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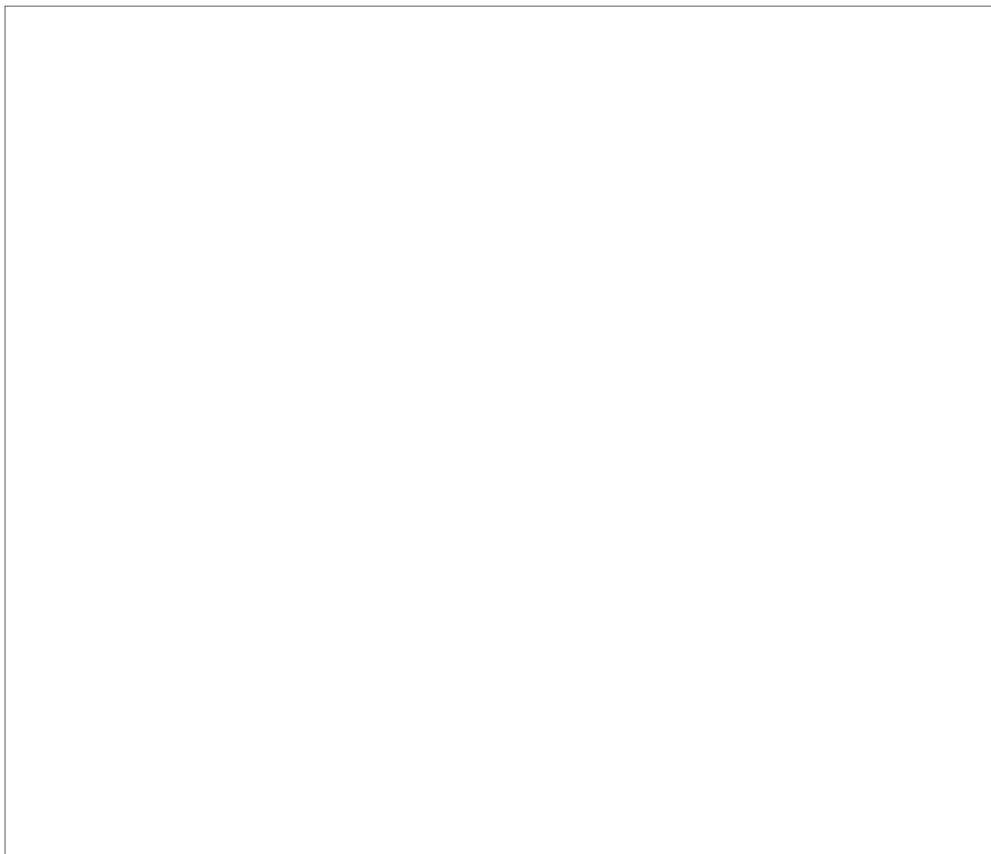


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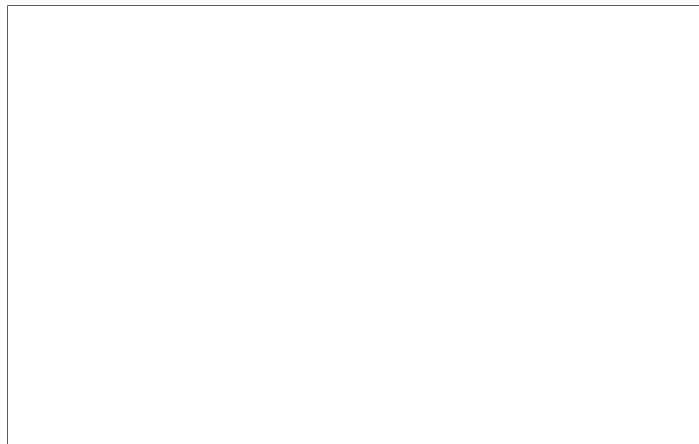
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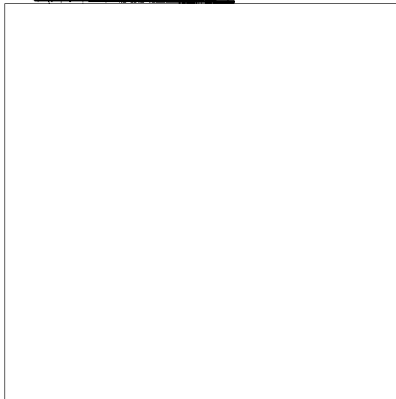
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1. DISARMAMENT SITUATION IN UN GENERAL ASSEMBLY

Comment on:



The chief Japanese UN delegate,



expressed the belief that neither the Western nor the Soviet proposal is likely to get the necessary two-thirds majority support, in which case the Japanese proposal might "ride straight through this General Assembly."

