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SUMMARY OF CONTENTS

THE SOVIET WORLD Page 4

CRISIS IN EAST PAKISTAN SEVERELY TESTS KARACHI GOVERNMENT Page 6

The Pakistani government will probably succeed in restoring order in East Pakistan through its imposition of "governor's rule." Karachi has shown appreciation of the basic problems in the area, by proposing to "clean up" the provincial government and institute short-term economic improvements.

NEGOTIATIONS FOR THE RELEASE OF AMERICANS IN CHINA . . . Page 8

Peiping now appears willing to release American civilians held in China in exchange for the return of Chinese students detained in the United States, but has insisted on direct negotiations with American officials.

DOMESTIC POLITICAL FACTORS LIMIT BRITAIN'S FREEDOM OF ACTION ABROAD Page 9

Growing public support for a more "independent" approach to foreign affairs limits the British government's freedom of action abroad. Although the Anglo-American alliance has not been seriously weakened, co-operation may be further impeded in such areas as the Far East and Southeast Asia.

INCREASING PROBLEMS CONFRONT SELF-GOVERNING SUDAN . . . Page 11

Six months after the inauguration of self-government in the Sudan, a situation has arisen which threatens the Sudan's political development.

MAGSAYSAY'S PROGRAM BOGGED DOWN IN POLITICS Page 13

The Magsaysay administration, now in its sixth month and with a party fight on its hands, has made little progress toward its announced goals. A major party split was staved off at a caucus on 7 June, but there may be a change in political alignments at the special session of the congress expected later this month.

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**POOR SATELLITE CROP PROSPECTS FOR 1954 THREATEN SUCCESS
OF NEW COURSE Page 15**

The almost certain failure of Satellite agriculture to meet targets set for this year under the new economic course will require readjustments in over-all planning which will slow the rate of growth of heavy industrial production for several years to come. Indications are the 1954 crops will be no better than last year's poor harvest; the important bread grain and possibly fodder crops will be the least satisfactory.

THE SOVIET WORLD

The Communists are continuing to take a hard line at Geneva in the apparent belief that military developments in Indochina and the political situation in Paris will eventually force the French government to move toward the Communist position. Molotov's 8 June speech again clearly indicates that the Communists will not enter a cease-fire agreement or abandon their maximum demands at this time. His only new proposal is for the Indochina participants to discuss political and military problems on alternate days, and for representatives of the two opposing commands to discuss political questions just as they have been discussing military matters.

Current military discussions at Geneva have apparently made little progress. The Communists have made clear that they will bring up again their demands for a regrouping of the opposing forces in Laos and Cambodia as well as in Vietnam. They also imply that certain irregulars of the Viet Minh may be excluded from the regroupment scheme and thus be left free to harass non-Communist areas.

The third week of restricted sessions was occupied almost entirely with discussing proposals for supervision and guarantees of an armistice. The Communists have so far demanded representation on any international commission, whereas the West insists that this commission must be truly impartial. They have insisted that the mixed Indochinese committees not be subordinated to the international commission, while the West takes the opposite view. Chou En-lai's most recent proposal that the international commission attempt to arbitrate disputes which the mixed committees cannot resolve may, however, represent a modification of the Communist position. This proposal seems to envisage that supreme authority would rest with the nine participants in the Indochina discussions, to which the international commission would refer disputes it cannot resolve. Nevertheless, these various proposals still give the Communists a veto at all three levels of supervisory authority.

The most recent Soviet statement on the question of nuclear energy was a 29 May Pravda article, which constituted the first public rejection of President Eisenhower's atomic pool proposal. The article reiterated the main points in Moscow's answer to the proposal last December and reflected considerable concern that the United States might move to establish such a pool without Soviet participation. Pravda denounced the plan as designed to create an international atomic energy cartel which would give American "ruling circles" control of atomic research in all capitalist countries. In

SECRET

addition to heavy criticism of the President's proposal as designed to use only "a certain part" of atomic stocks, the article repeated the Soviet demand of last December that as a first step toward solving the question of nuclear weapons, there should be an unconditional ban on atomic, hydrogen and other mass destruction weapons by a "five-power" agreement not to use these weapons.

