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18 August 1960

CURRENT INTELLIGENCE WEEKLY SUMMARY



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CENTRAL INTELLIGENCE AGENCY
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T H E W E E K I N B R I E F

PART I

OF IMMEDIATE INTEREST

MOSCOW INCREASES PRESSURES ON PEIPING IN SINO-SOVIET DISPUTE Page 1

Since the Bucharest meeting in June, Moscow has taken the offensive in an effort to pressure Peiping into a settlement of Sino-Soviet differences on Moscow's terms. The situation is sufficiently serious that Moscow may have felt compelled to apply economic sanctions against Peiping. Although still unconfirmed, there are indications that the USSR may be withdrawing technicians from China. Khrushchev apparently hopes to bring Peiping around to Moscow's point of view prior to another conference of Communist parties, reportedly to be held in Moscow in November. The Soviet Union is concerned over the effect the dispute may have on its leadership of Communist parties throughout the world.

[Redacted]

(b)(3)

DEVELOPMENTS IN SOVIET FOREIGN RELATIONS Page 3

Soviet propaganda on the Powers trial is taking the line that US policy is the real defendant. Moscow is giving full and prompt coverage to the details of the proceedings. A Soviet official in London acknowledged recently that the current anti-US phase of his country's policy is planned to last through the American elections and is aimed primarily at weakening world confidence in the United States.

[Redacted]

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CONGO Page 5

Congo Premier Lumumba evidently is relying on strong Soviet support in his dispute with UN Secretary General Hammarskjold and presumably expects to obtain backing from at least some African states, as well as from Moscow, in any moves he may make directly against the dissident separatists in Katanga and other provinces. Lumumba's declaration of martial law appears to be a legal preliminary to action against the dissidents, and to clear the way politically he may attempt to replace moderates in his cabinet with more leftists. Lumumba's "military" capabilities are limited at present, particularly relative to those of the Katanga regime, and the central government's effective authority does not extend far outside Leopoldville itself.

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PART I (continued)

LAOS Page 8

General Phoumi and the bulk of the other members of former Premier Somsanith's government refuse to recognize the authority of the new Souvanna Phouma government and are mustering forces for an assault on Vientiane, still held by Captain Kong Le's forces. King Savang, while apparently secretly in sympathy with the Phoumi group, has evinced a strong disinclination to intervene, despite the fact that he is the only figure capable at this stage of bringing the contending groups together for negotiations looking to a compromise. If the impending armed conflict is not headed off, the Communist Pathet Lao insurgents may intervene on behalf of Kong Le, enabling them to identify themselves with a revolutionary cause which seems to have struck a responsive chord among some segments of Laotian opinion. Sino-Soviet bloc propaganda is handling the crisis in Laos somewhat gingerly but with obvious satisfaction over the turn of events. Britain and France are sympathetic to Souvanna Phouma.



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PART II

NOTES AND COMMENTS

CUBAN DEVELOPMENTS Page 1

Most Sino-Soviet bloc Communist parties sent delegates to the eighth national congress of Cuba's Popular Socialist (Communist) party, which opened in Havana on 16 August and apparently was timed to coincide with the meetings of the OAS foreign ministers in Costa Rica. The Cuban delegation's complaint over security arrangements at the foreign ministers' meetings and its threat to walk out have aroused antagonism there. Cuba's withdrawal might be followed by its demand that the UN Security Council again consider the Cuban complaint about US economic aggression which the council referred to the OAS in mid-July.



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DOMINICAN REPUBLIC Page 2

Members of the Dominican regime--still effectively controlled by Trujillo--show increasing signs of nervousness over their position. This uncertainty is heightened by developments at the first OAS foreign ministers' meeting, where Venezuela, the motivating force behind this meeting, is backing its demand for strong anti-Dominican

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PART II (continued)

measures by threats to withdraw completely from the OAS and take unilateral--possibly military--action against the Trujillo regime. Trujillo himself has shown increasing anger toward the United States. [redacted]

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YUGOSLAVIA BACKS USSR IN SINO-SOVIET DISPUTE Page 4

The Yugoslav regime has backed Khrushchev in his dispute with Chinese Communist leaders over policy and ideology. On 12 August the authoritative Belgrade daily Borba began serializing a "dissertation" by Edvard Kardelj, the regime's top ideologist, dealing with such issues as "peaceful coexistence" and "the inevitability of war." The principal object of attack in these articles is Communist China, but criticism of some Soviet policies is implied, and the series seems likely to further damage bloc-Yugoslav relations. [redacted]

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NEW SOVIET CONSUMER DECREE Page 5

A new Soviet decree on retail trade, the third major consumer decree in two years, is concerned with improving the quality, variety, and distribution of consumer goods, as well as with eliminating the worst of numerous shopping inconveniences. While most of the provisions of the decree are in the form of suggestions to appropriate agencies, one requires that plans for production of consumer goods be consonant with retailers' requirements. [redacted]

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SOVIET-UAR RAPPROCHEMENT Page 6

Moscow appears to be meeting with considerable success in its efforts to promote close political cooperation with Cairo. The UAR has publicly sided with the Soviet positions on a number of current international issues and has openly applauded Soviet policies, while criticizing the attitude of the United States. The rapprochement--encouraged by Moscow through public praise of UAR policies and willingness to supply additional military and economic aid--has been facilitated by Nasir's recent expressions of irritation with the United States. [redacted]

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MIDDLE EAST DEVELOPMENTS Page 7

The meeting of Arab League foreign ministers beginning on 22 August in Lebanon will probably produce more discord than agreement. The UAR and Jordan are engaged in an intensive propaganda battle in which each government is calling upon the people of the other country to rebel. [redacted]

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PART II (continued)

KIM IL-SUNG CALLS FOR FEDERATION OF NORTH AND SOUTH KOREA Page 8

North Korean Premier Kim Il-sung has proposed a loose federation of North and South Korea and all-Korean elections "without outside intervention," in an apparent effort to take the propaganda initiative from South Korea, which is expected to support reunification through UN-supervised elections in both halves of the country. While Pyongyang's position on reunification has not radically changed, the federation proposal is intended to show that Pyongyang is seeking a fresh approach to the problem. The South Korean rejection of the proposal will be exploited by the Communists to demonstrate Seoul's intransigence. Khrushchev can be expected to give the North Korean proposals a propaganda boost when he visits Pyongyang in early October. [redacted]

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FIGHT FOR CONTROL OF SOUTH KOREAN GOVERNMENT Page 9

A factional conflict within the South Korean conservative Democratic party, which won an overwhelming victory in the parliamentary elections of 29 July, may result in prolonged political instability. At present no party leader appears to command a working majority of the 179 Democrats in the 233-seat lower house, and the new government is likely to be dependent on the support of independents. Prolonged bickering and maneuvering for power could lead to public resentment against the government and result in renewed civil disorders. Although the military has remained a major stabilizing factor, such unrest might spill over into the armed forces. [redacted]

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INTERNAL FRICTION THREATENING MALI FEDERATION Page 10

Discord between Senegal and Soudan--the constituent states of the newly independent Federation of Mali--has recently intensified to such an extent that an early breakup of the federation is possible. The crisis arises from the Soudan's apparent backing down on its agreement to support Sengalese leader Leopold Senghor for president of Mali. Friction has been building up between the two regions for some time, however, over disputed appointments and differences in outlook on foreign affairs. [redacted]

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TRIALS OF DEPOSED TURKISH LEADERS TO BEGIN SOON Page 11

Turkey's ruling National Unity Committee has almost completed investigations in preparation for public trials of key members of the ousted Bayar-Menderes regime. Some of these indicted will probably be executed. [redacted]

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THE WEEK IN BRIEF

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PART II (continued)

REPERCUSSIONS IN BELGIUM OF CONGO CRISIS Page 12

Under heavy public censure for ineptitude in the Congo crisis, Belgium's Premier Eyskens has responded by demanding a parliamentary vote of confidence after promising to make budget cuts--mainly on military items--to meet the anticipated losses from Congo operations. Eyskens will probably also reshuffle a few cabinet posts and attempt to work out a new financial program acceptable to all factions. Belgium's bitterness at its allies over the Congo issue will result in some cuts in NATO commitments.

[Redacted]

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ADENAUER TALKS WITH DE GAULLE AND MACMILLAN Page 13

De Gaulle's plans for a French-led confederation of Continental Europe were apparently the major subject of discussion at his meeting with Adenauer on 29-30 July. To what extent Adenauer is in agreement with De Gaulle is still uncertain, and his subsequent offer to Macmillan to attempt to end the dispute between the Common Market and the British-led Outer Seven may indicate reservations about the French proposals.

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PART III

PATTERNS AND PERSPECTIVES

KHRUSHCHEV'S STRATEGY ON BERLIN Page 1

Since the breakdown of the summit conference, Communist tactics on the Berlin issue have been gradually brought into line with the more aggressive posture Khrushchev has adopted toward the West. Following the initial period of reassuring gestures by Moscow, the bloc has mounted an extensive psychological warfare operation apparently designed to focus public attention on the dangerous aspects of the Berlin situation and to dispel any notion in the West that Moscow has retreated from its basic demands. The dominant element in this campaign remains the threat to conclude a separate peace treaty with East Germany, followed by East German assumption of access controls to Berlin. In an effort to achieve his Berlin objectives through negotiations, Khrushchev might intensify pressure tactics in the hope of weakening Western resolution on the status of Berlin.

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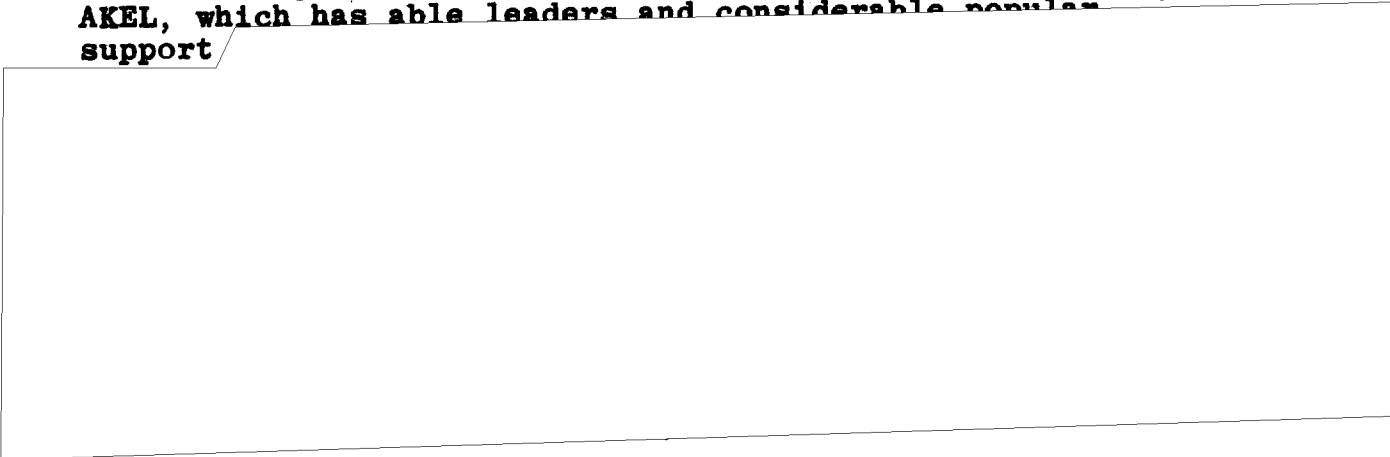
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PART III (continued)

CYPRUS BECOMES INDEPENDENT Page 5

Cyprus, officially independent on 16 August, has better prospects for stability than many other recently independent colonial areas, but there remain many unresolved problems involving tension between the Greek and Turkish Cypriot communities. There are still at least some extreme nationalists opposed to the 1959 settlement, although their numbers do not appear large and their leadership is of questionable ability. More dangerous for the longer term is the Communist-led political party AKEL, which has able leaders and considerable popular support



UNREST CONTINUES AMONG SOVIET ARTISTS Page 11

Although the Kremlin has succeeded in containing the rebellion among Soviet writers, which was at its height in 1956 and 1957, strong undercurrents of discontent with official dogma persist in other areas of Soviet creative work. The spirit of Western "modernism," in particular, has infected the Soviet pictorial arts, which flourish as an "underground" movement defiant of the officially imposed "socialist realism." The regime, while reluctant to impose repressive sanctions, fears the virus of non-conformity and is seeking ways to preserve the propagandistic function of Soviet art.



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PART IV

OTHER INTELLIGENCE ISSUANCES

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PART I

OF IMMEDIATE INTEREST

MOSCOW INCREASES PRESSURES ON PEIPING IN SINO-SOVIET DISPUTE

Since the meeting of bloc leaders at Bucharest in June, Moscow has taken the offensive in an effort to pressure Peiping into a settlement of Sino-Soviet differences on Moscow's terms. Khrushchev apparently hopes to bring Peiping around to Moscow's point of view prior to the convening of another conference of Communist parties, reportedly to be held in Moscow in November.

