

~~CONFIDENTIAL~~

~~SECRET~~

COPY NO. 12

OCI NO. 3290/55

14 April 1955

CD/ED

CURRENT INTELLIGENCE WEEKLY SUMMARY



DOCUMENT NO. 3
NO CHANGE IN CLASS.
 DECLASSIFIED
CLASS. CHANGED TO: TS, S 25X1
NEXT REVIEW DATE: 1989
AUTH: HR 70-2
DATE: 25/1/79 REVIEWER:

CENTRAL INTELLIGENCE AGENCY

OFFICE OF CURRENT INTELLIGENCE

~~CONFIDENTIAL~~

~~SECRET~~



25X1

THIS MATERIAL CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF THE ESPIONAGE LAWS, TITLE 18, USC, SECTIONS 793 AND 794, THE TRANSMISSION OR REVELATION OF WHICH IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW.

The Current Intelligence Weekly Summary has been prepared primarily for the internal use of the Central Intelligence Agency. It does not represent a complete coverage of all current situations. Comments and conclusions represent the immediate appraisal of the Office of Current Intelligence.

~~CONFIDENTIAL~~
~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

14 April 1955

T H E W E E K I N B R I E F

PART I

OF IMMEDIATE INTEREST

SITUATION STILL QUIET
IN FORMOSA STRAITS Page 1

The lull in combat operations in the Formosa Straits continued this week. There were no significant clashes between Chinese Communist and Nationalist forces, and there are no indications of imminent island assaults by the Communists. [redacted]

25X1

EXPIRATION OF TRUCE IN SAIGON
LEAVES SITUATION STILL TENSE Page 2

The expiration of the informal truce in Saigon on 12 April was followed by warnings from the sects against any renewal of hostilities by the government. Neither side, however, appears ready to undertake armed action.

[redacted]

AFGHAN-PAKISTANI
TENSION CONTINUES Page 2

Despite continuing friction between Afghanistan and Pakistan, hostilities between the two countries are probably not imminent. The Soviet ambassador may have offered increased moral support or economic assistance to Prime Minister Daud to strengthen him in his struggle with other members of the Afghan royal family.

[redacted]

IRAQ READY TO FORESTALL
LEFTIST COUP IN SYRIA Page 4

Iraq is prepared to fulfill Syrian president Atasi's request of 13 April for military assistance in the event a leftist-threatened coup materializes. The threat comes from Syrian army supporters of the extreme Arab Socialist-Resurrectionist Party who have virtually ordered President Atasi to sign the projected Egyptian-Saudi Arabian-Syrian defense pact immediately.

[redacted]

~~CONFIDENTIAL~~
~~SECRET~~

25X1

25X1

25X1

~~CONFIDENTIAL~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

14 April 1955

HEATED DEBATE EXPECTED
AT AFRO-ASIAN CONFERENCE Page 5

The preponderance of information continues to suggest that heated political debate will be the order of the day at the Bandung conference, opening on 18 April. The heavily outnumbered Communists are attempting to identify themselves with the neutralists, in the interest both of winning support and of developing a shield against anti-Communist delegations. [redacted]

25X1

USSR OFFERS SUBSTANTIAL
CONCESSIONS ON AUSTRIAN TREATY Page 5

In initial Soviet-Austrian talks in Moscow, the USSR has offered substantial concessions designed to convince the Austrians that a treaty on acceptable terms is possible. Moscow is clearly seeking a four-power conference to discuss ending the occupation of Austria on the basis of strict Austrian neutrality. [redacted]

25X1

EAST GERMANY THREATENS
MEASURES AGAINST WEST BERLIN Page 6

Preparations to seal off West Berlin from East Germany are suggested by the East German government's charge on 12 April that West Berlin is a major spy center of the Allied powers and that it constitutes a threat "which must lead to retaliation." Cutting off West Berlin from East Germany would presumably be intended to convince Western Europe that West German rearmament is dangerous and to prevent the escape to West Berlin of potential conscripts for the East German army. [redacted]

25X1

PART II

NOTES AND COMMENTS

Sino-Soviet Propaganda on Formosa Issue Declines:

Communist China's propaganda calling for the "liberation" of Formosa has declined recently, probably because Peiping has wanted to appear as a co-operative participant at this month's Asian conferences. Moscow has consistently been more restrained and moderate than Peiping. [redacted]

Page 1

25X1

~~CONFIDENTIAL~~

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

14 April 1955

Bonn Initiates Partial Embargo in Retaliation for Berlin Tolls: The West German government has begun to stop deliveries of critical items to the East zone. Bonn hopes by this action to obtain an alleviation of the punitive truck tax imposed on 1 April.

[redacted] Page 1

Uneasy Situation Continues in East Germany: An uneasy situation continues in East Germany, in spite of government efforts to alleviate serious food shortages. Tension and discontent probably will persist, especially as the regime increases pressure on youth to join military training programs, but there is little likelihood of open revolt.

[redacted] Page 2

25X1

Climax Appears Imminent in Hungarian Leadership Dispute: After more than a month of intraparty conflict, Hungarian party leader Rakosi apparently is now prepared to take formal action to remove Premier Nagy from his post. Although Rakosi has the open support of the Kremlin, it is doubtful that he can restore party unity and discipline merely by ousting Nagy.

[redacted] Page 3

Soviet Bloc Accelerates Re-Defection Campaign: A drive aimed at persuading defectors to return home appears to be under way throughout the Soviet bloc. The "re-defection" campaign probably is intended to undermine emigre activity, to influence foreign reaction to past and future defections, and, at home, to demonstrate the futility of defection.

[redacted] Page 4

Vigorous Soviet Reaction in Lysikov Case: The Soviet government responded with unusual vigor to the defection of Valery Lysikov, exploiting the fact that Lysikov is a minor and picturing the American defection program as unprincipled and inhumane. The incident provided an opportunity for Defense Minister Zhukov to write President Eisenhower a personal letter and thereby establish an extradiplomatic channel of communication with the President on the basis of their association toward the end of World War II.

[redacted] Page 5

Soviet Government Fails to Announce Annual Price Cuts: For the first time since 1947, the Soviet Union apparently intends to make no reductions in prices of consumers' goods and food products this year. Maintenance of the 1954 price level and a doubling of the amount of compulsory loans the population must make to the state are among the methods the present regime is using to reduce inflationary pressures.

[redacted] Page 6

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

14 April 1955

Satellite Economic Policies: Most of the East European Satellites have modified their new course economic policies to provide for substantial increases in defense expenditures and to a lesser extent in heavy industrial output, while continuing their programs of agricultural expansion. Some of the Satellites have recently made limited economic and political concessions to the people designed to raise popular morale and increase labor productivity. [redacted] Page 7

25X1

Japan-Orbit Relations: Japan has rejected the USSR's proposal that negotiations between the two countries be held in either Moscow or Tokyo and reiterated its preference for New York. The Japanese have hinted, however, at a possible compromise on some other "neutral" site such as Geneva, Paris or London. There is some indication that the Japanese attitude toward the Sino-Soviet bloc may be hardening, and important segments of the press are reminding the government of the importance of American-Japanese relations. [redacted] Page 8

25X1

Laos: The royal government has reached an agreement with the Communist-backed Pathet Lao to continue negotiations in Vientiane but the rebel delegation has refused to go to the capital on the ground that the lodgings offered it are unsatisfactory. [redacted] Page 8

25X1

Cambodia: Former king Sihanouk continues to be the most active figure in Cambodian politics, notwithstanding his abdication. His main concern is the organization of a political party to defeat the dominant Democratic Party in the September elections. [redacted] Page 9

25X1

Prospects for the New Iranian Government: The tenure of the new Iranian government of Prime Minister Hossein Ala, former minister of court, is expected to be short and to be marked by political instability. [redacted] Page 10

25X1

Israeli-Egyptian Border Remains Tense: Failure of Israeli prime minister Sharett thus far to obtain a border settlement with Egypt by diplomatic means may result in new military operations by Israeli forces. [redacted] Page 10

25X1

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

14 April 1955



25X1

The Nenni Socialist Congress: Developments since the close of the congress of Pietro Nenni's Italian Socialist Party on 3 April indicate that collaboration between the Christian Democrats and the Nenni Socialists is under consideration by elements of both groups. [redacted] . . . Page 12

