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CONFIDENTIAL

CURRENT INTELLIGENCE WEEKLY SUMMARY



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THE WEEK IN BRIEF

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PART I

OF IMMEDIATE INTEREST

ARAB-ISRAELI SITUATION Page 1

The rapid succession of incidents on Israel's borders with Syria, Jordan and Egypt is evidence of increasing confidence on the part of the Arabs and of Israel's determination to maintain an unyielding position. These factors, the weakening of restraints in Jordan implicit in the dismissal of British officers from the Arab Legion, and Israel's apparently increasing fears of Arab intentions have materially increased the danger that war could break out as a result of miscalculation on either side.

[Redacted]

THE THREAT TO BRITISH INTERESTS IN THE MIDDLE EAST Page 3

King Hussain's abrupt dismissal of General Glubb is symptomatic of the decline in British influence in the Middle East generally. The Foreign Office has indicated to the American embassy in London that it believes closer support from the United States is essential.

[Redacted]

FURTHER SOVIET MOVES IN THE NEAR EAST Page 3

A delegation of Soviet engineers, authorized to make new offers and negotiate on the spot, is traveling through the Arab states. The Soviet ambassador in Egypt has re-emphasized the USSR's official interest in Middle Eastern affairs, and Moscow has saluted Jordan's dismissal of General Glubb as "a sound patriotic Arab decision." Moscow apparently intends to maintain a polite diplomatic pose with the Israelis while continuing to support Arab aspirations.

[Redacted]

FRANCE AND THE ALGERIAN CRISIS Page 5

The Mollet cabinet is facing its first major test in the current National Assembly debate on its request for extraordinary powers for Algeria. The government still lacks a really effective policy for Algeria. French military leaders incline to the view that Algeria will be lost unless extensive military action is taken soon.

[Redacted]

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PART II

NOTES AND COMMENTS

Peiping's Statement on the Geneva Talks: The 4 March statement by Peiping's Ministry of Foreign Affairs on the Sino-American negotiations implied a more specific threat to the offshore islands than previous Communist declarations. The statement was apparently timed to coincide with Secretary of State Dulles' visit to Asia, in the hope that Asian leaders would bring personal pressure on him to agree to direct talks with Chou En-lai. Peiping seems disposed to continue the negotiations while preparing a case for American responsibility if the talks break down. [redacted]

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Cyprus: A new test of strength between the British Security forces on Cyprus and the island's Greek majority seems likely following the suspension on 1 March of negotiations between the British and Archbishop Makarios. The failure of the talks also has the effect of widening the breach between Greece and Turkey. [redacted]

Page 2

Morocco and Tunisia: The declaration issued on 2 March by the French and Moroccan governments is essentially a compromise permitting the current talks to proceed. Negotiations which will spell out French-Moroccan ties are expected to be conducted simultaneously in Rabat and Paris and may last until late in the summer. The Tunisians, who began new negotiations with the French on 29 February, have demanded the abrogation of the 1881 Treaty of Bardo, which established the protectorate. [redacted]

Page 3

Afghanistan: The fast pace set by the USSR in its Afghan aid program is reflected in an unusually heavy flow of Soviet traffic and personnel to Kabul late in February and reported Afghan approval of an increase in the Soviet embassy staff. An agreement covering part of the \$100,000,000 Soviet credit was signed on 2 March. Provision for airfield construction in the agreement is probably part of a Soviet drive to get control of Afghan civil aviation. [redacted]

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Shift in Communist Tactics Against South Vietnam: Continued strengthening of the Diem regime, most recently demonstrated in the 4 March election, has caused the Viet Minh to reassess its tactics toward the south. Realizing that unification elections will not be held in 1956 and that there are no good prospects for overthrowing Diem by internal revolt, the Viet Minh is calling for new international negotiations, and is preparing for a long-term subversion effort. [redacted] Page 6 25X1

Singapore: Singapore's Chief Minister David Marshall is preparing to go to London late in April for talks on self-government. He does so in an atmosphere of diminishing British confidence in Singapore's readiness for self-rule. In view of steadily increasing Communist subversion in the colony, British officials are concerned over the absence of a strong non-Communist party or a competent non-Communist local leader in whose hands the new powers could be safely entrusted. [redacted] Page 8

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Indonesia: President Sukarno has asked ex-prime minister Ali Sastroamidjojo to be the formateur of a new Indonesian cabinet. Chances that Sastroamidjojo will succeed are slim, and Sukarno may have to appoint one or more other formateurs. Sukarno would like to have the cabinet formed by 26 March when the elected parliament is to be installed. Regardless of whether the anti-Communist Masjumi participates in the new cabinet, Indonesian policy probably will be more strongly nationalistic than at any time in the past. [redacted] Page 9

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USSR Urges Resumption of Relations With Australia: Soviet officials in the UN have approached their Australian colleagues three times since November with proposals for re-establishing Soviet-Australian relations. Their efforts so far have made little progress, because of Soviet insistence that Australia publicly take the initiative, but the USSR will probably modify this position. [redacted] Page 9 25X1

South Korean Liberal Party Nominations: President Rhee's refusal to be renominated on the Liberal Party ticket serves to remind the party of its dependence on Rhee and sets the stage for his draft by popular acclaim. Although Liberal Party chairman Yi Ki-pung has been nominated for vice president, it is possible that Rhee will not endorse any one candidate. [redacted] Page 10 25X1

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Opposition to Rakosi in Hungary: Hungarian party leader Rakosi, who has been having difficulty for some time in controlling nationalist elements among the Hungarian Communists, probably faces new threats to his position. Moscow may decide eventually to sacrifice Rakosi, particularly if he is unable to overcome the serious factionalism within his party.

[redacted]

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PART III

PATTERNS AND PERSPECTIVES

SOVIET POSITION ON DISARMAMENT

Page 1

The Soviet representative in the London talks of the UN Disarmament Subcommittee convening on 19 March will probably press the Western powers to accept the interim measures suggested by Khrushchev in his report to the 20th Party Congress: discontinuation of thermonuclear weapons tests, prohibition of possession of atomic weapons by forces stationed in Germany, and reduction of military budgets. Otherwise the USSR probably will stand firm on the basic disarmament position set forth in its 10 May proposals of last year. [redacted]

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THE COMMUNIST PARTIES OF WESTERN EUROPE

Page 3

The evolution of the new Bulganin-Khrushchev foreign policy over the past year seems to have been of little help to the political fortunes of the Communist parties of Western Europe. In most countries, the influence of the parties has remained about the same or slightly declined. Where they have gained, or where they remain a major political force, as in France and Italy, this is largely the result of local developments. As adjuncts of the Communist Party of the Soviet Union, the European Communists appear to have been able to produce only limited support for Soviet foreign policy goals and to gain only limited benefits from shifts in Soviet policy, even when these have been in the direction of moderation. [redacted]

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MAO TSE-TUNG AND THE COLLECTIVE LEADERSHIP PRINCIPLE . . . Page 8