The situation is sufficiently serious that Moscow may have felt compelled to apply economic sanctions against China.

[redacted] during the past ten days large numbers of Soviet specialists have left the Chinese capital by rail for the USSR. A [redacted] in Moscow was recently told by a woman believed to be the wife of a [redacted] that Soviet leaders decided during a meeting on 28 July to withdraw Soviet technicians from Communist China within three months.

In a virtually unprecedented development in recent years, not a single Moscow commentary devoted to any aspect of Chinese Communist affairs has been broadcast to Soviet listeners since 5 July. Moreover, there has been no Soviet home radio comment since June on Chinese Communist economic progress or Soviet aid to China.

Both Pravda and Izvestia have published articles during

the past week devoted to the Soviet view of peaceful coexistence and the noninevitability of war. An article by B. Ponomarev in Pravda on 12 August reiterated all the standard formulations used by Khrushchev to argue that China's views are incorrect. In a thinly veiled reference to the Chinese on 13 August, Izvestia assailed as dogmatists those who argue that war cannot be prevented and called it "blasphemy" for such people to refer to Lenin in their remarks.

The publication of Druzhba, the Russian-language magazine of the Sino-Soviet Friend^{(b)(1)} Society, has apparently been suspended, and Kitai (China), a semimonthly publication, reportedly has not been available in Moscow since April. Following India's recent closure of New China News Agency (NC^{(b)(1)}) facilities in New Delhi, the TASS bureau chief in New Delhi reportedly refused a Chinese^{(b)(1)} request that he handle NCNA press releases, on the ground that the issue was a matter between the Indian and Chinese governments. Moscow apparently is also willing to supply India with military equipment, including four helicopters which New Delhi decided in early August to buy for use in patrolling its northern border regions.

The Chinese Communists for their part returned to polemic in a 13 August People's Daily editorial asserting that "modern revisionists" were spreading calumny and slander against China

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and were "apologists for imperialism." The Chinese also boycotted the international congress of Orientalists now meeting in Moscow. Relations with Moscow were probably the primary subject for debate by the Chinese Communists at a series of high-level party meetings believed held since June.

Plans are reportedly being made at Soviet initiative to hold another meeting of representatives of all Communist parties in an attempt to resolve the conflict of views which continues to divide the Soviet Union and Communist China.

At the Bucharest meeting,

An 82-page document circulated there by the Russians presented a detailed criticism of Chinese actions and declarations during the past two years. It accused the Chinese of following an extremely nationalist, chauvinist policy and of underestimating the risks involved in local wars. The document scored Peiping for opposing Moscow's gradualist strategy in underdeveloped countries such as India and Indonesia and of refusing to join in common defense proposals of the USSR, which included setting up missile bases and radar-detection units in Communist China.

Bloc representatives at Bucharest were stunned by the

viciousness of the dispute, but either through conviction or as a result of Soviet pressure, they supported the Soviet Union. The Chinese delegate, however, carried the fight to larger meetings of representatives of all Communist parties on 25 and 26 June. As a result, apparently at the suggestion of the Rumanian delegate chairing the meetings, an international commission comprising both bloc and nonbloc delegates was established to prepare for another conference.

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the seriousness of the Sino-Soviet dispute, which, in view of Peiping's refusal to alter its position, has made it inevitable that "the disagreement will have to be carried through to the end."

Such preliminary discussions would be the forerunner of the reported Moscow meeting, probably to be held in connection with the USSR's Bolshevik Revolution celebration on 7 November. In November 1957, however, a similar meeting attended by Mao Tse-tung worked out a declaration which was instrumental in maintaining a facade of unity for only a few months thereafter.

The Soviet leaders are increasingly concerned over the strain the dispute imposes on national Communist parties whose traditional left-right disagreements are being exacerbated by the existence of two opposing views at the apex of the Communist movement.

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Even in certain bloc parties there were indications before the Bucharest meeting of support for some of the Chinese views. Albania, the last hold-out among the Eastern European satellites, threw its support to Khrushchev in a speech by party boss Enver Hoxha on 2 August during a visit to that country by French Communist party leader Maurice Thorez, who might have acted on the occasion as Moscow's spokesman.

During the past few weeks, Khrushchev and other Soviet officials have met with several satellite leaders, including the Hungarian, East German, and perhaps the Rumanian party chiefs. The Soviet premier undoubtedly used the discussions to restate his position in the Sino-Soviet dispute. North Korea, which up to the Bucharest meeting had on many occasions supported Chinese views, has expressed Soviet concepts in propaganda commentary since 5 July.

Within the parties of the free world, the Sino-Soviet dispute has been mirrored in debates between left or "hard" factions, which borrow from Chinese declarations for support, and right elements, which tend to espouse a greater degree of nationalism and rely on Soviet arguments. In India, the Communist monthly journal has been reprinting Chinese speeches and the inflammatory Red Flag articles, while the weekly pub-

lication reprints Soviet speeches and statements. Recently the editor of the widely circulated leftist Indian weekly Blitz stated that the lengthy article in the 30 July issue strongly attacking the Chinese Communist party as "Trotskyite" was planted by the leaders of the pro-Soviet moderate faction of the Indian Communist party.

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The announcement that Khrushchev has accepted a formal invitation to visit North Korea in early October suggests that the Soviet premier may use the forum to amplify Moscow's position in the current Sino-Soviet dispute immediately prior to the high-level Communist meeting in Moscow. Speculation persists over a possible visit by him to Peiping; an AFP correspondent recently reported that after a 24-hour delay, the Soviet censors passed a dispatch which hinted that Khrushchev would go there after his North Korean visit. [redacted] (b)(3)

[redacted] (b)(3)

DEVELOPMENTS IN SOVIET FOREIGN RELATIONS

Powers Trial

Soviet propaganda on the Powers trial is taking the line that US policy is the real defendant. In the pre-trial build-up, propagandists encouraged ex-

pectations that some new and sensational revelations would be forthcoming. [redacted] (b)(3)

Communist parties were told to make a major campaign of the trial and that Powers had made

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"sensational statements" under interrogation. The opening of the trial, however, has resulted in only a modest increase in the volume of propaganda.

Moscow has given prompt and full coverage to the details of proceedings, emphasizing the points that the U-2 was at an altitude of 68,000 feet when "hit," and that it "could" have carried a nuclear weapon. TASS informed the regional press that daily summaries would be transmitted and that reports up to three columns each day would be dispatched. While press reports for foreign consumption are relatively factual, those for the Soviet public are liberally interspersed with propaganda. The first summary of the trial, with selected quotes from Powers' testimony, made a point of listing the non-bloc lawyers and journalists in attendance.

Anti-US Campaign

In discussing the current anti-American phase of Soviet policy, a Soviet official in London acknowledged that the change in tactics was planned to last through the American elections. He said the main objectives were to weaken the Western alliance and world confidence in US leadership, and added that Moscow realized such a course involved certain dangers as well as advantages. He predicted that, after the elections, Khrushchev would take the "first step" back toward a more conciliatory policy, possibly by sending a letter of congratulations to the president-elect followed by a personal letter explaining Soviet policy aims. The official also thought it likely that Khrushchev

would revive the invitation for the next president to visit the USSR.

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Disarmament, Nuclear Test Talks

Following its failure to gain support for a boycott of the UN Disarmament Commission meeting, the Soviet delegation attended the first session, and Deputy Foreign Minister Kuznetsov used it to reiterate the standard claims and charges against Western disarmament policy. He bluntly rejected the two US proposals to convert fissionable material to peaceful purposes and cease production of such material for military purposes.

Soviet tactics are apparently designed to treat the commission session as a propaganda forum for repeating familiar accusations that all Western proposals are aimed at securing control without actual disarmament. By distracting attention from the substance of the debate, the USSR probably hopes to draw support for its view that the General Assembly is the forum for serious discussion of disarmament. Soviet officials at the UN continue to hint that Khrushchev plans to appear before that body in September. Kuznetsov attempted to amend a

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resolution sponsored by the neutral countries to include a reference to the heads of government attending the General Assembly.

In the nuclear test ban negotiations at Geneva, the Soviet delegation has generally recapitulated the Soviet position on the quota of on-site inspections and the duration of the temporary moratorium on underground tests.

In the 16 August meeting, the chief Soviet delegate sought to demonstrate a split between Britain and the United States on the question of an inspection quota. He claimed that the British delegation was taking a position which conflicted

with the approach to the quota taken by Prime Minister Macmillan during his visit to Moscow in February 1959. He claimed that the Soviet proposal for three on-site inspections of suspected nuclear tests was very close to the figure mentioned by Macmillan in his talks with Khrushchev.

In an attempt to bring pressure on the British, the Soviet delegate concluded with a warning that if the Western powers continued to insist on approaching the determination of a quota from the scientific standpoint the USSR would be forced to return to its original position of demanding a veto over the dispatch of inspection teams.

[redacted] (Concurred in by OSI)

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CONGO

Congolese Premier Patrice Lumumba continues to hold the initiative in the Congo crisis, even though his government exerts little control over the country outside of Leopoldville Province. On one hand, Lumumba has moved actively to suppress domestic criticism and to destroy the vestiges of Belgian political influence. At the same time, he is still seeking with strong Soviet support to involve the UN command in subduing Katanga or to discredit the UN attempt to maintain a neutral role in internal Congolese affairs.

Lumumba's recent invocation of authoritarian measures to strengthen his domestic position may have been prompted by local opposition as well as provincial separatism. The

Abako party, which had earlier voted no confidence in Lumumba and joined Katanga Premier Tshombé in espousing a Congolese confederation, was raided last week by Lumumba's police, and sufficient pressure was brought to bear so that the Abako postponed a convention scheduled for 13 August. The party reportedly was to have declared the lower Congo region independent of the central government. The Abako was further neutralized as a focal point for opposition sentiment when Lumumba pressed Congolese President Kasavubu, who is also the head of Abako, into making a radio appeal for national unity.

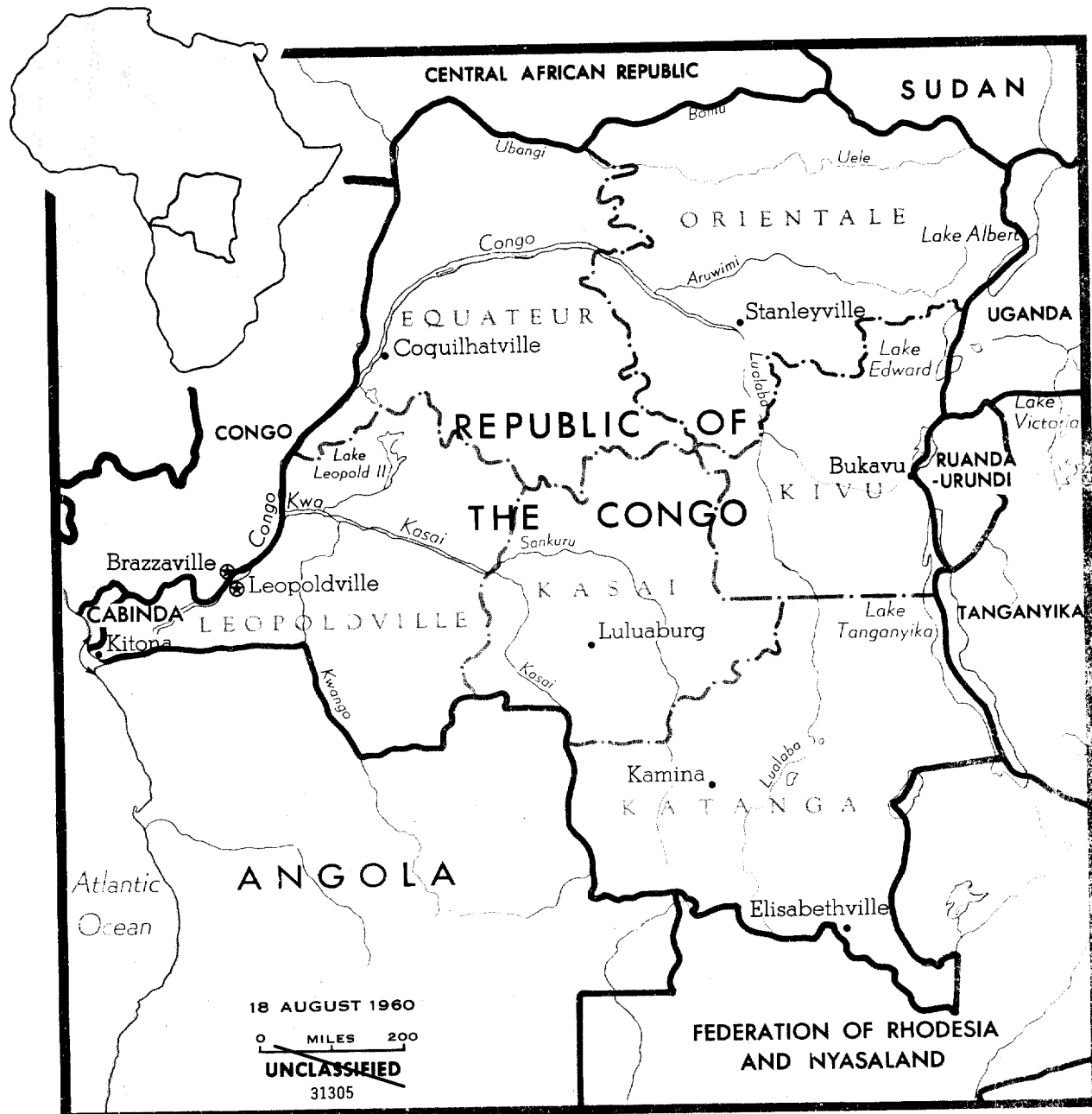
Successful in checking the Abako, Lumumba has moved ahead with more formal "emergency" measures to bolster his

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government. The regime closed the Belgian news agency in Leopoldville on 15 August, amid thinly veiled threats of further press censorship. Subsequently, Lumumba announced that judicial procedures would be superseded by "special military and possibly people's tribunals." On 16 August, Congolese police detained several hundred Europeans--including a number of UN officials

--while they searched for "Belgian spies." At the same time, Lumumba declared martial law for a period of six months and threatened the expropriation of all Belgian property in the Congo.