The Japanese proposal, which calls for an immediate suspension of nuclear tests and for a resumption of subcommittee negotiations on supervision and inspection, will appeal to many UN members apprehensive about modern weapons developments and the dangers of radioactivity. It does not provide for immediate supervision of the test ban or for the halting of weapons production, both considered vital by the West. Nor does it meet the USSR's demand for a two- to three-year test suspension and a five-year renunciation of the use of nuclear weapons.

Swedish Foreign Minister Uden on 10 October stressed to the US delegate to the Disarmament Subcommittee the desirability of reaching an agreement on a nuclear test ban, commenting that "it would be no great sacrifice to the West to agree to a simple ban." He argued that solution of this question would be an important step forward and said that, in this respect, Japan's initiative was constructive and could lead to a break in the deadlock.

Yugoslav delegates told the American delegation on 9 October that they were dissatisfied with the way the disarmament debate was developing, and that Yugoslavia took a position midway between both sides.

2. SUPREME SOVIET MAY MEET IN DECEMBER

Comment on:



The USSR Supreme Soviet will convene in December, according to an unconfirmed report from the Austrian ambassador in Moscow. Although the Supreme Soviet has already met twice in 1957 as required by the constitution, another meeting might be called at the end of the year to give formal approval to the 1958 state budget and probably to adopt the economic plan for 1958.

Opposition to Khrushchev's economic program apparently is continuing and might be intensified as the 1958 plan is drafted this fall. This might also lead to further disagreements next spring in drafting the seven-year plan scheduled for presentation by mid-1958. There could be political repercussions, possibly affecting Khrushchev's position or the status of other top leaders.

This session may also approve new governmental personnel assignments. Reports of an imminent demotion for Premier Bulganin continue to appear, some alleging that he will replace Voroshilov as chairman of the Presidium of the Supreme Soviet. Important personnel changes would probably necessitate a meeting of the party central committee for prior approval.

The Soviet leaders may also consider the time ripe for another report on the international situation and Soviet foreign policy in view of the purge in June of former foreign ministers Molotov and Shepilov and the earth-satellite and ICBM developments. The last report on foreign policy was made to the Supreme Soviet in February by Shepilov.

3. YUGOSLAVIA REPORTEDLY TO RECOGNIZE EAST GERMANY NEXT WEEK

Comment on:

[REDACTED] Yugoslavia will extend de jure recognition to the East German government on 15 October. [REDACTED]

[REDACTED] Yugoslav Ambassador Kveder, who is returning to Bonn on 13 October, has requested an urgent appointment with [REDACTED] and will advise him of the [REDACTED]

[REDACTED] Since Belgrade appears to believe that West German retaliation will not extend to the breaking of diplomatic relations, such action by the Yugoslavs becomes increasingly likely. The Yugoslav ambassador has been instructed to state that his government believes that the action will actually be helpful to German reunification.

Bonn apparently is as yet undecided regarding steps to take following such a Yugoslav act. State Secretary Hallstein has indicated to American officials, however, that he would favor withdrawing diplomatic representatives, but leaving an economic mission in Belgrade. Bonn hopes such a policy would tend to discourage further recognition of East Germany by non-NATO countries. A complete break with Belgrade would complicate Bonn's improving relations with Poland, which recognizes the East German regime.

[REDACTED]

4. TITO REPORTEDLY WARNED GOMULKA TO CURTAIL LIBERALIZATION

[REDACTED]

Gomulka's "tightening-up process" was influenced by his talks with Tito, according to the Israeli minister to Poland, [REDACTED]

[REDACTED]

Tito was said to have cautioned Gomulka to pay more attention to the defense of socialism if he hoped to preserve the "Polish road" and avert Soviet intervention. He reportedly declared that neither Poland nor Yugoslavia could hope to exercise any influence on other Eastern European countries if developments in either country got out of control to the point of threatening the existence of socialism. According to Ambassador Beam, the Yugoslav military attaché in Warsaw has said that Tito has expressed to Gomulka his concern over loosened police controls in Poland.