Mao Tse-tung and other Chinese Communist leaders have regularly endorsed the principle of "collective leadership," but Mao for many years has personally led the Chinese Communist Party and has personally controlled its policy in a way not very different from Stalin's domination of the USSR. Mao's personal direction has been particularly evident in the past year. Nevertheless, Mao's program in China--that is, Chinese "application" of Marxist-Leninist doctrine--has continued to be warmly praised by Soviet leaders. Khrushchev's pragmatic approach to ideology suggests that he and Mao are suited to work well with one another. [redacted]

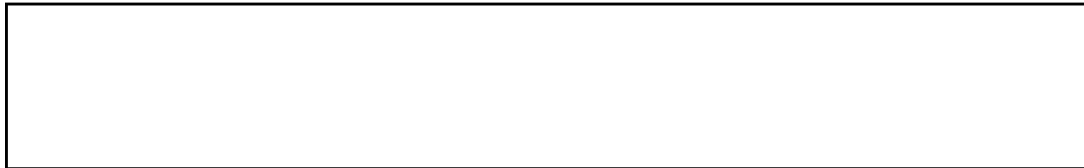
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JAPANESE INTEREST IN PROMOTING AN INDEPENDENT TAIWAN . . . Page 11

Japanese leaders have long maintained that the creation of two Chinas offers the only feasible solution for the present impasse over the international status of Taiwan and Communist China. They are insistent that Taiwan must not fall into Communist hands. They fear this might occur suddenly, because of a collapse of the Nationalist regime through demoralization or the death of Chiang Kai-shek. This apprehension and the conviction that an independent Taiwan would be the most favorable solution for Japanese interests are behind the inclination of Japanese leaders to favor a Taiwan independence movement. [redacted]

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PART I**OF IMMEDIATE INTEREST****ARAB-ISRAELI SITUATION**

The rapid succession of border incidents on Israel's borders with Syria, Jordan and Egypt illustrates the increasing confidence of the Arabs, as well as Israel's determination to maintain an unyielding position. These factors, the weakening of restraints in Jordan implicit in the relief of British officers in the Arab Legion, and Israel's apparently increasing fears of Arab intentions have materially increased the danger that war could break out as a result of miscalculation on either side.

There are some indications that Israel, in the light of its failure to secure arms from the West, may seek a rapprochement with the USSR. Tel Aviv officials have said they are now willing to admit Soviet personnel under the UN technical assistance program, and even moderate Israeli newspapers have suggested that the Soviet Union be given a voice in Near Eastern affairs.

Some went so far as to suggest that Israel might ask the USSR for a guarantee of the status quo. This may be the policy decision American observers in Israel have believed imminent. The USSR, however, apparently has not thus far made any move to suggest that it will meet the Israelis even halfway in

supporting them against the Arabs. (Also see Part I, page 4).

The fact that Israel has formally called the Palestine situation to the attention of the UN Security Council suggests that the Israelis have not decided to use the latest spate of border incidents as a takeoff point for larger-scale hostilities. Should some kind of UN action not be forthcoming, however, the Israeli government might well feel impelled to stage a "retaliatory" action, especially if new incidents seem to threaten the security of Israel's borders.

The disappearance of British influence in Jordan has led Israeli foreign minister Sharett to comment that Israel was being "encircled" by the "long arm" of Egyptian prime minister Nasr. Egyptian influence in Jordan is almost certain to become dominant with the departure of the British, but Nasr's problems may also increase as a result of this victory for his policy.

Nasr has already been at pains to urge the Syrians to moderation; with Jordan under his wing, he must also concern himself with the possibility that precipitate action by Arab Legion units against Israel could lead to Egyptian involvement in war before Cairo's preparations are completed.

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**THE THREAT TO BRITISH INTERESTS
IN THE MIDDLE EAST**

The Jordanian king's abrupt dismissal of General Glubb on 1 March is symptomatic of the decline in British influence in the Middle East generally. The Foreign Office has indicated to the American embassy in London that it believes closer support from the United States is essential.

Britain's capacity to arrest the decline of its influence in the Middle East has been weakened by the progressive decline in the leverage it can exert from its military bases in the area.

In Cyprus, which is now Britain's principal base in the Middle East, the collapse of the latest negotiations with Archbishop Makarios means the continued commitment of many of the 20,000 British troops on the island to an intensive anti-terrorist drive. British evacuation of the Suez Canal base is now far advanced, and the Egyptian army maintains close surveillance over the disposition of the remaining British units. In Libya, the British plan soon to increase their garrison to armored division strength, but the Foreign Office anticipates increasing political problems there.

London interprets recent developments in the Middle East as increasing the threat to Britain's vital oil interests. A possible alliance between Jordan and Egypt and Syria at the minimum could bring heavy pressure on Britain by threatening to stop the flow of British oil through Syrian pipelines.

Reaching an agreement with Saudi Arabia in the Buraimi dispute is now seen by the British as of increased urgency, both for their oil interests and for the general stability of the region.

The British view that immediate strengthening of the Baghdad pact is now necessary may reflect a belief that the developments in Jordan have further increased the USSR's ability to exert influence in the Middle East. There have been no indications that the British favor seeking additional Arab adherents to the pact at this time, but they have in the past shown that they would regard the pact as a convenient means for dispensing economic aid on a multilateral basis.

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**FURTHER SOVIET MOVES
IN THE NEAR EAST**

Moscow is continuing to capitalize on its rapprochement with the Arabs. A delegation of Soviet engineers is on a fact-finding trip through the Arab states. According to the

Soviet minister to Lebanon, this group is prepared to furnish technical assistance or advice and to sign contracts for projects on the spot. The delegation already has visited

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Lebanon and is now in Syria. It is going on to Egypt, Saudi Arabia, and possibly Yemen.

The Arab News Agency states that the Soviet delegation has shown interest in providing Lebanon and Syria with oil refineries, textile factories, and other installations. The similarity of these projects to the industries covered in a detailed market survey made by Czechoslovakia several months ago suggests that the Soviet survey team will attempt to negotiate detailed contracts.

Egypt

In his first public statement since he arrived in Cairo in late January, Soviet ambassador Kiselev told the Egyptian press that any event in the Middle East that affected Soviet-Egyptian relations is "an important matter" for the USSR. He said that the Soviet Foreign Ministry's statement of 13 February on the Middle East and the resolutions of the Soviet 20th Party Congress made clear the USSR's opposition to the dispatch of American and British forces to the area--without the consent of the countries in the area--in the event of an Arab-Israeli war.

Kiselev's remarks, which apparently were made with the prior approval of the Egyptian Foreign Ministry, were evidently staged to ensure that Soviet views--which tend to support present Egyptian foreign policy--reach the Egyptian public.