Lumumba's fulminations in Leopoldville coincided with the entry of the first UN troops into Katanga on 12 August. Even

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while permitting their entry, however, Premier Tshombé insisted on the "independence" of his province, and succeeded in obtaining from UN Secretary General Hammarskjold assurances that the UN would not interfere with his "internal" dispute with Lumumba concerning the political status of Katanga. Although Tshombé strongly criticized the Belgians for yielding their security function in Katanga, he continues to rely on Belgian advisers.

Lumumba's charges against Hammarskjold--which he followed on 17 August with an ultimatum to the Security Council to provide a "satisfactory" solution in Katanga within a week--suggest that he may be seeking a total UN withdrawal from the Congo. Lumumba has used the period of the UN occupation to build up a police force loyal to himself; he may feel that if the UN is unwilling to invade Katanga on his behalf it is no longer of use to him. Hammarskjold has indicated that the UN command can remain in the Congo only as long as it is acceptable to the host government, and has added that if non-African troops are withdrawn on Lumumba's behest he will recommend the withdrawal of the entire UN force. According to the American army attaché in Leopoldville, UN officers believe Lumumba is attempting to provoke incidents between UN and Congolese troops.

The Congolese forces on which Lumumba can rely still appear limited, however, particularly in view of what the Katanga regime is believed to possess.

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Tshombé, with benefit of substantial "technical assistance" from local Belgians, is believed to control about 2,000 troops of the former Force Publique organized into four battalions. The Katanga regime has also recruited some 2,000 "warriors"--with no previous military experience--but the whole force is said to be well armed and equipped with transport. In addition, some 250 automatic rifles and ammunition have been issued to tribal chiefs--the class from which Tshombé himself comes--to "help defend Katanga," presumably against internal as well as external "enemies." Under these circumstances, Lumumba will clearly be looking for both diplomatic and material support outside the Congo if he really expects to move against Tshombé soon.

Soviet Attitude

Lumumba's firmest outside supporter at the moment is the USSR. Soviet Deputy Foreign Minister Kuznetsov on 17 August officially protested Hammarskjold's "personal" interpretation of the Security Council resolutions, although there was no formal protest.

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In line with its sustained attempts to stimulate distrust of Hammarskjold's motives and UN moves, Moscow radio on 15 August noted that the Congolese might have to "dispense with the services" of the UN since it "cannot or will not take resolute action to restore order." The USSR appears to be preparing the groundwork for a demand-- in collaboration with Lumumba-- for withdrawal of UN forces from the area, anticipating support for such a demand from African countries, particularly Guinea and Ghana.

The USSR, continuing to circumvent UN channels, has provided direct aid to the Congolese Government in the form of food, medical aid, 15 to 20 specialists, and one transport aircraft.

African Support

Among the other African states, Guinea is the only one which almost certainly will give Lumumba full and unequivocal support, although the Congolese

premier can also expect a strongly sympathetic reaction from the UAR.

Ghanaian President Nkrumah, who last week posed publicly as a Lumumba champion, seems to have become more cautious. He informed a British official on 13 August that his offer to send troops to help Lumumba invade Katanga was no longer operative and that it had only been made as a political maneuver. In a statement on his Congo policy on 17 August, Nkrumah dodged the issue of whether he supported Hammarskjold's or Lumumba's interpretation of the Security Council resolutions, although he did urge that UN troops in the Congo be predominantly African as a measure of psychological assurance to the Congolese that their country was not again being brought^{(b)(1)} under European control. However, Nkrumah also said he might visit Katanga and Tshombé if he thought such a move would serve a useful purpose.

Lumumba's delegation en route to the UN Security Council meeting stopped off in Accra to seek stronger Ghanaian support.

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LAOS

General Phoumi and the bulk of the Somsanith government, which resigned on 14 August, refuse to recognize the authority of the new Souvanna Phouma government in Vientiane and are mustering forces for an assault on the city, still held by Captain Kong Le's 2nd Parachute Battalion. Phoumi seems to command the loyalty of most

of the armed forces outside Vientiane, but this loyalty may become strained unless his desperate financial and supply position is eased. The Souvanna regime would seem to have a fairly good claim to legality, although the final step required by the constitution--administration of the oath of office by the King--has not yet occurred.

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King Savang is at his palace in Luang Prabang, effectively sealed off from the Vientiane regime, and the Phoumi forces can be expected to attempt to prevent him from giving his final stamp of approval.



PHOUMI

Savang's position in the current crisis is characteristically obscure. While he is probably sympathetic to Phoumi and is known to consider the Souvanna regime unsuitable, he appears anxious to take an official stance of neutrality so as not to jeopardize the crown. Should it become apparent to Savang that armed conflict might ensue, he might intervene in the crisis. He is probably the only figure at this stage who can bring the opposing forces together for negotiations.

Phoumi is doubtless aware of the risks involved in an assault on Vientiane, and may hope that a war of maneuver will impel Vientiane into negotiations which would enable

him to salvage at least some of what he lost as the result of the Kong Le coup. There is good reason to believe, however, that if negotiations fail, Phoumi has sufficient determination to go ahead with an attack.

The new Souvanna regime is making desperate efforts to attract armed-forces support away from Phoumi in the provinces. Shortly after the National Assembly confirmed his government, Souvanna issued an appeal over Vientiane radio urging "all parties and members of armed forces" to come to Vientiane for talks.

Souvanna's efforts in this direction will be severely ham-



SOUVANNA PHOUMA

pered, however, by the fact that Kong Le gives no sign of relaxing his military grip on Vientiane. Offers from Souvanna will lose much of their attractiveness so long as the Kong Le

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of Quinim Pholsena as interior minister. Quinim is the leftist leader of the neutralist Santi-phab party, which was in alliance with the pro-Communist Neo Lao Hak Sat party, when both groups were still represented in the assembly. Souvanna presumably hopes to form a more broadly based coalition government, including some now supporting Phoumi, if he can come to an agreement with Phoumi.

Kong Le, on the other hand, appears to be developing political ambitions of his own. He told reporters that Souvanna's government was merely provisional and would resign once "order is restored." He also stated that his Youth party, now apparently in the process of formation, would be the only legal political

group is still free to arrest any of the armed forces that might come to Vientiane. Kong Le's control of Vientiane is also a serious obstacle to any negotiations for a settlement among the King, Phoumi, and Souvanna.

Souvanna's government is mediocre and, by his own admission, destined to be short-lived in its present form. The most noteworthy appointment is that

party in Laos and that he planned personally to assume command of the armed forces. These remarks may have been made off the cuff in one of the frequent outbursts of emotionalism he has exhibited since his coup, but there is a danger that if the situation continues to drift or not develop to his satisfaction, he may oust Souvanna and set himself up as a dictator.

The Communist Pathet Lao insurgents have apparently

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followed a policy of watchful waiting in connection with the crisis.

[redacted] he has rejected their overtures. Should he come to feel that his position is sufficiently threatened, there is some possibility that he might call them in, thus enabling them to identify themselves with a revolutionary cause which appears to have struck a responsive chord with at least some elements of Laotian opinion. Their agents may well have been behind some of the anti-Western demonstrations occurring in Vientiane since the Kong Le coup.

Foreign Reaction

In its propaganda the bloc has shown its approval of the general course of events in Laos thus far, along with apprehension about US intentions. Moscow depicts the coup as symptomatic of a "contagious" neutralism in Asia, and warns of US plans for "provocations" against Laos. Communist China, after nearly three days' silence on developments in Vientiane, began carrying extensive reports on 11 August. Premier Chou En-lai on 15 August voiced Peiping's "resolute support" for the Laotian "people" but refrained from a personal endorsement of Kong Le. North Vietnam has announced readiness to establish "friendly relations" with Souvanna Phouma's new government and has cautioned against any action by the "ag-

gressive SEATO bloc" to aid counterrevolutionary moves by Phoumi.

Of Laos's neighbors, Thailand and South Vietnam are viewing developments with grave concern, while Cambodia has evinced satisfaction after it became apparent that Kong Le was loyal to the monarchy. The Phnom Penh press, which customarily reflects Sihanouk's position, now is calling the Kong Le coup "yet another in recent stunning setbacks for the United States" and claims the rebellion "reflects the deep aspirations for neutrality of the Lao people."

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Saigon has indicated considerable concern over the possibility that the Pathet Lao may exploit the present confusion to take action along South Vietnam's northeastern frontier. Marshal Sarit of Thailand is solidly behind his nephew, Phoumi, and has expressed disappointment that the United States did not rush aid to the Somsanith government before it resigned. Sarit has provided Phoumi with some covert assistance, but will probably hesitate to do so on a large scale unless the United States should do likewise.

Although French officials have long favored Souvanna Phouma for the Laotian premiership and have advocated less provocative policies, Paris has maintained a formally correct attitude concerning recent

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events in Laos. A French Foreign Ministry official told US officials in Paris on 16 August that Phoumi must be made to abandon any plans for a countercoup and that Souvanna should be fully supported to avoid civil war and Pathet Lao and other Communist intervention. The French have denied Phoumi certain facilities at Seno military base, near Savannakhet, and French troops are under orders to fire if necessary.



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PART II

NOTES AND COMMENTS

CUBAN DEVELOPMENTS

In accordance with the 8 May announcement of the resumption of Cuban-Soviet diplomatic relations, Soviet Embassy personnel--many of whom have been drawn from embassies in Mexico City and Montevideo--are beginning to reach Cuba. Ambassador Sergey Mikhaylevich Kudrayavtsev arrived on 17 August.

In a note sent to Fidel Castro on his 34th birthday and published in Havana on 15 August, Khrushchev praised the Cuban leader as a "fighter for liberty" and expressed the hope for "even stronger" Soviet-Cuban relations. On the same day TASS published a Castro reply to an earlier Khrushchev letter of congratulations on the 26th of July anniversary. Castro stated that Soviet "sympathy puts us under still greater obligation to follow the path we have chosen.... The breaking of the chain of imperialist oppression is of tremendous significance for the peoples of Latin America and for all oppressed peoples of the world." He added that Soviet solidarity with Cuba is "unquestionable proof that the peoples fighting for independence are not alone."

On 14 August President Osvaldo Dorticos, an increasingly authoritative spokesman for the regime, told a television audience that "there can be no social progress based on vague and romantic theories and the theory of representative democracy." He stated that the "false social progress" of the United States was based on "the sufferings of Latin Americans and other peoples," and he attacked private enterprise as the root of Cuba's economic ills.

The eighth national congress of Cuba's Popular Socialist (Communist) party opened on 16 August in Havana. The congress, the first since 1952, originally had been scheduled for last month and apparently was rescheduled to coincide with the meetings of the OAS foreign ministers in Costa Rica. The presence at the congress of many relatively high-level foreign Communist delegations suggests a major effort to demonstrate international Communist solidarity with the Castro regime, but their presence in Cuba is likely to alarm other Latin American governments over Soviet intervention in the hemisphere. The gathering provided an opportunity for international Communist liaison and for the further exploitation of Cuba as a base for operations in Latin America.

Mikhail Suslov, secretary of the Soviet party central committee, reportedly declined an invitation to attend the meeting, and the USSR may be represented by Ambassador Kudryavtsev. The Soviet leaders may have chosen not to send a high-ranking party official in order not to focus attention on the USSR's guidance of the Cuban party while the OAS foreign ministers are discussing the dangers to the hemisphere of Communist penetration in Cuba.

Communist China, East Germany, Czechoslovakia, Bulgaria, Hungary, Rumania, and Poland sent members of party central committees, and North Korea also sent delegates. Paul Verner, candidate member of the East German politburo, is the highest ranking bloc official known to have come for the meeting. Jacques Duclos, the second-

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ranking official of the French party, and Velio Spano, a member of the Italian Communist party central committee, arrived on 13 August. Most Latin American Communist parties probably are represented at the congress.