The Pravda article was apparently timed to coincide with the resolution of the World Peace Council in Berlin on 1 June, which parroted the Kremlin's call for a ban on the use of nuclear weapons and in addition made the demand that there be "no experiments with atomic and hydrogen bombs."

Meanwhile, at the UN disarmament talks in London, Soviet delegate Malik on 1 June again voiced Soviet objections to the President's proposal and stated that useful discussion could take place only after an international agreement had been reached which would unconditionally prohibit use of nuclear weapons. He introduced a resolution to that effect, and indicated his government might present a resolution at the ninth General Assembly embodying this Soviet proposal.

Such a move would formalize what has appeared to be the development of an intensive "peace front" campaign for a ban on all weapons of mass destruction, designed to regain the "peace initiative" and obscure the Kremlin's rejection of the atomic pool proposal. Moscow's current and possibly future approach to the question of nuclear weapons was succinctly expressed in a recent New Times article which stated that "the movement against the use of atomic and hydrogen weapons ... is even more widespread than ... the Stockholm Peace Appeal, which was signed by more than 500 million people."

SECRET

CRISIS IN EAST PAKISTAN SEVERELY TESTS KARACHI GOVERNMENT

The Pakistani government will probably succeed in restoring order in East Pakistan through its imposition of "governor's rule" --direct control of the province by Karachi through the appointed governor. This action alone will not solve the problems underlying popular disaffection in the area, but Karachi has shown appreciation of these difficulties by proposing to follow with a "clean-up" of government in the province and short-term economic improvements.

The chaos in East Pakistan, which precipitated Karachi's move, has largely developed since the United Front swept the Moslem League from power in the mid-March provincial elections. Dissident elements within the Front, the Communist Party, and possibly Indian agents exploited widespread grievances, and demanded immediate fulfillment of the Front's campaign promises. Apparently, they hoped thus to strengthen their position in the legislature and win cabinet representation.

The inability of the United Front to maintain its unity and the reluctance of 82-year-old Chief Minister A. K. Fazlul Huq and his cabinet to control the agitation encouraged the dissidents. The Front's disunity was reflected in the pursuance of separate policies by its three major components--the Communist-infiltrated Awami Moslem League, the Krishak Sramik Party, and the Nizam-i-Islam. Huq's delay in nominating a full cabinet, which was due largely to his difficulty in finding men both loyal to him and able to command a majority in the legislature, further emphasized factional rivalry.

The continuing agitation of dissident politicians and Communist elements, playing on East Pakistan's sensitivity to Karachi's "colonial" policies and the people's animosity toward Indian refugees and West Pakistanis, resulted in labor riots and other disturbances in late March. About 27 people were killed and 120 injured. These riots were followed by a disturbance in Dacca, the provincial capital. On 15 May serious rioting again broke out at Pakistan's largest jute mills; about 400 persons were killed and over twice as many injured. Special police and local military units did not restrain the mobs, allegedly because high officials on the scene, including a pro-Communist member of Huq's cabinet, withheld the necessary orders.

In addition, Huq issued public statements which suggested that he was seeking political separation of East and West Pakistan. He also contributed to the friction between the provincial and central governments by publicly denying Prime Minister Mohammed Ali's charges that Communist and other anti-Pakistani agents--presumably Indian--were responsible for the riots.

On 30 May, Karachi assured its immediate control of the situation when Ali promulgated governor's rule under Pakistan's tough and able defense secretary, Major General Iskander Mirza. This action was taken after a two-week series of meetings between the cabinet and the provincial chief ministers. Karachi's delay in following this course was due primarily to its reluctance to exacerbate relations with the province.

The roundup of dissidents, begun after the 15 May riots, is continuing. Huq is under house arrest and at least four members of his cabinet have been detained. The army, with about 13,000 men in the province, is patrolling the major cities.