25X1

Argentine Church-State Dispute: Recent developments in the church-state dispute have increased tension in Argentina. Both Peronista and opposition groups are divided on the issue, and the dominant sentiment is not yet clear. The situation could lead to violence, especially if the dispute is exploited by the Communists, who have been ordered to support pro-church demonstrations. [redacted] . . . Page 13

25X1

PART III

PATTERNS AND PERSPECTIVES

FAURE BUDGET MAY CAUSE FURTHER DECLINE IN FRENCH MILITARY STRENGTH . . . Page 1

French military strength in Europe will continue to decline in 1955 unless the military budget proposed by Premier Faure is considerably increased. Already weakened by transfers to North Africa since last summer, the French forces on the Continent are now in the initial throes of a major army reorganization whose success will depend on additional budgetary provisions for new equipment. [redacted]

25X1

COMMUNIST STRENGTH IN THE ARAB STATES . . . Page 2

The Communist parties in the Arab states have been generally ineffective up to now. The party in Syria, however, is acquiring a position of unusual strength because of the government's instability; and the Jordanian and Sudanese parties also are making considerable progress. [redacted]

25X1

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

14 April 1955

COMMUNIST CLANDESTINE RADIO BROADCASTING Page 5

Communist clandestine radio broadcasting reflected shifts in world tension during 1954. The Sino-Soviet bloc began broadcasts to encourage nationalist aspirations in North Africa, discontinued its "Free Yugoslav" activities, and shifted to open Viet Minh channels in Indochina. Communist clandestine transmitters have doubled their time on the air since 1950 but are still broadcasting only roughly one fifth as many hours per week as are comparable anti-Communist stations beaming programs at the Sino-Soviet bloc.

25X1

* * *

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

14 April 1955

PART I

OF IMMEDIATE INTEREST

SITUATION STILL QUIET
IN FORMOSA STRAITS

The lull in combat operations in the Formosa Straits continued this week. There were no significant clashes between Chinese Communist and Nationalist forces, and there are no indications of imminent assaults by the Communists.

The Chinese Communists have been repositioning air units and they continue to construct new air bases in moves which may well be aimed at

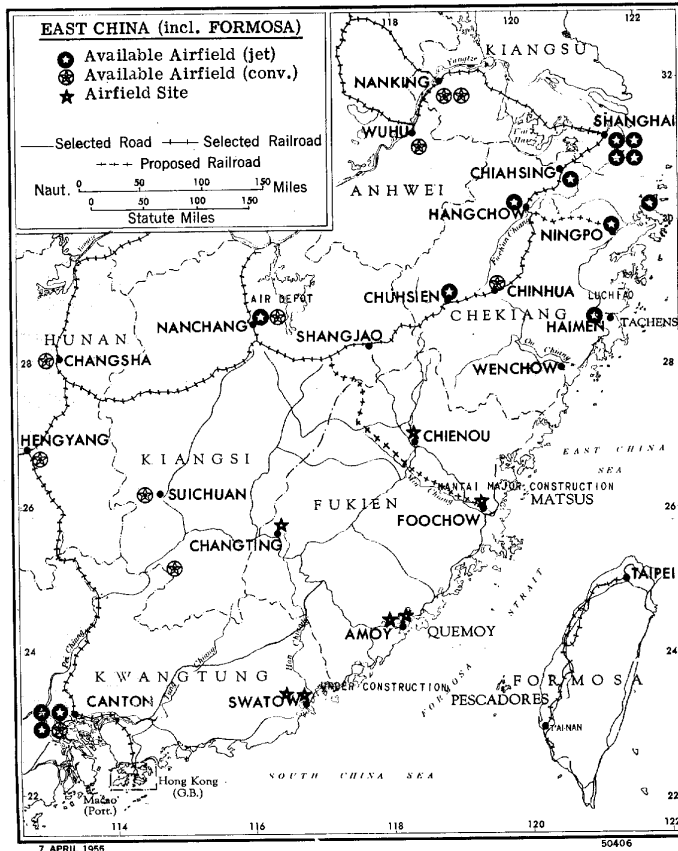
achieving a more balanced disposition of air strength and plugging gaps in mainland defenses.

Close to 80 jet fighters-- a full division's complement-- are based at Chuhsien, and about 40 MIG's of a combat-operational unit are operating from the new air base at Luchiao on the Chekiang coast.

Major construction work continues at Nantai airfield near Foochow, and at the site near Swatow.

It seems unlikely that Communist China will undertake large-scale military action against the offshore islands before or during the Afro-Asian conference, which is to open at Bandung on 18 April. Chou En-lai is expected to use the occasion to assess the degree of support he would get for various possible courses of action.

The likelihood of early attacks on the islands will be increased if Chou, through private talks and the proceedings of the conference itself, can obtain assurances or considerable support for a militant policy.



SECRET

~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

14 April 1955

EXPIRATION OF TRUCE IN SAIGON
LEAVES SITUATION STILL TENSE

The expiration of the informal truce in Saigon on 12 April was followed by warnings from the sects against any renewal of hostilities by the government. Neither side, however, appears ready to undertake armed action. The Binh Xuyen has announced through its clandestine radio that it will continue to observe truce conditions until 20 April as requested by Bao Dai.

The government has not acknowledged Bao Dai's request and, in fact, publicly takes the position that the government cannot conclude a truce with a band of armed troublemakers.

The Binh Xuyen meanwhile continues to predict imminent government "provocation," and to disclaim responsibility for the consequences.

[Redacted]

[Redacted]

American officials in Saigon have noted that a recently organized "Committee for Conciliation" is actually a dissident grouping which includes Hoa Hao, Binh Xuyen, and pro-Viet Minh elements.

Meanwhile, Viet Minh radio broadcasts from Hanoi have been designed to maintain a maximum of friction between the Diem government and its opponents. An ostensible ex-Binh Xuyen leader was heard over this radio on 8 April in an appeal to his comrades in the south to oppose Ngo Dinh Diem and his "dictatorial regime of nepotism."

[Redacted]

25X1

25X1

25X1

AFGHAN-PAKISTANI
TENSION CONTINUES

The Afghan-Pakistani crisis resulting from the anti-Pakistani rioting in Kabul on 30 March has not yet been solved, but hostilities between the two countries do not appear imminent.

The delay in settling the crisis is probably due largely to the numerous factors which the Afghan royal family must consider before it takes steps to restrain Prime Minister Daud,

who apparently instigated the riots. A further cause of delay seems to be the inability of the Pakistani and Afghan governments to agree on compensation for the attacks on the Pakistani diplomatic offices in Afghanistan and on the Afghan consulate in Peshawar.

[Redacted]

25X1

SECRET

25X1

CURRENT INTELLIGENCE WEEKLY SUMMARY

14 April 1955

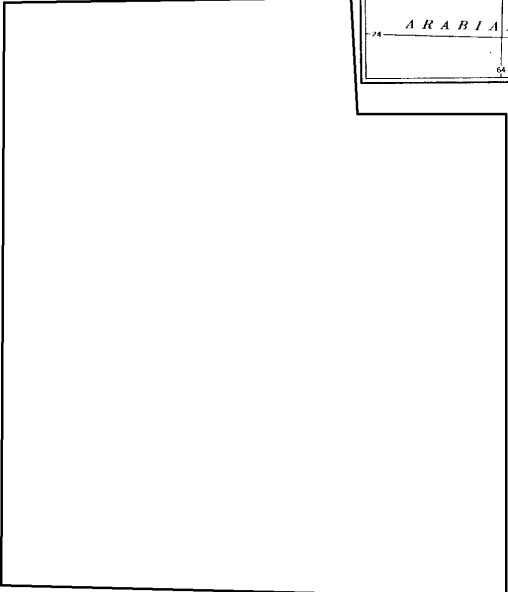
25X1



Pakistan cannot readily retreat from the firm line it has taken toward Afghanistan. This will make it difficult for Afghanistan to find a face-saving device that would satisfy Pakistan's demands for adequate compensation for the attack on its embassy.