The Cuban Government is continuing its policy of extreme provocation against the US. A group of Havana attorneys representing owners of expropriated US properties issued a statement on 12 August which declared that they could find no remedy in the Cuban courts or elsewhere for US-owned companies seized by Cuba. On the eve of the 14 August take-over of the American-owned Moa Bay Nickel company, Cuban police seized the accounting records of the US Government - owned Nicaro Nickel Company, which were being taken to Havana for photostating prior to shipment to Washington.

Indications of opposition to the Castro regime continue. Counterrevolutionary elements in the Cuban merchant marine reportedly will begin a campaign of sabotage against sugar shipments to the USSR in the near future. Rumors are circulating freely in Havana that an internal uprising in Cuba will coincide with the arrival there of a Caribbean-based invasion force during the period of the foreign ministers' meeting in Costa Rica.

The American Embassy has no reliable information substantiating these reports, but it confirms the existence in Havana of an atmosphere of increased apprehension and tensions. The arrest on 16 August of a number of Cuban naval personnel suggests that disaffection in the Cuban Navy had reached significant proportions.

At the OAS foreign ministers' meetings, Costa Rican President Echandi has been antagonized by the Cuban delegation's threat to withdraw as a protest against its treatment in San Jose. Echandi is said to have commented: "Let the Cubans go home if they want to; they are not in charge here." He reportedly added that, if Cuban Foreign Minister Roa wanted, the Costa Rican guards assigned to the Cuban delegation could be removed to see if there would be an assassination attempt against Roa. Further hostility against the Cubans may be aroused among Latin American delegations by the report of a foreign diplomat in Havana that the Cuban National Bank has sent large sums to various other Latin American countries to bribe delegates to the OAS meetings.

If Cuba walks out of the OAS meetings, it may then demand that the UN Security Council resume consideration of the Cuban complaint about US economic aggression which the council referred to the OAS in mid-July. (b)(3)

DOMINICAN REPUBLIC

Members of the Dominican regime--still effectively controlled by Trujillo despite the government changes of 3 August --show increasing signs of un-

certainty. The new president, Joaquin Balaguer, has been characterized by a local businessman as (b)(1) "scholar" who will be used exactly

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as Trujillo wishes. The continuing reports that both genuine and simulated military coups are imminent appear to be having a demoralizing effect on Trujillo supporters.

The American Embassy reported on 5 August that several high-ranking air force officers are known to have made large dollar withdrawals lately, presumably believing they might have to flee the country. The new secretary of state for the armed forces is described by the American army attaché as nervous, probably because he fears Trujillo will depart suddenly, leaving him and his associates to face the mob--or, alternatively, that Trujillo may kill them during a fake coup designed to show that the dictatorship no longer exists.

ence appears to be increasing. Major General Fernando Sanchez, another of Ramfis' friends and a former air force chief of staff, was appointed army chief of staff early this month, and more recently a former aide to Ramfis replaced a pro-US, moderate officer as deputy chief of staff of the navy.

The Ramfis clique is taking an increasingly anti-US line. In a letter read to air force officers before his departure, Ramfis stated that the United States had turned against his father and Fidel Castro because both attacked US business interests--"When those people's dollars and cents are touched, no one can shut them up." The embassy interpreted the letter to be a clear indication that the dictator himself intends to retain control and that h^{(b)(1)} "to some extent at least sym- pathetic to Castro." The embassy considers Ramfis and his friends are behind a new propaganda line that has surpassed past government radio and press attacks on the United States in virulence to such a degree that the regime may be using Communists--the dictator has used them before--to furnish the pro-Castro and pro-Soviet tirades.

Trujillo apparently is attempting to convince the United States that any alternative to his regime would be a Castro-type government. In this effort, he has found useful the activities of an apparently pro-Castro opposition group, the Dominican Popular Movement (MPD), and has given it an unprecedented degree of freedom in its attacks against the government. Earlier this year Trujillo invited MPD leader Maximo Lopez Molina and several of his followers to return from exile in Cuba and "guaranteed"

Some older Trujillo stalwarts, especially those in the army, are irritated over recent appointments to key command posts of young officers who are friends of the dictator's son, General "Ramfis" Trujillo. Although Ramfis left for Europe on 7 August for a visit of un-announced duration, his influ-

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that they might campaign freely against his regime. This month a few MPD leaders were arrested in Santiago while promoting their views but were ordered released after demonstrations on their behalf on 5 August by a crowd of students and youths estimated at 1,000 to 3,000.

These tactics by the dictator may, however, raise serious concern among moderate military elements, and even impel them to move against his regime in order to forestall a sweeping, Castro-type revolution.

The uncertainties of the domestic situation are heightened by pressure against the regime from the first OAS foreign ministers' meeting, where Venezuela is pushing its charges that Trujillo was behind the attempt to assassinate

President Betancourt on 24 June. Venezuela is backing its demand for strong anti-Dominican measures with threats to boycott the subsequent foreign ministers' meeting on the Cuban issue or to withdraw completely from the OAS and adopt unilateral--possibly military--measures against the Trujillo regime.

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YUGOSLAVIA BACKS USSR IN SINO-SOVIET DISPUTE

The Yugoslav regime has come out vigorously in support of Soviet positions in Moscow's dispute with Chinese Communists over foreign policy and ideology. The vehicle for a bitter denunciation of Chinese policies was a series of six articles by Edvard Kardelj, the regime's top ideologist, in *Borba*, authoritative Belgrade daily, from 12 to 16 August, that dealt with such issues of current friction as "peaceful co-existence" and the "inevitability of war."

Communist China is pictured as a Stalinist anachronism which is trying to assume a position that would give it an "ideological and political monopoly" of the Communist world--including Yugoslavia--in order to impose its policies on these countries

for its own political interests. Kardelj concludes that Peiping's policies not only sabotage the spread of "progressive social forces" but may also precipitate a third world war. The West's policy of isolating China is deemed the largest cause of Peiping's "deformed" character. Kardelj portrays the Soviet Union, on the other hand, as the defender of peace, claiming that many of its foreign and domestic policies contribute to a lessening of tension.

By implication, however, Kardelj also criticizes some Soviet positions, borrowing a device from the Chinese Communists, who have questioned Khrushchev's policies by attacking Yugoslav revisionism. For example, he blasts the Chinese for their "ultraradical" attacks on

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Yugoslavia's "revolution and its socialist development" which "has given its modest share to the development of present-day socialist scientific thought"--a charge equally applicable to Moscow. In his chapter "Concerning the Inevitability of Armed Revolution," Kardelj berates the Chinese for desiring to force their own ideology and tactics on others, a common Yugoslav complaint against the Soviet Union. He adds that "much must still be done in the relations between socialist countries if mutual economic assistance is always to be unselfish and without terms"--an allusion to the cancellation of Soviet credits in Yugoslavia.

Belgrade's support for Khrushchev's detente policies results in large part from the conviction that Yugoslavia can only lose should there be another world war. Beyond this, however, Kardelj's articles are

a bid to enhance Belgrade's prestige in the bloc as an arbiter of Communist ideology and tactics. Despite its official isolation from the bloc, Belgrade is asserting its right as one of the three countries that have had a successful revolution to speak out on matters of internal bloc concern.

Kardelj's articles seem likely to trouble bloc-Yugoslav relations further. Khrushchev would probably prefer that Tito, who is termed a renegade by all bloc states, keep his support to himself. Moreover, the articles may actually further inflame Sino-Soviet differences, since any Chinese reply will probably include at least implied criticism of Moscow's "revisionism"; although Belgrade supports Khrushchev's positions, it does so on ideological grounds which differ in some aspects from Soviet formulations. (b)(3)

NEW SOVIET CONSUMER DECREE

The Soviet decree on retail trade announced on 8 August, the third major consumer decree in two years, is concerned with improving the quality, style, assortment, and distribution of consumer goods, as well as with eliminating the worst of numerous shopping inconveniences. Its most important provisions are designed to tailor the goods available in retail stores to the consumer demand. In the past, goods have been produced and distributed to individual retail stores under plans set by industrial enterprises, which specified sizes, colors, and other details with little regard for the buyers' needs. Frequently even these assortment

plans were sacrificed to the fulfillment of the output goals.

Under the decree, the trade network, which presumably is more responsive to consumer demands, is to be given the principal voice in determining assortment. Future industrial-output plans will be approved by planning authorities only if in conformity with contracts concluded between the trade organizations and the enterprises. In turn, trade organizations are not allowed to accept goods which do not conform to the contract.

Most of the other provisions of the decree are in the form of suggestions to appropriate

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governmental and party agencies. The decree calls for a level of construction of retail stores during 1961-65 considerably above that envisaged in the Seven-Year Plan, although there apparently is to be little or no increase in total investment in trade facilities. Construction organizations must complete the building of trade facilities for apartment developments to be eligible for bonuses for fulfillment and overfulfillment of housing construction plans. The decree permits republic Councils of Ministers to allocate 4 to 5 percent of housing funds for trade and dining facilities.

The number of specialty stores with broader selection of goods is to be increased. To save the customers' time and cut down on the number of sales people, the present practice of having to line up twice to complete a purchase is to be eliminated and the use of self-service merchandising is to be extended. There is to be an expansion of credit sales and increased use of advertising.

The decree calls for an increase in recruitment, par-

ticularly of high-school graduates, for work in domestic trade, presumably to raise the quality of service and meet the steadily growing needs of this hitherto-neglected sector of the labor force. Employment in service--retail trade, transportation, and communications--increased by 32 percent in the 1950s, will increase 40 percent during the 1960s, and by 1970 will include 28 percent of the total labor force.

Other consumer decrees during the last two years have included one on consumer durables, issued in October 1959, calling for a considerable increase in the output of refrigerators, sewing machines, and the like. A decree to improve the variety and quality of the clothing and textile industry output was issued in December of the same year.

The present decree holds out promise that efforts to improve retail trade will be intensified but, like other such decrees, will provide benefits to the consumer at relatively small cost to the state and will not affect investment or military programs under the Seven-Year Plan.

(b)(3)

SOVIET-UAR RAPPROCHEMENT

Moscow has intensified its efforts in recent months to re-establish close political cooperation with the UAR. Radio

Moscow has fully endorsed Cairo's action in breaking off relations with Iran over the latter's reaffirmation

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of its de facto recognition of Israel.

Moscow has given public approval in recent weeks to the UAR's foreign policy line. Soviet radio propaganda to Arab listeners has emphasized Moscow's and Cairo's common interest in opposing Israeli activities and Western influence. Khalid Bakdash, exiled head of the Syrian Communist party, attacked UAR policies in Syria in a speech at the Rumanian party congress in June, but the bloc press and radio--in contrast to past treatment of Bakdash's statements--did not publicize the speech.

The USSR, starting especially with the offer in January to complete the Aswan High Dam, has also shown itself willing to enlarge its commitments of aid to the UAR. A UAR delegation is in Moscow discussing final details for Soviet aid for the Aswan project, which apparently now will total \$350,000,000.

A Syrian delegation is to conclude contracts in Moscow shortly for Soviet work on a

Euphrates River high dam and other major development projects under the 1957 agreement providing for \$150,000,000 in aid for Syria. This will also probably include construction of a railroad from Aleppo to Qasishliya in northeastern Syria.

These Soviet efforts to renew close relations with Cairo have been facilitated by Nasir's increasing irritation with the United States over issues connected with the Arab-Israeli dispute, and are meeting with considerable success. Cairo has adopted the same propaganda interpretation as has Moscow on a variety of international issues, including the Congo and Cuban crises, the coup in Laos, disarmament, and the question of US overseas bases.

Nasir has publicly praised Soviet economic aid policies, while criticizing the United States on the alleged grounds that it has refused to respond to UAR overtures for assistance. In a bitter attack on the (b)(1) on 15 August, Radio Cairo charged that the normal practice of the Western nations--"led by the United States"--is to use smaller countries for "their own insidious aims," in contrast with the "sincere" policy of the Soviet Union. (Concurred in (b)(3) by ORR)

MIDDLE EAST DEVELOPMENTS

Arab League Meeting

The meeting of foreign ministers of Arab League states, scheduled to begin on 22 August in Lebanon, will probably produce much more discord than

agreement. The sharpest quarreling will be between the UAR and Jordan, which are engaged in a new round of plot and counterplot, accompanied by an intensive propaganda battle in which each government is calling on the populace of the other country to rebel. Jordan

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apparently intends to accuse the UAR of subversive activity and to propose changes in the structure of the Arab League itself aimed at undercutting the Nasir government's dominant role in league affairs.

Agreement is most unlikely on a unified Arab position on the issue of creating a Palestine army and "state entity." Although the UAR and Iraqi governments may no longer be as far apart as they were on this matter, the Jordanians remain absolutely opposed to the proposals of both countries.