Comment

The Yugoslavs have in the past expressed concern over the extent of liberalization in Poland. Tito is particularly concerned over any developments in Eastern Europe which could threaten Khrushchev's position and his professed policy of permitting the satellites' increased independence in their internal affairs. Tito's views would probably be persuasive to Gomulka because of the Yugoslav leader's success in controlling pressures for liberalization in his country and maintaining his independence of Moscow.

Gomulka's antipathy toward liberal writers is well known, and his banning of the liberal journal Po Prostu appears to be a step toward curtailing excessive criticism rather than an abandonment of his program and objectives. [REDACTED]

5. UNREST CONTINUING AMONG PEASANTRY IN NORTH VIETNAM

Comment on:

[redacted] [redacted]
The North Vietnamese peasantry, largely alienated from the regime by the excesses of an ill-considered and hasty land reform program in 1955-56, has not been mollified by Hanoi's "mistake-correction" program. Although the program was to have been completed this year, [redacted]

[redacted] it is nonsense to say that the mistakes have been corrected. Premier Pham Van Dong has admitted that the "re-education" of some rural officials may stretch into 1958.

Large-scale riots broke out in north central Vietnam last fall when peasant demands for the redress of grievances were not immediately met by local officials. Similar incidents on a smaller scale have since been reported in other areas. In addition, government officials have repeatedly complained that agricultural taxes--paid in kind--are difficult to collect. Speculative profits from private sales of hoarded farm products have exacerbated inflationary pressures and contributed to the regime's inability to meet the goals for the first half of the 1957 state plan.

Hanoi is also failing to pacify the minority ethnic nationalities in the rural areas of upper Tonkin. Last July a meeting of 1,000 persons in the Thai-Meo autonomous region protesting forced-labor levies had to be broken up by police action. According to reports received in the past month, discontent in this region is widespread. [redacted]

~~CONFIDENTIAL~~

6. ADDITIONAL SOVIET AIRCRAFT TO ARRIVE IN SYRIA LATER THIS YEAR

Comment on:

[REDACTED] The Syrian arms-purchasing mission in Moscow reported to Damascus [REDACTED] that "the IL-28 jet light bombers, a squadron of 15 MIG-17 jet fighters, and a number of IL-14 transport aircraft are to be delivered in the "last quarter of this year."

[REDACTED]

The Syrian mission also reports that Moscow suggests that a pilot, navigator, and radioman for each IL-28 be sent to the USSR for training, indicating that Syria's capability to use these planes with its own personnel will be very limited at the outset. The acquisition by Syria of jet bombers will arouse concern in Turkey and Israel, neither of which possesses jet light bombers, since this would ultimately increase Syria's offensive capabilities.

In mid-September, Damascus directed that all but six of its pilots being trained in the bloc be returned to Syria immediately following completion of their courses. The six remaining pilots are to take a "squadron commander course."

7. THE SITUATION IN JORDAN

Comment on:



Jordan's lower house of parliament has voted to reconvene on 15 October to hear the statement of policy presented by the pro-Western government of Prime Minister Ibrahim

Hashim. Despite strong popular feeling against the government, the opposition probably will not be able to muster the two-thirds vote required to pass a motion of no confidence following the policy statement. King Hussayn's speech from the throne last week was accepted by a vote of 26 to 6, although not without bitter exchanges and near violence during the debate. Eight of the 40 deputies are either under arrest or in exile as a result of the unsuccessful conspiracy by Jordanian nationalists against the King in April.

Meanwhile, the Egyptian- and Syrian-directed war of nerves against King Hussayn's regime and the Hashim government continues. At least three more explosions, directed against Jordanian government installations and pro-Hussayn politicians, occurred on 8 and 9 October. On 10 October, the Jordanian cabinet approved new measures to investigate the political activities of government employees, and Jordanian security forces claimed to have seized the third cache of smuggled Czech arms and explosives uncovered during the last month.



8. SUDANESE PRIME MINISTER COMMENTS ON
COTTON CRISIS



The Sudan's Prime Minister Khalil



will not accept cotton barter agreements with the USSR if the present cotton crisis is resolved by sales to the West or by a British loan with cotton as security.