If the Afghan royal family does not succeed in disciplining Prince Daud and in satisfying Pakistan, tension and acrimony probably will continue for some time.

25X1



There has been no new violence since the attack on



the Afghan consulate in Peshawar on 1 April, and the situation in Kabul is quiet. Nor have there been any tribal forays across the border from either country. Pakistan dispersed one tribal group which allegedly intended to attack Afghanistan, while the Afghan government turned back some Afghan tribesmen who were apparently intent on looting Kabul.

No major troop movements toward the Afghan-Pakistani border have been reported, and officials of both countries have indicated a desire to avoid military engagements.

SECRET

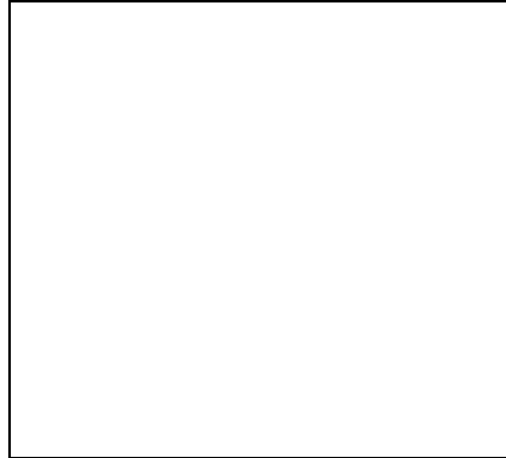
~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

14 April 1955

The Pakistanis have some troops with armor and artillery in the border town of Chaman opposite Kandahar. Afghan foreign minister Naim told Ambassador Ward that Kabul would station additional troops in this area in preparation against "eventualities," adding that he would inform him when or before the move occurs.

Despite these moves, however, commercial traffic across the border at Chaman is reported normal.



25X1

25X1

IRAQ READY TO FORESTALL
LEFTIST COUP IN SYRIA

Iraq is prepared to fulfill Syrian president Atasi's request of 13 April for military assistance in the event a leftist-threatened coup materializes. The threat comes from Syrian army supporters of the extreme Arab Socialist-Resurrectionist Party who have virtually ordered President Atasi to sign the projected Egyptian-Saudi Arabian-Syrian defense pact immediately.

Iraq's Foreign Minister Shahbandar has informed American ambassador Gallman that military occupation of Syria would be temporary. Shahbandar has asked the United States to use its influence with Turkey and Israel to discourage them from taking advantage of the situation "to harm Syria."

Iraq is probably capable of forestalling the establishment of a leftist government in Damascus. Baghdad would use the occasion not only to establish a pro-Iraq government in Syria but also to achieve closer relations--economic union, military collaboration, or perhaps the long-desired political federation.



25X1

~~SECRET~~

~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

14 April 1955

**HEATED DEBATE EXPECTED
AT AFRO-ASIAN CONFERENCE**

While there is still sentiment in favor of keeping controversy out of the Bandung conference, scheduled to open on 18 April, the preponderance of information continues to suggest that heated political debate will be the order of the day.

Little has been accomplished toward organizing the conference. Such important matters as the agenda and rules of procedure are to be decided by the delegates themselves. This lack of preparedness is an open invitation to controversy.

There have been increasing indications that the Communists are maneuvering to identify themselves as far as possible with the neutralists, in order to win their support as well as to develop a shield against the anti-Communist delegations.

This tactic is well illustrated by Communist actions at the recently concluded "Asian Conference for the Relaxation of International Tensions" in New Delhi which Peiping's delegation dominated. The more important resolutions sponsored by the Communists--those

concerning Formosa, Indochina, nuclear energy, coexistence and colonialism--in no way ran counter to the policies of India and the other neutralists. They are also a good indication of what the Communists will say at Bandung.

The Nehru-Pham Van Dong communiqué issued in New Delhi on 11 April parallels the New Delhi resolutions in several other respects.

Meanwhile, it is increasingly apparent that pro-Western countries will vigorously challenge the Communists at Bandung and that ideological lines will be sharply drawn.

The two Communist delegations will be opposed by at least eight delegations which are staunch friends of the West. Of the remainder, five or six are neutralist and the rest are anti-Communist. The latter will be tempted to abstain on "delicate issues."



25X1

**USSR OFFERS SUBSTANTIAL
CONCESSIONS ON AUSTRIAN TREATY**

In initial Soviet-Austrian talks in Moscow, the USSR has offered substantial concessions designed to convince the Austrians that a treaty on acceptable terms is possible.

Whether or not the Soviet Union actually intends to proceed directly toward conclusion of a treaty, it is at least seeking a four-power conference to discuss ending the occupation

~~SECRET~~

~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

14 April 1955

of Austria on the basis of strict Austrian neutrality.

Molotov made no specific proposal for a four-power meeting at the opening session in Moscow, but he indicated that he expected the Austrian government to be helpful in arranging a conference which would deal only with the Austrian treaty. It is likely that the USSR hopes to use such a conference proposal as an opening wedge for discussion of other issues.

Members of the Austrian delegation are extremely optimistic concerning these Soviet offers, but they are realistically aware that snags may arise in further discussions during their stay in Moscow. The USSR has not yet made clear its position on the kind of guarantees of Austrian independence and neutrality on which it would expect four-power agreement.

The Western powers would find it very difficult to balk on the terms of such a four-power guarantee in view of the strength of Austrian public feeling in favor of concluding a treaty.

At the 12 April meeting with the Austrian delegation, Molotov declared that the Soviet government was prepared to sign the Austrian state treaty as soon as possible,

and made three significant concessions:

(1) He stated that the USSR was willing to fix a date in "a very short time" for the withdrawal of foreign troops. This appears to contrast with recent Soviet hints that Moscow still favored a very gradual withdrawal.

(2) Molotov said the USSR would be willing, when a treaty was signed, to return to the Austrian government oil and shipping properties which the draft treaty reserved to the Soviet Union. In return, Austria would make oil deliveries to the USSR for six years.

(3) Molotov stated that the Austrian declaration barring participation in military alliances and foreign bases on Austrian soil need not be part of the state treaty, thereby reversing his position at the Berlin conference in February 1954.

This is a particularly gratuitous gesture, since Chancellor Raab had already publicly stated that the Austrians would be willing to insert such a declaration in the treaty.

Molotov also proposed that the four-power guarantee of Austrian independence be kept outside the treaty.

25X1

EAST GERMANY THREATENS
MEASURES AGAINST WEST BERLIN

Preparations to seal off West Berlin from East Germany are suggested by the East Ger-

man government's announcement of 12 April stating that 521 Western spies had been arrested

~~SECRET~~

~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

14 April 1955

and charging that West Berlin is the main spy center of the Allied powers.

The announcement says that espionage organizations in West Berlin constitute a threat to East Germany "which must lead to retaliation" and "cause special difficulties for the inhabitants of West Berlin."

This statement follows recent rumors and unconfirmed reports that restrictions on freedom of movement into and out of West Berlin are in the offing.

The restrictions imposed on 10 December, ostensibly for the purpose of controlling the flow of goods and currency, were relaxed in mid-January. A new harassing measure, however, was introduced on 1 April when a punitive toll was levied on West German trucking to Berlin.

The sealing off of West Berlin from East Germany is one of the most likely "hard" measures the USSR may adopt in response to ratification of the Paris agreements. Such a measure would serve to demonstrate the vulnerability of the city to Communist pressures and to convince West Europeans, particularly West Germans, that rearming the Federal Republic under NATO is dangerous.

In addition, the East German government probably considers it necessary to seal off West Berlin prior to the establishment of an army, in order to obstruct the flow of potential conscripts to the West. The Communists have long believed the existence of a safe haven in Berlin has aggravated unrest in East Germany.

25X1

* * *

~~SECRET~~

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

14 April 1955

PART II

NOTES AND COMMENTSSino-Soviet Propaganda
On Formosa Issue Declines

The volume of attention which Soviet and Chinese propaganda has devoted to the "liberate Formosa" campaign has declined considerably since February.

While Peiping continues to prepare its home audiences for the "liberation" of Formosa and the offshore islands, it has tailored its commentary for dissemination abroad to fit its posture as a co-operative participant at this month's Asian conferences.