Nor is the UAR likely to be able to extract much support from the other Arab states for any meaningful strictures against Iran. Nasir broke off relations with Iran after the Shah had publicly reaffirmed the long-standing de facto relations between Iran and Israel. Iraq and Jordan will probably move to head off UAR pressures on this subject by suggesting that their moderate expressions of disapproval to Tehran prevented de jure Iranian recognition of Israel.

The Arab League meeting will, however, contain some expressions of harmony and will

probably adopt new resolutions supporting the governments of newly independent African states, pledging further aid to the provisional government of Algeria, and condemning Israel generally and its Jordan water diversion plans specifically.

Reaction to Oil Price Cuts

Arab governments are reacting strongly to Esso Export's 9 August cut in posted prices for Middle East crude oil of from 4 to 14 cents per barrel. Similar price cuts by other major Western-owned oil companies operating in the area are expected, and there is a possibility of further reductions before the end of the year. The Kuwaiti Government has asked Abdullah Tariki, Saudi oil administrator, to call an emergency meeting of representatives of all Arab oil-producing countries to discuss oil profits and some form of world-wide market-sharing arrangements. Whether or not they can agree on a proposition of this scope, there is certain to be strong new pressure by individual Arab governments to participate in company decisions on pricing policies. (b)(3)

KIM IL-SUNG CALLS FOR FEDERATION OF NORTH AND SOUTH KOREA

Making one of his rare recent appearances, North Korean Premier Kim Il-sung in a lengthy "liberation day" harangue sought to snatch the propaganda initiative on Korean reunification from Rhee's successors in Seoul.

The South Koreans have undertaken a reappraisal of the unification problem, and the majority Democratic party has announced support for UN-supervised peninsula-wide elections. Former President Rhee insisted

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that UN-supervised elections for the purpose of reunification be held only in North Korea.

Kim has proposed elections "without outside intervention" and suggested an interim North-South federation in which a "supreme national committee" with representatives from both sides would meet in Pyongyang, Panmunjom, and Seoul. Kim suggested that through discussions a program for economic and cultural cooperation be worked out so that the "economic catastrophe" brought about by "US colonial rule" in South Korea could be overcome. Kim also suggested that both North Korea and South Korea reduce troop strength to "100,000 or less." Implicit in his speech was Pyongyang's usual insistence on withdrawal of all US forces from South Korea and the customary derogatory comparison of economic progress in the South with that above the 38th parallel.

A South Korean Democratic party spokesman has publicly rejected the North Korean proposal, and on 15 August acting Prime Minister Huh Chung termed it "another rehash of a worn-out propaganda tactic." Pyongyang now will feel free to exploit

this rejection in efforts to make Seoul appear responsible for continued division of Korea.

The North Koreans have not mounted a full-scale propaganda campaign on reunification since the withdrawal of Chinese Communist troops in 1958. While the offer to discuss economic and cultural contacts as well as all-Korean elections and troop reduction echoes proposals made two years ago, Pyongyang's present overtures are considerably more specific and are designed to convey the impression of a novel and fresh approach. As in 1958, a flurry of specific follow-up proposals can be expected.

Khrushchev, who has accepted an invitation to visit North Korea in early October, will probably discuss future Communist policy toward the new South Korean regime and provide dramatic publicity on Pyongyang's proposals for a Korean settlement. Although North Korean propaganda has depicted the interim Huh Chung government as little improvement over the Rhee regime, it is probably the events in the South since April that led the Communists to reopen the reunification question.

(b)(3)

FIGHT FOR CONTROL OF SOUTH KOREAN GOVERNMENT

A factional conflict within the South Korean conservative Democratic party, which won an overwhelming victory in the parliamentary elections of 29 July, may result in prolonged political instability. No party leader appears to command a working majority of the 179 Democrats in the 233-seat House of Representatives, and the new government, when formed, probably will be dependent on the support of independents. Prolonged bickering and maneuvering for power may stimulate

public resentment against the politicians and could result in renewed civil disorder.

The election on 11 August of Yun Bo-sun to the largely ceremonial post of president centered the intraparty struggle for power on the post of prime minister. The lower house on 17 August rejected Yun's first nominee for the post, right-wing faction leader Kim To-yun. Kim failed by three votes to win the simple majority needed for his confirmation. On 18 August,

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Yun nominated Chang Myon, titular chief of the party and Kim's chief rival, to be prime minister. Chang, however, appears to control slightly less than half the Democratic membership in the House.

Under the constitution, rejection of the President's second nominee leaves the lower house solely responsible for choosing the prime minister. The struggle over the premiership suggests that the position of the new government--which is subject to a simple majority of the lower house--will be tenuous. Should it lose a vote of confidence, the prime minister would have the choice of either resigning with his cabinet or dissolving the chamber and call-

ing new national elections. A deterrent influence will be the reluctance of members of the House to face frequent elections.

The military has been a major stabilizing factor in the domestic situation since Rhee's ouster. However, public disillusionment could adversely affect the armed forces.

INTERNAL FRICTION THREATENING MALI FEDERATION

Discord between Senegal and Soudan--the constituent states of the newly independent Federation of Mali--has recently intensified to such an extent that an early breakup of the federation is possible.

The latest and most serious in a series of crises between the federal partners is the result of distinct differences of temperament and increasing resentment on the part of the Senegalese over Soudanese attempts to dominate Mali. Senegal has been the center of French culture in West Africa since the 17th century, and its moderate nationalist leadership has emerged in an environment of friendship for France. In contrast, Soudan has experienced a much shorter period of contact with France and is governed by radical nationalists who favor a strongly pro-African foreign policy and con-

tacts with the Communist bloc. Although Soudan will probably be of growing political importance, it is heavily dependent on Senegal in economic matters.

The Soudanese, whose top leader, Modibo Keita, is foreign minister as well as head of the Mali Government, have been placing a disproportionate number of their people in federal positions. They have also tried quite openly to induce younger elements in the Senegalese Government to work for the more vigorous domestic policies and the more aggressive, pan-African-oriented foreign policy favored by Soudan.

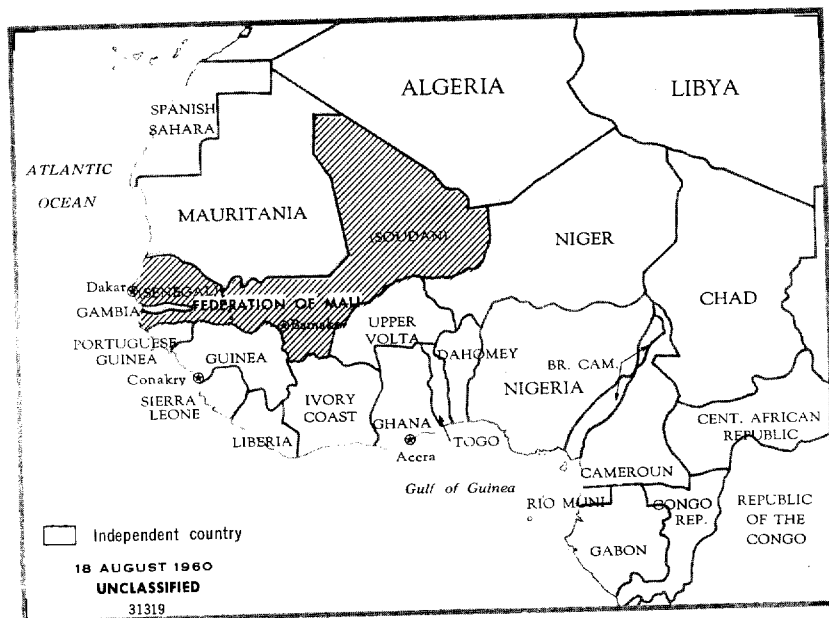
This friction, already reflected in a wrangle over the appointment of chief of staff for the Mali Army, appears to be building up toward a climax in connection with the election, now scheduled for 27 August, of

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The Soudanese, who are in a position to prevent any candidate from obtaining the necessary two-thirds majority, also reportedly plan to seek an indefinite postponement of the balloting or, if that is not possible, to support Senghor's Senegalese rival, Lamine Gueye. Senghor's supporters are reacting to these indications with dire predictions implying a possible move by Senegal to secede from the federation if Senghor is not chosen.

(b)(3)

a federal president by the combined legislatures of Mali, Senegal, and Soudan. A top-level decision reached last May supposedly cleared the way for the election of Leopold Senghor, Senegal's principal spokesman and the chief architect of the Mali Federation. Now, however, the Soudanese are insisting they agreed only that the presidency should go to a representative of Senegal.

The Soudanese, who are in a position to prevent any candidate from obtaining the necessary two-thirds majority, also reportedly plan to seek an indefinite postponement of the balloting or, if that is not possible, to support Senghor's Senegalese rival, Lamine Gueye. Senghor's supporters are reacting to these indications with dire predictions implying a possible move by Senegal to secede from the federation if Senghor is not chosen.

TRIALS OF DEPOSED TURKISH LEADERS TO BEGIN SOON

The investigating committees created by Turkey's ruling National Unity Committee (NUC) are concluding their hearings, and the trials of members of the ousted Bayar-Menderes regime are expected to begin in late August or early September. General Gursel, NUC chairman and interim chief of state, has also indicated that the formerly dominant Democratic party may be banned by court action. The principal aim in the trials of some Democratic leaders is probably to discredit them and, by convictions for felonies, render them unable to hold public office.

The trials, expected to be public, will be held on Yassi Ada, a small barren island about ten miles south of Istanbul in the Sea of Marmara which has been the primary detention center for the deposed leaders. The proceedings of the High Court of Justice--which includes both civilians and military--may be broadcast, as facilities there will permit only a limited number of observers, including some representatives of the foreign press. The trials may take as long as six months.

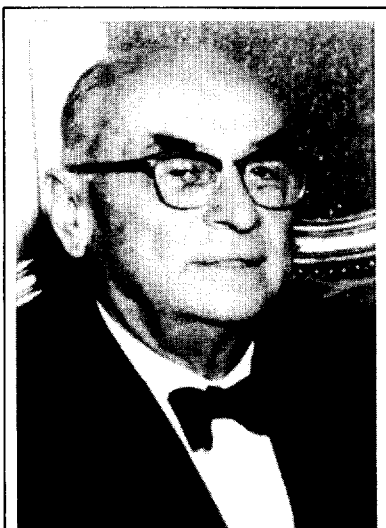
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BAYAR



MENDERES

Some executions will probably follow the trials.

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at least 100 people could be hanged for crimes during the previous regime. The law which would have exempted Bayar and others from the death

breaking down. Since the coup there have been two suicides, including that of the former minister of interior, and at least one death attributed to natural causes.

penalty because of age has been amended where cases of high treason are involved, and some members of the new regime feel that world criticism can be parried by the open manner of holding the trials. The age of many defendants would make a long prison term tantamount to the death sentence.

(b)(3)

REPERCUSSIONS IN BELGIUM OF CONGO CRISIS

Under heavy public censure for ineptitude in the Congo crisis, Belgium's Premier Eyskens has responded by convening a special session of parliament on 17 August and demanding a vote of confidence. This move followed promises to make budget cuts--mainly on military items--to meet anticipated losses from Congo operations. Eyskens will probably also reshuffle a few cabinet posts and attempt to

work out a new financial program acceptable to all factions.

Despite antithetical views on most domestic and political issues, the Social Christians (PSC) and the Liberals have held together since November 1958 largely because of the feeling that national unity should be maintained on the Congo question. With this bond weakened by recent developments, another attempt

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may be made to form a Social Christian - Socialist government if the present coalition partners cannot agree to Eyskens' new program. This attempt might even result in new elections. The Liberals, however, appar-



EYSKENS

ently hope that the PSC right wing--strengthened by the embittered ex-colonial groups--will force the Democratic-Christian wing of the PSC to compromise on the new program with the Liberals so that essentially the present coalition can continue until 1962.

While relations between the opposition Socialists and

the PSC have appeared relatively close, and the Socialists seem prepared to accept office under another PSC premier, they would probably not do so unless new elections were held. The Socialists--who never supported major legislation on Congo policy--could exploit this issue in an election campaign but may think it more expedient to let the Eyskens government assume responsibility for Congo developments for the present.

The psychological shock of Congo events on the Belgians and resentment against what they feel is lack of support in the UN by Belgium's allies--especially the United States--have forced Eyskens to call for a review of defense policies and announce some cuts in Belgium's military expenditures to balance anticipated losses from Congo operations. It is unlikely that Belgium, one of the strongest supporters of NATO in its formative years, would withdraw from NATO entirely. Both political and economic considerations, however, make some reduction in Belgium's NATO commitments almost certain.

ADENAUER TALKS WITH DE GAULLE AND MACMILLAN

Although complete information is still lacking, Adenauer's talks with De Gaulle on 29-30 July and with Macmillan on 10-11 August evidently had far-reaching implications for the future organization of Western Europe and its relations with the Atlantic alliance. De Gaulle's plans for a French-led

confederation of Continental Europe were apparently the major subject of his talks with Adenauer, but the extent to which the two reached agreement is still uncertain. Adenauer's subsequent offer in his meeting with Macmillan to attempt to end the dispute between the Common Market and the British-led

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Outer Seven may indicate that he has reservations about the anti-British, anti-American overtones of the French plan.