Khalil, who returned a few days ago from discussions with officials and potential buyers in France and Britain, is "pessimistic" about the quantity of cotton which the world market can absorb.



Comment

In August the Soviet Union offered to take Sudanese cotton in exchange for Soviet commodities and large-scale economic assistance, but Khalil has opposed acceptance of this offer. Press reports from Khartoum on 9 October state that the Sudanese cabinet has asked the USSR for more information about its proposals. The Sudanese minister of interior is now en route to Moscow.

9. RESIGNATION OF PAKISTANI PRIME
MINISTER SUHRAWARDY

Comment on:

The resignation of Pakistani Prime Minister Suhrawardy on 11 October plunges Pakistan into a new period of instability. Suhrawardy's 13 months in office had provided the country with the most effective leadership since Liaquat Ali Khan.

The crisis was precipitated by President Mirza's Republican party, major partner in the central government coalition with Suhrawardy's Awami League, which withdrew its support from the prime minister because of his attacks on the Republicans. Mirza, under heavy pressure from his party, called for Suhrawardy's resignation.

Mirza faces a difficult task in forming a new coalition, since no party can command even a near majority. His recognition of this fact is suggested by his early request that Suhrawardy continue as prime minister for the time being. Nevertheless, Mirza is reported to have asked Ismail Chundrigar, Moslem League leader of the opposition, and Hamidul Huq Choudhury, leader of a moderate East Pakistani political faction, to consult on forming a government with the Republican party.

Any cabinet emerging from this bargaining would function in effect as a front for Mirza's authoritarian rule. It is unlikely that such a front would be effective for long, and instability might increase rapidly in both East and West Pakistan. In this event, Mirza might have to resort to emergency powers and invoke direct executive rule. Before taking this step, however, he might as a last resort try to form an all-party coalition government and recall Suhrawardy as its leader.

No major changes in Pakistan's pro-Western foreign policy are anticipated, although increased political and economic instability will reduce its ability to continue its support of American policies.

**10. FRENCH ARMY POLITICAL ROLE SEEN
POSSIBLE IN CRISIS**

Comment on:



As the political crisis in Paris lengthens, the French army may abandon its traditional nonpolitical role in the interest of securing the

strong national leadership which it deems necessary to extricate it from the Algerian morass and enable its reconstitution as a modern fighting force. There have been indications for several months that the army high command feels the purely military pacification policy to which successive governments have committed it is impossible to achieve and that it had pressed both the Mollet and later the Bourges-Maunoury government for more constructive policies in regard to Algeria. News of the defeat of Bourges-Maunoury's basic statute was reportedly received with considerable bitterness among military elements in Algeria. A spokesman for Minister for Algeria Lacoste has credited the army with having blocked Pleven's bid for the premiership.



11. NEW TENSIONS IN ARGENTINA

Reference:

Peronista-inspired strikes and labor unrest are continuing in the city and province of Buenos Aires despite the state of siege decreed on 5 October, and this has prompted demands by conservative military elements for harsher repressive measures, [redacted]

[redacted] The return to Argentina on 7 October of one of Peron's most capable and dangerous agents, former air force intelligence chief Luis Lapuente, and the escape from a Chilean penitentiary of Patricio Kelly, former head of Peron's civilian shock troops, may be adding to military uneasiness. The government reportedly expects a wave of demonstrations on 17 October, the twelfth anniversary of Peron's rise to power.

Military demands for repressive action--put forth at a 9 October cabinet meeting by the powerful, rabidly anti-Peronista group nicknamed "the gorillas"--include extension of the state of siege to the entire country, a new crackdown on labor agitators, and certain cabinet changes. [redacted] while "the gorillas" are at present limiting their demands to changes in labor policy, their intention is to use the labor situation as a pretext for ousting President Aramburu "in the near future" and for postponing the general elections Aramburu insists will be held in February.

ANNEX

**Correction for Watch Report 375, 10 October 1957
of the
Intelligence Advisory Committee**

Conclusions on Indications of Hostilities

Paragraph C should read:

Unstable conditions and tensions stemming from developments concerning Syria, in particular the deployment of major Turkish forces on Syria's frontiers, continue to create possibilities for conflict in the Middle East. Continuing border incidents, Turkish military maneuvers on the Syrian border scheduled for mid-October, and further Soviet warnings to Turkey and the West and declarations of Soviet support for Syria combine to make this period particularly tense.