Karachi's action demonstrates it will try to hold East Pakistan by force until the situation cools. The central cabinet believes this period may last a year--possibly until the national elections planned for 1955. The short-term prospects of this approach appear favorable. The army is believed capable of maintaining order and the government has a good case against Huq due to his "traitorous" pro-independence speeches.

Success over the longer run, however, depends on the efficacy of the "cleanup" measures and the economic improvements Karachi has promised. These promises include increases in the supplies of food and consumer items at lower prices.

Karachi's preoccupation with the East Pakistan crisis will probably distract it for some time from participation in international affairs, but is not expected to have any major effect on Pakistan's attitude toward American aid or its Western, particularly its pro-American, orientation.

NEGOTIATIONS FOR THE RELEASE OF AMERICANS IN CHINA

The Peiping regime appears willing to release American civilians held in China in exchange for the return of Chinese students detained in the United States. Peiping has insisted, however, on direct negotiations with American officials, which it will presumably publicize as another step toward recognition of the regime.

Approximately 51 American civilians are being held in Communist China. Of these, 32 are known to be in prison, three are presumed to be under arrest, and 16 are unable to obtain exit permits. Not included in this count are the 21 American prisoners of the Korean war who refused repatriation or the several hundred other American military prisoners believed held in China. There are 43 other Americans, including 11 who hold official or quasi-official positions in the Peiping regime, who apparently do not wish to leave China.

A Chinese Communist hint in early May that Americans in China were being held as hostages for the return of Chinese students in the United States was confirmed at a preliminary meeting in Geneva between Chinese officials and Humphrey Trevelyan, the British chargé in Peiping. The talks bogged down when the Chinese delegates insisted on negotiating directly with American officials.

American diplomats accompanied Trevelyan to an exploratory meeting with the Chinese on 5 June. Communist propaganda, which interprets Peiping's participation at Geneva as *de facto* recognition, is expected to publicize this meeting as another step toward recognition. The Communists may call in subsequent meetings for explicit discussion of the questions of recognition and China's seat in the UN.

Of the 4,500 Chinese students in the United States in June 1951--when the regulations for the control of foreign nationals were promulgated--approximately 450 sought to leave the country. Only 120 of these have been detained, and the United States government has decided that some of these can now be repatriated.

If direct negotiations prove unsuccessful in obtaining the release of the Americans in China, future action will be confined to representations by diplomatic officials of nations friendly to the United States which recognize the Peiping regime. These attempts have not been successful in the past, and would not be expected to succeed in the future.

DOMESTIC POLITICAL FACTORS LIMIT BRITAIN'S
FREEDOM OF ACTION ABROAD

Growing public agreement with Aneurin Bevan's contention that Britain should adopt a more "independent" approach to foreign affairs and a desire to retain bipartisan support for its foreign policy limit the Conservative government's freedom of action abroad. Although the Anglo-American alliance shows no signs of a basic weakening, there is apprehension in Britain about these ties and co-operation may be further impeded on such issues as Southeast Asian defense and Far Eastern policies in general.

The government's evident desire to move both independently and cautiously in international relations springs largely from its evaluation of Britain's national interests and Western cold-war strategy. Churchill and other Conservative leaders have for some time been urging the general British view that East-West tensions have eased. The British led the way in NATO's shift to the "long-haul" concept of military strategy, a move aimed at reducing the burden of rearmament. They are still trying doggedly to reduce Western export controls, an action calculated to bolster the British export trade.

Domestic political conflict also limits the flexibility of British foreign policy by weakening bipartisan support to a greater extent than at any time since the war. This conflict is most bitter within the Labor Party. Attlee's moderate right-wing leadership is coming under increasing attacks from Bevan, whose emotional appeal to the rising popular reluctance to rearm West Germany threatens to reverse the official Labor policy. Bevan has also capitalized on distrust of American foreign policy and fear of Far Eastern "adventures." Strong personal antagonisms among the dominant trade union group make Bevan's chances of capturing personal leadership of the party poorer than ever, but rank-and-file support for his views is growing.

