soviet central committee meeting from 24 to 29 June set forth an extremely comprehensive program for drawing up detailed plans for the mechanization and automation of industry during the Seven-Year Plan (1959-1965). Widespread mechanization and automation is necessary if the goal of an 80-percent increase in industrial production in the plan period is to be achieved. Khrushchev's tough speech on the last day revealed impatience with a number of deficiencies in the Soviet economy which, if they remain uncorrected, might threaten his economic program. [redacted]

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PART II (continued)

USSR CHANGES POLICY ON GRANT AID Page 5

The USSR, competing directly with Western aid in underdeveloped areas, has relaxed its policy against grants. Moscow apparently was induced to extend its first major grant to ensure the primacy of its position in Afghanistan, where the United States continued its aid program by grants following Kabul's refusal in late 1957 to accept further loans. The USSR probably will continue to promote chiefly loans, which will require economic ties during the repayment period as well as during the implementation of the aid program.

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SOVIET ASSISTANCE TO INDIA AUGMENTED Page 6

In negotiations last month with a high-level Indian mission, the USSR committed itself to provide additional aid for the industrial development of India. Most of the items discussed--worth about \$300,000,000--either had been offered earlier by Moscow or are for further work on projects already agreed on. Soviet assistance, still relatively small compared to free world aid to India, is extended primarily for key government-owned industrial enterprises--petroleum, steel, and heavy machinery industries.

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SITUATION IN KERALA STATE Page 7

Prime Minister Nehru apparently anticipates that the Indian national government will be forced by mid-August to intervene in the conflict between the Communist government and opposition groups in Kerala State.

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[Redacted]

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THE SITUATION IN CEYLON Page 8

Prime Minister Bandaranaike's government on 8 July survived its first test in the Ceylonese parliament since leftist members of the coalition withdrew two months ago. Bandaranaike thus has time for further maneuvering, but remains in a precarious position. His one-man working majority voted against the censure motion, while several opposition members abstained, apparently reluctant to bring down the government and force new elections at this time. The firm action taken by the government in the past few days to counter leftist strike activity appears to have blunted the threat to Bandaranaike's position from this direction.

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PART II (continued)

INDONESIAN CONSTITUTIONAL CHANGE Page 9

President Sukarno's reinstatement of the 1945 constitution on 5 July provides a semblance of legality for actions he has already taken toward "guided democracy" and paves the way for continued direct presidential government. The change in constitution does not provide any ready-made solutions to Indonesia's chronic difficulties, nor does it indicate that Sukarno will make a determined new effort to cope with the problems of a growing Communist party, continuing insurgent activities, and a deteriorating economy. [redacted]

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INTERNAL DISPUTE IN RULING MALAYAN PARTY Page 10

Serious conflict may be developing between Malay and Chinese elements in the ruling Alliance party of Malaya over the apportionment of candidates for the 19 August general elections. While an open split will probably be avoided at least until after the elections, the situation points up the serious dilemma faced by the Alliance on race relations. This problem could ultimately destroy the organization and, with it, political stability in Malaya. [redacted]

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CAMEROUN Page 11

Increased terrorism and an outbreak of labor disorders in Cameroun are in prospect for this French trust territory within the next few months. Exiled nationalist leaders, who are probably behind this agitation, are eager to discredit the moderate pro-French government and focus world attention on Cameroun in an effort to have the United Nations call for new elections before independence, scheduled for January 1960. [redacted]

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MOROCCO STRENGTHENING TIES WITH UAR Page 12

Moroccan Premier Ibrahim's recent 12-day visit to the UAR provides the latest manifestation of Rabat's desire to strengthen ties with Cairo. Plans for cooperation in various fields, including the military, have been discussed and in some cases worked out, and additional visits are scheduled by top Moroccan and UAR officials. This new orientation is likely to strengthen Rabat's devotion to its nonalignment policy and reinforce its determination to secure the early evacuation of French, Spanish, and American forces. [redacted]

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PART II (continued)

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THE FRENCH COMMUNIST PARTY'S 15TH CONGRESS Page 13

The French Communist party devoted its long-postponed 15th party congress from 24 to 28 June largely to an effort to refurbish its public image as the leading element of responsible opposition to De Gaulle. It appealed for a united front with the non-Communist left and center. The party seems to expect little improvement in its position in the near future but to be waiting in the hope that a general disillusionment with the De Gaulle regime will set in. Its most promising instrument for widening its appeal appears to be the Communist-led General Confederation of Labor, which has recently enjoyed some cooperation from free unions in token strikes.

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PRESSURE FOR REVISING US - BRITISH WEST INDIES BASE AGREEMENT Page 14

Additional pressure is building up in Trinidad for revision of the 1941 US-UK Caribbean base agreement. Premier Eric Williams, who has long campaigned against the local US naval station at Chaguaramas, has exploited a constitutional dispute with London over control of the police to press the base issue as well. London wants early talks with the United States on revising the 1941 agreement.

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ARGENTINE CRISIS EASES Page 15

Argentine President Frondizi, by making new assignments to several key military posts, has considerably reduced the revolutionary pressures of the past month. This step was paramount among the numerous demands of the armed forces, which had expressed themselves strongly against military assignments tinged with political favoritism as well as on the danger of Communist and Peronista influence in the government. Despite having won a respite from the danger of a military revolt, Frondizi still faces serious labor discontent.

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PART III

PATTERNS AND PERSPECTIVES

STUDENTS FROM NON-COMMUNIST COUNTRIES IN THE SOVIET BLOC Page 1

About 3,000 students from the non-Communist world attended institutions of higher learning in the USSR and its European satellites during the 1958-59 academic year--constituting approximately one seventh of the foreign students in these countries. Bloc scholarship offers are gaining respectability; twice as many Soviet offers were accepted in 1958 as in 1957. Where offers from the West equal those from the USSR, the West is greatly preferred. Attempts to convert the students to Communism meet with limited success and pro-Communist students are often disillusioned. [redacted]

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CONTINUING PROBLEMS FOR CYPRUS Page 5

Mutual suspicion and hostility between Greek and Turkish Cypriots have again come to the surface. In addition, a rift has developed between Archbishop Makarios, head of the interim Cyprus Government, and the former Greek Cypriot terrorist commander, General Grivas. Delays in the negotiations on British base rights are contributing to Greek Cypriot suspicions and may make difficult the cooperation necessary after Cyprus gains independence in February 1960. Unrealistic popular expectations regarding the island's economic prospects may create serious problems for the new government. [redacted]

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THE FUTURE OF THE UN TRUSTEESHIP COUNCIL Page 8

With the attainment of independence by a number of trust territories over the next two years, some Western members of the 14-member UN Trusteeship Council--France, Italy, and possibly New Zealand--will lose their seats as administering powers. The consequent decrease in the membership of the council might encourage the 82-member Fourth (trusteeship) Committee of the General Assembly to seek to take over the activities of the UN in the trusteeship field. In view of the strong anticolonial sentiments of some members, this might result in serious political difficulties for the remaining administering powers, particularly the United States and Britain. Prevailing sentiment in the General Assembly seems to be against "freezing" the membership of the council at its present level of 14 members, although such a solution will probably be proposed at the forthcoming assembly session. [redacted]

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PART I

OF IMMEDIATE INTEREST

THE CARIBBEAN SITUATION

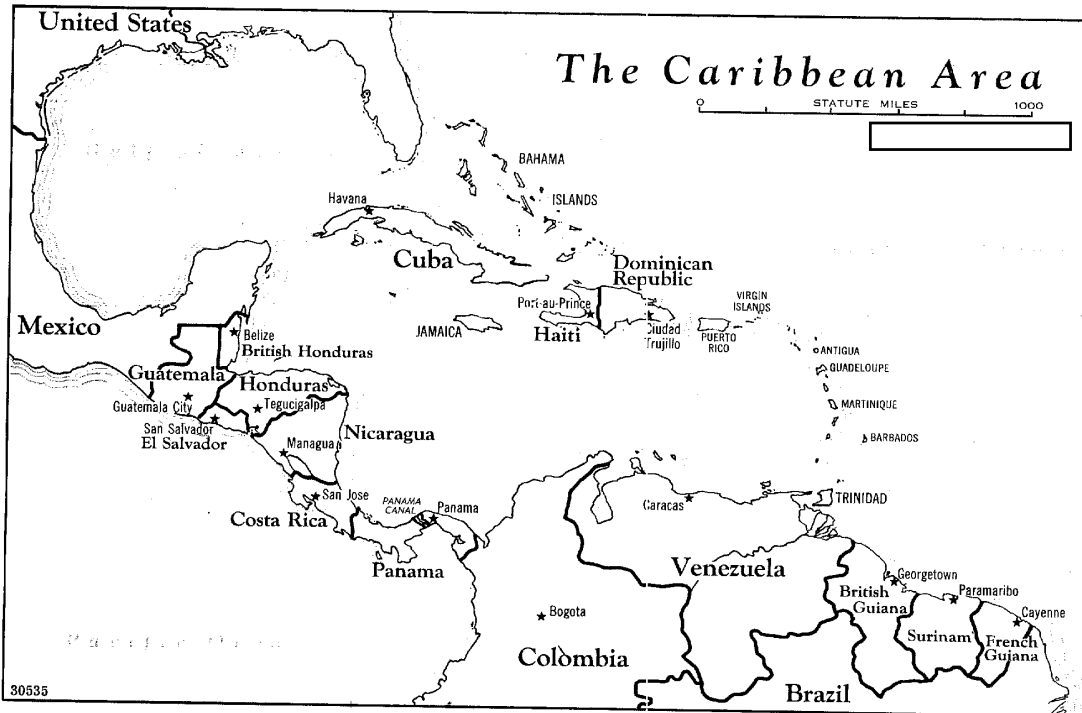
The Cuban and Venezuelan governments have not abandoned their determination to oust the Trujillo dictatorship in the Dominican Republic and may still be plotting against the Somoza regime in Nicaragua. There are persistent indications that Haitian exiles in Cuba are being pressed to launch an attack on the Duvalier regime in Haiti, apparently as part of Fidel Castro's strategy to open a new front against Trujillo. In dealing with the problems posed by Trujillo's charges of intervention, the Organization of American States (OAS) faces its most critical test to date.

findings of its special committee organized in early June to investigate Nicaraguan charges of foreign involvement in the abortive Nicaraguan rebellion, was presented on 2 July with a formal Dominican complaint against Cuban and Venezuelan intervention in the Dominican Republic and a request for OAS action. The OAS is obliged, on the one hand, to uphold the principle of nonintervention by attempting to halt the Cuban and Venezuelan activities; on the other hand, it must give recognition to the very strong sentiment in Latin America that dictatorships be eliminated from the hemisphere.