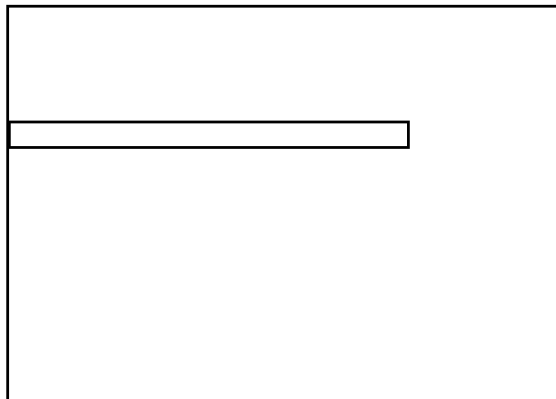
Jordan

Just as Moscow hailed the violent anti-Western riots in

Jordan in December and January, it has saluted the dismissal of General Glubb by King Hussain as "a sound patriotic Arab decision." Referring to Glubb as the "honest servant of colonialism," Moscow accuses him of attempting to use the Arab Legion to push Jordan into the "prison" of the Baghdad pact by machine-gunning the Jordanian people during the December riots. Izvestia has termed Glubb's dismissal "a new great defeat of British foreign policy in the Middle East."

Israel

The USSR apparently hopes to maintain a polite diplomatic attitude toward Israel while simultaneously continuing to support Arab aspirations. Molotov reportedly has told Israeli ambassador Avidar in Moscow that he could understand Israel's security fears and why it desires to improve its armament.



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Israel recently announced that an exchange of Soviet and Israeli parliamentary delegations would take place at an unspecified date. (Concurred in by ORR)

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FRANCE AND THE ALGERIAN CRISIS

The Mollet cabinet is facing its first major test in the current National Assembly debate on its request for extraordinary powers for Algeria. The government still lacks a really effective policy for Algeria and the search for a scapegoat has increased the tendency to blame the United States for France's North African difficulties.

Premier Mollet's quasi-ultimatum to the rebels on 28 February to lay down their arms or face an all-out effort appears to have had little effect and has tended to weaken his parliamentary position. The threat of force shocked many members of the premier's own Socialist Party, and the Popular Republicans have stated that they cannot condone the government's policy. The current Communist line stresses "ties between France and Algeria" rather than Algerian independence. The Communists may support Mollet because of their eagerness to maintain the fiction of a popular front.

The parties of the right remain critical of what they consider to be Mollet's continued inaction, but may be willing to keep him in office to take the blame for unpopular measures--a factor which Mollet probably has taken into consideration.

The search for a solution now focuses on the feasibility of early and massive reinforcement of French troops in Algeria. Robert Lacoste, minister residing in Algeria, has asked for additional troops, in amounts variously reported between 100,000 and 200,000, to strengthen an estimated 200,000 already

there. He is reported ready to resign if the government does not comply.

French military leaders incline to the view that Algeria will be lost unless extensive military action is taken soon. General Valluy, French representative to the NATO Standing Group, estimates that the situation requires a total of 500,000 troops, but he fears that there is not enough time to train so many men for guerrilla warfare. General Augustin Guillaume resigned as chairman of the Joint Chiefs of Staff Committee in protest over the government's indecision, stating subsequently that France has two alternatives: to call up new troops for Algeria or to "evacuate."

[Redacted] 25X1
[Redacted] 25X1

[Redacted] The French army maintains a reserve subject to immediate recall without parliamentary consent composed of all conscripts who have completed their military service within the past three years. This reserve is believed to total 420,000, and, although it has already been levied on, it should be adequate to cover a call-up of as many as 300,000.

Certain officials have charged the United States with encouraging the nationalists. At the same time they have argued that the USSR is attempting to outflank NATO by encouraging the Arab states to back North African nationalists, and Mollet has asked for a joint French-American declaration of common policy on North Africa.

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PART II

NOTES AND COMMENTSPeiping's Statement on the Geneva Talks

Peiping's Ministry of Foreign Affairs has made its second appeal to international opinion in seven weeks in connection with the Sino-American negotiations at Geneva. Charging that the United States has been using the negotiations merely to forestall Communist China's exercise of its rights to Taiwan and the offshore islands, Peiping warned on 4 March that it would not agree to the "dragging out" of the talks.

The specific mention of "Taiwan and the coastal islands" at five different points in the 4 March statement strikes a new emphasis on the question of the offshore islands. For the past year, Communist China has refrained from attempts to capture any of the offshore islands and in its statements on the Sino-American negotiations has slighted the islands by referring generally to the "Taiwan area." The shift in emphasis may be designed to underscore the Communists' disposition to exercise their capabilities against the offshore islands if the United States maintains its present stand at Geneva.

The ambassadorial-level negotiations at Geneva, which began on 1 August 1955, resulted in fairly rapid agreement that nationals desiring repatriation would be released expeditiously. Despite this agreement, Peiping has continued to hold 13 American prisoners in an obvious attempt to force American concessions as a condition for their release. The concession Peiping most desires at this time is agreement to hold direct talks between Secretary Dulles and Foreign Minister Chou En-lai.

The 4 March statement was apparently timed to coincide with Secretary Dulles' visit to Asia. The Communists undoubtedly hope that Asian leaders, some already favorably disposed to a Dulles-Chou meeting, will personally press their views on Mr. Dulles. Peiping would look for assistance particularly from Indian prime minister Nehru, who will receive the US secretary of state over the 9 March week end. During the visit of Khrushchev and Bulganin to India, Nehru joined them in urging that the Sino-American talks at Geneva be raised to a "higher" level.

Peiping's primary consideration in pressing for a Dulles-Chou meeting involves prestige and implied recognition of great-power status, which would raise its international stature and further erode the standing of the Nationalists. It is unlikely that the Communists actually believe a meeting of foreign ministers could resolve the disputed points at issue.

The Chinese Communists are willing to renounce force but only in the most general terms. They will not agree to renounce force against Taiwan, asserting that the "liberation" of Taiwan is a purely domestic matter. They concede that Taiwan should be "liberated by peaceful means, if possible," but affirm that it will be "liberated by war, if necessary." They will not recognize the US right of "individual and collective self-defense" in the Taiwan area, since this would acknowledge the legitimacy of the US Mutual Defense Treaty with the Chinese Nationalists.

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While unwilling to renounce force against Taiwan, they would like to discuss the "question of relaxing and eliminating tension in the Taiwan area" at a conference attended by Dulles and Chou. Since Peiping argues that this tension derives from the American "occupation" of Taiwan, the conference would consider the question of American "withdrawal." On all these points, Communist China has taken an unequivocal stand both in official statements and propaganda broadcasts, and loss of face would be entailed in any retreat from these declared positions.

Peiping seems disposed to continue the negotiations while preparing a case for American responsibility if the talks break down. This does not necessarily mean continuing Communist forbearance toward the offshore islands. As the record in Korea demonstrates, protracted negotiations do not preclude concurrent military pressure by the Communists. While there are no indications of an imminent attack against any of the offshore islands, the Communists are conceded the capability for launching a major assault with little or no warning. 25X1

Cyprus

A new test of strength between the British security forces on Cyprus and the island's Greek majority seems likely following the suspension on 1 March of negotiations between the British and Archbishop Makarios. The failure of the talks also has the effect of widening the breach between Greece and Turkey.

Following the breakdown in the talks, Governor Harding ordered the immediate resumption of extensive security operations by the 15,000 police and British troops. Makarios has announced that the British must initiate any further talks and has asked the 410,000 Cypriot

Greeks to continue their "passive resistance." His refusal to comment on terrorist activity will also probably encourage the underground organization EOKA to intensify its efforts.