The unwillingness of both Labor factions to face a final showdown will almost certainly incline the party as a whole further toward Bevanism. The government has reacted most sharply to Bevanite charges that it is subservient to Washington, whose attitude toward Communism is widely regarded as inflexible and impetuous.

The Conservatives command a workable parliamentary majority for their policies, and are confident of winning the next general election. They do not, however, foresee substantial gains if the election is held in the near future. Spokesmen for both Labor Party factions admit privately that only an economic crisis could return their party to power.

The government must take into account, moreover, a change in its own standing with the voters. The Conservatives took office in October 1951--after polling a smaller popular vote than Labor--with an excellent reputation for competence in foreign affairs and in full anticipation of severe criticism on domestic issues. Now they enjoy widespread support for their moderate domestic policies, and are increasingly anxious that their actions abroad meet with parliamentary and public approval. The political atmosphere is further clouded by Churchill's silence about his personal plans for the future.

All these unsettling factors tend to make the government increasingly sensitive to public opinion, particularly in seeking bipartisan support for its foreign policy. High officials frequently argue that British opinion would not stand for the government's appearing unwilling to negotiate with the Communists. Eden's efforts to serve as an "honest broker" at Geneva have won him such wide commendation at home that his policies toward Southeast Asia, especially his efforts to enlist the willing co-operation of Asian Commonwealth members, seem assured of continued approval. The proposed visit by top officials of the Labor Party to Peiping this summer will strengthen the feeling in Britain that closer relations with Peiping are possible, and that Britain can exercise special influence on the Chinese Communists.

At the same time, there is apprehension in both major British political parties about relations with the United States, close ties with which are still regarded as the keystone of British foreign policy. A Foreign Office spokesman told newsmen on 20 May that the Anglo-American alliance was facing its "worst crisis" since the war.

Nervousness about Washington's intentions and reactions is not likely, however, to deter the British from pursuing their own cold war tactics. This is an area in which they regard themselves as more skilled than Americans. In view of the situation at home and their desire to encourage moderation in international relations, the British will probably persist in their attempts to promote genuine East-West negotiations.

INCREASING PROBLEMS CONFRONT SELF-GOVERNING SUDAN

Six months after the inauguration of self-government in the Sudan, a situation has arisen which threatens the Sudan's political development. The principal elements in this situation are: (1) Internal dissension within the governing National Unionist Party (NUP); (2) an imminent showdown with the pro-independence Umma Party--the major opposition; and (3) the prospect of the early withdrawal of all British officials from the administration.

Signs of internal dissension have recently appeared in the Egyptian-sponsored National Unionist Party, which won a substantial victory in the elections last November. The party, founded in Cairo in November 1952 as a coalition of Sudanese politicians favoring union with Egypt, is dependent on the Khatmia religious sect for its popular support. Accordingly, party leaders have sought to maintain a careful balance between the Khatmia and the prounionist politicians. However, the several unionist factions in the NUP are currently involved in a struggle to dominate the party and Egyptian maneuvers may result in serious fissures in the NUP and consequently reduce Egypt's influence among Sudanese politicians.

Developments in Egypt, particularly the emergence of a military dictatorship under Colonel Nasr, have adversely affected the Sudanese attitude toward union with Egypt. General Nagib, because of his Sudanese background, was regarded as a hero in the Sudan and his loss of position has been a severe blow to the prounionists.

A spokesman for the Khatmia recently indicated that despite previous statements that the sect supported a form of union with Egypt, the Khatmia now favors two independent countries working co-operatively together. Leaders of the Khatmia are confident of their ability ultimately to control the policy of the NUP as a result of its dependence on the support of the sect's followers. Accordingly, Egyptian efforts to dominate the NUP are likely to alienate the Khatmia further and could lead to a serious split in the Unionist government.

The long-standing deep-seated rivalry between the orthodox Khatmia and the Ansar sect, which dominates the Umma Party, has produced another problem for the Ashari government. In April the government openly challenged the opposition by removing

the representative of the Umma Party from the Governor General's Commission and replacing him by a NUP supporter. Although the action failed to precipitate the immediate crisis which had been feared, the Ansar has indicated that it does not intend to acquiesce in continued NUP domination. When parliament reconvenes in October, a showdown between the two groups may be expected.