The Council of the OAS, which is still studying the



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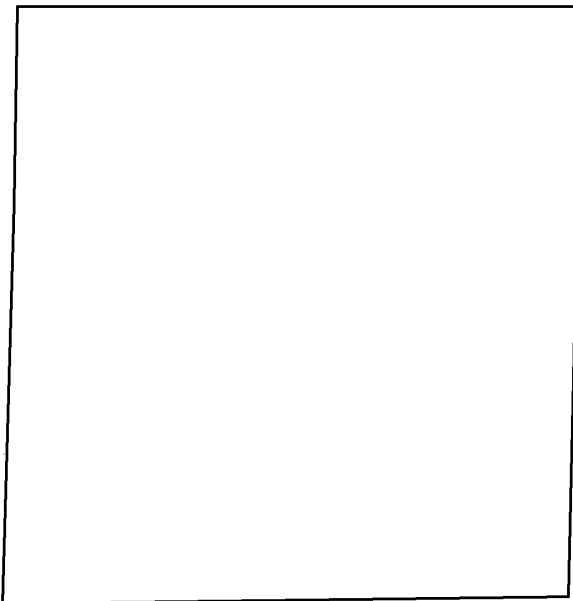
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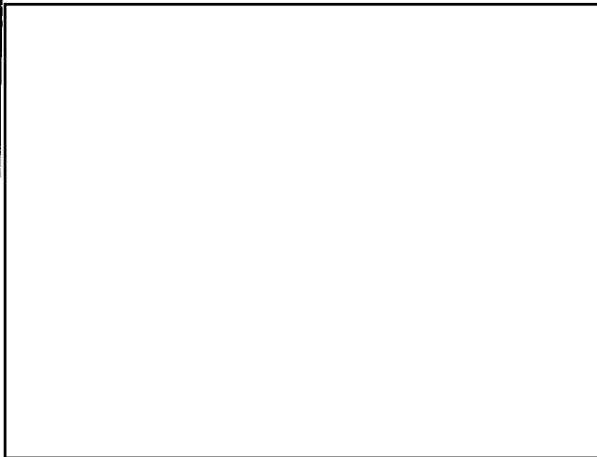
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ment is arresting many individuals charged with counterrevolutionary activity. In addition, the regime fears an imminent attack by Dominican-supported exiles, who claim to be preparing to attack before the end of July.

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The weak Haitian Government is alerted to the danger of an invasion but

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is virtually defenseless against such an attack. An attack on Haiti would probably provoke Trujillo's military intervention there in support of the Duvalier regime and bring the Caribbean antagonists closer to open war.

Indications of a Cuban effort to develop closer political and trade ties with the Afro-Asian bloc are evident in the current trip of Castro's close associate, pro-Communist Major "Che" Guevara, to the UAR, India, and at least eight other Afro-Asian countries. Guevara, who made bitterly anti-US comments while in the UAR, was given "red-carpet" treatment by President Nasir.

Meanwhile, Fidel Castro is facing intensifying unrest on the home front. His determination to push his drastic agrarian reform law has aroused open opposition, even among small landowners, and there is growing concern among informed Cubans over the activities of Communists--particularly their penetration of the armed forces. Scattered acts of antigovernment terrorism have occurred in the capital, and several groups of armed oppositionists are reported active in isolated areas of the country. The govern-

There are signs of a leftist trend in Guatemala, where the weak Ydigoras government received a setback in the important 5 July mayoral election in the capital city, won by a moderate leftist. Leftist forces, which received more votes than both rightist candidates combined, are clearly gaining strength, and if the trend continues they could sweep the congressional election scheduled for late this year.

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MIDDLE EAST HIGHLIGHTS

Iraq

Tensions between Communists and anti-Communist nationalists in Iraq are growing as the country approaches the emotional peak of the 14 July celebration of the first anniversary of the revolution. A number of clashes between coffeehouse partisans for each side occurred in Baghdad on 4 and 5 July and security forces were compelled to intervene.

In a press interview and a speech to the Popular Resistance Force on 5 July, Qasim implied that the bulk of the blame for factional strife lies on the Communists, and he specifically opposed their new united national front as an improper move during what he calls Iraq's "transitional" period. Without naming any specific papers, Qasim also warned the press against disseminating false reports; he said he would be thankful for guidance if he strayed from the "path of truth," but added that he would feel free in turn to give guidance to newspapers which strayed.

The military governor general at the same time made it clear that the newspaper the regime has in mind is the principal Communist organ. Meanwhile, it appears that the pro-Communist director of Baghdad radio has been arrested.

There has been no sign of a Communist retreat before the growing boldness of the nationalists



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Although the Communists would seem wiser to avoid a direct trial with Qasim at this stage, fear that their recent loss of momentum may mark the beginning of a more permanent decline could spur them to try extreme tactics to maintain their position.

Iraq's relations with the USSR remain close, despite Qasim's quarrel with the local Communists, and deliveries of Soviet military equipment continue. At least three additional shiploads of aircraft, armored cars, and other equipment arrived at Basra in June, and other shipments probably will arrive shortly.

In what he said was an effort to balance Iraq's foreign relations, however, Qasim has ordered from Britain 14 Canberra (B-57) jet light bombers. This order, a response to a British arms aid offer of last spring, was made--according to the Iraqis--in spite of the much lower price quoted them for Soviet IL-28 jet bombers, one of which has already been seen flying over Baghdad.

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UAR

Efforts by the Nasir regime to re-enlist Baathist support in Iraq could be undercut by the regime's simultaneous maneuvers against the Syrian Baath party. In the elections held on 8 July for the National Union, the UAR's mass political organization, one of the objectives in the Syrian region apparently was to reduce the influence of the Baath. With some covert encouragement and overt declarations of neutrality from the authorities, Syrian conservatives organized a temporary alliance to bring the Baath down, largely succeeding in many areas.

The prospect of such a success was arousing qualms even before the elections, however, since the effect of the Baath's demise would be to leave the field of independent political activity exclusively to the Communists and to strengthen the impression that Syria is entirely subservient politically to its Egyptian partner.

Israel

Cairo's most immediately pressing foreign policy problem continues to be the issue of the use of the Suez Canal by Israeli shipping and shippers. UN Secretary General Hammarskjold discussed the subject with the Egyptians last week and may have obtained a clarification of the UAR's public position, as well as its "effective" policy on the question.

Israel's cabinet crisis has run its course, and Prime Minister Ben-Gurion has announced his intention to take a "working vacation." He now heads a caretaker cabinet with-

out participation either by major left- or right-wing minority parties. The conservative General Zionists, who backed Ben-Gurion in the confidence vote last week, have said they regard the caretaker arrangement as the least of the possible evils, pending elections early next November, but have declined to participate in the government.

Iran

The Shah, although continuing his firm policy toward the Soviet Union, faces mounting domestic and foreign pressures to improve relations. Former prime minister and elder statesman Tabatabai, who represents some conservative, neutralist elements, is urging that steps be taken to appease the USSR.

Tabatabai believes a goodwill mission should be sent to the USSR immediately to permit Soviet leaders to save face and enable them to end their hostile propaganda. He also advocates the signing of a non-aggression pact, believing that this would cause the USSR to overlook Iran's participation in the Baghdad Pact and the bilateral defense agreement with the United States. Tabatabai, who again may be seeking the premiership, suggests the removal of Prime Minister Eqlal as a scapegoat for the current dilemma.

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The Shah

could succumb to these pressures and agree to consider moves to bring about improved relations.

Bloc propaganda attacks on the Shah's regime continue at a high level; on 30 June the East German radio broadcast a

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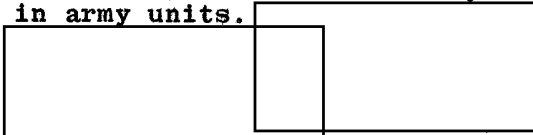
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Tudeh (Communist) party communiqué in Persian calling for "Death to and hatred for the Shah and his associates."

Yemen

The Yemeni situation remains basically unstable, although Crown Prince Badr has survived the immediate crisis created by mutinous activity in army units.



Libya

Prime Minister Kubar, looking toward parliamentary elections at the end of the year, is becoming increasingly impatient to resume negotiations on the future level of American

financial assistance under the Libyan-American base agreement. In initial negotiations last March the Libyan Government asked for a major increase in American aid as "rent" for Wheelus Air Base, as well as for much greater Libyan control over how the money is spent.

Kubar, who is subject to dismissal at the whim of King Idriss and who has been steadily criticized by other government officials, has been able to hold on to the premiership largely because of his earlier successes in increasing British and American aid commitments. He has not only been pressing the American ambassador for a resumption of negotiations but also has been encouraging pres-
sure by the Libyan press.

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EAST-WEST NEGOTIATIONS

Pronouncements by Soviet leaders since the foreign ministers' conference recessed suggest that Gromyko will return to Geneva with instructions to make a serious effort to obtain at least agreement in principle on the main elements of an interim Berlin settlement which could be referred to a summit meeting for final approval.

Gromyko's negotiating tactics probably will be aimed at achieving two minimum objectives in such an agreement. First, to induce the Western minister to agree to new arrangements which, in Moscow's view, would establish a new status for Berlin by superseding

the postwar agreements on which existing Allied rights in Berlin are based. This new status, in the USSR's strategy, would constitute the point of departure for subsequent moves and negotiations concerning the Western position in Berlin. The Soviet leaders probably believe it would be a major step toward terminating the Allied "occupation regime" and would further erode the Western legal position and determination to remain in Berlin.

The second Soviet objective probably is to win Western agreement to the creation of an all-German committee on a parity basis to discuss expansion of contacts, reunification, and

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the principles of a peace treaty. Such a committee, in Moscow's view, would be a major advance toward at least de facto Western recognition of the existence of two German states and would enhance the international status of the East German regime.

After preliminary maneuvering for position, Gromyko may agree to adopt both the Soviet proposals of 10 and 19 June and the Western proposals of 16 June as the basis for negotiations.

Soviet officials have taken an optimistic line on Geneva prospects. Deputy Foreign Minister Zorin remarked to Ambassador Thompson on 2 July that if the West really wanted to resolve the Berlin problem, an agreement could certainly be reached at Geneva. The counselor of the Soviet Embassy in Paris privately expressed the belief that the second phase of the conference would last only two weeks.

Gromyko probably will develop the line set forth in his statement on 28 June in which he attempted to convey the impression that Western rights in West Berlin would not be challenged at the end of the proposed time limit on all-German negotiations and that these rights would be respected during an indefinite period of East-West negotiations. His statement was also intended to encourage the belief that the present system of Soviet controls over Allied access to West Berlin would be maintained after the expiration of the time limit.

In his efforts to induce the West to agree to an interim Berlin settlement on terms favorable to the USSR, Gromyko may offer concessions on such points as the level of Western "token" forces in West Berlin and the inclusion of East Berlin in a ban on subversive activities and on nuclear weapons and missiles.

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First Deputy Premier Kozlov has closely adhered to the official Soviet line in his public and private statements in the United States. He has declared that a summit meeting would be "very useful for solving ripe international questions" regardless of the outcome of the foreign ministers' conference.

Reaction to German Election

There has been no official bloc reaction to the West German presidential election in West Berlin on 1 July. Pravda termed it a "gross provocation" and the "crowning of Bonn's obstructionist deeds" which serves to emphasize the urgency of a Berlin settlement. An East German editorial attributed the bloc's failure to take countermeasures to a desire not to jeopardize the success of the Geneva negotiations.

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Western Attitudes

While public morale in West Berlin remains high, political leaders there fear Moscow will be encouraged by Western divergencies and concessions to adopt a more intransigent position when the Geneva conference resumes on 13 July. Berlin leaders feel Bonn's performance during the first six weeks at Geneva confirms their belief that the Adenauer government cannot be fully trusted. They see London under domestic pressure to convene a summit meeting at any price, and consider the French "vocal firmness" on Berlin as lacking any real authority because of French military weakness. Believing that Berlin's fate rests in the hands of the United States, they have become especially alarmed over what they see as "Berlin fatigue" in America.

The British press, taking its cue from Prime Minister Macmillan's optimistic statements and from Foreign Office briefings, continues to anticipate early agreement on holding a summit conference. Recognizing the present deadlock on the Berlin question, British comment increasingly sees the nuclear test ban talks as providing the essential measure of progress to justify a meeting of heads of government. Government spokesmen have encouraged the belief that a summit conference might endorse a draft test ban agreement, despite their awareness that Paris has underlined its refusal to have this topic considered.

