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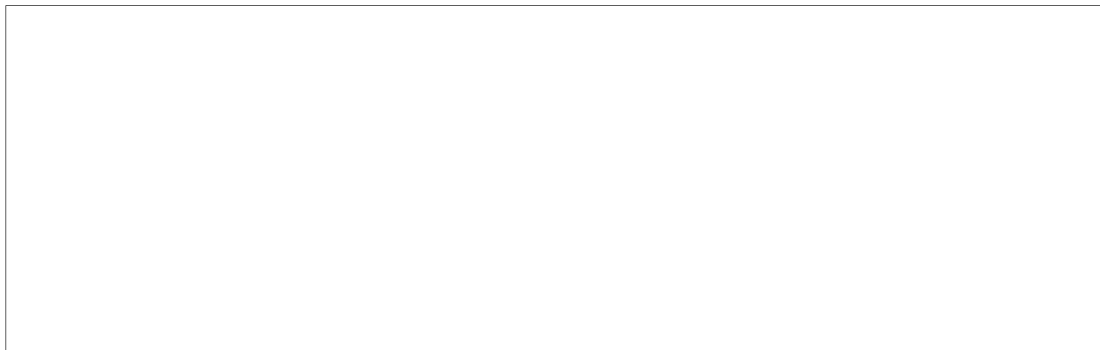
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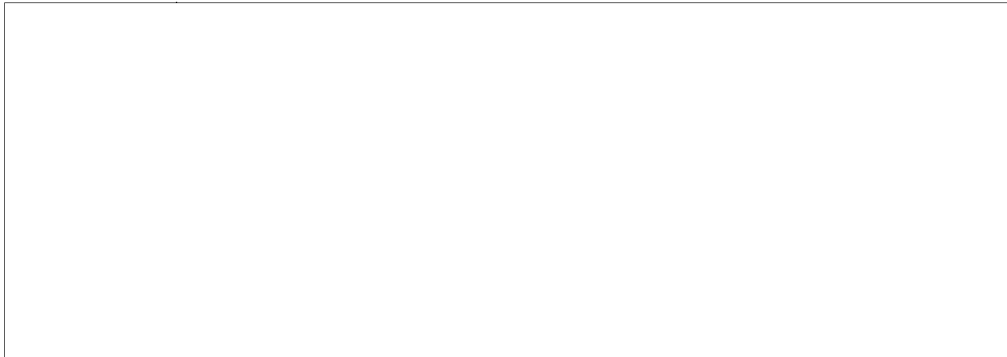


**Office of Current Intelligence**

**CENTRAL INTELLIGENCE AGENCY**



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# 1. MOLOTOV SAYS DISARMAMENT PROGRESS DEPENDS ON US AGREEMENT TO BAN NUCLEAR WEAPONS

In a conversation with the chairman of the Canadian UN delegation on 22 September, Molotov reiterated that progress on disarmament cannot be made if the Americans refuse to agree to the abandonment of nuclear weapons. When the Canadian representative referred to the difficulties of control over nuclear weapons, Molotov said indirect control is possible through control of the "instruments of delivery." He agreed that 100-percent control would not be possible but argued that "controls are never 100 percent. We must trust one another."

Molotov avoided a direct reply to a question whether the USSR would accept President Eisenhower's blueprint and aerial inspection proposals, saying that "we are studying many proposals and they all have good features."

Soviet deputy foreign minister Kuznetsov professed surprise at the Canadian attitude on controls, saying, "You want all the details. We would prefer to set up a general plan and then work out the details." The Canadian representative believes the Soviet delegates have no intention of answering detailed questions on control.

## Comment

Molotov's remarks parallel Bulganin's letter to the President in seeking to focus the disarmament debate on the absence of an American commitment regarding the ultimate prohibition of nuclear weapons and the reduction of armaments. Soviet spokesmen are insisting that it is essential to establish a "legal basis" for the proscription of atomic weapons.

The Soviet representative on the UN Disarmament Subcommittee has so far refused to elaborate on the functions of the international control agency proposed in the 10 May plan. Molotov's reference to control of the instruments of delivery suggests that in any detailed discussion of the control question, the USSR will maintain that "control posts" in ports, railroad junctions, highways and airfields would provide adequate safeguards against a surprise attack. This would obviate any need for aerial photography and for according international inspectors access to industries and installations engaged in nuclear activities.

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### 3. BRITISH AMBASSADOR CONVINCED DIEM WON'T YIELD ON ELECTIONS ISSUE



British ambassador Stephenson in Saigon is convinced that Premier Diem can never agree to nationwide elections or to genuine consultations with the Viet Minh. He believes the best way for Diem to gain time is to insist that elections must first be held in South Vietnam.

Stephenson has cabled these views to Foreign Secretary Macmillan in New York.