Makarios apparently rejected the final British offer because of suspicion that Britain intended to manipulate the later constitutional negotiations so as to deny the Greek population a proportionate majority in a Cypriot legislature. Before the arrival of British colonial secretary Lennox-Boyd, Makarios had told the American consul in Nicosia that Harding's refusal to commit himself on that issue was the only remaining obstacle to agreement.

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Makarios apparently interpreted Lennox-Boyd's sudden trip to Cyprus as a sign of British weakness. He probably renewed demands for an amnesty for political offenses and a time limit on the governor's control over public security as a means of exerting pressure for a concession on the proportional representation issue.

Makarios probably expects that continuing pressures on the British will force the concessions he wants. A Labor member of the British Parliament who participated in the final phase of the negotiations has told the American embassy in Athens that he sees no way of breaking the impasse. He questioned the wisdom of London's apparent attempt to convey conflicting assurances to the Greek and Turkish communities on Cyprus. He asserted, and the British ambassador in Athens "rather ruefully" agreed, that in six months Britain would wish it had made concessions on the three unsettled points.

In retaliation for British jamming of Athens radio on 6 March, the Greek government

announced termination of relays of broadcasts of the British Broadcasting Corporation. Athens also appears to be exerting diplomatic pressure on the British and on its other allies in support of Makarios.

The Greeks apparently consider the "hidden veto" Turkey has exercised over the negotiations as the cause of their breakdown. The Greek ambassador in Belgrade was instructed to inform the Yugoslavs that Greece would withdraw its agreement to an early meeting of the ministerial council of the Balkan alliance, which includes Turkey. The Greek ambassador said that Turkish foreign minister Koprulu's "provocative" speech to the Turkish parliament on 26 February has made it necessary for Athens to review the entire question of its relations with Ankara.

For both Greece and Turkey, the Cyprus issue is closely connected with violent nationalist emotions. Britain's attempt to straddle the basically uncompromisable position of the two countries resulted in accentuating the contrast between them.

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Morocco and Tunisia

MOROCCO

The declaration issued by the French and Moroccan govern-

ments on 2 March in effect reiterates the promise of independence given last November but does not materially alter France's continued dominance in Morocco. The declaration

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suspends the protectorate treaty signed at Fez in 1912 and is essentially a compromise permitting the current negotiations to proceed. The Moroccans had demanded immediate abrogation of the 1912 treaty, while the French had insisted that the links of "interdependence" with France must be spelled out prior to abrogation.

France now has agreed to Moroccan participation in Morocco's foreign affairs, defense and internal security. In general, however, the Moroccans will be confined to token representation. A French Foreign Ministry spokesman has told the American embassy in Paris that the French are following the same line the British have used successfully --that is, "giving...everything on paper and hoping to retain substantial influence in fact." The spokesman added that France is relying heavily on the excellent personal relations existing between the sultan and André Dubois, the former French resident general in Morocco who is now designated high commissioner.

Negotiations to spell out French-Moroccan ties are expected to be conducted simultaneously in Rabat and Paris and may last until late summer. The Moroccans fear the French may exploit the near bankruptcy of Morocco's treasury to bind the country more closely to France than they desire.

The French Foreign Ministry spokesman also stated that

France is anxious to see a Moroccan army created rapidly so that it can take over the major portion of operations in the Rif. While composed of Moroccan soldiers, the army would be commanded by a French general and rely on the French for artillery support, all logistics, and special services.

The spokesman also expected that the sultan would soon make a strong statement calling on Moroccan rebels to lay down their arms. In the past the sultan has resisted French pressures for a surrender call, partly to avoid the risk of having the call ignored, and partly to use the rebellion for bargaining purposes. He may now delay a surrender call until he is certain such a request would be obeyed.

Both the declaration on 2 March and the return of the sultan to Rabat on 5 March resulted in popular demonstrations throughout Morocco acclaiming independence. In Spanish Morocco, demonstrators clashed with the police and 19 Moroccans were killed and more than 150 injured. Spain, whose position with regard to the joint declaration has been "reserved," may now be subjected to increasing nationalist pressures for concessions in Spanish Morocco.

TUNISIA

French-Tunisian negotiations, which will probably lead to Tunisian participation in foreign affairs and defense

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matters, opened in Paris on 29 February. A French Foreign Ministry spokesman has informed the American embassy that France will not consider the Tunisian demand for abrogation of the Treaty of Bardo, which established the protectorate in 1881, until a written request is submitted by the Tunisian bey. The French, if they desire, can influence the bey not to sign a formal request.

The bey, whose political stature is negligible, is reported to fear that Habib Bourghiba, head of the moderate Neo-Destour party who paved the way for the current negotiations, plans eventually to abolish the monarchy and establish a republic. The bey, therefore, reportedly is supporting extremist nationalist Salah ben Youssef, who fled to Tripoli in January to avoid arrest.

Ben Youssef desires complete and immediate independence for Tunisia and has engaged in a long campaign of opposition to the French-Tunisian conventions signed in Paris last June. [REDACTED]

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The elections, the first ever to be held in Tunisia, are for a constituent assembly which is to convene on 8 April to write a new constitution for Tunisia. The bey fears that the constituent assembly under the influence of Habib Bourghiba may draft a constitution for a republic rather than a constitutional monarchy. However, the Treaty of Bardo, which was specifically mentioned in the June conventions as retaining its full validity, guarantees the bey's position and prerogatives. [REDACTED]

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Afghanistan

The fast pace set by the USSR in its aid program in Afghanistan is reflected in an unusually heavy flow of Soviet traffic and personnel to Kabul late in February, and reported Afghan approval of an increase in the Soviet embassy staff.

An Afghan-Soviet agreement covering part of the \$100,000,-000 Soviet credit was signed on 2 March. Provision for airfield construction in the agreement is probably part of a Soviet drive to get control of Afghan aviation.

The agreement, as reported by Radio Moscow, also provides for construction of two hydroelectric stations, three motor

repair shops, a road across the Hindu Kush Mountains, irrigation works, a laboratory at Kabul, and a fertilizer plant. Afghan press reports also include a road maintenance unit.