Chinese propaganda on the "liberation" of Formosa became a massive effort to arouse popular enthusiasm in July 1954. Since then, the volume of this propaganda has risen and fallen periodically.

It has reached peak levels on four occasions:

(1) following Chou En-lai's foreign policy report of 13 August in which he reaffirmed Chinese determination to "liberate" Formosa;

(2) the signing of the American-Chinese Nationalist treaty in December;

(3) Chou En-lai's statement on 24 January reaffirming the Chinese intention to "liberate" Formosa and attacking President Eisenhower's proposal for a cease-fire; and

(4) Peiping's rejection on 3 February of the UN invitation to cease-fire talks.

Moscow has been far more restrained and moderate than the Chinese since the beginning of the campaign, thus leaving itself room for maneuver. The first Soviet comment occurred in August, when Moscow firmly backed Communist China's "legal" claim to Formosa and the offshore islands but refrained from mentioning the "liberation" aspects of the campaign.

Except for a few occasions, Moscow has devoted extremely little propaganda to the issue.

25X1

Bonn Initiates Partial Embargo
In Retaliation for Berlin Tolls

The West German government has begun to stop deliveries of critical items to the East zone in retaliation for the new East German taxes on Berlin trucking.

So far, the West German embargo extends only to Ruhr iron and steel. Bonn also intends to apply an export tax on all shipments to East Germany on about 15 April.

With this kind of "quiet economic pressure," combined with negotiations with the East Germans on a "technical level," Bonn hopes to obtain an alleviation of the punitive truck tax imposed on 1 April.

East Germany's economy, which is operating on limited stockpiles of industrial raw materials, is greatly dependent on West German shipments of coke

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

14 April 1955

and steel. East German dependence is evident from the faithful deliveries of brown coal briquettes as a quid pro quo for West German steel and coke, despite the severe briquette shortage in East Germany.

Complete stoppage of West German shipments would seriously handicap East German industry. The impact would be particularly strong on heavy industry and production for export.

West Germany's interzonal trade chief doubts, however, that economic pressure will be effective. He believes that East Germany's political motive --to bring about high-level discussions with the West Germans--is overriding, and that it will persist until satisfied. He feels that meanwhile East Germany can get the materials it needs through other West European countries.

Uneasy Situation
Continues in East Germany

The East German government continues to face an uneasy internal situation. There has been no appreciable reduction in popular discontent, which will probably be intensified by growing fears that conscription is imminent.

Shortages of butter, sugar, meat and flour persist in the government-owned free-purchase stores, though food is now generally available in exchange for ration coupons at retail outlets. American observers have described the

This may be a hint that Bonn will not apply a very stringent embargo, which would not be popular with businessmen. Bonn officials explain their hesitation by alleging a fear of provoking sterner harassments, possibly even a blockade.

If West German trade sanctions, combined with negotiations, are not successful by the end of the month, the stop-gap funds voted by Bonn and West Berlin to pay the new truck tolls will be exhausted. The Bundestag will be reluctant to vote new "tribute" and may consider adopting the East German suggestion that the matter be discussed at a high level between the two transport ministries.

If this were done, a precedent would be established for dealings at the government level between other Western countries and East Germany.

25X1

food supply as "poor but not catastrophic." No improvement is expected until late this spring.

The irritability of the workers and the general state of unrest in East Germany are indicated by the strong, uncompromising reaction of railroad personnel to a change of working hours in early April.

The new schedules did not increase the length of the workday, but nevertheless

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

14 April 1955

inspired strong complaints and, in isolated cases, active opposition from the workers. The regime considered the situation serious enough to call out police brigades. A few officials in high managerial posts were discharged after being accused of slowness in co-operating with the new plan.

Although work norms are being increased, the regime has been cautious and has introduced them only on a selective plant-by-plant basis where there is no risk of serious opposition.

Public tension is being further aggravated by an impending increase in military training programs.

All news media have carried items in the past two weeks urging youths to volunteer for

military service and playing up the role of the paramilitary organizations. Three hundred medical students at Greifswald University are reported to have demonstrated on 28 March in protest against military service.

In spite of popular opposition to the regime, there is little likelihood of open revolt because of the effective control exercised by the Soviet and East German military and security forces. The government can be expected to maintain an uneasy but nevertheless adequate control over the restive population.

In any event, resistance elements are not well enough organized to bring about an uprising.

25X1

Climax Appears Imminent
In Hungarian Leadership Dispute

The summoning of the Hungarian National Assembly to meet on 18 April and the renewal of attacks on Nagy's "rightist deviation" in the official party newspaper suggest that, after more than a month of intraparty dispute, Rakosi is finally ready to take formal action to remove the premier from his post.

Moscow evidently decided that Rakosi needed public Soviet support in order to restore party unity and discipline. In his speech in Budapest on 4 April, Marshal Voroshilov backed the Hungarian party central committee resolutions which attacked Nagy and rightist deviation. On 3 April, Pravda printed an article by Hungarian deputy premier Hege-dus reaffirming the central committee resolution.

The attack on Nagy in the 9 April issue of Szabad Nep, the party newspaper, was the first criticism of him by name since 12 March, although attacks on "rightist deviation" had continued throughout this period.

Since about a week after the central committee meeting in early March, public statements by several Hungarian leaders, including even Rakosi, have attempted to minimize the changes in the party economic program from the new course "liberalism" with which Nagy was so closely identified. Public hostility, especially among the peasants, apparently provided support for the leaders who opposed any modifications.

25X1

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

14 April 1955

25X1



widely rumored in Budapest that Moscow desired to keep Nagy in the government--though probably in a minor post--because of his relative popularity, but

that the premier's refusal to recant was making this compromise difficult.



removal of Nagy will be insufficient to heal the split in the party leadership, and the resolution of this situation may necessitate a large-scale purge of "right-wing" party elements.

25X1

25X1

Soviet Bloc Accelerates Re-Defection Campaign

Both the USSR and Hungary have taken new steps within the past two weeks to give momentum to their "re-defection" campaigns. Bulgaria and Czechoslovakia have also stepped up their activities in this field during recent months, and it now appears that a concerted Soviet bloc effort, with uniform methods and purposes, has been launched.

A "Committee for Return to the Homeland," allegedly composed of former Soviet emigrés, was set up in East Germany on 28 March. Its professed purpose is to encourage other emigrés to return to the USSR and to combat the idea that re-defectors will be punished after their return. The next Soviet step may be an amnesty for defectors, which has been rumored in Soviet emigré circles since last autumn.

The Hungarian government proclaimed on 5 April an amnesty for political refugees who return within a year, promising legal immunity to those who

are not charged with serious political crimes.

Bulgaria, as early as November 1953, relaxed the penalties applied to escapees and offered immunity to those who return within a year. Last November, this offer was extended for another year.

The East German government last summer began to encourage refugees to return by promising them the restoration of their property and legal rights, and assistance in getting employment. This program has been moderately successful and East German propaganda media have referred to it from time to time.

The other Satellites have not yet proclaimed amnesties, although there have been rumors that they would. They have, however, been working diligently among former nationals abroad.

Efforts include propaganda exploitation of returnees, with emphasis on the clemency with

SECRET

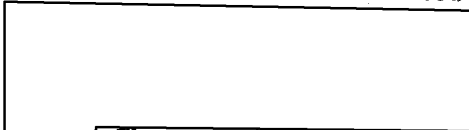
SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

14 April 1955

which they are alleged to be treated, personal contacts between the exiles and Satellite representatives abroad, and personal letters from the homeland, which attempt to exploit the exiles' family ties, nostalgia and patriotic emotions.

Only a small trickle of re-defections has so far resulted.



The campaign probably will have the greatest appeal among such groups as these, which despair of early integration into the West.

Even if it produces few re-defections, the campaign will probably succeed to some extent in weakening emigré organizations as anti-Communist political forces.

Actually, the political effectiveness of these organizations may be only a secondary reason for the effort being expended against them. Probably a more important consideration is the fact that their mere existence is a constant reminder of the possibility of defection and that they are a potential bridge between the West and disaffected elements behind the iron curtain. It is possible, too, that Communist charges of emigré espionage activity reflect genuine concern over this possibility.