While the North Atlantic Council discussion on 6 July

seemed to end pressure for special NATO foreign ministers' consultations, some uneasiness over the Western position was revealed. The Dutch and Belgian delegations stressed the desirability of further information on the Soviet version of an all-German committee in order to clarify whether this offered possibilities for agreement.

There was general emphasis on the desirability of continuing talks with the Russians, with some representatives opining that it would be necessary under any circumstances to hold a summit meeting. The discussions also brought out statements that there was a need for further clarification from the USSR regarding the status of Western rights in West Berlin at the expiration of a time limit on all-German negotiations.

Geneva Nuclear Talks

Soviet delegate Tsarapkin last week sought to bring further pressure on the Western position in the test-cessation negotiations by accusing the United States and Britain of stalling by avoiding a reply to Khrushchev's proposal for an annual quota of veto-free inspections of sites of suspected nuclear explosions. He pressed the Western delegates for an early answer, asserting that the negotiations had made no progress during the last two months since Khrushchev introduced his proposal.

Soviet propaganda echoed this theme, charging "United States military quarters" with blocking agreement by raising

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obstacles such as "unacceptable demands about the composition of control-post personnel and the arbitrary dispatch of inspection teams." At the same time, however, Moscow stressed that the remaining issues are not insoluble and that agreement could be concluded quickly if the West will "exert efforts to reach agreed decisions." Soviet First Deputy Premier Kozlov reportedly took a similar line in Detroit on 7 July, expressing the view that the three nuclear powers are close to an agreement on

an inspection system based on Khrushchev's proposal for an annual inspection quota.

The Technical Working Group on the detection and identification of high-altitude explosions has agreed on methods which could be used in a system of high-altitude controls and has assessed the capabilities of such methods. The group is now engaged in drafting recommendations for submission to the three-power conference.

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PART II**NOTES AND COMMENTS****PEIPING MODIFIES MESSHALL SYSTEM IN COMMUNES**

An article in the 16 June 1959 issue of China Youth by Teng Tzu-hui, the regime's leading spokesman for a conservative approach to agricultural problems, reveals the most significant modification Peiping has yet made in its commune program. Rural cadres have been authorized to permit peasants to withdraw from commune messhalls without being stigmatized as unprogressive, "backward elements."

Messhalls have been a key feature of the new way of life introduced by the communes last fall, but poor and inadequate food--especially since the first of the year--has made them a focus of peasant discontent with the system. Despite constant efforts to improve them, they have been one of the key elements in the regime's apparent inability to keep incentives at sufficiently high levels.

The new freedom of choice for the communalized peasant probably stems from decisions taken by the party central committee, which twice met to discuss commune problems early this spring. The results of these deliberations have not been released. The appearance of Teng's article, with its first public discussion of the retreat on messhalls, in China Youth instead of the more authoritative People's Daily or Red Flag, is in keeping with the regime's surreptitious ap-

proach to key features of its eight-month-old overhaul of the communes.

This article provides the first indication of a country-wide movement to reduce messhall services. Reports from South China have indicated that the new dispensation resulted in the closing since April of some messhalls there. Local cadres have reportedly explained the step as evidence of the regime's desire to give the peasants a little more freedom, and have indicated that the closures are only a temporary move.

Teng's article reports that only the "activists"--unmarried young people and childless couples--support the messhall idea, while the majority of peasants are either indifferent or opposed. Teng admits that many messhalls were inefficiently run and that some corrupt cadres attempted to "put the squeeze" on members. He also admits that some messhalls might have to close if voluntary withdrawals are permitted, but he calls for the continuation of messhall services no matter how few persons participate, stating that eventually peasants will return voluntarily if messhalls are run better.

Teng's article shows some of the same concerns that were forced on Soviet party leaders

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during a similar experiment with communes in the early days of the USSR. The experiment was a failure, and the program was abandoned by Stalin in the early 1930s.

Teng justifies Peiping's retreat on the grounds that those peasants opposed to mess-halls would withdraw whether

permitted or not--an admission of Peiping's inability to extract full compliance from the rural population. Nevertheless, Teng endorses the basic idea of the messhall. He urges that their reorganization be continued and advises that emphasis be put on reducing their size to about 100 persons each and on giving them more flexibility.

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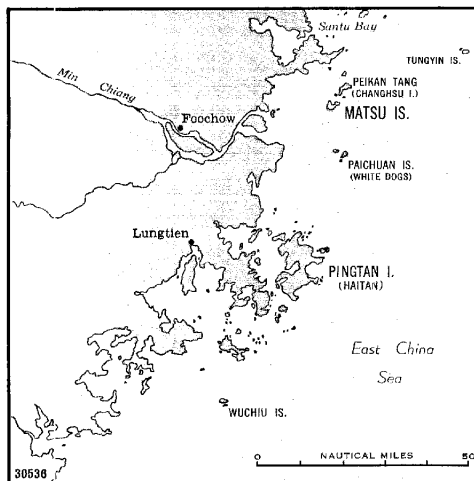
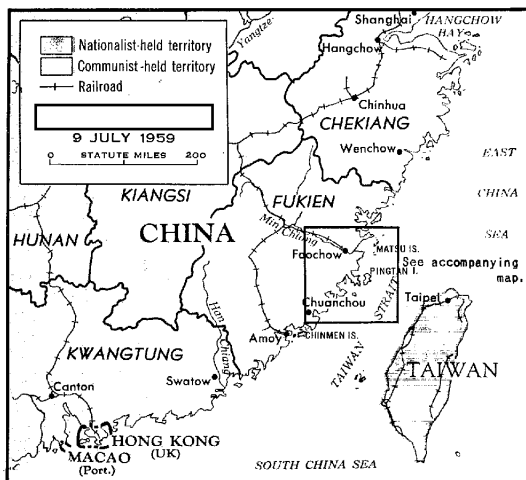
TAIWAN STRAIT

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The air engagement on 5 July between Chinese Nationalist F-86 fighters and Chinese Communist MIGs probably was precipitated by a Nationalist visual coastal reconnaissance

where Communist reaction was likely.

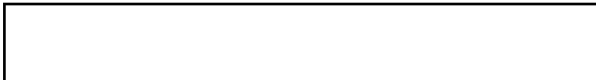
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patrol flight which ventured over or near the mainland. The Nationalist pilots initially claimed four MIGs shot down, but Nationalist officials now claim one MIG shot down over the mainland and another destroyed by an accidental crash into the water while pursuing an F-86.

The Nationalist pilots appear to have provoked the incident by entering an area



Reports of Communist strafing of the Paichuan Islands (White Dogs) in connection with the engagement are probably spurious. Nationalist anti-aircraft artillery on the islands fired on a Communist aircraft, but this is believed to be the same aircraft which crashed attempting to pursue an F-86 at low altitude.

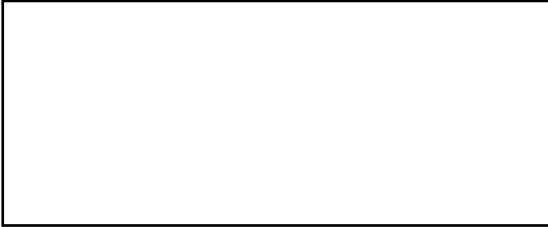
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In its only commentary on the incident, Peiping on 6 July denied Nationalist claims of five MIGs shot down, although admitting that one MIG crashed while making a high-speed dive. Communist odd-day bombardments of the offshore islands have been light. The Communists, however, have sufficient resources in the offshore islands areas to intensify military activity with little or no warning.

On 5 and 6 July, Peiping issued the 54th and 55th "serious warnings," charging that American naval vessels had "intruded" into Communist-claimed waters near Pingtan Island and the

Paichuan Islands. The warnings suggest Peiping is particularly anxious at this time to demonstrate American responsibility for continued tension in the Taiwan Strait.

As part of their effort to demonstrate leniency toward Nationalist military personnel, the Communists on 30 June released three pilots captured last fall and on 6 July permitted ten members of a Nationalist "intelligence team" to return "to their families on Taiwan."

American officials on Taiwan reported on 30 June that the Nationalists, as scheduled, had completed the withdrawal of 15,000 troops from Chinmen Island, leaving an estimated 65,000 troops on the Chinmens organized into five infantry divisions, four tank battalions, one artillery group, and various smaller units.

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SOVIET CENTRAL COMMITTEE MEETING

The Soviet central committee meeting from 24 to 29 June set forth an extremely comprehensive program for drawing up detailed plans for the mechanization and automation of industry during the Seven-Year Plan (1959-65). In the final resolution, which assigned detailed responsibilities to government and party organizations at all levels, 36 separate tasks were enumerated.

Guidance was given for each branch of industry as to

the technological processes and improvements that are to be emphasized. Reconstruction and expansion of existing plants are stressed over the building of new plants. Khrushchev's general policy of using material incentives rather than coercion is again applied: prices, wages, and bonuses are to be amended so that managers and workers will welcome new machinery--not resist it, as has often been the case. USSR Gosplan was instructed to work out, together with other organizations, proposals

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**USSR: SELECTED TASKS SPECIFIED BY RESOLUTION OF PARTY
CENTRAL COMMITTEE PLENUM, JUNE 1959**

ORGANIZATIONS	COORDINATION AND DEADLINES	TASKS
Gosplan USSR State Committee for Automation and Machine Building State Committees of USSR Council of Ministers	will see to it that branches of industry and construction, in agreement with Councils of Min- isters of Union Republics, work out and confirm <u>within three months</u>	standardized regulations for creating, producing, and testing experimental models of new ma- chines and handing them over to series production.
Gosplan USSR Ministry of Finance	will work out in conjunction with organizations concerned and submit to the USSR Council of Min- isters <u>by 1 September 1959</u>	proposals for improving finan- cial methods for introduction of new machines. This would involve better allocation of funds and material resources and the setting of prices which will stimulate the manufacture as well as the use of the new machines.
State Committee on Labor and Wages Gosplan USSR Ministry of Finance All-Union Central Council of Trade Unions State Scientific-Technical Committee	will prepare jointly with Coun- cils of Ministers of Union Re- publics, State Committees of the USSR Council of Ministers, and branches of industry and con- struction and submit to the par- ty central committee and the USSR Council of Ministers <u>by 1 November 1959</u>	proposals for establishing eco- nomic stimuli to encourage en- terprises and construction or- ganizations to introduce new technology, and for raising ma- terial incentives of workers to adopt new technology.
Gosplan USSR	will work out, together with the State Committee on Automation and Machine Building, the State Com- mittees on industry and construc- tion of the USSR Council of Min- isters, the Councils of Ministers of the Union Republics, and the sovnarkhozes, and submit to the party central committee and the USSR Council of Ministers <u>by 1 De- cember 1959</u>	proposals on the priorities and time limits for carrying out integrated automation in var- ious branches of the national economy.

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on the priorities and time limits for integrating automation in various national economic branches. These proposals are to be submitted to the central committee and the USSR Council of Ministers before 1 December 1959.

Widespread mechanization and automation of Soviet industry is necessary if the goal of an 80-percent increase in industrial production in the Seven-Year Plan period is to be achieved. This goal appears feasible, and the detailed work done in preparation for the central committee meeting puts the vital mechanization and automation programs off to a well-ordered start. The recent "socialist competition" pledges to meet goals in five or six instead of seven years were continued at the plenum, and

the "appeal" issued by the plenum emphasized fulfillment ahead of schedule.

In a tough, hard-hitting speech on the last day of the meeting, Khrushchev revealed impatience with a number of deficiencies in the Soviet economy--such as administrative malpractices, red tape, "localist" tendencies, and poor organization and planning--which, if not corrected, might threaten the success of his economic program. He reiterated that summary action would be taken against anyone who did not produce the desired results.