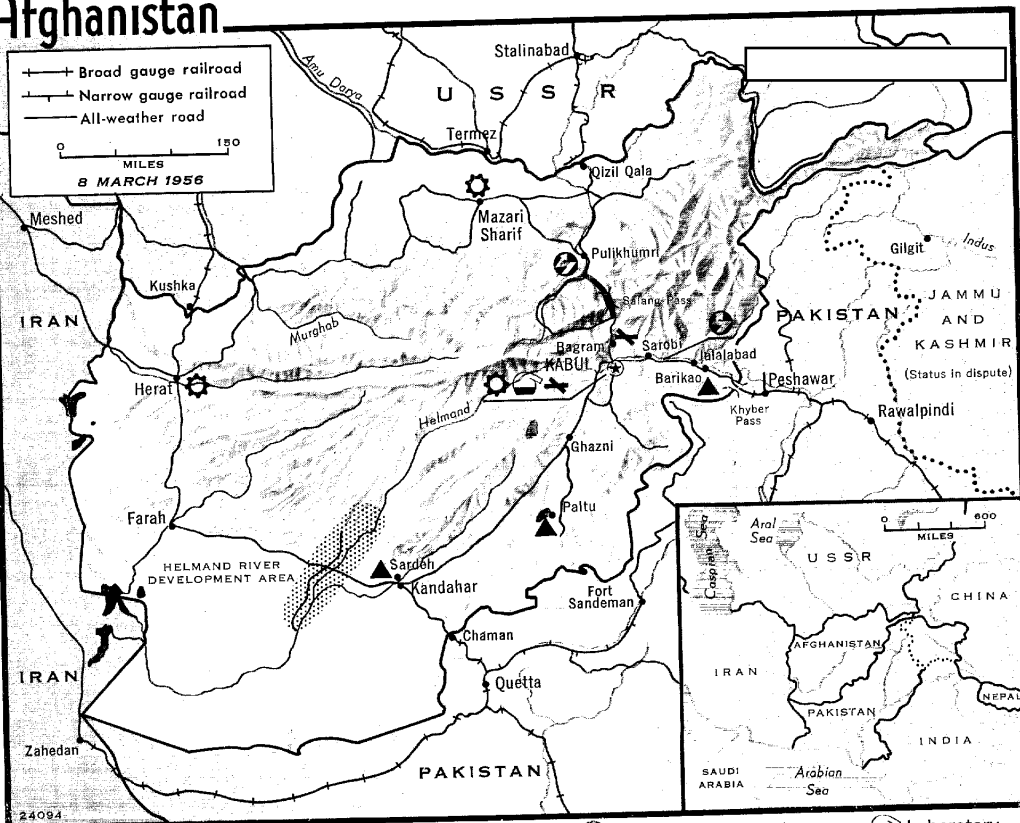
The arrival in Kabul on 1 March of a high-level Soviet aviation mission to negotiate establishment of an air service between Afghanistan and the USSR coincides with the announcement that the Russians will undertake reconstruction of the Kabul airfield and development of a new field 30 miles north of Kabul, a place known locally as Bagram. The Bagram field is to be a military one, according to several reports.

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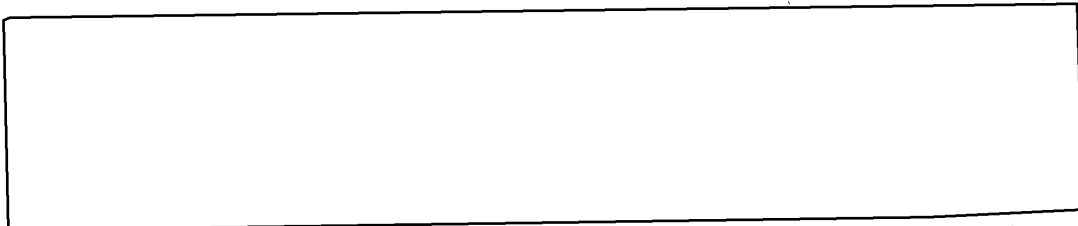
Afghanistan



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PROBABLE LOCATION OF SOVIET PROJECTS UNDER THE 2 MARCH 1956 AGREEMENT

- Hydroelectric station
- Hindu Kush road
- Motor repair shop
- Laboratory
- Airfield
- Irrigation dam



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Shift in Communist Tactics Against South Vietnam

Continued strengthening of the South Vietnamese government, most recently demonstrated in the 4 March election, has caused

the Viet Minh to reassess its tactics against the south. Despite bitter Viet Minh denunciation of the election, a

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solid progovernment slate was returned for the 123-seat Vietnamese constituent assembly summoned to approve Diem's constitution.

Realizing that the unification elections, scheduled for July 1956, will not be held and that there is no good prospect for overthrowing Diem by internal revolt, the Viet Minh is now calling for new international negotiations and is preparing for a long-term subversive effort in South Vietnam. In conformity with current international Communist strategy, the Viet Minh does not appear to contemplate the use of its superior military forces.

Initially the Viet Minh appears to be considering supporting a neutralist South Vietnam government-in-exile under the leadership of Tran Van Huu, onetime French-controlled premier. [redacted]

[redacted] Huu hopes to set up a rival government for South Vietnam possibly based just north of the 17th parallel. While Huu has little or no support in the south, his close contact with North Vietnam leaves little doubt that the Viet Minh is intimately acquainted with Huu's plans and is very probably supporting the movement.

On the international scene, Communist efforts to obtain a

new Geneva conference on Indochina have been well co-ordinated, with Moscow and Hanoi endorsing Chou En-lai's call for such a conference. Concurrently, Polish members of the International Control Commission have stated the need for a new conference with the implied threat that "we cannot hold them (the Viet Minh) back indefinitely."

Communist policy makers probably feel that they have everything to gain and little to lose if they can maneuver the West into accepting a new conference. Hanoi may hope for an agreement to increase economic and political relations between north and south, and perhaps even to commit the Diem government to a definite election schedule for all Vietnam.

In South Vietnam, the constituent assembly is expected to convene shortly and will undoubtedly approve, within the specified 45-day limit, a draft constitution prepared under Diem's supervision. The draft constitution reportedly provides for a separation of powers, with overriding authority vested in the presidency. The emphasis placed on impeding Viet Minh efforts to subvert the young republic is indicated in a provision of the assembly election ordinances waiving parliamentary immunities in cases where opinions expressed by deputies "aim at supporting policies or activities of Communists or rebels." [redacted]

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Singapore

Singapore's Chief Minister David Marshall is preparing to go to London late in April for talks on self-government. He does so in an atmosphere of diminishing British confidence in Singapore's readiness for self-rule. In view of steadily increasing Communist subversion in the colony, British officials are concerned over the absence of a strong non-Communist party or a competent non-Communist local leader in whose hands the new powers could be safely entrusted. Obstruction of the movement toward independence, on the other hand, would provide the Communists with political capital.

Marshall, who is strongly anti-Communist, has not been an effective chief minister. His health is poor and he lacks a strong political organization. His party, the Labor Front, was hastily organized in 1954 to contest the April 1955 elections. It is now unsuccessfully competing for support among the same population groups which are being exploited by Singapore's best organized and most rapidly growing party--the Communist-manipulated People's Action Party. In the Singapore Legislative Assembly, opposition strength--of which the People's Action Party is a part--equals that of the government.

Marshall and other Labor Front leaders have considered expanding the present coalition government, which also includes the Alliance, a Malay-Chinese political organization which has little strength in Singapore. The Labor Front has explored co-operation with a newly organized Chinese party, the Liberal Socialist Party, and

with the so-called "right wing" of the People's Action Party. Both of these groups, however, appear increasingly disinclined to enter the government before the London talks. Should Marshall be unseated after the talks, his prospective successors appear less likely to provide vigorous anti-Communist leadership than he.