Intensive propaganda exploitation of the emigrés lured back by the campaign can be expected as a means of diminishing the embarrassment caused by past defections from Communist ranks and of discouraging potential future defectors.



Vigorous Soviet Reaction in Lysikov Case

The USSR responded with unusual vigor to the defection of Valery Lysikov, the 17-year-old son of a Soviet army officer in East Germany.

No single defection in the recent past, including those of MVD officials Khokhlov and Rastvorov, caused so many protests by officials of the Soviet government.

The Lysikov defection brought forth numerous representations by Soviet military and diplomatic authorities in Berlin and, finally, the intervention of Foreign Minister Molotov and Defense Minister

Zhukov. The incident provided an opportunity for Defense Minister Zhukov to write a personal letter and thereby establish an extradiplomatic channel of communication with the President on the basis of their association at the end of World War II.

The Soviet government exploited the fact that Lysikov was a minor to picture the American defection program as unprincipled and inhumane, capable of shattering a family and exploiting an "immature school-boy" for political advantage.

In addition, the USSR probably was particularly sensitive

SECRET

~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

14 April 1955

to reflections the case might provoke on the attitudes and reliability of Soviet youth. The fact that Lysikov defected just at a time when the USSR is intensifying its "re-defection" campaign must also have

made his return a matter of special importance to Moscow.

To date, Lysikov's return --of his own violation--has not been exploited by Soviet propaganda media.

25X1

Soviet Government Fails
To Announce Annual Price Cuts

Prices on consumers' goods and food products apparently will not be reduced in the USSR this year. This will be the first year since 1947 that no such action has been taken.

No announcement of price cuts was made on 1 April, the date on which price cuts were announced in each of the past three years.

The intention to leave retail prices at present levels also was implicit in the state budget for 1955, published in February, which did not contain the usual advance notice of price reductions.

In addition to the failure to announce price cuts, there has been a reduction of propaganda emphasis on all the consumer welfare aspects of the new course except agriculture.

The regime evidently has decided to try to control the problem of inflation, not by quickly expanding the supply of consumers' goods, but by reducing the purchasing power of the population. Purchasing power rose much more rapidly during the new course years than did the supply of goods.

The output of consumers' durable goods made large percentage increases in 1953 and

1954, but the absolute amounts produced remained small. Because of mediocre agricultural production, supplies of foodstuffs increased only slightly and were far below planned goals in these years.

In 1953 and 1954, in contrast to earlier years, prices on the free market did not fall following the reduction of state store prices, showing that the total supply of goods was not rising proportionately with the drop in state prices. Also in the past year, the Soviet press has frequently admitted the existence of black markets and profiteering in scarce consumers' durable goods such as automobiles.

In addition to maintaining the 1954 retail price levels as one means of reducing inflationary pressures, the regime has doubled the amount of the compulsory loans to be made by the population to the state--thus returning to the high level of 1952.

In 1954, the size of the annual price cuts was reduced, but the compulsory loan was kept at the low 1953 level. According to Soviet figures, there was a 25-percent increase of purchasing power in 1954 over 1952.

~~SECRET~~

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

14 April 1955

The regime has certainly reasoned that the absence of price cuts this year will not result in active discontent among the people. Meanwhile, the internal propaganda line

is emphasizing that higher standards of living depend on increased production in heavy industry and agriculture.

25X1

Satellite Economic Policies

Most of the East European Satellites have taken their cue from Moscow and modified their economic policies to provide for substantial increases in defense expenditures and to a lesser extent in heavy industrial output.

The heightened propaganda emphasis on the primacy of heavy industry--following the re-emphasis on heavy industry in the USSR--suggests that the original 1955 plans for consumers' goods may be modified somewhat during the year. At the same time the basic elements of the new course policies of 1953-1954 continue in force.

All of the Satellites have reaffirmed their determination to bring about a rapid growth in agricultural output, and the 1955 budgets published to date allocate increased sums to agriculture. The Czech, Albanian, and Polish budgets call for substantial rises in defense expenditures--34, 25, and 12 percent respectively--while the Bulgarian budget continues defense allocations at the high level maintained in recent years.

An attempt to raise sharply the output of heavy industry will confront the Satellites with extremely difficult problems.

So far during the new course they have failed to

achieve the rapid increases called for in the output of fuel and power. This failure was one of the causes of the slowdown in industrial expansion just before the new course began.

Until these fuel and power shortages are eliminated, any return to a policy of rapid industrialization would probably be unsuccessful. Moreover, allocating increased resources to heavy industry would entail a sharp cutback in the consumers' goods program and would largely nullify the Satellites' plans to expand peasant and worker productivity.

All the Satellites have promised a continued increase in production of consumers' goods, and several have recently granted additional limited concessions calculated to convince the people that the new course is not being abandoned. Thus, nowhere has there been a resumption of the extralegal security police practices typical in the Soviet bloc before the new course.

Some of the Satellites have also taken specific measures--such as raising prices paid for agricultural products--to prove their continued interest in encouraging the peasants to produce.

The Czech government reduced retail prices 1 April on about 16,000 items, mostly

SECRET

~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

14 April 1955

luxuries and hard-to-sell goods, and raised the wages of 65,000 farmers, teachers and physicians.

Past concessions have failed to stimulate the people to greater effort, however,

and it is unlikely that a continuation of the regime's past policy on a reduced scale will bring about greater productivity. [redacted] Concurred in by ORR)

25X1

Japan-Orbit Relations

Japan's observer at the United Nations on 8 April handed Soviet delegate Sobolev a note rejecting the USSR's proposal that negotiations between the two countries be held in either Moscow or Tokyo. The Japanese reiterated their preference for New York but hinted at a possible compromise on some other "neutral" site such as Geneva, Paris or London.

There are signs that Japan's attitude toward the Orbit may be hardening.

Important segments of the Japanese press are now reminding the government that Japan's relations with the United States are more important than those with the USSR, and even Hatoyama has expressed disapproval of Russia's attitude toward the negotiations.

Hatoyama has continued, however, to cater to the public's desire for relations

with the Orbit. He told the press on 11 April that it was "right" for his government to establish relations with the USSR since "the Soviet Union apparently is following a course for peace both in Europe and Asia."

Meanwhile, the Chinese Communist trade mission now in Japan is doing its best to stir up antagonism and frustration on the part of the Japanese against the United States.

The Chinese are aiming for an agreement on \$112,000,000 in trade each way, but 75 percent of the purchases China proposes to make from Japan are on the embargoed list. The Japanese are being told that if they really want to develop trade with the mainland, they must refuse to bow to the "obstacles" and "pressures" of the United States. [redacted]

25X1

Laos

The royal government has reached an agreement with the Communist-backed Pathet Lao to continue negotiations in Vientiane, but the rebel delegation has refused to go to the capital on the ground that

the lodgings offered it are unsatisfactory.

The government had announced on 1 April its intention to address a formal appeal to the International

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

14 April 1955

Control Commission if the Pathets failed to make concessions "within ten days or so." While this deadline has passed, it is still possible that the government will issue such an appeal just prior to the departure of its delegation for the Afro-Asian conference.

A reported compromise plan, whereby the Pathets would name the governor of one of the two northern provinces, was apparently dropped inasmuch as the government has announced it will appoint both governors.

Laotian reluctance to take stronger action against the Pathets has resulted from uncertainty as to the degree of international support which would be given such action, from the weakness of the Laotian armed forces, and from the hope of "converting" the Pathets.

India, as the leading power on the truce commission,

has influenced Laos toward the adoption of a conciliatory policy. Krishna Menon's recently expressed doubt that the Pathets are being aided by the Viet Minh indicates a continuing Indian tendency to be "impartial in favor of the Pathets."

While the recent emphasis placed by the Indian truce chairman in Laos on the prompt settlement of the northern province question indicates some stiffening of the Indian position, the general Indian attitude continues to stress "relaxation of tension," even at the expense of royal control over portions of the disputed area.

25X1

Cambodia

Former king Sihanouk continues to be the most active figure in Cambodian politics notwithstanding his abdication.