Although the plenum focused on mechanization, automation, the chemical program, and other fields related to the acceleration of technical progress, Khrushchev's vehement attacks

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on inefficiency, conservatism, nepotism, local favoritism, and other evils led him to hit also at the agricultural bureaucracy, anti-Lysenko biologists, nonconformist writers, party lecturers, and even doting parents.

The fundamental problem, as Khrushchev sees it, is the enforcement of party and state discipline. He pays lip service to the ideal of Communist self-discipline but depends on the party machine for enforcement. Two new party watchdog units apparently are being created to help with this function. Khrushchev proposed that a body be organized in the central commit-

tee to watch constantly over fulfillment of decisions relating to a more rapid development of the chemical industry.

He also revealed that the party presidium had ordered primary party organizations in production and commercial enterprises to form commissions for better supervising strict adherence to party and government directives and ferreting out deficiencies in the work of their enterprises. Khrushchev maintained--almost as an afterthought--that they would not take over administration nor violate the principle of one-man management.

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USSR CHANGES POLICY ON GRANT AID

The USSR, competing directly with Western aid in underdeveloped areas, has relaxed its policy against grants.

Moscow's foreign aid program has been limited primarily to repayable loans and credits. While it has extended about \$20,000,000 in the past two years in emergency food shipments and gifts of humanitarian enterprises such as hospitals, Moscow until May of this year resisted the extension of grants as part of its economic development aid program.

The USSR apparently was induced to extend its first major grant to Afghanistan--for a road project valued at \$80,000,000 by the USSR--to ensure the primacy of its position in that country. Afghan refusal in late 1957 to accept additional loans from either the West or the bloc had been followed by

American grants of \$18,000,000 for road building in mid-1958 and of \$12,000,000 for civil air development in May.

The USSR is not expected in the near future to increase the role of grants significantly but probably will seek to expand aid loans. Low-interest loans, propagandized as "without strings," frequently are repayable in surplus products and nonconvertible currency and consequently will continue to be attractive to underdeveloped areas.

Moscow's promotion of loans rather than grants stems from its desire to strengthen long-term economic ties maintained not only during the expenditure of the loan, but during the period of repayment. This results in a redirection of the trade of underdeveloped countries and may cause extended

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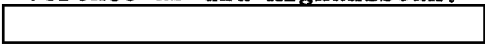
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dependence, thus favoring bloc political purposes. The USSR's preference for this type of relationship in its aid program was portrayed by its refusal last year to extend a requested aid grant to Cambodia and its substitute offer of a \$12,500,000, 40-year, interest-free loan.

The internal financial problems and foreign exchange

shortages from which nearly all underdeveloped countries suffer probably will result in increased requests for bloc economic development grants. Areas comprising current key targets in the Soviet economic offensive may now be able to secure some grant aid if they proceed with the same perseverance as did Afghanistan.

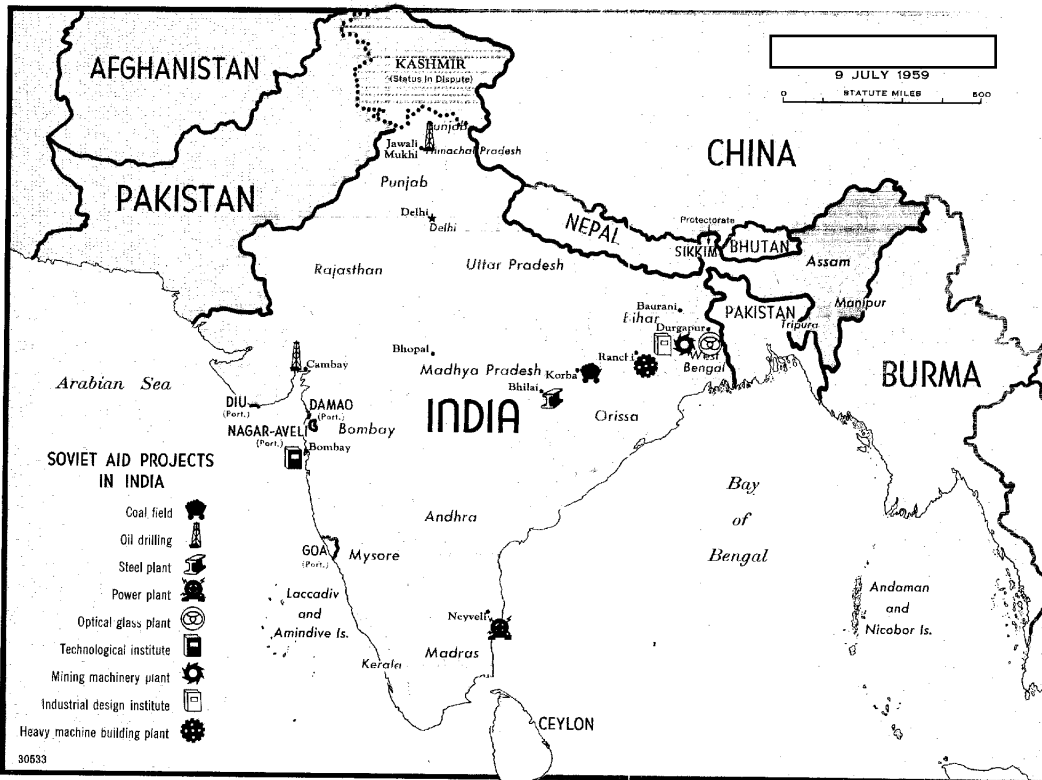


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SOVIET ASSISTANCE TO INDIA AUGMENTED

In negotiations with a high-level mission from India last month, Moscow committed itself to provide additional aid for the industrial development of that country. Most of the items discussed--worth about \$300,000,000--either had been

offered earlier or are for further work on projects already agreed on. Moscow also indicated that in view of India's foreign-exchange problem, more long-term assistance would be made available for New Delhi's Third Five-Year Plan (1961-66),



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"carrying over into the fourth plan." [redacted]

In addition to concluding a new credit for the construction of \$20,000,000 worth of pharmaceutical plants, the USSR and the Indian Ministry of Commerce and Industry agreed that the doubling of the capacity of the Bhilai steel mill, the only Soviet aid plant under construction, would be attempted during the Second Five-Year Plan, which ends in March 1961. Soviet aid for the Ranchi heavy machine-building plant being surveyed by Soviet technicians is to be almost doubled, in order to permit the maximum annual production of 85,000 tons of equipment rather than the 45,000 tons originally planned for the first phase of this project.

The productive capacity of the Durgapur mining machinery plant, also to be built under an earlier \$126,000,000 credit, will be increased. Output is to be doubled to 60,000 tons and will include the production of oil-drilling equipment, as well as machinery for the mining of coal. Agreement was also reached for the establishment of a Soviet-aided industrial design institute in conjunction with the heavy machinery plant.

The USSR renewed its offer to provide credits for facilities to produce heavy electrical equipment. Indian officials, however, have not yet decided whether to construct a new plant or to expand a British-built plant at Bhopal and supplement production by permitting the construction of specialized private plants. Simultaneously with the Moscow meeting, a Soviet team in New Delhi was discussing details of the Baurani oil refinery, which India reportedly has decided to construct with Soviet assistance.

The new aid confirms that the USSR intends to make India a major battleground in economic competition between East and West.

While the new aid commitments discussed at Moscow and under consideration in New Delhi double the value of current Soviet aid extended to India, total Soviet aid is still relatively small compared with that of free world governments which, since 1955 when Soviet aid began, have extended about two billion dollars' worth of assistance. In addition substantial amounts of private Western capital has been invested there. However, because it is concentrated in key industries in the highly publicized "public-owned" sector in India--petroleum, steel, and heavy machinery industries--Soviet aid will have a greater propaganda impact than would be suggested by its size [redacted]

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SITUATION IN KERALA STATE

Prime Minister Nehru apparently anticipates that the Indian national government will be forced by mid-August to intervene in the conflict between the Communist government and opposition groups in Kerala

State. Despite his reluctance to impose President's Rule and his fear that the state Congress party would not win the ensuing elections, Nehru appears to have gone along with the party high command's directive to Kerala

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Congress leaders to intensify their agitation but avoid violence.

The anti-Communist coalition in Kerala continues to stage daily demonstrations which result in clashes with the Communist-directed police, and it is preparing for an all-out campaign to paralyze the government. Congress party leaders plan to step up their picketing of government offices and schools, organize state-wide marches, and call for mass resignations of civil servants. Other opposition parties are applying similar forms of pressure on the government. Non-Communist labor unions are preparing to support the movement with an "indefinite" general strike.

Communist leaders, apparently unnerved by Nehru's tacit

endorsement of the opposition campaign, are privately expressing defeatism over their prospects of remaining in office. Publicly, however, they maintain that the government will not resign under pressure. Communists in Andhra Pradesh, West Bengal, and Assam states plan agitation to protest Congress party action in Kerala.

Congress leaders in Kerala appear willing to wait several weeks for New Delhi to intervene, in order to allow time for the Communists to resign voluntarily and at the same time to build a stronger case for President's Rule in case they do not. Communist efforts to counter the opposition's intensified agitation with repressive police action are likely to touch off serious disturbances, which could cause New Delhi to act prior to mid-August. [redacted]

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THE SITUATION IN CEYLON

Prime Minister Bandaranaike's government on 8 July survived its first test in the Ceylonese parliament since leftist members of the coalition withdrew two months ago. Bandaranaike thus has time for further maneuvering, but remains in a precarious position. His one-man working majority voted against the censure motion--which was defeated 50-41--while several opposition members abstained, apparently reluctant to bring down the government and force new elections at this time. The firm action taken by the government in the past few days to counter leftist strike activity also appears to have blunted the threat to Bandaranaike's position from this direction.

Opposition groups had united to censure the government following debate in parliament on the 30 June speech from the throne, which has been widely criticized for its lack of constructive proposals. The Trotskyite Lanka Sama Samaj party (LSSP) led the attack on Bandaranaike, alleging that his government was corrupt and had forfeited its mandate following the breakup of the coalition. Virtually all other leftist and right-wing elements in the opposition joined in the motion disapproving the government's program.

Some parliament members, however, apparently decided to abstain or be absent during the vote, presumably because they

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want to avoid elections at this time. Conspicuous among these were the three Communists and several Communist sympathizers, who probably fear elections would enable conservative elements to recover considerable strength in parliament.

By taking a firm stand in negotiations to end the current Colombo port strike, Bandaranaike has forced a showdown with the powerful LSSP-led unions which have threatened a general strike. His parliamentary victory, combined with growing public opposition to strike activity, should strengthen his hand in dealing with labor disturbances. Response to the government's

recruitment of a 5,000-man "volunteer" labor force to maintain essential services during strikes has been enthusiastic, with 12,000 persons applying during the past few days.

Bandaranaike remains vulnerable, however, since possible defections by either leftist or rightist members of the government party can easily deprive him of his slender majority. In addition, conservative elements in and out of parliament who desire an end to Bandaranaike's ineffective rule and early elections may renew their consideration of various plans to seize power through "direct action." 25X1

INDONESIAN CONSTITUTIONAL CHANGE

President Sukarno's reinstatement of the 1945 constitution on 5 July, part of his effort to bring "guided democracy" to Indonesia, provides a semblance of legality for actions he has already taken and paves the way for continued direct presidential government. His earlier attempt to secure the constitution's re-adoption failed on 2 June when the now-dissolved Constituent Assembly failed to approve the move by the required two-thirds majority.