Fear of Khrushchev's recently more aggressive posture and belief that the American presidential campaign "paralyzes" Washington's ability to respond to it may be responsible in part for these moves, ostensibly intended to increase European solidarity. De Gaulle apparently proposed to achieve this goal by offering a refurbished version of his concept of a "Europe of motherlands"--a loose political organization which would coordinate the foreign policies of the participating countries and "supervise" the three European communities--the Coal-Steel Community, EURATOM, and the Common Market.

The dispute between the two trade groupings as an obstacle to a "united front" against Soviet pressures evidently did not figure in the De Gaulle - Adenauer talks, but this seems to have been the major topic of the chancellor's meeting with Macmillan. Adenauer showed unusual "understanding" of the British position on the issue, and to the surprise and delight of Macmillan agreed to further consultations on how the "economic split" could be mitigated.

Adenauer's unexpected overture to London on this issue has raised speculation that his heretofore unshakable support of the Common Market and its

supranational basis is weakening under combined foreign and domestic pressures. German industrial interests have long been alarmed over the prospective loss of markets in the Outer Seven, and with the 1961 elections approaching, Adenauer may now be more responsive both to their views and to the protests of the German farm bloc that the community's agricultural policies will reduce farm prices.

(b)(1)

Speculation has also developed that Adenauer's apparent desire to move closer to Britain reflects some disenchantment with the Bonn-Paris entente.

(b)(1)

Adenauer may be suspicious that De Gaulle's new European order would reduce Germany to a satellite of France, and he now hopes to pave the way for a union of the present two groupings which would free him of his excessive reliance on De Gaulle. However, it is equally possible that no more than a tactical shift in Adenauer's position is involved, and given French opposition to the supranational approach (b)(1) he chancellor may now believe that he has no choice at the moment but to accept a confederal Europe which could ultimately develop federalist tendencies.

In any case, it will probably be some time before the full meaning of these developments is known. A new basis

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for amalgamation is still to be found, and there is no evidence that Paris is more open-minded on this question than heretofore. Moreover, the establishment of a confederal Europe will require more than French-German agreement, and the present theoretical basis of the European Community and its relationship to NATO has

many supporters, particularly among the smaller countries. These countries are gravely concerned by the current maneuverings, and Netherlands Foreign Minister Luns has already declared that any new arrangement not involving "true political integration with supranational institutions" would not have Dutch support.

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PART III

PATTERNS AND PERSPECTIVES

KHRUSHCHEV'S STRATEGY ON BERLIN

Since the breakdown of the summit conference, Communist tactics on the Berlin issue have been gradually brought into line with the more aggressive posture toward the West adopted by Khrushchev. Following an initial period of reassuring gestures by Moscow, the bloc has mounted an extensive psychological warfare operation apparently designed to focus public attention on the dangerous aspects of the Berlin situation and to dispel any notion in the West that Moscow has retreated from its basic demands on the Berlin and German treaty questions.

The dominant element in this campaign remains the threat to conclude a separate peace treaty with East Germany, followed by East German assumption of access controls to Berlin. Public warnings to this effect by Khrushchev, although still imprecise as to manner and timing, have been buttressed by threats voiced in private to Western officials and by an intensified effort to create a state of anxiety and uncertainty in West Berlin, weaken its ties with Bonn, and generate dissension among the Western allies.

Early Post-Summit Tactics

The violence of Khrushchev's performance in Paris, his off-hand comments to the press there about a separate peace treaty with East Germany, and the announcement of a stopover in Berlin caused widespread speculation that he would follow through on his frequent pre-summit threats to take unilateral action and force a showdown on Berlin. Almost immediately, however, Foreign Minister Gromyko attempted in private to allay Western apprehensions. He informed British

Foreign Secretary Lloyd that the USSR would do nothing to worsen the situation during the six to eight months envisaged by Khrushchev before a new summit. In the atmosphere of heightened tensions, Khrushchev also probably felt compelled to spell out his position as soon as possible.

To the visible displeasure and astonishment of most of his audience at East Berlin, Khrushchev in his speech there on 20 May counseled patience and forbearance on a separate treaty. Asserting the bloc's "moral right" to proceed without delay, he nevertheless held out hope



ULBRICHT AND KHRUSHCHEV

for a new summit meeting and stated, "In these conditions it makes sense to wait a little and to try, by joint efforts of all the victorious powers, to find a solution to the questions." More categorically, Khrushchev declared that the existing situation would have to be maintained until a new meeting, "which, it should be assumed, will take place in six to eight months."

As a condition to this pledge, however, the Soviet leader added that the Western powers would have to adhere to the same principles and take no unilateral steps which would prevent a meeting of the heads

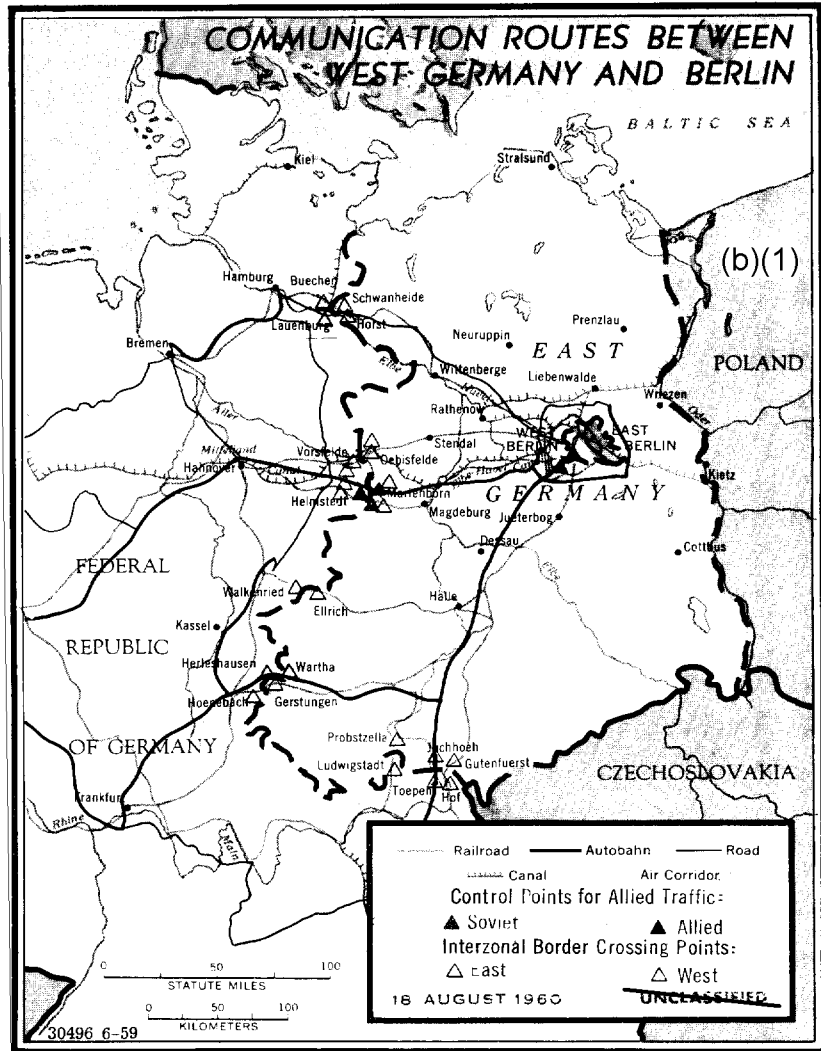
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of government. He also warned that neither the USSR nor East Germany would wait forever on a peace treaty.



In the foreign policy review which undoubtedly took place in the Kremlin, the Soviet leaders probably realized that agreement to maintain the status quo for six to eight months could deprive Soviet policy of a means of pressure to ensure continuing Western interest in negotiating a Berlin settlement. They may also have been concerned over increasing Western speculation that Khrushchev's torpedoing of the summit was designed to cover a retreat on Berlin.

To counter any such impression, Khrushchev used a press conference on 3 June to warn that the Western powers should not delude themselves into believing that if they delayed a summit meeting, a solution

of the Berlin and German questions would be "indefinitely postponed." He stated that at the end of the six- to eight-month period, "we shall meet, discuss, and sign a treaty" giving the East Germans full control over access to Berlin. In effect, Khrushchev attempted to put a new US administration on notice that it must be amenable to negotiations on Berlin or face a new and dangerous crisis.

The New Phase

As the more militant campaign against the United States gained momentum, Communist tactics on the Berlin question were considerably sharpened. The East Germans have used a wide variety of means to create a state of anxiety and uncertainty. The principal targets for harassment have been the Allied Military Liaison Missions in East Germany, whose personnel have been physically assaulted, closely watched,

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restricted in their travel, and subjected to insulting and irritating incidents. The East Germans have also pointed up the vulnerability of West German access to Berlin by detaining West German trucks and warning against "misuse" of the roads and air corridors.

The new moves have been undertaken against a background of East German claims to sovereignty over West Berlin and repeated assertions that the Allies have forfeited all rights through violation of the Potsdam agreements.

The bloc has also initiated a series of moves on the diplomatic level. Both the Soviet and East German regimes have dispatched notes protesting against alleged recruitment in Berlin of personnel for the West German armed forces and against West German plans to establish a radio station in West Berlin. Warsaw has challenged the NATO powers to explain any commitments given Adenauer on recovering territories beyond the Oder-Neisse line, and the Czechs have generally echoed East German statements and protests.

The East German leaders have reportedly made plans for a wide variety of actions ranging from mass disturbances to an outright coup if the Kremlin decides to force a showdown. In an apparent effort to capitalize on the physical vulnerability of the city, East German officials have planted reports that drastic measures will be undertaken and have publicly speculated that some move will be made "when the lilac and chestnut trees bloom."

During the meeting of bloc leaders in late June at Bucharest, Ulbricht is reported to have pressed Khrushchev for a commitment to definite action against Berlin. Vague hints

of future action are probably designed to recoup the prestige which the East German leaders have lost and to distract attention from serious internal problems. They may also be trying to bolster the sagging morale of the rank-and-file Communists who had expected more action from Khrushchev after the summit.

Bundestag Meeting in Berlin

The most serious threat of action in the immediate future came from Khrushchev during his visit to Austria. In reply to a planted question in his final press conference on 8 July, Khrushchev warned that if Bonn held its annual session of the Bundestag in Berlin this fall, "perhaps at the same time a peace treaty will be signed with East Germany, and thus all Bundestag deputies will have to obtain visas from (East German Premier) Grotewohl to be able to leave Berlin for Bonn."

(b)(1)

Khrushchev probably seized on this issue to test the unity and firmness of Western reaction. Realizing the differences which developed among the Allies, Bonn, and Berlin when a similar situation arose in 1959 over holding the West German presidential elections in Berlin, Khrushchev probably anticipated that the issue would again prove divisive and provide Moscow with some indication of Allied policy in the event of a showdown on a separate treaty. As in the past,

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however, Khrushchev has been careful to avoid committing himself irrevocably in the event the meeting is held. This issue could be used as a pretext for unilateral action, however, should Moscow decide to seek a showdown rather than await new negotiations.

Widespread Western speculation that the bloc was moving toward some overt action concerning Berlin was probably responsible for Khrushchev's reaffirmation--in a letter on 4 August replying to one from Prime Minister Macmillan--of his qualified commitment to maintain the status quo pending a new attempt to negotiate at the summit. Since Macmillan did not raise the issue in his own letter, Khrushchev appears to have gone out of his way to restate his position, including another warning that if the West refused to meet or prevented agreement, the USSR would "embark on the conclusion of a peace treaty" with East Germany.

Should Khrushchev decide that his political and diplomatic campaign is failing to generate sufficient pressure on the West, he could instruct the East Germans to provoke further incidents and serious disturbances to underline his claim that the West Berlin situation could "give rise to dangerous accidents." The East German regime can call on some 6,000 Communists already living in the Western sectors and can rapidly infiltrate, if need be, 12,000 to 16,000 members of the specially trained workers' militia (Kampfgruppen). Last October 1,000 to 5,000 Kampfgruppen members were brought over during the riots over the display of the new East German flag on the Berlin elevated railway, which is controlled by the East Germans.

Outlook

In the current phase of Moscow's policy, Berlin remains the test case of whether the Soviet leaders intend to pass from bullying behavior to actions involving grave risks. Khrushchev's handling of the issue thus far suggests that he continues to realize the danger of resorting to unilateral action to advance his objectives, and that he is in no hurry to implement his threats. Since the opening of the Berlin crisis in November 1958, the Kremlin has consistently employed the threat of a transfer of Berlin access controls as a pressure tactic to force negotiations and extract concessions. Since the lapse of the initial six-month ultimatum, Khrushchev has been careful to avoid committing the USSR to a specific time for a separate treaty.