Since his decision to head his country's delegation to Bandung became known, French officials have been at pains not to urge any particular line of conduct on the members of the delegation for fear that they would thereupon do exactly the opposite.

Following this conference, Sihanouk may head a delegation to Paris to negotiate a trade and financial agreement with the French.

The prince's main concern, however, is the organization of

a political party to defeat the now dominant Democratic Party. Since he has publicly denounced "party politics" as being contrary to the interests and aspirations of the Cambodian people, he has chosen to call his own party the "People's Social Community."

The "Community" will have a strongly Buddhist and monarchist orientation. It will take part in the September elections in an attempt to win a majority for Sihanouk's program of constitutional reform. The purpose of the proposed reform is to restrict the scope of representative government.

25X1

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

14 April 1955

Prospects for the New
Iranian Government

The tenure of the new Iranian prime minister, Hossein Ala, former minister of court, is expected to be short and to be marked by political instability.

The transition from Zahedi to Ala was smooth and the new cabinet was presented to the Majlis on 10 April. Ala's program, as he announced it to the legislature, does not suggest a significant shift in Iran's domestic or foreign policy. Ala emphasized that his actions would be under the direction of the Shah and announced that he would wage a vigorous campaign against corruption.

The new cabinet appears to have been well chosen. The key Ministries of Foreign Affairs, Finance, and War will be under the same leadership as before and the new appointees are believed to be capable and have reputations for honesty.

The government's chief weakness arises from the physical disability of Ala--he has already left for medical treatment abroad--and the probability that he will not be able to provide strong leadership.

The Shah feels, however, that Ala's weaknesses are out-

weighed by his reputation for honesty, his loyalty and his public prestige.

Ala can be expected to act only in accordance with the Shah's directives. Implementation of the government's economic and social development programs will thus be subject to the Shah's indecisiveness and tendency to listen to too many advisers.

Intense activity by all political factions can be anticipated when it becomes generally apparent that Ala will head the government only until another prime minister can be designated. Government officials, deputies and senators will probably spend much time assuring themselves of preferential treatment in the present and subsequent governments.

Such maneuverings might paralyze any constructive programs, particularly if the Shah proves as inept at day-to-day governing as appears likely.

The new period of Iranian political instability can be shortened only if the Shah is willing to designate, and then co-operate fully with, a capable prime minister who would have wide support in the government.

25X1

Israeli-Egyptian Border
Remains Tense

Failure of Israeli prime minister Sharett thus far to obtain a border settlement with Egypt by diplomatic means may result in new military operations by Israeli forces.

In the event of another raid on the scale of the Gaza incident of late February, Egyptian prime minister Nasr would probably be compelled by internal political pressure to take retaliatory action against Israel.

SECRET

~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

14 April 1955

The Israeli Foreign Ministry is seeking a high-level meeting with Cairo officials and is continuing efforts to obtain United Nations Security Council action against Egypt for promoting the border unrest. Tel Aviv asked the American government on 4 April to arrange top-level discussions between Egyptian and Israeli officials in an attempt to prevent the border situation from "deteriorating into disaster."

Israel agreed to the presence at these talks of Major General Burns, chief of the UN Truce Supervision Organization, but the request for American assistance in arranging these meetings reveals Israel's desire to by-pass the UN. The semiofficial Jerusalem Post has declared that "Israel cannot rely upon the doubtful success of General Burns' efforts and, therefore, must

strengthen its permanent guard along the border."

American ambassador Lawson's report from Tel Aviv on 13 April that fatal incidents on the Gaza border have decreased and that the Israeli press is less inflammatory suggests that Sharett has been granted an interval, possibly fairly limited, in which to settle border problems by diplomatic means before the Israeli government is likely to take military action.

Egypt is not likely to agree to a meeting with top officials of the Israeli Foreign Ministry. Cairo, unwilling to consider a permanent settlement with Israel, will probably follow its line that border problems are matters to be settled by local commanders and not political officials.

[Redacted]

25X1

~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

14 April 1955

25X1



The Nenni Socialist Congress

Developments since the close of the congress of Pietro Nenni's Italian Socialist Party (PSI) on 3 April indicate that collaboration between the Christian Democrats and the PSI is under consideration by elements of both groups.

Christian Democratic party secretary Amintore Fanfani has publicly rejected Nenni's terms for support of the government, but has done so only in a somewhat equivocal statement.

At his party's congress, Nenni emphasized the desirability of collaboration with the Christian Democrats on a progressive economic program. A party official subsequently

suggested that such co-operation be based mainly on the so-called Vanoni plan for eliminating unemployment over a ten-year period through an increase in national productivity.

Nenni asserted that this plan of Christian Democratic budget minister Vanoni was a PSI plan and that his party would take it over and carry it forward if rightist groups failed to support it.

He also said that in return for PSI support, the Christian Democrats would have to consider NATO and the Western European Union as "purely defensive" agreements and support any initiative for easing

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

14 April 1955

international tension. Nenni indicated his party would fight for Italian neutrality except in case of "legitimate Italian defense against direct aggression."

At the same time, Nenni insisted that his party's unity-of-action pact with the Communists was as strong as ever.

In a public speech on 5 April, Fanfani replied that the PSI offer was a step forward in that the party recognized the need for collaboration. However, he added, the PSI's ties with the Communists create a grave risk and the Christian Democrats will not "compromise freedom" to hasten socio-economic reform.

25X1

Argentine Church-State Dispute

Recent developments in the church-state dispute have increased tension in Argentina.

Both Peronista and opposition groups are divided on the issue, and the dominant sentiment is not yet clear. The situation could lead to violence, especially if the dispute is exploited by the Communists, who have been ordered to support pro-church demonstrations.

The principal impetus for the conflict is President Peron's apparent conviction that the church is supporting plans for a Christian Democratic movement designed to oust his regime. The public controversy began last November when Peron told a conference of provincial governors that the opposition was trying to overthrow his regime by infiltrating Peronista organizations and by working through certain priests.

Subsequently both Peron and church leaders appeared for a time to be eager to settle the dispute, but the president is apparently now convinced that the political influence of the church must be curtailed for the security of the regime, and that the first step should be taken in the field of education.

Several priests have been removed from national universities, and the minister of education has ordered a review of the question of government subsidies to church and other private schools. Concurrently, the administration press has started campaigning for a constitutional revision providing for a separation of church and state.

The government's latest moves, following the legalization last December of remarriage after divorce and several other measures disapproved by the church, have apparently impelled church leaders to take a strong stand.

In late March they outlined their case to Peron in a strongly worded letter which was distributed to heads of families with a message urging them to resist the new government moves by "creating an atmosphere contrary to all this line of conduct."

The Argentine Congress convenes on 1 May, and the regime seems likely to propose revision of the constitution. The election of delegates to a constitutional convention would provide a crucial test of Peron's popular support, which may have been damaged by the dispute between church and state.

25X1

SECRET

~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

14 April 1955

PART III

PATTERNS AND PERSPECTIVESFAURE BUDGET MAY CAUSE FURTHER DECLINE IN FRENCH MILITARY STRENGTH*

French military strength in Europe will continue to decline in 1955 unless the military budget proposed by Premier Faure is considerably increased.

Already weakened by transfers to North Africa since last summer, the French forces on the Continent are now in the initial throes of a major army reorganization, the success of which will depend on additional budgetary provisions for new equipment.

National Assembly debate on the 1955 military budget has been repeatedly postponed since the budget was first submitted last November, and the armed forces are currently operating on provisional credits granted to cover outlays through June. The debate may be held in May, but is more likely to be delayed until late June, after the senatorial elections.

Nationalist elements in both the government and the assembly are insisting that France cannot afford to neglect its armed strength at the moment German rearmament is approved. The Faure government, however, will probably agree to no more than a compromise budget at approximately last year's level.

Faure's proposed military budget reflects the view that military expenditures are essentially "unproductive." Estimates were admittedly set in such a way as to subordinate NATO requirements to the government's over-all program of "financial rehabilitation and economic expansion."

An across-the-board cut of approximately 10 percent in military appropriations was first proposed by Faure when he was finance minister under Mendes-France. There has been no drop in government revenue to warrant such a cut at this time. Even with prospective tax-rate cuts, the anticipated continued increase in the French gross national product is expected to yield more revenue in 1955 than in 1954.