Although plans are continuing to hold the self-government talks in April as scheduled, tentative alternative schemes are being explored. The principal one is the admission of Singapore as the twelfth state in the Federation of Malaya, where the government is much stronger and where Communist subversion has not developed to the extent it has in Singapore. Marshall claims that such a course would be politically unpalatable to Singapore. He prefers a form of political combination which the two governments would enter on equal terms.

This suggestion, however, has already been rejected by Malaya's Chief Minister Rahman. Rahman is reluctant to get involved in Singapore's intricate political problems on any basis and particularly dislikes the prospect of the accession of Singapore's large Chinese population.

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Indonesia

President Sukarno has asked ex-prime minister Ali Sastroamidjojo to be the formateur of a new Indonesian cabinet. Chances that Sastroamidjojo will succeed are slim and Sukarno may have to appoint one or more other formateurs. Sukarno would like to have the cabinet formed by 26 March, when the elected parliament is to be installed. The Harahap cabinet, which resigned on 3 March, is continuing in office as a caretaker government and the old parliament has recessed pending formal dismissal on 25 March.

Cabinet negotiations will revolve around the National Party (PNI) and the Nahdlatul Ulama (NU). Whether these parties will turn to the moderate, anti-Communist Masjumi, also a major party, to give their government stability in the parliament is the principal question which the negotiations will decide.

Editorials in NU-influenced papers state that resignation of the Masjumi-led cabinet has "kept the door open" for cooperation with the Masjumi. Masjumi chairman Natsir, however, has said he does not believe the PNI-NU "team" would accept his party in the cabinet as an "equal" and that he rejects any other terms. Other

reports, however, state that Vice Chairman Sukiman and not Natsir will speak for the Masjumi, and that his more flexible attitudes and greater political skill may open the way for Masjumi participation on satisfactory terms.

Should efforts toward a tripartite coalition fail, the PNI and NU will turn to the 22 small parties which account for 21 percent of the membership of the new Indonesian parliament. A coalition including the NU and numerous small parties would lend itself to largely unrestrained direction by the National Party and President Sukarno, and would have the support of the Communist Party.

In any event, Indonesian policy probably will be more strongly nationalistic than at any time heretofore. The plurality of the National Party in the September and December elections has been interpreted by all parties as an endorsement of a nationalistic approach to Indonesia's problems.

Probably scheduled to receive early and continued attention is the country's claim to Netherlands New Guinea (West Irian).

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USSR Urges Resumption of Relations With Australia

Soviet officials in the UN have approached their Australian colleagues three times since November with proposals that

Australia take the initiative publicly in re-establishing relations with the USSR, which were suspended in April 1954

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after the Petrov spy scandal. The conversations have made little progress because of Soviet insistence that Australia make the first public approach and also guarantee diplomatic protection for the Soviet embassy and its personnel. Australia has countered with the proposal that both sides simultaneously exchange identical notes to avoid appearance of initiative from either side.

The USSR will probably modify its present position eventually to achieve normalization of relations. Australia is one of the few countries still untouched by the post-Stalin Soviet policy of expanding relations with non-Communist countries.

The presence of Soviet diplomatic representatives in Australia would facilitate establishment of support facilities for the Soviet Antarctic expedition and participation of Soviet athletes in the summer Olympics at Melbourne.

A high official of the Australian Department of External Affairs has expressed the opinion that both embassies will be restaffed and relations resumed at the latest prior to the opening of the Olympics in November. He thought that the Petrov revelations would work against resumption of Soviet espionage activity. [REDACTED]

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25X1South Korean Liberal Party Nominations

President Rhee's refusal to be renominated on the Liberal Party ticket has served to remind Liberal politicians of their dependence on Rhee, and sets the stage for his renomination by popular acclaim. Rhee has stated that while he does not consider himself "incapable of working for the country," the Liberal Party should "wait and listen" for the voice of the people.

The nomination of Liberal Party chairman Yi Ki-pung for vice president reflects his continued domination of the party organization and the prevailing view that his candidacy is acceptable to President Rhee. Election to the vice presidency would make Yi the likely successor to the 80-year-old Rhee; however, his prospects might be jeopardized should Rhee fail to endorse him or if Rhee should run independently. A member of the opposition Democratic Party has predicted that Rhee will

encourage several vice-presidential candidates without supporting any one.

Reports that Rhee desires an overwhelming vote of confidence in the election suggest that he will take advantage of the support of the Liberal Party organization. However, memories of the 1952 campaign, in which Rhee at the eleventh hour successfully shifted his support from the Liberal Party vice-presidential nominee to the present incumbent, Ham Tae-yong, will encourage Yi's opponents and possibly stimulate independent campaigns for the vice presidency.

The rapid initiation of "draft Rhee" demonstrations in Seoul suggests that Rhee will shortly announce his willingness to bow to the people's will. The opposition Democratic Party is expected to nominate its ticket later this month. [REDACTED]

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Opposition to Rakosi in Hungary

Hungarian party leader Rakosi, who has been having difficulty for some time in controlling nationalist elements among the Hungarian Communists, probably faces new threats to his position.

Rakosi has apparently depended mainly on Moscow's support to maintain himself in power since his ouster of the

more moderate Communist leader, ex-premier Nagy, a year ago. The leaders of Rakosi's opposition reportedly feel that his personal leadership and austere domestic policy no longer conform to Soviet precept or practice, in view of recent Soviet criticism of Stalin and official Soviet pronouncements endorsing collective leadership and admitting the possibility of a

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different path to socialism than that followed by the USSR.

They are also encouraged by reports that an official revision of the findings of the 1948 trial of Laszlo Rajk, who was executed on charges of nationalist deviation and conspiracy with Tito, is under study both in Moscow and Budapest.

A reversal of the Rajk verdict would stimulate Rakosi's opponents to greater efforts. Rakosi probably will not be directly implicated in any revision of the official version of the Rajk trial, since the blame can be laid on convenient scapegoats such as ex-police chief Gabor Peter and former politburo member Mihaly

Farkas. Nevertheless, Rakosi's critics would interpret revision of the findings in the Rajk case as a withdrawal of Soviet support for Rakosi and tacit endorsement of their demands for freer expression of their conflicting views and for greater local autonomy in working out Hungarian policy.

Moscow may in fact eventually decide to sacrifice Rakosi, particularly if he is unable to overcome the serious factionalism within his party. His removal from the Hungarian scene would add to the general persuasiveness of the ideological shifts enunciated at the recent Soviet party congress by showing that Moscow was applying a less heavy hand in the Satellites.

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PART III

PATTERNS AND PERSPECTIVESSOVIET POSITION ON DISARMAMENT

The line the Soviet delegate to the UN Disarmament Subcommittee will probably take when it reconvenes in London on 19 March was indicated in speeches by the top Soviet leaders at the recent party congress in Moscow. The Soviet leaders regard their disarmament policy, not as an end in itself but rather as a powerful political instrument to be manipulated in the pursuit of broader foreign policy objectives.