#### Comment


As a cochairman of the 1954 Geneva conference, Britain is in the difficult position of having to go through the motions of urging Diem to abide by the stipulations of the accord despite their infeasibility. The British have hoped that Diem would adopt a more positive stand on the consultations issue, thereby implying his acceptance of the Geneva responsibilities and obviating any excuse for reconvening the Geneva powers.

Diem apparently intends to announce, sometime before the foreign ministers' meeting in October, a plan for the election of a national assembly for South Vietnam, possibly in December. The election would be preceded by a referendum on Bao Dai and the formation of a constituent assembly.

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#### 4. NASR APPEARS UNYIELDING ON EGYPTIAN-SOVIET BLOC ARMS DEAL

 Prime Minister Nasr told Ambassador Byroade on 26 September that the course of American-Egyptian relations will depend (1) on the general American reaction to the Egyptian-Soviet bloc arms deal, and (2) on whether the United States now supplies Israel arms so that the Egyptians remain in the same relatively defenseless position vis-a-vis that country. If the United States gives the Israelis such equipment, he said, he could only conclude that it had hostile intentions toward him and Egypt. He wondered whether the United States would now force the situation to the point where the only co-operation open to him would be from the Soviet bloc.

Nasr avoided furnishing specific data on the arms to be received, apparently because he feared this information would reach Israel. He insisted, however, that he had no desire for war, and that Egypt needed arms to protect itself should Israel attack.

**Comment** Nasr apparently intends to go ahead with the arms deal. He and most Arab leaders are convinced that Israel poses a direct threat to Arab states. This conviction appears to be the basic motivation in Nasr's determination to get major military equipment.

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**5. TANKS ARRIVING IN EGYPT REPORTED OBSOLETE  
BRITISH MODELS**

[redacted] The shipment of tanks which arrived at Alexandria on 22 September for the Egyptian army were sold by a Belgian firm, [redacted]

[redacted] The shipment consisted of about 100 "demilitarized and obsolete" Valentine tanks, including four 32-ton tanks, sixteen 16-ton tanks, and probably 80 12-ton tanks. [redacted]

**Comment**

The initial report on this shipment stated that there were 120 tanks and that they appeared to be German World War II models. Valentine tanks were manufactured by the British during World War II and are no longer being produced.

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## 6. FAURE REPORTED UNWILLING TO FORCE ISSUE ON REMOVAL OF SULTAN

[redacted] Protectorates Minister July believes that the possibility of Faure's program for Morocco being implemented becomes more unlikely every day, according to the American embassy in Paris. The embassy added that Faure appears to have refused to force the issue in the cabinet, and now seems to be throwing up a smoke screen by emphasizing Algeria and other problems.

July told an embassy official on 27 September that Sultan Mohamed ben Arafa, who up to 24 September was "prepared to leave" the throne, is "no longer amenable to leaving."

### Comment

Faure had earlier planned to remove the sultan and face the National Assembly with a fait accompli on this key point in his program. The premier may now hope to avoid a cabinet split prior to an assembly vote on his program and that once the assembly, as is expected, votes its support, rightist ministers may be deterred from an open break.

The apparent abandonment of Faure's plan portends the speedy deterioration of the situation in Morocco. The American consul in Rabat reports that Resident General Boyer de Latour is opening displaying contempt for the nationalist Istiqlal party with which Faure consulted at Aix-les-Bains in August and that he is even taking positive steps to make any French-nationalist conciliation impossible. Other French officials declare the French are prepared for a showdown with the nationalists, and settler "commando" groups [redacted]

[redacted] The Moroccans, meanwhile, have started city-wide strikes in Marrakech and Fez, and this strike movement can be expected to spread.

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**7. PARAGUAYAN ARMY LEADERS REPORTEDLY WANT  
PURGE OF GOVERNMENT'S PRO-PERON ELEMENTS**

[ ]

Paraguayan army leaders are reported pressing President Stroessner to keep Argentine ex-president Peron's asylum in Paraguay brief and to purge the government of pro-Peron factions, especially Central Bank president Mendez Fleitas and Minister of Interior Romero Pereira. [ ] Stroessner agrees that a purge may be necessary but states that he prefers to wait a few months. The army is not satisfied with waiting this long.

**Comment**

The Paraguayan government has been unstable since Stroessner came to power in the May 1954 revolution. This instability has been caused primarily by the fact that no single person or group has had the allegiance of the army, long the key to control of the country.

Several times in the past year army leaders have unsuccessfully objected to Stroessner's co-operation with Mendez, who has ties with Communists as well as with Peron. Until a few months ago, at least, the president believed an open break with Mendez would precipitate civil war, since Mendez had successfully cultivated many of the junior officers, and his friend Romero Pereira controls the police.

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