Military appropriations for 1955 are set by Faure at approximately \$2,543,000,000. Although the amount designated for NATO remains approximately the same as for 1954, a larger proportion of funds will go for higher army pay and for civil budget items, such as pensions, which NATO allows to be counted as "military."

The government's long delay in submitting the military budget for 1955 stems partly from indecision as to the amount to be devoted to French forces in Indochina.

France now seems resigned to getting along with only one third of the \$300,000,000 in American aid originally requested for these forces.

Paris apparently hopes to reduce its Indochina expenses in 1955 by speeding up the repatriation of troops. Approximately 10,000 men are being moved from Indochina every month, mostly to North Africa, and by July only 75,000 of the 180,000-man expeditionary force are expected to be left.

Another reason for delay was the government's wish to avoid submitting the 1955 budget until details were worked out for reorganizing the army over a three-year period for "atomic age" warfare.

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

14 April 1955

The latest modification of this plan calls for transforming the existing 14 standard and two smaller combat divisions, all supposedly available for NATO use within 30 days, into a highly mobile but numerically smaller force of 14 "light" divisions and 11 "rifleman" divisions. The "light" divisions would be committed to NATO and would be ready for action in from one to five days. The "rifleman" divisions would be primarily for national internal security and would be available only after one month.

Even when fully equipped, the "light" divisions will lack individual striking and staying power as compared with larger units.

There is considerable doubt that the French can supply the additional tanks, self-propelled guns, and other mechanized equipment required by the reorganization plan. The proposed 1955 budget will not even finance current French output of these items.

Despite these uncertainties, the French have already scheduled three divisions for reorganization this year. This initial phase affects the efficiency of SHAPE's covering force in West Germany, where two larger French units are being broken up to form three light divisions.

It is believed that French army combat effectiveness

probably will be somewhat reduced during the entire reorganization period.

As it is, the army's combat effectiveness declined during 1954 because half of its NATO-committed divisions on the Continent were cannibalized to provide troops and equipment for police operations in North Africa. Moreover, the activation of two new divisions for North Africa necessitated the cancellation of divisional field exercises last summer.

The armed forces are also facing an increasing manpower problem. The 1955 conscript class is estimated at only 138,000, or about 50,000 below the 1954 figure.

Numerous other factors complicate the government's task. The proposal to put the military budget on a three-year basis will be difficult to get through the assembly. The plan for a top-level reorganization in the defense departments creates many additional problems.

Last November the dissident Gaullists (ARS) and the Popular Republicans also decried military budget cuts in view of imminent German rearmament. Both parties are now in the government, and they may be able to force Faure to accept some increase in military expenditures. If they succeed in this, the premier could be expected to renew demands for increased American aid for French forces.

25X1

* * *

COMMUNIST STRENGTH IN THE ARAB STATES

The Communist parties in the Arab states have been generally ineffective up to now. The party in Syria, however, is

acquiring a position of unusual strength because of the government's instability, and the Jordanian and Sudanese parties

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

14 April 1955

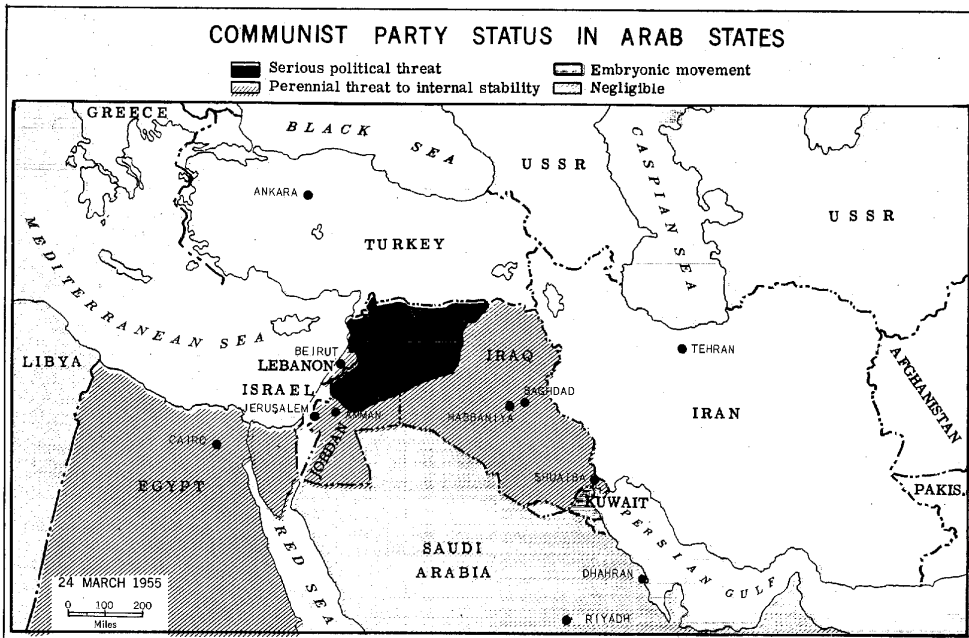
also are making considerable progress. In time, however, all of the Communist parties--because of their energy and discipline--may overcome their organizational deficiencies more rapidly than their generally ineffective non-Communist rivals.

Communist party members and their supporters are estimated to number no more than

ability to reach the Arab workers and peasants.

Some penetration of the trade union movement has been registered in Lebanon and Syria and the Sudanese Communists have apparently succeeded in organizing peasant unions which eventually could form the basis of an armed movement.

The Communist strength lies



40,000 of the 40,000,000 largely illiterate inhabitants of the Arab world--Syria, Lebanon, Jordan, Iraq, Kuwait, the Arabian peninsula, Egypt, the Sudan and Libya. Some estimates, indeed, place the total as low as between 10,000 and 12,000.

Fellow travelers and other followers far outnumber party members.



The numerical insignificance of the Communists reflects their continuing in-

chiefly, however, among the intelligentsia--teachers, students and professional people--and the racial minorities scattered throughout the Arab world.

Only the Syrian and Lebanese parties, which have been closely linked since their inception in 1924, and the Jordanian party are tightly organized movements and they are the only ones organized on a country-wide basis.

The Sudanese Communists are making progress toward unification.

SECRET

25X1
25X1

~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

14 April 1955

The Iraqi party has been periodically split by deviationism and police repressions.

The Egyptian party, also severely repressed, has been splintered since the 1920's.

The Libyan party has been moribund since its leader--an Italian--was expelled from the country in 1951.

In Kuwait, the Communists, though very active, have only a front organization thus far--the Kuwait Democratic League.

No party organization as such has been identified in the Arabian peninsula.

The Syrian and Lebanese parties, now being run as one party, have the most effective leadership. Their Moscow-trained leader, Khalid Bakhdash, is a member of the Syrian parliament.

Bakhdash has been variously reported to be president or secretary general of all the Arab parties. His authority is probably advisory rather than executive, however, and there is little evidence that it extends beyond Jordan, Iraq and the Persian Gulf.

In this area, the Syrian-Lebanese party is the major channel for directives and propaganda from Moscow and Cominform headquarters in Bucharest. In Beirut, the capital of Lebanon, local Communists openly meet with Soviet officials in their legation, the most active in the Arab world. From Beirut, propaganda is distributed southward into the Arab refugee camps of Jordan, northward to the Kurdish areas along the Turkish border, eastward to Baghdad and then south-eastward to the vital oil complex of the Persian Gulf. Contact is made with the Tudeh in Iran at a few points along the Iraqi-Iranian border.

The Arab Communist parties are attempting to form anti-Western "national fronts." This tactic has been particularly successful in Iraq, Jordan, Syria and the Sudan, where it has been a factor in electing Communist or Communist-controlled candidates to parliament.

In Iraq, the Communist success was so disturbing that the newly elected parliament was dissolved in August 1954 by strongly anti-Communist Prime Minister Nuri Said, who proceeded to rig new elections.

The party in Syria now has the most favorable opportunity for threatening the existing political order. Long repressed by Shishakli's dictatorship, the Communists have used the year of political instability following Shishakli's overthrow to reorganize and work their way into legitimate political circles.