The new presidential cabinet which was announced in part on 9 July is dominated by technicians and the army. It is again led by the nonparty Dr. Djuanda, who now holds the title of "first minister," since under the constitution Sukarno himself theoretically heads the cabinet. The key posts of finance, defense, and foreign affairs are held respectively by Djuanda, Army Chief of Staff General Nasution, and Subandrio, who retains the portfolio he held in the former cabinet.

The cabinet also includes as ex officio ministers the chiefs of staff of the three armed forces and three high-ranking civil government officials. Yet to be appointed are a number of deputy ministers whose political orientation may alter the complexion of the cabinet. It has not been announced whether General Nasution will serve concurrently as army chief of staff and defense minister or whether he will resign from the former post.

A provisional legislature--composed of members of the present parliament reinforced by regional and "functional" representatives--and a provisional "supreme advisory council" are to be created "within the shortest possible time." The means of their formation--whether by elections or appointment--has not been specified.

The change in constitution does not provide any ready-made solutions to Indonesia's chronic difficulties, nor does it indicate that Sukarno will make a determined

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new effort to cope with the problems of a growing Communist party, continued insurgent activities, and a deteriorating economy. The constitution is vaguely written, and until its provisions are spelled out by legislation or determined by precedent it will lend itself to a flexible, improvised, and highly centralized administration.

The army has consistently supported Sukarno's return to the old constitution. It already holds extraordinary powers under the prevailing "state of war," and, with its increased political role, it may make further efforts to curtail the growth and activities of the Communist party.

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INTERNAL DISPUTE IN RULING MALAYAN PARTY

Serious conflict may be developing between Malay and Chinese elements in the ruling Alliance party of Malaya over the apportionment of candidates for the 19 August general elections. The Malayan Chinese Association (MCA), the Chinese component of the Alliance, is demanding 40 of the 104 nominations in an effort to assure a veto over any unilateral Malay effort to amend the constitution. While this figure corresponds roughly to the percentage of Chinese in Malaya's population, it far exceeds the proportion of Chinese among the country's registered voters.

The MCA also is demanding that the Alliance election manifesto endorse the principle of school examinations in Chinese until such time as holding them in the official Malay language becomes practical--a concession which might cause a serious adverse reaction among Malays. Some prominent MCA leaders are reportedly willing to split the Alliance if the United Malay National Organization (UMNO), the Malay-oriented and dominant organization in the Alliance, fails to agree to MCA demands.

While an open split will probably not develop prior to the general elections, the situation points up the serious dilemma faced by the Alliance

on race relations. This problem could ultimately destroy the organization and, with it, political stability in Malaya. On the one hand, added concessions to the Chinese may become increasingly necessary if the MCA is to stay in the Alliance and, at the same time, develop into an effective spokesman for the 37 percent of the population which is Chinese. On the other hand, concessions to the Chinese are likely to alienate a growing number of Malays.

Holding the party together under these conditions is likely to become increasingly difficult in the face of the steadily growing strength of opposition parties whose programs are designed to appeal to a single race. Rule by any party primarily concerned with the interests of either Chinese or Malays could easily lead to widespread disorders in Malaya, where intense suspicions already exist between the two races.

The first major defeats suffered by the Alliance occurred last month when the narrow, racially oriented Pan-Malayan Islamic party swept two state assembly elections in the predominantly Malay states of Trengganu and Kelantan.

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CAMEROUN

Increased terrorism in the first week of July in Cameroun and the threat of serious labor disturbances at the seaport of Douala suggest that nationalist extremists may be initiating disorders in order to discredit the moderate government and to focus world attention on this French trust territory before it gains independence, scheduled for January 1960.

The violence, directed at targets ranging from cafés and stores to a gendarmerie post, has already resulted in the deaths of at least 13 persons, including six Europeans. The government has announced a state of alert in four areas, armed police patrolled the streets of the capital on 6 July, and Europeans have demanded permission to organize "self-defense groups." The French high commissioner reportedly plans to group all Europeans in one area and to reinforce

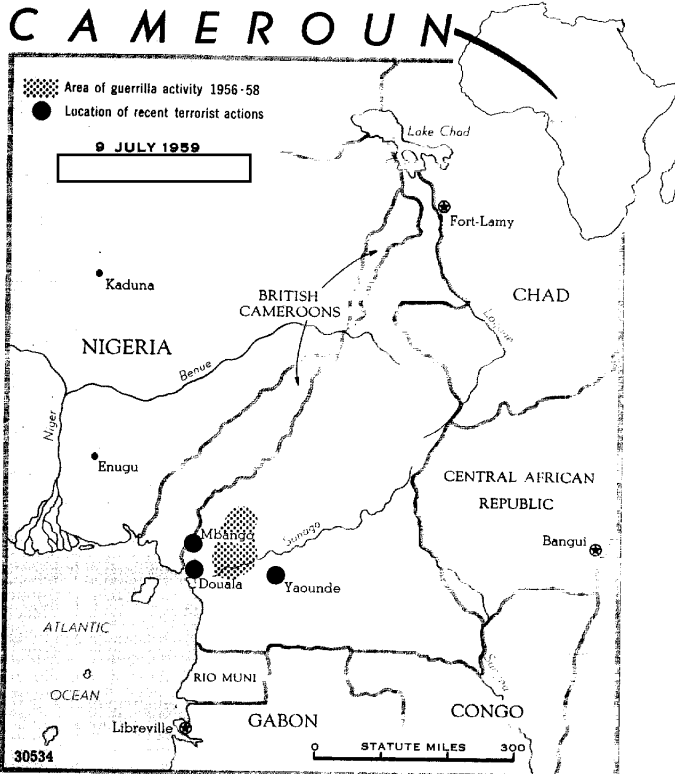
the police and gendarmerie with reserve officers and men.

Concurrently the Cameroun Government is concerned over the possibility that there may be a general and prolonged strike among port, electrical, railroad, and communications workers at Douala; officials allege that the local labor organization is receiving financial support from Communists via agents on ships calling at the seaport. A successful strike, however, does not appear likely at this time because of the organizational weakness of the labor unions.

The terrorism and threat of labor disturbances may be a desperate effort of the extreme nationalist movement, the Union of the Cameroons Population (UPC), to disrupt the territory's economy in order to show the world that the present moderate and pro-French government is incompetent and that new elections are needed before independence.

The UPC created serious disorders in Douala in 1955 and subsequently conducted guerrilla warfare against the government for two years.

Following its military defeat last autumn, the movement appears to have split with one faction willing to use legal political means to achieve an extreme nationalist program. However, an extremist wing, apparently led by Felix Moumie and composed largely of expatriates, carries on antigovernment activities from other African areas, particularly Guinea.



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Prodded by the Moumie faction, Guinea and Ghana are seeking to obtain backing in the autumn UN General Assembly session for new Cameroun elections to be held under international

supervision. However, there is little international support for a reopening of the Cameroun question--the subject of a resumed General Assembly session last February and March. 25X1

MOROCCO STRENGTHENING TIES WITH UAR

Moroccan Premier Ibrahim's 15-27 June visit to the UAR again demonstrates Rabat's desire to strengthen ties with Cairo--a desire apparent since April when Crown Prince Moulay Hassan and two Moroccan ministers undertook a similar trip. Previously Morocco had remained relatively aloof in its dealings with UAR President Nasir, whose aspirations for hegemony in North Africa were resented by Moroccan authorities.

In addition to producing a noticeably warmer attitude toward the Nasir regime among the high Moroccan officials directly involved, these visits have led to wide-ranging discussions and to plans for cooperation in various fields. Reports circulated at the time of Moulay Hassan's visit indicated that a plan had been drawn up whereby Morocco would buy UAR arms and send cadets to the UAR military academy. A desire to bolster Ibrahim's domestic prestige also seems to have entered into King Mohamed V's decision to send the premier to Cairo.

Ibrahim, who talked with and lavished public praise on Nasir on several occasions, signed a cultural agreement providing for an exchange of teachers, scholastic missions, and scientific personnel, and for the establishment of new cultur-

al centers in both countries. He had also hoped to conclude a new payments agreement, but negotiations are still going on in Rabat.

The premier also reportedly urged a reform of the Arab League, with the aim of transforming it into an instrument of general Arab rather than just UAR policy. This objective has in recent months stimulated Morocco to take a more active part in league affairs--evidenced especially by its participation with Lebanon and Libya in the league's special subcommittee on the Iraq-UAR dispute--and to promote at least a formal reconciliation between Tunisia and the UAR--a seemingly imminent development.

Morocco's new orientation toward the UAR and the Arab East promises to be developed further when Moulay Hassan returns to the UAR for its 23 July celebrations and King Mohamed makes a state visit next January. On the USSR's side, its top military man, Vice President Abd al-Hakim Amir, is scheduled to go to Morocco in November. As a result Morocco's devotion to its non-alignment policy will probably be strengthened, along with its determination to secure the early evacuation of all foreign forces and bases in Morocco. These include the five American air bases, as well as the remaining 22,000 French and 10,500 Spanish troops. 25X1

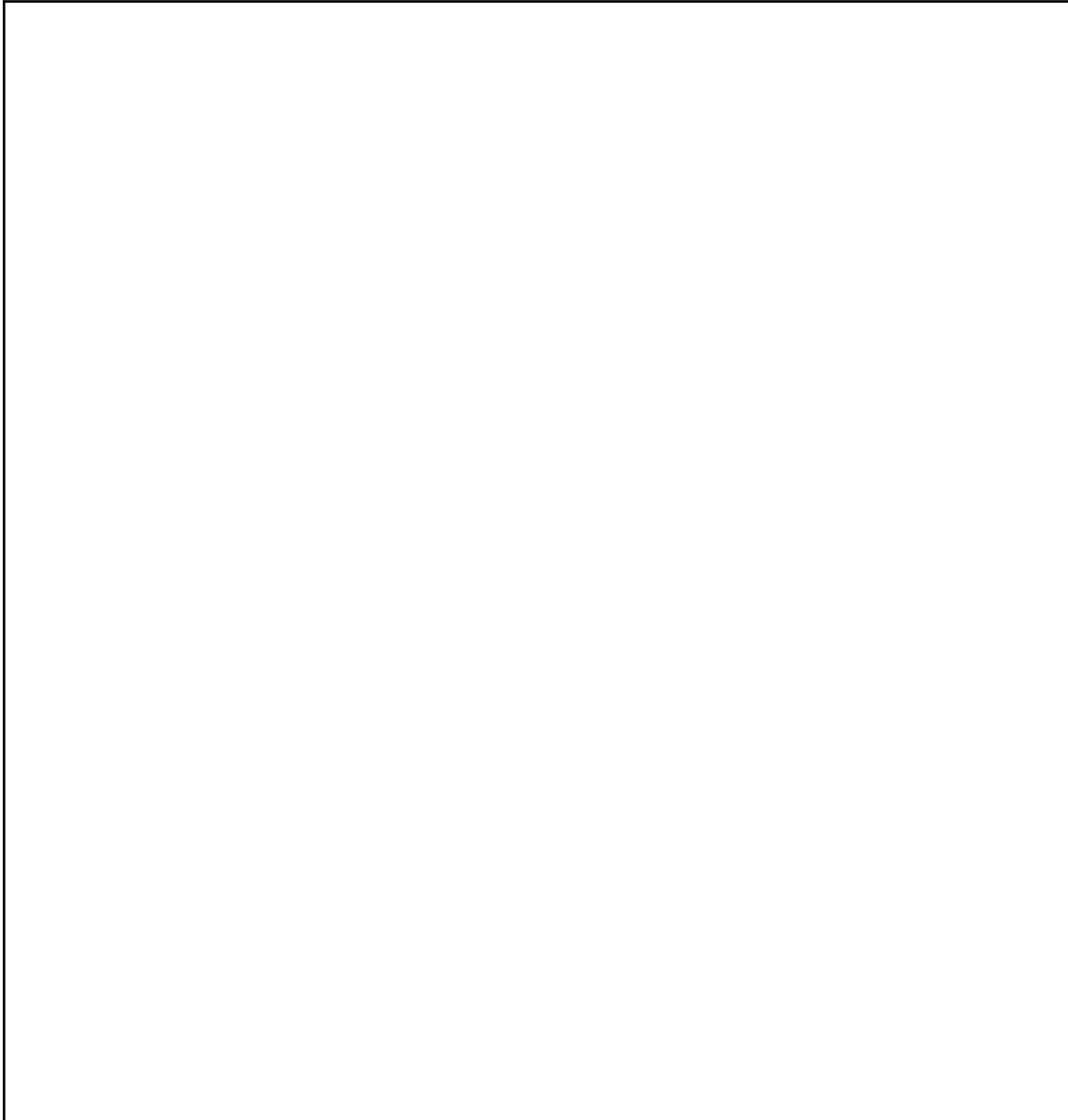
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THE FRENCH COMMUNIST PARTY'S 15TH CONGRESS

The French Communist party (PCF) devoted its long-postponed 15th party congress from 24 to 28 June largely to an effort to refurbish its public image as the leading element of responsible opposition to De Gaulle and his Fifth Republic. The party seems to expect little

improvement in its position in the near future but to be waiting until general disillusionment with the De Gaulle regime sets in. Secretary General Thorez predicted "a long hard struggle" to "regroup worker and democratic forces."