In non-Moslem southern Sudan--traditionally anti-Egyptian--there is increasing tension over encroachment from the Moslem north. The southerners vigorously object to the replacement of British officials by Moslems and demand "Southernization" rather than "Sudanization" of the administration in the south. In December a group of 23 southern members of parliament, opposed to union with Egypt, formed a new party, the Liberal Party, supporting full independence of the Sudan and the rights of the south. Any attempt by the NUP government to impose its will on the south is likely to lead to demonstrations by the tribes which could lead to serious disorders.

Britain has apparently concluded that the best policy to follow in the interest of future Anglo-Sudanese relations is to withdraw all British civil servants from the Sudan as soon as possible. Such a move, London feels, would prevent the British from being used as scapegoats for future difficulties and at the same time satisfy the NUP's demand for immediate "Sudanization" of the administration.

The British governor general has, accordingly, approved a proposal providing for the withdrawal of all British officials from the civil administration, the army, and the police force by 1 May 1955. There are, however, few qualified Sudanese available to fill these posts, and the premature departure of some 1,200 experienced officials will severely handicap the development of an efficient administration in the Sudan.

The British have indicated their determination to suppress any disorders as long as they remain in effective control of the Sudan. The departure of the British could, however, become the signal for a widespread bitter struggle.

11 June 54

MAGSAYSAY'S PROGRAM BOGGED DOWN IN POLITICS

The Magsaysay administration, now in its sixth month and with a party fight on its hands, has made little progress toward its announced goals. A major party split was staved off at a caucus on 7 June, but there may be a change in political alignments at the special session of the congress expected later this month. In any case, there is little prospect that the hopes raised by Magsaysay's landslide election will soon be fulfilled.

The president retains his great popularity and the general support of the press but has been unable to win full control of the Nacionalista Party organization that nominated him and rode to power with him. At the caucus on 7 June, Magsaysay received a pledge of full support, but although members of the old guard were present, Senator Claro Recto, their leader, was not. When informed of the caucus results he reiterated his intent to criticize the administration "whenever, in my judgment, it is in the public interest to do so."

The general attitude of the party's old guard was expressed recently by the party chairman who, in a sideswipe at Magsaysay, related the story of a man who asked for and received shelter in a house, then wanted the entire house as his own. The American embassy in Manila reports that once-ardent supporters of Magsaysay now believe more than the president's "human touches" are required to get the Philippines out of its rut.

In his early weeks in office, Magsaysay's political inexperience frequently led him to defer to the advice and suggestions of the party wheelhorses, whose motives he did not question. When Senator Recto in early February first challenged Magsaysay's leadership and pro-Western orientation, the president recognized the need for an eventual showdown. He subsequently has been able to achieve little more than face-saving victories, and key foreign policy issues have become increasingly controversial. For instance, an agreement finally reached with Japan on the long-standing reparations controversy was abandoned following sharp congressional attacks.

During the regular session of congress which closed on 20 May, both houses were primarily preoccupied with efforts to maintain restrictions on the executive power. The support for Senator Recto's brand of ultranationalism was reflected

in the introduction of some 50 nationalization bills--directed chiefly against the Chinese--that would have excluded foreigners from various activities. The most important of these--one to exclude foreigners from retail trade--was passed and the president is reported to have committed himself to sign it before reading it. The patronage demands of the Nacionalistas have delayed important cabinet appointments and the administration was not well enough organized to push through any important reform legislation.

Recent reports that Magsaysay intended soon to force a political realignment probably account, in large part, for the appearance of unity he was able to obtain at the caucus. He was said to be planning a new party based largely on the present Democratic Party, which was organized last year by Carlos Romulo, who is now Magsaysay's personal envoy to the United States. To the Democrats would be added such Nacionalistas and opposition Liberals as could be induced to cast their lot with the president.