Khrushchev's long and close personal identification with the issue, however, is a compelling reason for him to crown his two-year campaign on Berlin with some significant advance which would justify his past policies and demonstrate their continuing validity. The achievement of some gain by means of negotiation, preferably at the summit, probably has taken on a new significance for him in the face of continuing Chinese Communist criticism of both his methods and his strategy in dealing with the West.

Post-summit statements by Khrushchev and other Communist leaders suggest that the Kremlin may feel that insufficient effort was devoted to propaganda and agitation to build up pressure prior to the Paris meeting. That the Kremlin does not intend to make a similar error was recently evident in Pravda's republication of Italian Communist leader Togliatti's remarks:

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"While it appeared before that the leaders of all the Western powers, with the exception of Adenauer's Germany, realized the need for a summit conference, it now suddenly became impossible. Consequently a new struggle is required for creating conditions for convening a summit conference and its effective work. New public pressure upon the governments of main capitalist countries is essential...."

With negotiations temporarily in abeyance, Communist tactics will probably continue to reflect Togliatti's call for struggle and pressure.

Despite Khrushchev's apparent intention to hold open the possibility for new negotiations,

a long and bitter anti-Western campaign will have the effect of erecting barriers against an attempt to work back toward the conference table. Khrushchev may well overestimate the ease and speed with which he can shift gears. While Moscow probably continues to prefer a further round of negotiations as a necessary prelude to a separate treaty, the day of decision cannot be postponed indefinitely without a substantial loss of prestige for Khrushchev in the eyes of his bloc and Chinese colleagues.

In anticipation of renewed diplomatic pressure to force negotiations in the spring of 1961, the campaign of harassments, probing actions, and political warfare can be expected to intensify. (b)(3)

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CYPRUS BECOMES INDEPENDENT

Cyprus became independent on 16 August when the British ended their 82-year rule of the island by transferring sovereignty to the new republican government. The republic begins with better prospects for economic and political stability than many other recently independent colonial areas despite a legacy of hatred between the Greek and Turkish communities, apathy toward the Cyprus settlement on the part of most Greek Cypriots, and an apparent splintering of the island's only large non-Communist party on the eve of independence. Economic aid totaling more than \$40,000,000 has been promised by Britain over the next five years, other aid can be expected from Greece and Turkey, and the United States has offered technical assistance.

The complexity of the political settlement encompassed in the Cyprus Agreement will make it possible for leaders of either the Greek or the Turkish community to bring the process of government to a virtual standstill at any time. Present leaders of both communities, however, have demonstrated a willingness to compromise on fundamental issues. There are still extreme nationalists adamantly opposed to the settlement--particularly among the Greek Cypriots--but their numbers do not appear large at this time and their leadership is of questionable ability.

The real danger for Cyprus comes from a sizable Communist-led political party with dynamic, intelligent, and well-trained leadership. Should the present

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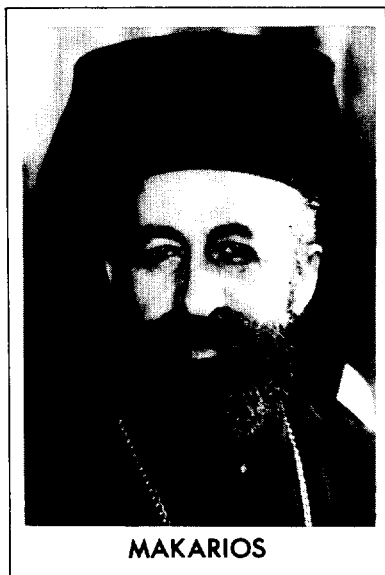
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anti-Communist leaders fail to resolve the anticipated economic and political problems, the Communists will probably make a serious bid for control of the government in the next general elections, scheduled for 1965.

Government

The Cyprus Agreement of February 1959 is the basis for the present government and its international relations. This agreement called for a government in which effective control would be exercised by the Greek Cypriots--who make up about 80 percent of the population--but contained guarantees to protect the Turkish Cypriot minority.



MAKARIOS



KUCHUK

The agreement provides that the president is to be a Greek Cypriot, the vice president a Turkish Cypriot. Each has the right of veto on matters involving foreign affairs, defense, or security. In December 1959, Greek Orthodox Archbishop Makarios, who has consistently dominated Greek Cypriot political activity, was elected President, over the combined opposition of disgruntled nationalists and Communists. Dr. Fazil Kuchuk, long-time leader of the Turkish Cypriots, won the vice-presidency without opposition.

The president and vice president appoint the cabinet, the president appointing seven members and the vice president three. Other government posts

are to be divided between the communities on the same general 70-30 ratio--a concession to the Turkish Cypriots, giving them a greater voice than their proportion of the population would call for. The civil service, police, and gendarmerie will be divided in this proportion, while the 2,000-man army will be created on a 60-40 ratio. In the House of Representatives, there are 35 Greek Cypriots and 15 Turkish Cypriots.

The dichotomy in the Cypriot government is most apparent in the existence of two entirely separate Communal Chambers with sole responsibility for legislating on community affairs, such as education, social welfare, and religion. Moreover, separate municipal governments for Turkish Cypriots will be established in the five largest cities.

The Supreme Constitutional Court, which decides conflicts of jurisdiction between branches of the government, is composed of one Greek and one Turkish Cypriot and a neutral president, a position recently offered to a West German. A

High Court of Justice deals with appointments, transfer, and promotion of judges and consists of two Greeks, one Turk, and a neutral president with two votes; the Irish Government has been requested to select a suitable judge for this post. The judicial system as a whole is administered on the basis of the communal principle.

Politics

Makarios' political party, the Patriotic Front, is a heterogeneous mixture of basically conservative elements which probably will fragment into several smaller parties following independence. Resignation of an interim cabinet minister and a

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controversy over the naming of a foreign minister--both occurring on the eve of independence--indicate that the party is presently subjected to conflicting internal pressures.

Some opposition to Makarios has come from older politicians who were not selected for top government posts. These men, led by John Clerides and Themistocles Dervis, tried without success to prevent Makarios' election as president. Their political party, the Democratic Union, continues to denounce the Cyprus Agreement and the archbishop but appears to have little popular support.

Potentially more dangerous to tranquillity on the island has been the opposition of former members of EOKA, the underground organization that fought the British from 1955 to 1959. While many senior EOKA leaders have joined the Patriotic Front and several are members of the cabinet, others oppose the Cyprus settlement as failing to achieve the goal for which EOKA fought--"enosis," or union of Cyprus with Greece. A spokesman for such extreme nationalists in the past has been Makarios' nominal subordinate within the church hierarchy, Bishop Kyprianos of Kyrenia.

In Athens, former EOKA leader George Grivas has criticized the concessions made to the British in negotiating the terms for implementing the Cyprus Agreement. However, his recent announcement that he intends to enter Greek politics appears to preclude an open campaign against Makarios at this time.

The Communists on Cyprus--nearly all of whom are Greek Cypriots--control the Reform Party of the Working People (AKEL). AKEL captured about 40 percent of the Greek Cypriot popular vote in the legislative elections on 31 July, partly because of widespread abstentions by disgruntled nationalists. However, AKEL holds only five of the Greek Cypriot seats in the 50-member House of Rep-

resentatives, by provisions of an electoral agreement with the Patriotic Front, which holds the remaining 30. Under a similar agreement regarding elections to the Greek Communal Chamber, AKEL received three of the 26 seats.

Makarios negotiated these agreements in the hope of preventing a vicious electoral battle on the eve of independence and they were accepted by the Communists, who recognized that the electoral law gave them little chance of winning any seats in open contests with the Patriotic Front. This collaboration was only for the election, however, and AKEL spokesmen have already indicated that they will vigorously oppose implementation of certain provisions of the Cyprus Agreement. They are concentrating attacks on the continued presence of British military bases on Cyprus and the need to "denuclearize" the island. AKEL leaders have visited Moscow and Peiping in recent months, bringing back offers of increased trade and economic aid "without strings"--offers which will become increasingly attractive unless present large-scale unemployment on the island is reduced in the near future.

The Communists can also be expected to advocate programs of social and economic reform, particularly land reform. Such a move would present Makarios with difficult decisions, because the Orthodox Church controls more than one sixth of the arable land on the island.

The Communists' major source of strength continues to be their domination of the largest labor federation on Cyprus, the 40,000-member Pan-Cyprian Federation of Labor (PEO). The nationalist labor organization--approximately one fourth the size of the PEO--suffers from inadequate leadership and confused programs.

The dependence of the Turkish Cypriots on Ankara for guidance and support has always been far greater than that of the Greek Cypriots on Athens. Until the recent coup d'état in Turkey,

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the Turkish Cypriots appeared united under the leadership of Kuchuk. Because he was closely associated with the ousted regime of Turkish Premier Menderes, his opponents hoped that the new government in Ankara would select other leaders for the Turkish community, and rumors are circulating in Nicosia that Ankara will eventually replace Kuchuk. Opposition elements within the Turkish community presented several candidates for the 15 Turkish Cypriot seats in the House of Representatives in the July 1960 elections, but only Kuchuk-supported nominees were elected.

Foreign Relations

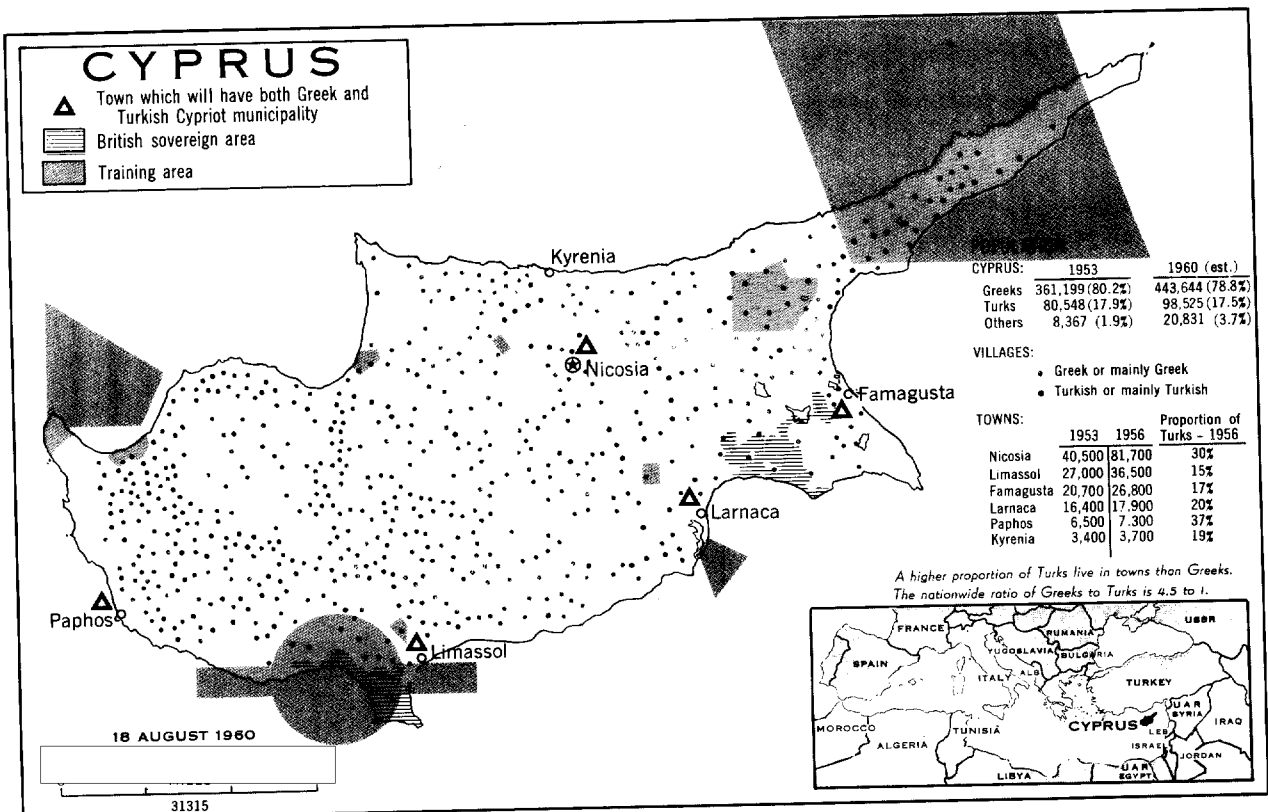
For the present, Cyprus will maintain only four embassies abroad--in London, Athens, Ankara, and Washington. The government is expected to apply for admission to the United Nations but not to NATO.

Cyprus is allied with Greece and Turkey by a treaty providing for consultation on Cypriot defense problems and obligating the parties to resist "all indirect and direct aggression" against the new state. A

tripartite headquarters has been established on Cyprus, with Greece contributing 950 officers and men and Turkey 650 to assist in training the new Cypriot Army.

In another treaty with Britain, Greece, and Turkey, Cyprus has undertaken to "ensure the maintenance of its independence, territorial integrity, and security." In a document signed in early July 1960, the location and future of two military bases over which London is to maintain sovereignty and of several smaller sites to be used as training areas by the British are spelled out. Negotiations over the size and future of these bases caused postponement of Cypriot independence from February to August 1960. Eventual agreement was reached on approximately 100 square miles for the bases and on provisions for cession of the bases to the Cypriot Government if the British ever abandon them.