Soviet Position at London

The Soviet representative in the forthcoming London talks will probably press the Western powers to take the preliminary steps proposed by Khrushchev in his report to the party congress. Khrushchev suggested that agreement on the "more intricate aspects of disarmament" would be facilitated if the nations would (1) discontinue thermonuclear weapons tests; (2) prohibit possession of atomic weapons by forces stationed in Germany; and (3) reduce military budgets. This simple three-point interim program is another example of the USSR adopting elements of proposals previously advanced by non-Communist spokesmen.

Nuclear Weapons Tests

The proposal to discontinue thermonuclear tests is the first Soviet suggestion that this measure could be adopted outside of a general disarmament agreement. It will establish a basis for later Soviet denunciation of the series of American nuclear tests in the Pacific beginning late in April and of Britain's initial hydrogen bomb test later this year.

Since Khrushchev's speech, the Soviet delegate on the UN Trusteeship Council has been pressing the council to halt further tests in trust territories. Although the Soviet delegate did not insist on a vote on this issue, India's Khrishna Menon used the occasion to warn that if the United States proceeded with the tests in the Marshall Islands, India would demand that the International Court of Justice be asked to rule on the legality of nuclear tests in trust territories.

The Soviet leaders also expect that the proposed ban on hydrogen tests will have a strong appeal in Western Europe. Moscow probably expects that the French delegate, Jules Moch, will be prepared to move further and faster than his Western colleagues toward promoting a synthesis between the Soviet and Western positions. Molotov, in his party congress speech, noted that Premier Mollet had expressed a special interest in the disarmament problem and promised that the USSR would strive, "together with France, to achieve certain progress in the solution of this problem."

Moscow may also anticipate that a nuclear test ban proposal would place the Eden government in an embarrassing position with British public opinion and the Labor Party, which has been pressing the government to seek agreement on limiting or prohibiting further tests.

Atomic Weapons in Germany

Khrushchev's second point--prohibition of possession of atomic weapons by troops

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stationed in Germany--was first put forward in the Prague declaration of the Warsaw pact meeting on 28 January. At that time it was coupled with a modified version of Eden's summit conference plan, which called for the creation of a semidemilitarized zone in Europe, incorporating both East and West Germany, in which opposing forces would be limited and controlled.

Military Budgets

The third point--reductions in military budgets--was apparently intended as a cautious endorsement of former French premier Faure's proposal at the summit conference.

Recent Soviet statements have provided no hints that there will be any shift in Moscow's position on the cardinal problem of inspection and control. The Soviet delegate probably will continue to stress the importance of the concessions to the Western position embodied in the plan his government presented on 10 May 1955 and to insist that the subcommittee should reach agreement on force levels and the timing of the prohibition on the use of nuclear weapons as the first step toward final agreement.

The Russians still appear confident that the plan they advanced on 10 May has given them a strong advantage over the Western powers and that they can maintain it indefinitely. The Soviet delegate may introduce amendments ostensibly designed to widen the possible area of agreement with the West. For example, he may announce that the USSR is not irrevocably committed to the force levels in the Soviet draft, and would be willing to discuss modifications as long as the West accepts the principle of fixed reductions as an integral part of a general

disarmament treaty which would require a complete prohibition of nuclear weapons.

The Soviet delegate may also suggest that rockets and missiles be prohibited along with nuclear weapons. Premier Bulganin told the Supreme Soviet on 29 December that the USSR favors outlawing "atomic and hydrogen weapons and other types of weapons for wars of annihilation, including rocket missiles which have been developed particularly over the past five years and...are becoming intercontinental weapons."

Political Aims

As always, Soviet disarmament policy is shaped to serve broader political objectives. For many years after World War II, Moscow relied on the simple demand for immediate prohibition of atomic weapons and a one-third reduction in armed forces and armaments. The first major shift in this policy came in September 1954, three months after France and Britain had outlined a new phased disarmament program which departed significantly from past Western positions.

The USSR's acceptance of this program as a basis for a disarmament convention, announced by Vyshinsky in the UN General Assembly on 30 September 1954, was clearly timed to coincide with the crucial meeting of the Western foreign ministers in London to devise a substitute to the EDC plan for rearming West Germany, which had been defeated by the French assembly a month earlier.

This shift was aimed directly at the French in the hope that they would postpone any action toward German rearmament until they had explored the new Soviet disarmament position. The USSR at that time accepted the

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concept of a two-phase program, and, for the first time, agreed that reductions of conventional armaments should be initiated prior to an unconditional renunciation of the use of nuclear weapons.

The next major Soviet disarmament plan was placed before the UN Disarmament Subcommittee meeting in London on 10 May 1955, five days after the final ratification of the Paris agreements and West Germany's entry into NATO. It was a vital component of the new Soviet diplomatic offensive launched last spring.

Moscow then accepted the maximum levels for conventional forces and the timing of the ban on the use of nuclear weapons proposed by the Western powers on 8 March 1955.

The timing of Soviet disarmament moves suggests that the Soviet leaders are less interested in a formal enforceable disarmament agreement with the West than in manipulating world opinion in such a way as to cause the curtailment of Western military spending, the reduction of armed forces, and the weakening of NATO. 25X1

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THE COMMUNIST PARTIES OF WESTERN EUROPE

The new Bulganin-Khrushchev foreign policy over the past year seems to have been of little help to the political fortunes of the Communist parties of Western Europe. In most countries the influence of the parties has remained about the same or slightly declined. Where they have gained it has been largely the result of indigenous developments.

Communist capabilities continue to vary widely from country to country in Europe. Communism remains a major political force in France and in Italy; elsewhere in Western Europe, excepting Iceland, it is

politically isolated, a minor force in the councils of labor, and an instrument of questionable value for the propagandizing of Soviet directives.

During most of the past year, the Communists in Western Europe have sought to align themselves with the democratic left. In doing so, they have acknowledged the vitality of the anti-Communist opposition in most of these countries and their own liability derived from Soviet aggressiveness during the Stalinist period.

Communist adjustment to the concept of an East-West detente was evidently not easy. In some

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countries there was confusion in the ranks and in Italy and France particularly, there was renewed dissension within the party leadership over party policies. The "class struggle" theme was re-emphasized, reflecting not only a desire to reassert Communist leadership among the masses, but apparently some fear as well that the Communists might become engulfed by the non-Communist left.

This pattern of strength and weakness reflects the extent to which Communism in Western Europe is in basic respects an indigenous problem. As adjuncts of the Communist Party of the Soviet Union, the European Communists appear to have been able to produce only limited support for the foreign policy goals of the Soviet Union and to gain only limited benefits from shifts in Soviet policy, even when these were in the direction of moderation.

In those countries where the economic and social grievances of the people were extensive, the Communist menace remained a serious one. Where a vigorous and responsible non-Communist political leadership directed its efforts to redress these grievances, the Communist menace was weakened.

France

During 1955, the French Communists stressed two major themes: that the progressive "pauperization of the working class" is the inevitable result of a capitalist society and that unity of action on the left is the best way to a "popular front," eventually to be led by the Communists.