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Congress proceedings illustrated the difficulties the party faces in this effort. Patently handicapped by the absence as yet of any widespread dissatisfaction with De Gaulle, the congress nevertheless denounced him as a "fascist" and asserted that the French economy is about to collapse. It also bucked prevailing nationalist views in France by reaffirming Algeria's right to independence and charged that French development of atomic and hydrogen bombs is "contrary to the national interest."

Thorez' reference to the problem of recruiting as "one of the persisting weaknesses of the party" and his lengthy denunciation of "revisionism" suggest that the decline in party fortunes continues and that there are still internal dissensions. However, PCF leaders insisted that party policy was correct and gave no indication of altering the basic line.

The principal strategy laid down at the congress was the achievement "at all costs" of unity of action with all "democratically inclined forces,"

particularly the rank-and-file Socialists. There was more emphasis than at the 1956 congress on winning over the "urban petty bourgeoisie." The party may see some prospect of a temporary alliance with traditionally anticlerical groups on the thorny church-school issue, which may be brought up in Parliament later this month. The party, however, is in a poor position for action in Parliament, where it now has only 10 deputies and 14 senators, even though it has regained since the November parliamentary election most of the electoral following it had under the Fourth Republic.

In view of the unpopular political line taken by the party, its most promising line of attack on the De Gaulle regime at present appears to be through the Communist-led General Confederation of Labor (CGT). A recent CGT appeal to the non-Communist unions for a "common front" against the government program and for eventual organic unity has been rejected, but increasing practical cooperation among the unions has been evident in several recent token strikes.

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PRESSURE FOR REVISING US - BRITISH WEST INDIES BASE AGREEMENT

Trinidad's anti-US premier, Eric Williams, is enjoying some success in his long-standing efforts to limit American use of naval facilities in Trinidad. He is calling for a conference of representatives from the United States, Britain, the West Indies Federation Government, and the Trinidad Government to consider revising the 1941 US-British agreement giving the United States rent-free use of Caribbean bases--notably the naval station at Chaguaramas, Trinidad--for 99 years.

Williams insists that Chaguaramas be the site for the capital of the year-old federation and has rejected US assurances that the military need for Chaguaramas will be reconsidered about 1968.

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Sentiment for revision

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is increasing, not only in Trinidad, but in the West Indies generally.

Most recently, Williams' attacks have been centered on London and the West Indies Federation's prime minister, Sir Grantley Adams, principally because of Adams' request that the Macmillan government arrange a meeting with United States, British, and West Indies Federation officials, but with-

to deal with what he termed "flagrant violations" of the Chaguaramas base agreement. London granted this demand on 3 July.

London wants early talks with the United States on revising the base agreement. It argues that nationalist sentiment may rise further and that Williams will one day be the West Indies prime minister. Parliamentary Under Secretary



out separate representation for Trinidad. As part of this campaign, Williams precipitated a constitutional crisis on 20 June when the revised Trinidad constitution came into force. This revision establishes a cabinet system, with the prime minister rather than the governor presiding over the cabinet.

Williams demanded that his government and not London have control of the police in order

for Colonial Affairs Julian Amery, who flew to Trinidad to deal with the local constitutional crisis, is said to believe that Williams will never acquiesce in talks being held without Trinidad's participation. The demagogic premier may well seek to fortify his local position by calling for new elections if his demands are not met.



ARGENTINE CRISIS EASES

Argentine President Frondizi, by naming new officials to several key military posts, has considerably reduced the revolutionary pressures of the

past month. This step was paramount among the numerous demands of the armed forces, which had expressed themselves strongly against military assignments

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tinged with political favoritism as well as on the danger of Communist and Peronista influence in the government.

The new military appointments were in response to two specific demands: separation of the top army and navy commands from the army and navy secretaries, and the ouster of former Army Secretary Solanas Pacheco, who had permitted favoritism to undermine discipline.

The new army secretary, appointed on 1 July, is 71-year-old Brig. Gen. Elbio Anaya, who had retired in 1947. Both Anaya and the new undersecretary are known as strong officers who avoid politics. They are said to be making good first impressions. Maj. Gen. Hector Lambardi, a noncontroversial officer, was named active army commander in chief.

Admiral Adolfo Estevez, a key figure in the anti-Peron revolution of 1955 and a strong supporter of constitutional gov-

ernment, remains as naval secretary despite a deep cleavage in the navy over his tenure. The post of chief of naval operations, formerly held also by Estevez, has been assigned--effective 1 August--to a capable and noncontroversial officer, Rear Admiral Vago, who now commands the sea fleet.

While other important assignments in both the army and navy are still under discussion, the filling of these top posts and other negotiations under way should give Frondizi a breathing spell from the danger of a military take-over.

Frondizi still faces serious labor discontent over high living costs and Peronista and Communist threats of joint strike action to force him to abandon austerity measures taken under the US-backed stabilization program. The administration is stepping up a public relations campaign to counter this agitation, but the task is formidable at best.

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PART III

PATTERNS AND PERSPECTIVES

STUDENTS FROM NON-COMMUNIST COUNTRIES IN THE SOVIET BLOC

Approximately 3,000 students from free world nations--mostly from the underdeveloped areas of the Near East, Asia, Africa, and Latin America--and 19,000 from bloc countries attended Soviet and East European satellite institutes of higher learning during the 1958-59 academic year. Some 15,000 of these were studying in the USSR, which despite increasing attention to student exchanges is still far behind the United States in this field. There were 46,500 foreign students in the US in 1958-59. Czechoslovakia and East Germany each had some 2,000 foreign students resident last year. Students in Czechoslovakia are divided about equally between those from the bloc and from underdeveloped areas; present plans are to continue this proportion.

Nonbloc foreign students are recruited in three ways: through scholarship and educational-aid offers from the bloc to underdeveloped countries, through mutual exchange agreements between bloc countries and Western nations, and through scholarships offered by the bloc countries to protegés of non-bloc Communist parties.

The bloc is gradually increasing its mutual exchange programs with Western countries, but the number of students involved is still small--little more than 100 this year. The USSR has exchange agreements with the United States, Britain, France, West Germany, and Norway. Italy is considering opening negotiations for such an agreement. Poland has exchange agreements with the United States, Britain, and France.

Scholarships and educational aid for protegés of

Communist parties outside the bloc are not reciprocal and in many cases are made without the consent of the student's home government. At present there are approximately 70 Italian students in Soviet educational institutions, none of whom have passports valid for travel to the USSR. Approximately half of them are on scholarships provided by the Communist party of Italy and the rest are on scholarships given by the Soviet-Italian Friendship Society. In the hope of controlling this flood of "illegal" students, the Italian Government is considering opening negotiations for a mutual exchange program with the USSR.

Many of the Africans now studying in bloc schools were recruited while at school in Cairo and are also "illegal." Such students, as well as a number from Latin America, are chosen initially for their sympathy toward Communism and are heavily indoctrinated during their stay in the bloc.

The main type of foreign student program--unilateral offers by bloc countries of scholarships and other types of educational aid--is directed primarily toward the underdeveloped nations of the Near East, Asia, and Africa. Scholarship offers are made through the UN and its specialized agencies, such as the World Health Organization and UNESCO, and are also offered directly on a country-to-country basis.

The USSR, for example, has offered 15 medical scholarships to Nepal and 21 scholarships to Egypt for study in the arts. Such scholarships are for five to six years of study and cover tuition, free medical care, and free trips during vacations.

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IDENTIFIED FREE WORLD STUDENTS IN SOVIET UNION AND EASTERN EUROPE
(1958-59 Academic Year)

Country of Origin	Soviet Union	Albania	Bulgaria	Czechoslovakia	East Germany	Hungary	Poland	Rumania	Totals
SOUTH ASIA									
India	17			30			3	2	52
Pakistan	6			**					6
Nepal	15			1			1		17
SOUTHEAST ASIA									
Burma	3			**					3
Indonesia	20			70	35	**	*** 13	6	144
NEAR EAST - AFRICA									
Greece				186		44			230
Iran				2		**			2
Cyprus						**			
Iraq	**		10	* 30			**		40
Yemen		**		20			*** 27		47
Jordan				4			**		4
UAR (Syria)	180		16	(*** 39)	80	10	31	15	384
UAR (Egypt)	335	**	4	52	95	108	* 260	15	887
Sudan	30		10	70			7	5	93
Tunisia	70-90			31	10				70-90
Morocco				**					
Algeria		**	500				1		501
Senegal				3					3
Soudan				3					3
Togo				4			1		5
Nigeria	1								1
Belgian Congo				1					1
Tanganyika						1			1
Uganda							1		1
Kenya						**			
Ethiopia	1								1
WESTERN EUROPE									
West Germany	* 3								3
France	15								15
Switzerland				11					11
Italy	70								70
Spain				6					6
Britain	*								1
Iceland	1								1
Finland	15								15
LATIN AMERICA									
Mexico				14					14
Guatemala	3			**			1		4
Ecuador	1								1
Peru				**					
Bolivia	1			* 5					6
UNITED STATES	* 22								22
T O T A L S	809		540	543	220	163	346	43	2,664

* Some (or more) contemplated
 ** Presence confirmed; no figures available
 *** 1957-58 academic year

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They include one year of intensive language training and, in the case of Soviet scholarships, a year of remedial education if the student fails to meet academic standards. The USSR also provides transportation from and to the student's homeland at the beginning and end of his schooling.

Satellite scholarships also are generous, although only a

few provide transportation expenses. In all cases the stipend offered exceeds the average for domestic students. Soviet stipends granted to nonbloc students are at least double those of Soviet students. Stipends for nonbloc students in Poland and Czechoslovakia vary according to the student. In Poland, for example, the size of the stipend depends on the amount of political activity in which the

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student is willing to engage, whereas in Rumania there is a standard grant for all non-bloc students.

The Soviet Union has also offered some 550 "accommodation" scholarships, mainly to underdeveloped areas. These are reserved places for three months to five years in higher educational institutions for students whose expenses are borne by their homelands. Few such scholarships are available in the satellites, although there is evidence that Poland may be adding some to its program.