The possibility of a party split has apparently given pause to Nacionalista leaders. The influential Senator Laurel, who is usually in Recto's corner and who, according to information of mid-May, favored excluding the president from the party's councils, more recently stated he would stick with Magsaysay until it became "unbearable and impossible" to do so. At the caucus, Laurel's efforts apparently were directed toward avoiding a party split.

A political reshuffle is still a possibility, and it may take place during the coming special session of congress. It is doubtful, however, that any realignment would meet the needs of the situation.

Senator Cabili, a Democrat, first proposed the realignment, and the motives of his party--which would form the basis for the new group--are open to doubt. The party is strongly influenced by wealthy sugar producers whose economic interest in retaining close ties with the United States leads them to oppose Senator Recto's brand of nationalism. But the party's backers have little interest in the reform program that brought Magsaysay his landslide victory. Moreover, Magsaysay himself has not yet demonstrated the political or administrative skill necessary for effective leadership.

POOR SATELLITE CROP PROSPECTS FOR 1954 THREATEN SUCCESS OF NEW COURSE*

The almost certain failure of Satellite agriculture to meet targets set for this year under the new economic course will require readjustments in over-all planning which will slow the rate of growth of heavy industrial production for several years. All present evidence indicates that 1954 crops will be no better than last year's poor harvest; the important bread grain and possibly fodder crops will be the least satisfactory.

When the new course for agriculture was outlined, Satellite leaders must have realized that the increased investments scheduled would have only marginal effect this year. They may have hoped, however, that the shift in emphasis from coercion to incentives would elicit sufficient peasant response to meet the higher 1954 goals even before the agricultural investment program was fully implemented. It now appears that the greater incentives resulted chiefly in peasant expectation of further concessions.

This year's output has been handicapped by bad weather. Fall sowing plans were underfulfilled in all the Satellites. Albania, which achieved less than 95-percent fulfillment, had the best record. A drought throughout the area during last fall's plowing and sowing, followed by long periods of low temperature, retarded the growth of grains, and lack of snow cover during December exposed the grain to killing frosts. Cold and rain delayed the planting of spring grains, thus increasing the danger from the hot dry weather normal in June and July. In turn, the planting of potatoes, sugar beets, and vegetables was delayed.

In addition, poor organization and a lack of agricultural machinery--deficiencies which the new course has so far done little to correct--increased peasant apathy. Large-scale peasant withdrawals from co-operatives in Hungary and Czechoslovakia last fall and winter further disrupted Satellite crop planting plans. Thus, an inadequate and disgruntled labor force was obliged to increase its efforts to reseed fields in the spring and at the same time meet the expanded spring targets within a shortened plowing and sowing season.

Soviet domestic agricultural requirements are likely to prevent the USSR from extending substantial assistance to the Satellites. Faced with inadequate crops and little hope of greater Soviet assistance, the Satellites will probably be forced to reduce agricultural exports or postpone plans for increasing domestic food consumption.

* Based on a study prepared by the Office of Research and Reports.

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A reduction of Satellite agricultural exports to the West would necessitate a reduction of imports of industrial raw materials and industrial equipment, thereby causing further setbacks to the industrial programs. If priority is given to meeting export goals, then the resulting food shortages will have a continued adverse effect on already low worker morale and productivity which the new course is designed to improve in order to make possible continued industrial growth.

Numerous developments indicate that the regimes now recognize the necessary improvements in agriculture will require several years. East Germany and Hungary have announced that the primary task of their second five-year plans will be raising agricultural production to a satisfactory level. Czechoslovakia has announced a program, extending through 1957, for a large increase in the agricultural labor force, which requires the transfer of some industrial workers to the farms. Other Satellites have also stressed plans for a large expansion in agricultural training facilities, and for providing more effective management in agriculture, particularly in the collective farms.

The plans to continue the diversion of material and human resources to agriculture over the next five or six years show a more realistic appraisal of the problems that must be overcome. However, such a program, requiring the substantial diversion of resources from industry, will contribute to a lower rate of heavy industrial growth during this period.

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