Relations with London will, of necessity, remain close for many years. Cyprus can expect considerable economic benefit from the presence of British troops on the island, and hopes to stimulate British tourism.



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The new republic will remain in the sterling bloc for the indefinite future and will probably seek to remain in the Commonwealth.

Relations with the United States will also be close, with technical aid already promised by Washington and the Cypriots hopeful for eventual economic and military aid.

Americans also operate the largest mining enterprise on the island--the Cyprus Mines Corporation--which produces copper ore, the island's most important source of foreign exchange.

While relations between Cyprus and its Near Eastern neighbors are expected to be generally good, the government will be faced with delicate decisions in its attitude toward Israel. The Arab states supported the Cypriot cause in

the UN debates, are a natural market for Cypriot agricultural products, and are the home of some 10,000 Cypriots--most of whom live in the UAR. Israel, however, also seeks good relations with Cyprus, and has promised technical aid to the new republic. Cypriot leaders indicate that Nicosia eventually will send a diplomatic mission to Cairo, while limiting its representation in Tel Aviv to a (b)(1) consulate.

Communist bloc countries have demonstrated some interest in the emerging nation and will probably devote more attention to Cyprus in the future. Both the USSR and Communist China have announced their willingness to grant financial and technical assistance, and trade with the bloc--about 4 percent of total trade in 1959--appears likely to be doubled in 1960. The bloc's propaganda, backing the campaign of local Communists, has already begun to focus on the British bases on Cyprus and the danger to which the Cypriot population is exposed by their presence.

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UNREST CONTINUES AMONG SOVIET ARTISTS

Although the revolt on the literary front in 1956 and 1957 has largely subsided, a spirit of unorthodoxy continues in Soviet art. In an atmosphere which, despite the stiffened attitude of the regime since the uprising in Hungary, is still considerably less repressive than in Stalin's last years, modern art has gained an enthusiastic following among the Soviet intelligentsia which increasingly threatens to undermine the sternly guarded principle of "socialist realism" in art.

The growing interest in experimentation, stimulated by

officially sanctioned displays of foreign art, is reflected in the existence of a thriving "underground" in such condemned styles as abstractionism and surrealism. One advocate of the party line has described the attitude of some artists as "a kind of diseased, mysterious 'internal spirit,' as if the person did not live in Moscow but somewhere in an underground kingdom." The regime has offered repeated reassurances against the reinstatement of a harsh policy, but it is seeking through a cautious broadening of the definition of "socialist realism" and through organizational

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means to neutralize the spirit of nonconformity and preserve the propagandistic function of Soviet art.

"Socialist Realism"

The extreme modern art schools which flourished in Russia in the early 1900s and for a time after 1917 were emphatically tabooed by the 1932 party central committee decree which called for the creation of national unions of artists, writers, and musicians and proclaimed "socialist realism" the only artistic method permissible. Modernist masterpieces were locked in storage vaults where, with few exceptions, they remain to this day.

Socialist realism insisted on the style of 19th century Russian realism but demanded that content show society not as it actually was but as it was seen to be developing through the rose-colored glasses of Communist dogma. The value of art was judged in terms of its propaganda effectiveness



Zverev (self-portrait)

rather than by esthetic criteria. Socialist realist art was to use a realistic style clearly understood by the masses, avoid unpleasant actualities, and dramatize heroic Communist exploits.



Serov, "Lenin Receives Peasant Delegates"

Formalism, or a concern for form at the expense of content, was made the cardinal sin for Soviet artists. The opposite extreme--mechanical copying of details--was condemned as naturalism. Modern Western art from the 1870s onward was denounced as "bourgeois" "reactionary," "decadent," or "subjective," because it rejected the primacy of social idea-content in favor of experimentation in form as a means of expressing the artist's subjective thought.

Post-Stalin Thaw

In the more permissive atmosphere

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which developed after Stalin's death, Ilya Ehrenburg's 1954 novel The Thaw attacked the careerism, sterility, and pressures for conformity in the Soviet art world.

Beginning in 1955 the works of some previously condemned artists began to reappear, including works by members of the early 1900s modernist "World of Art" group. The Hermitage Museum in Leningrad and the Pushkin Museum in Moscow put on permanent exhibition selected works by French impressionists, Matisse, Cezanne, and Picasso. But works by the great Russian modernists Kandinsky, Chagall, and Malevich remain in storage.

One result of Khrushchev's anti-Stalin speech in February 1956 was a rash of articles directly critical of prevailing artistic standards. An art union official attacked "the anti-democratic style of leadership in art (which) is incompatible with free creative competition." An art historian praised non-conformist artists of the 1920s, rejected as "mass produced" most works since the 1930s, and defended impressionism as a valuable variant of realism.

The First Congress of the USSR Union of Artists, held in March 1957, warned artists against disparaging socialist realism. Vigorous reaffirmation of party guidance of the arts was balanced, however, by clear signals that there would be no return to Stalin's cultural wasteland. While abstractionism was again condemned, party advocates also criticized shallow, pompous, naturalistic, and purely illustrative art. The replacement, prior to the congress, of the Stalin-appointed watchdog Aleksandr Gerasimov by moderate Boris Ioganson as head of the Academy of Arts was also seen as a gesture in the direction of reduced administrative dictatorship over the arts.

Private Network of Modern Art

The more permissive cultural atmosphere since 1955 has gradually encouraged more and more artists to venture outside the limits of socialist realism. They are handicapped by their comparative ignorance of Western developments and the limitations of their national tradition. But many of the younger generation, often with the encouragement of established figures in the Soviet art world, are clearly fighting for the right to create new forms. These, they argue--seeking, perhaps cynically, to cite the Communist gospel in support of their own heresies--are necessary to express the new conditions of the "period of Communist construction" and the space age.

Landscapes, portraits, and still lifes, forms which are poor vehicles for social preaching, have become the most popular genres. Some artists have been accused of "salonism" because of their concentration on personalized themes. Ilya Glazunov's bold reintroduction of the nude to Soviet painting at his small Moscow exhibit in early 1957 was cheered by all but a few "loyalists" and puritans.

The Soviet rediscovery of Matisse, Cezanne, Van Gogh, and Picasso, and of older Slavic art, especially the icon, has encouraged the use of dynamic rhythms, bold colors, and a flat decorative style foreign to conventional Soviet artistic expression.

The regime's continued repudiation of any real experimentation has given rise to a flourishing art "underground" lying just beneath the surface of official Soviet life. Surrealism and abstractionism are the most popular trends. More and more members of the intelligentsia--including party

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members and art union officials young and old--are collecting modern art or enjoying it in the privacy of friends' apartments or studios. Some black marketeers are apparently making fortunes selling modern art.

An increasing number of artists who produce conventional works for public consumption experiment in private. Glazunov paints excellent unorthodox portraits on the side. "These are my soldiers," he explained to a visiting American art expert in 1959. "Some day there must be art again in the USSR." Another artist who has won fame and luxury designing stage sets continues to paint nonconformist romantic works in private. Many engineers and professional people do experimental art as a hobby. Some artists have managed to live solely off the works sold to a few friends or are supported by established older artists or union officials.

Public Deviations Increasing

The controversial Young Moscow Artists' Exhibition which opened in May 1959 illustrated, according to one Soviet review, the "general tendency of young artists no longer to be guided by socialist realism." The youth newspaper Komsomolskaya Pravda hurled such charges as "self-styled revolutionary" and "decadent" at some of the participants. One artist was accused of "thoughtless imitation of ultraleft Western painting" because he was interested in bold color combinations rather than content. A distorted portrait by another was described as "stylistic, introverted, a green frog in black water." Subsequent exhibitions by young artists in 1959 and this year have produced less official furor, but the epithet "formalist" has cropped up again.

The large crowds at lectures against abstractionism in

May 1959 and January 1960 illustrate Soviet youth's interest in modern art. At these lectures, members of the enthusiastic audience supported Polish abstract art and raised the embarrassing question of Picasso, whom the regime is proud to claim as Communist but whose extreme experimentation is forbidden to Soviet artists. In June 1959 two young Moscow audiences, one composed of Komsomol members, hooted a speaker off the rostrum when he attempted to propound socialist realism.

These trends have even found some encouragement in official publications. The influential Literary Gazette has published many of Ehrenburg's articles championing impressionism and Picasso, art free from political or ideological fetters, and the artist's right to express himself in his own way even if the public has difficulty understanding him. Its pages have also carried a writer's attack on Academician Ioganson for his highhanded criticism of the Young Moscow Artists' Exhibition.

Another article quoted the views of a "militant ignoramus" who ridiculed the work of an archconformist sculptor: "We are lagging behind the West. Art has finished with primitive materialism and Philistine realism. The leading artists in the West long ago renounced the servile imitation of external reality and entered the world of moods.... Art is experiencing a new phase, the collapse of form. I don't need cranes and factory chimneys...."

The journal Art has devoted a series of articles to the theory of abstract painting, its development, and application to design. Moscow Artist, organ of the Moscow Artists' Union, was attacked by Komsomolskaya Pravda for its "conciliatory" attitude toward formalism.

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CURRENT INTELLIGENCE WEEKLY SUMMARY

18 August 1960

The nonconformist young poet Yevtushenko declared in a Komsomolskaya Pravda article: "I believe in the decorative significance of abstract painting." Georgy Nissky, a prominent older painter, argued in Moscow Komsomol that modern technology had brought about new forms of perceiving the world, and that movies now portrayed thematic conflicts better than realistic painting.

Foreign Exhibits Stir Ferment

The East-West cultural exchange program has fanned the interest of Soviet youth in modern art. A Picasso exhibit from England in 1956, a French exhibit, and the Western art displayed at the Seventh World Youth Festival in 1957 created a furor. The largely abstract Polish paintings in an otherwise orthodox exhibition of art from countries of the Communist bloc in December 1958 provoked new controversy which has been kept alive by a Yugoslav graphics exhibit, a Swedish exhibition, the American Exhibition at Sokolniki Park in 1959, and a current British exhibition, all of which included modernistic works. Occasional lectures by visiting Western art specialists and publications like the magazine Poland, which reproduces Polish abstract art, also have stimulated considerable interest.

At these exhibitions the modern art works drew the largest crowds. Mirth, befuddlement, shock, or hostility were the most common reactions. Some visitors, however, expressed their growing appreciation of modern art. A small group--composed primarily of students, artists, young scientists, engineers, professional people, and Soviet minority nationalities--dared to defend modern art openly at these exhibitions or at least to argue that it should be shown. One artist lamented the fact that mass

tastes had not yet been raised high enough to appreciate modern art.

Regime Intensifies Campaign

Since 1959 the regime has intensified its campaign for conformity to the principles of socialist realism. It clearly recognizes that stylistic deviations could threaten the party's basic premise that art is merely an instrument of propaganda, and abstract art hardly lends itself to promotion of the Seven-Year Plan. The party also fears that demands for greater stylistic freedom might expand into demands for other freedoms, and that the artists' deviations might contaminate other sections of the intelligentsia. In addition, artistic deviations weaken the image the regime seeks to propagate abroad of happy unified artists rallying around the party on the platform of socialist realism, which alone guarantees the fullest cultural flowering.

The regime continues to discourage nonconformists by denying them exhibition space, commissions, and entrance to art schools. Agitation against private collections has begun, including threats to invade private apartments and studios. Titles, prizes, fat commissions, access to luxurious artist colonies, and travel abroad are positive incentives to produce officially approved art.

Antimodernist propaganda is geared to a higher intellectual level because interest in modern art can no longer be dismissed with old clichés. Party concern is revealed by lectures against abstractionism, a 1959 series "Against Revisionism in Esthetics," the discovery of serious shortcomings in art criticism by the October 1959 Artists' Union plenum, and the increasing press attacks on modernists since the spring of 1959.

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CURRENT INTELLIGENCE WEEKLY SUMMARY

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The founding congress of the RSFSR Artists' Union was held from 20 to 24 June 1960 to bring the artists--especially the unruly Moscow group--into line. Vladimir Serov, later elected the union's first secretary, argued that contemporary subject matter rather than modern form counted most in meeting the artistic needs of the present period. He stressed that socialist realism embraced a multiplicity of styles, subjects, and genres, and admitted that certain innovations could contribute to more effective art as long as they did not become ends in themselves. He condemned artists who altered their style merely for the sake of appearing dif-

ferent or fashionable. Other speakers at the congress, however, insisted that contemporaneity implied a new artistic idiom.

Serov condemned "some of our critics and art scholars and several of our writers and artists of the older generation" who for the sake of popularity have lauded youth's errors as new forms of quest or as artistic individuality. He cited the four young Soviet modernist painters described in a recent Life article as examples of the need for greater vigilance against alien bourgeois ideology, but he promised careful, friendly criticism rather than repression as the remedy. (b)(3)

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PART IV
OTHER INTELLIGENCE ISSUANCES

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