Courses of Study

After a full academic year of language training, the students enter their specialized courses of study, the most popular being engineering, the humanities, and agriculture. Fields of major study for exchange students are stipulated in the official agreement, as are those for "accommodation" offers. Some of the unilateral scholarships are made for specialized fields, as in the case of the 15 medical scholarships offered to Nepal. In others the decision as to the field of study may be made by the student's homeland on the basis of its needs.

In Czechoslovakia there is apparently some attempt to assign fields of study after language training, irrespective of the student's interests. One Sudanese victim of this procedure reported that the Czech Ministry of Education and Culture told him and all his colleagues either to take medicine or engineering or else lose their stipends.

Living Conditions

Living accommodations for foreign students in the Soviet Union are equal to those of the local students, but in the satellites the foreigners fare

considerably better than their native counterparts. Foreign students are housed on the average of two to four per room, and in the USSR and Rumania they are usually permitted to have a native roommate. Although the diet for foreign students in Czechoslovakia is reported to be meager and monotonous, Rumania and Bulgaria provide separate canteens and the latter even specializes in serving meals native to the foreign students.

Foreign students in the USSR usually eat with their Soviet fellows. Where there are unusually large numbers of one nationality, as in the case of the several hundred Indians being trained for work in the Bhilai steel mill project, a separate canteen may be established and some effort made to serve foods characteristic of the student's homeland.

In Rumania, all foreign students must devote 80 hours per academic year to work in the Volunteer Youth Work Brigades, and work on farms or in construction projects is sporadically required of all foreign students in the USSR except for those in mutual exchange programs.

Social life among the students often reflects the political atmosphere existing between their homelands. For example, Soviet students, initially friendly toward American students and intensely curious concerning the United States, become reserved and cautious after being warned several times by their Komsomol leaders. In Czechoslovakia, disputes over the relative merits of Nasir and Qasim have arisen in the large Arab student contingent, and the expression of national rivalries between Syrians and Jordanians has necessitated their assignment to separate schools.

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Sudanese and Syrian students in Moscow last January protested to university authorities against being housed five miles from the university in ill-heated quarters with only cold water, while the Egyptians lived more comfortably and conveniently in the university skyscraper.

Communist Indoctrination

One avowed aim of the program is to inculcate foreign students with Communist doctrine. Typical is the statement of Dr. Ludek Holubeck, chairman of the Division for Relations with Foreign Countries of the Czech Ministry of Education and Culture, who wrote in an education monthly last January that the foreign student program of the universities must support the political and educational activities of the Communist party and state administration. "We will increase our political and ideological demands in the evaluation of every foreign operation," he said, "so that anything we organize shall by its contents and methods have a distinct socialist character."

Holubeck charged a special institute at Charles University in Prague--set up to deal with the training of foreign students--with "evaluating the methods of instruction, political work, and ways and means of influencing the culture and social life of the students in Czechoslovakia. We want foreign students to return to their countries as dedicated adherents of socialist ideas," he stated.

The Czech regime does not attempt any heavy-handed indoctrination during the first-year language program. Similarly UAR students in Bucharest showed no change in pro-US attitudes after their first few months of study. In East Germany, however, Asian students

are quite bitter over the heavy political indoctrination and mandatory Marxist-Leninist courses. While Marxism-Leninism courses are optional for nonbloc students in the USSR, African students in Moscow have been pressured to join a Soviet-organized African students' association which calls on all Africans to unite in "driving out the foreign imperialists and creating a united Africa for Africans." By the second year of training, political indoctrination apparently is introduced in all satellites.

Impact

This training has not been universally successful in creating the desired effect on non-bloc students, for there is evidence that "socialist reality" is sometimes educational in ways Moscow never intended. Egyptian students, despite their better housing, are described as bitterly disappointed in Soviet living conditions. Egyptian students in Moscow are saying that they are Nasir's secret program to ensure that there will never be Communism in Egypt. Both the Egyptian and Sudanese students are allegedly concerned about the stigma of having studied in the USSR. Many of the Indian students, who revere Gandhi, reportedly have been shocked by Soviet stress on power and expediency in politics.

An additional problem for the bloc in sponsoring the training of students from underdeveloped areas through government-to-government programs is the instability of the national governments involved. While foreign Communist party protegés are not affected by changes in the government at home, the three- to six-year programs of the government-sponsored "legal" students bridge potential changes in national attitudes such as have taken place in the UAR. Ministry of Interior officials are

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reported to be anxious to bring UAR students home because of fears they will be infected with Communist ideas.

The government of the Syrian region, which finances some of its students in the bloc, notified 21 of these in April that the grants they were receiving had been canceled. If the bloc does not make political capital of this by paying the costs, the Egyptians may take similar measures.

Despite these difficulties, however, there is no evidence that Moscow is sufficiently dissatisfied with results to drop

its educational aid programs. There have been some successes. In Bulgaria, for example, 65 out of 80 Arab students--originally non-Communist--considered themselves Communists by the middle of their second year.

Bloc offers are gaining in respectability--the son of Nepal's former foreign minister is studying in Prague at the present time--although where offers of stipends and other assistance from the bloc and from the West are equally advantageous, the West is still overwhelmingly preferred. Acceptances of Soviet scholarships in 1958, however, were double those accepted in 1957. [redacted]

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CONTINUING PROBLEMS FOR CYPRUS

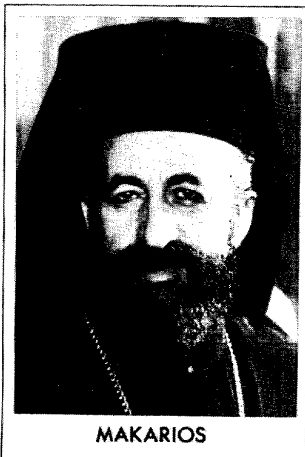
Mutual suspicion and hostility is growing again between Greek and Turkish Cypriots as a result of intemperate statements by some leaders on both sides, while a rift is develop-

"retirement" in Athens. If this rift develops further, it will complicate the task of moderate leaders in relaxing communal tensions and in retaining the good will created during the Cyprus negotiations early this year among Cypriot leaders and the British, Greek, and Turkish governments.

The present political difficulties, as well as unrealistic popular expectations concerning the island's economic future, can be expected to create serious problems for the new government.

Greek Cypriot Intransigence

Much of the encouragement to Greek Cypriot intransigence arises from Grivas' criticism of Archbishop Makarios. Although Grivas disavowed any intention of playing a future political role when he left Cyprus last March, he has told the press that the Greek Cypriots already have made too many concessions and that they should not yield in future negotiations.



MAKARIOS

ing within the Greek Cypriot right wing between Archbishop Makarios, head of the interim Cyprus Government, and General Grivas, the influential former terrorist leader who is now in

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Grivas also asserted that "real liberation" had not yet been achieved but was not far off, and promised to return to Cyprus when the situation demanded.

The archbishop gave Grivas' youthful associates in the former terrorist organization EOKA prominent positions among the cabinet ministers-designate and conferred on this group the privilege of organizing the only Greek Cypriot political party --the United Democratic Reform Front (EDMA). Recent visits by these ministers to Athens to confer with Grivas have been highly publicized and irritating to Makarios.

Makarios has expressed his dissatisfaction with Grivas' unwillingness to recognize his predominant authority on Cyprus. An open rift between the two leaders would be subject to Communist exploitation.

There have been several incidents of violence among the Greek Cypriots, and [redacted]

[redacted] EDMA is using intimidation to recruit members. A tape-recorded speech by Grivas heightened emotions at a three-day EDMA rally held in late May. Similar meetings have followed; they have been sponsored by various groups, including the Communist-front United Democratic Youth Organization (EDON). Such demonstrations encourage extremist attitudes and the idea that the goal of enosis--union with Greece--can still be achieved. The Greek newspaper Eleftheris recently termed "transitional" the compromise agreements reached in London last February, which the Turkish community views as determining the ultimate structure of the government.

Turkish Cypriot Suspicions

The prominent role of Grivas and the EOKA elements

has reinforced the conviction of some Turkish Cypriots that the Greek Cypriots do not intend to honor the London compromise, and this has brought to the surface underlying hostility



DENKTASH

and suspicions, Rauf Denktash --an able young lawyer whom some want to have supersede the older, less dynamic Turkish Cypriot leader Fazil Kuchuk--has established a newspaper to spread his views, particularly his doubt of Makarios' sincerity. Wary and fearful for their position after the British give up the island next February, the Turkish Cypriots are seeking to extract every possible concession from the Greek Cypriots. This attitude in turn fosters suspicions and extremism on the Greek Cypriot side.

Delays on British Bases

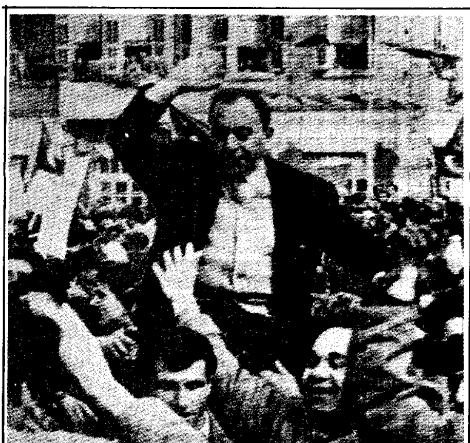
Another source of Greek Cypriot suspicion is the lack of progress made by the Joint Committee in London, which consists of representatives of the British, Greek, and Turkish governments and both Cypriot communities. The

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committee is concerned with British base rights, the new republic's relations with the sterling area, and treaties guaranteeing that neither enosis



Turkish Cypriot communal leader Fazil Kuchuk is carried by his followers in celebration of independence for Cyprus.

nor partition will occur. Although the British representatives were to be responsible for initial drafts, they have been slow to provide them and have only recently informed the other participants of the exact base areas over which Britain intends to retain sovereignty.

The British have reduced their requirements for bases so that only 4,400 Cypriots would live in the areas designated, and it appears unlikely that London will reduce the areas further. While Makarios continues to insist that the bases should contain no places inhabited by Cypriots, Athens' advice not to discuss this question separately may make him more willing to compromise when the British have fully revealed their position and general bargaining begins.

These delays have diminished the good will that Britain initially gained during the negotiations last February. London realizes that the maximum benefit from its bases depends

on Greek Cypriot good will, and now is trying to speed the committee's work.

Economic Problems

Cyprus' difficult political problems are likely to be further complicated by unrealistic economic expectations recently stimulated by press articles, bearing little relationship to the island's real economic prospects. Greek-language newspapers have discussed grandiose plans for the development of the island, and Makarios' supporters among peasants and villagers believe their material well-being will be greatly improved. Although some businessmen and other informed persons in the towns have a more realistic picture of the island's limited economic prospects, it now appears that these more knowledgeable individuals will play a minor role in the new government.

Turkish Cypriots state that they can improve their situation with respect to the Greek Cypriot majority by becoming self-sufficient economically, but their



Greek Cypriots carry portrait of EOKA leader George Grivas during celebration of return to Cyprus of exiled Greek Cypriot leader, Archbishop Makarios.

hope for substantial aid from Turkey to achieve this aim is unlikely to be satisfied. The Turkish campaign for

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self-sufficiency contributes to the irritation of the Greek Cypriots.

In contrast to popular expectations, Cyprus almost certainly faces several years of economic austerity following independence. Britain's colonial development assistance, investment in military facilities, and spending connected with service personnel and civilians brought a much higher standard of living than the island's resources would otherwise have provided.