Communists have infiltrated the extremist Arab Socialist-Resurrectionist Party, which is a major component of the coalition of leftists, anti-Western elements and opportunistic politicians dominating the cabinet of Prime Minister Asali. The Communists are likely to acquire considerable influence in the government and the army under this kind of cabinet.

In neighboring Jordan, the threat of Communist exploitation of Arab refugee discontent and of the tension between east and west Jordanians was a major factor in bringing the strongly anti-Communist Abul Huda back into power as prime minister.

The Communists emerged from last fall's parliamentary election as the strongest of Jordan's budding political parties, however, despite Huda.

Considerable progress has been made by the Sudanese

~~SECRET~~

~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

14 April 1955

Communists, who began their activities among Sudanese students in Cairo universities ten years ago. The Communists are effectively working through two front organizations and are particularly strong among the railroad workers and the cotton-growing peasants in the Gezira. Largely through Communist efforts, the only Sudanese ordinance against Communist activity was repealed last summer.

Communists have gotten a foothold in oil-rich Kuwait. They are no immediate threat either to the government of the sheikdom or to the Western-owned oil industry there. They do, however, have an opportunity to develop Kuwait into a point of co-ordination of their activities throughout the Persian Gulf oil complex.

The Communist parties in Lebanon, Iraq and Egypt continue to be a threat to internal stability and a check on the pro-Western tendencies of some Arab leaders. The Communists are capable of periodically fomenting or exploiting disorders instigated by other extremists, as in the case of the Baghdad riots of 1952.

The Communists have contributed significantly to the discrediting of the West in the Middle East, but they have so far not come close to taking over any Arab government. The future, however, offers them opportunities to become more of a force, because of the numerous political, economic and social grievances in the area and the lack of promising non-Communist leadership.

25X1

* * *

COMMUNIST CLANDESTINE RADIO BROADCASTING

Communist clandestine radio broadcasting reflected shifts in world tension during 1954. The Sino-Soviet bloc began broadcasts to encourage nationalist aspirations in North Africa, discontinued its "Free Yugoslav" activities, and shifted to open Viet Minh channels in Indochina.

Communist clandestine transmitters have doubled their time on the air since 1950 but are still broadcasting only roughly one fifth as many hours per week as are comparable anti-Communist stations beaming programs at the Sino-Soviet bloc.

Total time on the air of Communist clandestine radios now amounts to 140 to 150 hours per week. Their combined programs totaled 164 hours per week at the end of 1953 but declined somewhat during 1954, chiefly

because of the closing down of Radio Free Yugoslavia.

As a rule, clandestine radios operate without overt registration and from an unannounced location, and are aimed primarily at subverting the target audience. They usually speak in the name of an exile or illegal group.

With the exception of a small Cambodian transmitter, all clandestine Communist stations now operating are located within the Orbit. This guarantees physical security, and location of transmitters near large urban areas, where major power facilities can be conveniently tapped.

Communist clandestine radio activities reflected shifting world tensions during 1954.

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

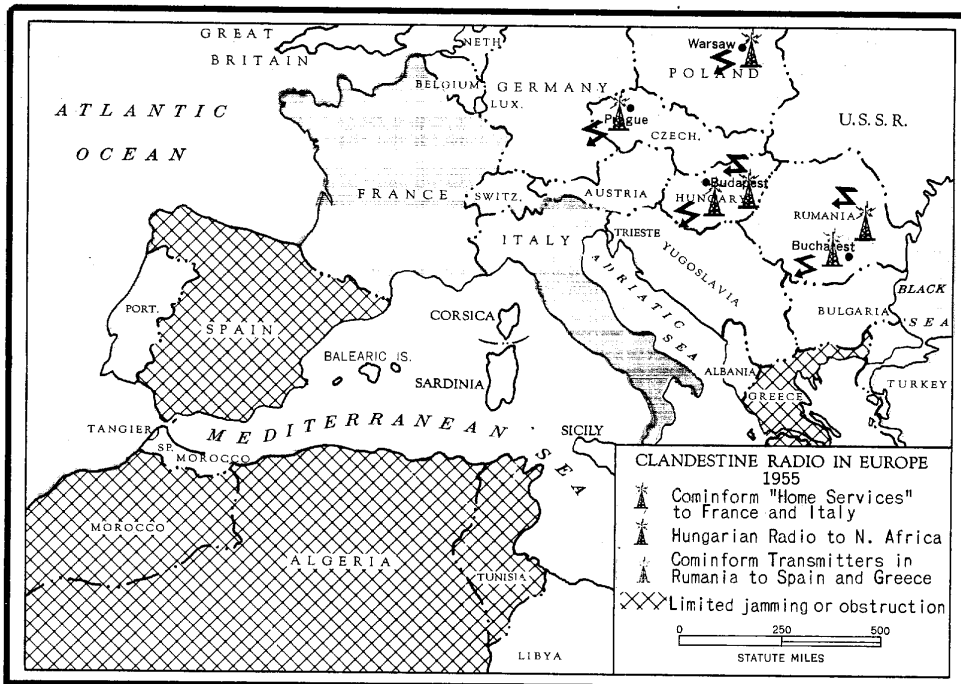
14 April 1955

Hungary began clandestine broadcasts to French North Africa to fan nationalist aspirations. The Cominform's Radio Free Yugoslavia was silenced in September as one of a number of friendly Orbit overtures toward Tito. In Indochina, most broadcasting activity was shifted from clandestine stations to the overt Viet Minh radio.



25X1

The Cominform transmitters also service Radio Free Greece, which moved its operations from Greece to Rumania at the end of the Greek civil war. This station reaches Greece and Greek communities in the Near East.



7 APRIL 1955

50324-2

25X1



European Communist radio propaganda is rounded out by the Cominform "Home Services," which broadcast to France and Italy and try to create the impression that they are "Home Services" by their broadcasting styles and failing to admit their foreign origin.



25X1

SECRET

~~SECRET~~
CONFIDENTIAL

CURRENT INTELLIGENCE WEEKLY SUMMARY

14 April 1955

25X1



and central Japan on the simple four-tube radio in general use there.

It broadcasts Japanese news on a same-day basis, and in many cases has anticipated policy statements of the government by one to three days.

Regular clandestine broadcasts in Arabic and North African dialects to Algeria, Tunisia, and French Morocco were begun from Hungary last July. The programs are tentative and much less restrained than the regular transmissions of Radio Moscow to the Arabic world, the only other Communist radio broadcasts received in the area.

Radio Budapest's strong anti-French line is attracting an expanding audience. The French reaction has been limited to several protests to Hungary and a few efforts to jam the program.

Aside from some limited jamming in Greece, Spain and French North Africa, little is being done to obstruct Communist clandestine broadcasts.

In December, Italy threatened to break off diplomatic relations with Czechoslovakia if personal attacks on Italian political leaders by the Cominform "Oggi in Italia" ("Today in Italy") program were not stopped. This was the strongest of a series of Italian protests extending over three years, but Rome has not carried out its threat.

In Asia, the only important Communist clandestine radio now operating is Radio Free Japan, the station of the Japanese Communist Party which broadcasts from North China. This station cut out its short-wave transmissions last May, but on medium wave it can be picked up well in southern



its desire to cultivate friendly relations with the Orbit, the present Japanese government is not likely to take positive action against Radio Free Japan.

In Indochina, clandestine radio activity diminished considerably during 1954. The burden of broadcasting formerly borne by clandestine transmitters has been assumed by Radio Vietnam, which became overt and official along with the Ho Chi Minh government and is now centralizing and improving its facilities.

The clandestine Voice of Nambo, which had been broadcasting to South Vietnam from transmitters on junks in the Mekong delta, announced its "provisional suspension" on 1 December 1954 and said that its service would be assumed by the Voice of Vietnam.

A third clandestine radio, the Voice of South Vietnam, went off the air in January 1954.

The Voice of Issarak Cambodia, a small transmitter broadcasting about two hours a day, is the only Communist clandestine radio currently known to be operating in Southeast Asia. It is controlled by Son Ngoc Minh, president of the Communist line government allied to the Viet Minh.

25X1

25X1

25X1

CONFIDENTIAL
~~SECRET~~