Reduction in the British garrison in itself will result in serious unemployment and financial problems. While London plans to improve the base areas, grant aid for an airport terminal, provide loans to develop the port of Famagusta, and extend electrical distribution facilities, expenditures on these projects will only partially take up the slack. Makarios, who has appointed experienced businessmen to advise him on economic matters, realizes he must solve financial problems in order to defeat the

Communist movement on Cyprus, which is ably led and dominates the island's strongest labor organizations. He apparently favors Cyprus' remaining in the sterling area, since this would increase confidence in the government and slow down the flight of capital.

Prospects

So far, the Greek and Turkist governments have been a stabilizing influence. They are determined not to permit lack of cooperation between the Greek and Turkish Cypriots to jeopardize the settlement. Athens apparently is trying to keep Grivas from criticizing Makarios, while Ankara, for its part, is urging the Turkish Cypriots to avoid antagonizing the Greek Cypriots.

During the next few months the Greek and Turkish governments will probably keep Cypriot extremists in line so that a final political settlement can be reached by February 1960. Nevertheless, intransigent statements, increased antagonisms, and economic disappointment may foster instability thereafter.

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THE FUTURE OF THE UN TRUSTEESHIP COUNCIL

With the attainment of independence by a number of trust territories over the next two years, some Western members of the 14-member United Nations Trusteeship Council--France, Italy, and possibly New Zealand--will lose their seats as administering powers. The decrease in the membership of the council might encourage the 82-member Fourth (trusteeship) Committee of the General Assembly to seek to take over the activities of the UN in the trusteeship field. In view of the strong anticolonial sentiment of some members, this might result in serious political em-

barrassments for the remaining administering powers, particularly the United States and Britain.

Prevailing sentiment in the General Assembly seems to be against "freezing" the membership of the council at its present level, although such a solution will probably be proposed at the forthcoming assembly session. The long-range prestige of the council seems to lie primarily in its ability to encourage the administering powers to grant self-government quickly and end the trusteeship system.

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The Trusteeship System

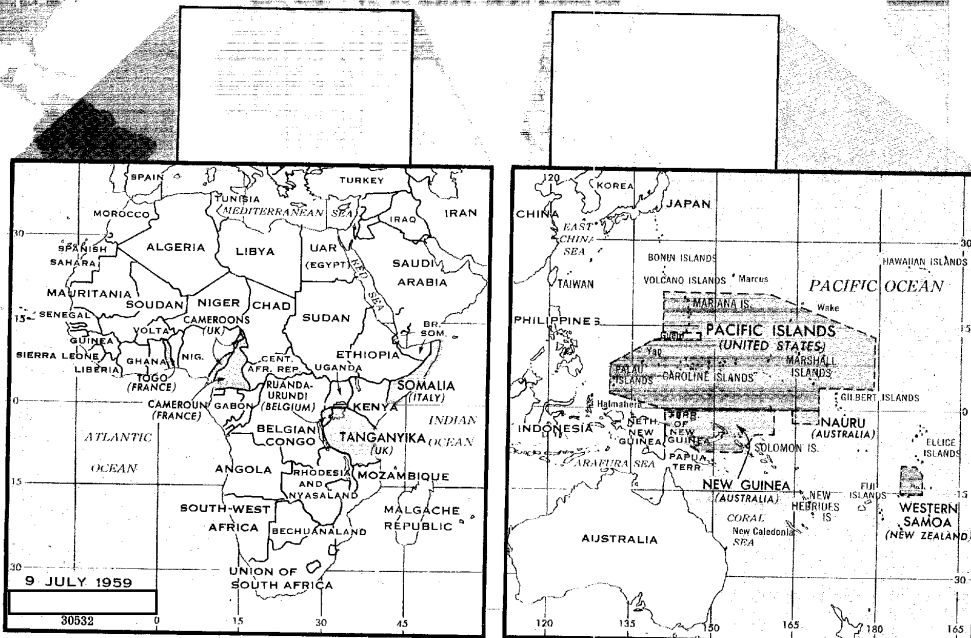
At Yalta in early 1945 the United States, Britain, and the USSR decided to consult each other on creating machinery in the UN for dealing with "territorial trusteeship." The trusteeship system was primarily to handle the mandated areas set up under the League of Nations and territories taken from enemy states following World War II. Provision for a third type--territories voluntarily placed under trusteeship--was made in the vain hope that in time the success of the system would induce countries with dependencies to take this step.

The trusteeship system as finally set forth in the UN Charter establishes as a definite goal the "progressive development toward self-government or independence" of the territories concerned. With the exception of Somalia, administered

by Italy, and the US-governed Pacific islands, only the League-mandated territories fell under the system. Despite repeated injunctions by the General Assembly, South Africa has refused to allow South-West Africa, formerly a League of Nations mandate, to be made a UN trust territory.

Of the 11 territories originally placed under trusteeship, only British Togoland has thus far achieved independence --by joining the Gold Coast in the new state of Ghana. Of the remaining ten, Somalia is scheduled for independence in December 1960; French-administered Cameroun, in January 1960; Togo, also administered by France, in April 1960; and Western Samoa, administered by New Zealand, probably in 1960 or 1961. The other territories as yet have no scheduled independence dates.

UNITED NATIONS TRUST TERRITORIES



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Trusteeship agreements for the present ten territories--six in Africa and four in the Pacific--were approved by the General Assembly between 1946 and 1950. These agreements had to be negotiated by the states directly concerned and approved by the General Assembly. Special provision was made for a state to designate all or part of a trust territory as "strategic" and, in this case, the agreement has to be approved by the Security Council. Under this provision the United States was designated to administer as a strategic trusteeship the central Pacific islands captured from Japan during World War II.

Responsibility for governing all these territories rests with the administering states. The General Assembly and the Trusteeship Council supervise the operation of the agreements.

The Trusteeship Council

The Trusteeship Council is composed of all states holding trust territories and those permanent members of the Security Council which do not--the USSR and Nationalist China. In addition, it includes as many elected states as are necessary to ensure that the membership is evenly divided between administering and nonadministering countries. These members are elected by the General Assembly for three-year staggered terms. Haiti's and India's seats are up for election at the forthcoming session of the assembly.

Administering states are required by the charter to make annual reports to the UN, covering the political, economic, social, and educational advancement of the inhabitants of their trust territories. Petitions may be submitted to the UN by the inhabitants and are examined by the Trusteeship Council. These petitions have ranged over a wide field, from individual complaints against al-

leged personal injustices to group protests over conditions in the territories. In many instances the council has heard the petitioners orally. The council also sends out visiting missions to gather first-hand data on developments in the trust territories.

Present Problem

France will shortly lose its qualifications as an administering member--probably in 1960, when Togo and Cameroun are expected to become independent. Italy, not being a permanent member of the UN Security Council, will lose its membership when Somalia attains independence in 1960. The charter can be interpreted to require that Italy leave the council and France become a

UNITED NATIONS TRUSTEESHIP COUNCIL

ADMINISTERING MEMBERS	NONADMINISTERING MEMBERS
1959	
UNITED STATES UNITED KINGDOM FRANCE BELGIUM AUSTRALIA NEW ZEALAND ITALY	* USSR * CHINA HAITI (through 1959) INDIA (through 1959) BURMA (through 1961) PARAGUAY (through 1961) UAR (through 1961)
1960 - 1961 (IF NO CHANGE IS MADE BY 1959 GENERAL ASSEMBLY)	
UNITED STATES UNITED KINGDOM BELGIUM AUSTRALIA NEW ZEALAND	* USSR * CHINA * FRANCE BURMA (through 1961) PARAGUAY (through 1961) UAR (through 1961) ELECTED MEMBER (through 1962) ELECTED MEMBER (through 1962)
1960 - 1961 (IF "FREEZE" PROPOSAL IS ACCEPTED)	
UNITED STATES UNITED KINGDOM BELGIUM AUSTRALIA NEW ZEALAND FRANCE (through 1961) ITALY (through 1961)	* USSR * CHINA BURMA (through 1961) PARAGUAY (through 1961) UAR (through 1961) ELECTED MEMBER (through 1962) ELECTED MEMBER (through 1962)

* Permanent Member of the Trusteeship Council, under Article 86 of the Charter.

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nonadministering member, but that the elected nonadministering members complete their three-year terms, even though they were originally elected to balance the number of administering members.

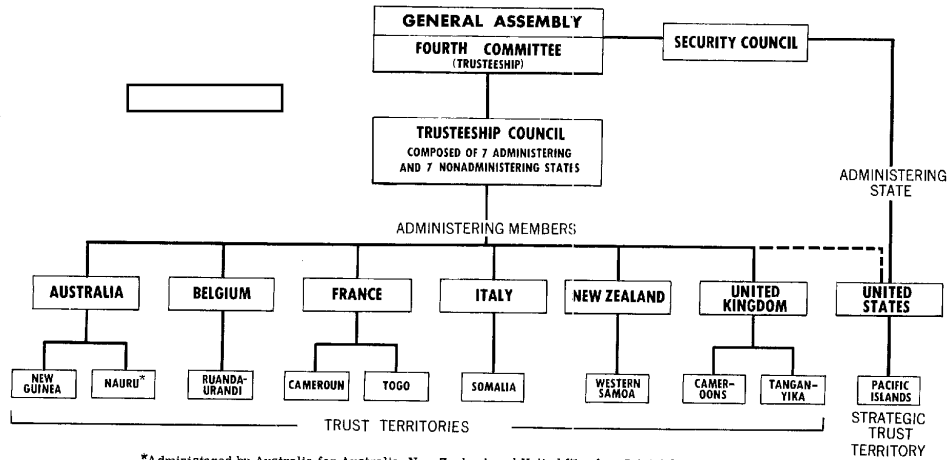
The administering members would thus be in the minority

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STRUCTURE OF THE UNITED NATIONS TRUSTEESHIP SYSTEM

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until the end of 1961, when the terms of three elected members --Burma, Paraguay, and the UAR --expire. The council would then be reduced to ten members: Australia, Belgium, New Zealand, Britain, and the United States as administering members and China, France, the USSR, and two elected members on the nonadministering side.

Anticolonial UN members may protest the presence of France as a nonadministering member, arguing that parity as called for by the charter does not in reality exist. Britain fears that this attitude would weaken the authority of the Trusteeship Council vis-a-vis the Fourth Committee of the General Assembly and encourage the committee to "accentuate its current tendency to override or bypass the council." Britain wants the council to retain its effectiveness in view of London's continuing responsibilities for Tanganyika.

The imbalance in the council and the usurpation of its authority by the Fourth Committee would subject the remaining administering powers to unrestrained attacks by the anticolonial

group in the UN. This would be particularly true for the United States and its Pacific trust territories, where there has already been considerable opposition to the nuclear testing conducted in the area. Stepped-up attacks on Britain and Belgium as old-line colonial powers can also be expected.

Any attempt to amend charter provisions governing membership of the Trusteeship Council would probably encounter a Soviet veto, since the USSR has served notice it will not support any charter amendment until Peiping is represented in the UN. Britain and France have therefore suggested that the next General Assembly be asked to "freeze" the present council membership until 1961.

The UN Secretariat's Legal Office takes the position that "freezing" is unacceptable and that the language of the charter clearly states an "administering" member can only be one actually fulfilling such duties at the time. Secretary General Hammarskjold has instructed the secretariat to play a "passive role" on the future of the council. Nevertheless, the

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secretariat's position would almost certainly affect the position of the Latin American bloc, which takes a legalistic attitude on interpretation of the charter.

Although the "freeze" proposal offers a short-term solution to the prospective imbalance in the council's member-

ship and could set the stage for a permanent solution along similar lines, its adoption by the General Assembly is unlikely. Secretariat opposition and the terms of the charter, which envisage eventual abolition to the trusteeship system as a whole, probably foreshadow the demise of the Trusteeship Council.

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