WESTERN EUROPE - COMMUNIST PARTY STRENGTH

COUNTRY	ESTIMATED PARTY MEMBERSHIP	VOTE POLLED IN LAST GENERAL ELECTION			PARLIAMENTARY REPRESENTATION (Lower House)	
		Communist	Percent of Total	Date	Communist Seats	Percent of Total
FRANCE	300,000	5,519,495	25.3	1956	145 ^a	24.4
ITALY	1,800,000	6,120,709	22.6	1953	143 ^b	24.2
FINLAND	40,000	417,000	21.7	1954	43 ^c	21.5
ICELAND	1,000	12,422	16.5	1953	7	13.4
NETHERLANDS	40,000	328,571	6.1	1952	6	6.0
AUSTRIA	40,000	228,228	5.2	1953	4	2.4
NORWAY	8,000	90,422	5.1	1953	3	2.0
SWEDEN	30,000	164,000	4.3	1954	5	2.2
DENMARK	16,000	93,824	4.3	1953	8	4.4
BELGIUM	14,000	184,098	3.5	1954	5	2.3
SWITZERLAND	6,000	22,841	2.2	1955	4	2.0
WEST GERMANY	70,000	607,000	2.2	1953	0	0
UNITED KINGDOM	33,000	33,144	.9	1955	0	0

Percent of total vote

- a- Excluding 6 Progressist allies
 b- Excluding 75 Nenni Socialist allies
 c- Finnish People's Democratic League

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In both cases, the Communists were seeking broad leftist support to strengthen their position in the 1956 elections and to remove their party (PCF) from its isolation in the National Assembly and establish it as the champion of the French working class.

Although the "unity of action" theme had been stressed intermittently for some time, especially on the labor front, concentration on its political aspects came with Thorez' call in May 1955 for a renewal of "class war." The Communist-led General Labor Confederation (CGT) subsequently embarked on a broad, militant strike program, the early successes of which netted the PCF renewed prestige. This prestige was considerably dissipated, however, when in September the CGT rejected the generous concessions offered by the Renault management which were later accepted by non-Communist labor elements.

As the national elections approached, Thorez stepped up his drive to increase the

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respectability of the PCF as a political party. This drive was aided when Premier Faure accepted Communist support in November in order to stay in power. Moreover, although Socialist leadership prevailed, nearly 40 percent of the delegates at the late November Socialist congress voted in favor of electoral alliances with the Communists.

Communist expectations of gaining parliamentary seats from the split among the center parties were borne out by the election results. The party suffered only a fractional decline in its share of the total vote and its appeal as the instrument of revolutionary change apparently remained intact.

Having achieved an assembly representation roughly commensurate with their electoral vote, the Communists are now in a strong position. So long as the center remains divided, Communist support of Mollet's Republican Front government allows the PCF to claim the de facto existence of a "popular front." At the same time, the party can press the Socialists, who vie for working-class support with the PCF, to undertake reforms which would split the Republican Front.

Mollet has so far been little dependent on Communist votes because his economic measures have been too moderate to arouse widespread right-center opposition; but the Communists will probably try to force his hand by demanding broad wage hikes and more liberal social security payments.

Italy

In Italy, where 143 Communist deputies and their 75 Nenni Socialist allies comprise one third of the lower house of parliament, the Communist Party (PCI) has been unable to block important government measures,

and its prestige declined during 1955. In the midyear regional elections in Sicily, Communist votes were fewer than in the general elections in 1953. Communist domination of Italian labor also weakened in 1955, with Communist-affiliated unions suffering losses averaging about 12 percent in the shop-steward elections.

In many plants, notably the Fiat works, the Communists lost their majority, and defections from Communist-controlled unions were more frequent.

The decline in Communist fortunes revived dissension within the Communist hierarchy. In January, Vice Secretary Pietro Secchia, a leading advocate of a more militant policy, was demoted. Recently, there have been new reports of a "bitter struggle" within the PCI and the Communist-dominated General Confederation of Labor, whose secretary general has long been considered "lukewarm" toward exploiting the confederation for purely political purposes.

Communist leaders have reacted to these problems with evident confusion. Although the conciliatory policy long advocated by Togliatti continued to predominate in practice, the party also invoked the theme of class struggle, alleging that even in a period of international detente there was still a need to call for revolutions. While asking for a broad alliance, Communist leaders also attacked Christian Democrat "reformists" for trying to beat the Communists on their own ground by pressing for speedy action on the government's Vanoni plan and other socio-economic reform programs.

The Vanoni plan does in fact offer some threat of dividing the Communists from their Nenni Socialist allies, for Nenni's endorsement of the plan in principle suggests that it would be difficult for him to

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oppose in practice measures which in the long run might deprive the Communists of the support they derive from the economic grievances of the population.

West Germany and Austria

The Communists were clearly on the defensive in West Germany and Austria, where the anti-Communist left is strong, the right is united under vigorous leaders, and there is a painful awareness of Soviet imperialism and the rigors of Soviet army occupation.

In West Germany, Communist policies were dominated by the expectation that the courts would soon announce in favor of the government's long-pending suit to outlaw the party. [REDACTED]

In the meantime, overt activities of the party were devoted to propaganda support of the Communist line on German reunification and to a vigorous effort to increase Communist influence in German labor. The success of the Communists in fomenting strikes in Bremen and Hamburg and in electing an absolute majority to the works council of a large Ruhr steel plant in the fall spurred some unions to take direct action against Communist infiltration. In later elections, in the Bremen and Flensburg shipyards, Communist losses were severe.

In Austria, the party seems to be fighting a losing battle in its efforts to retain the advantages it enjoyed under the occupation. [REDACTED]

[REDACTED] the drop in party membership is as much as 50

percent since the state treaty was signed last June.

Circulation of the party press has also declined, and in local and provincial elections the Communist vote has dropped in some cases as much as 25 percent. The party has been undergoing an internal reorganization, and the Communist-front election alliance, the People's Opposition, has been dissolved. Only Communist strength in the former Soviet-controlled enterprises in eastern Austria gives the government any real concern.

Iceland and Finland

By exploiting xenophobia, the ineffectiveness of the non-Communist left, and a precarious economic situation, the Icelandic Communists have been able to attain a unique position in northern Europe. The party is the third largest in the country and, with the help of the left-wing Social Democrats, it gained control of the Icelandic Federation of Labor (IFL) in November 1954.

Last spring, the Communists played a leading role in a six-week general strike, the inflationary results of which have placed a severe strain on the governing coalition of Conservatives and Progressives. Emphasizing national issues and soft-pedaling their ties with Moscow, the Communists are now promoting a leftist coalition under the aegis of the IFL. They agitate particularly against the American troops stationed at the NATO air base of Keflavik.

In Finland, however, the special considerations which enhanced the Communist cause in the immediate postwar period have largely ceased to obtain, and the party appears to have gained no significant strength as a result of the USSR's return of the Porkkala naval base.

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The Communists poll about 20 percent of the popular vote, but this seems to reflect a good deal of protest as well as pro-Communist sentiment. They have been pushing hard for restoration of a common front with the Social Democrats and for representation in the government--proposals which are repeatedly ignored. In the meantime, the Social Democrats are making progress in their efforts to reduce the strong minority which the Communists still have in the trade union movement.

Other Countries

In the other Scandinavian countries, Britain and the Benelux countries, the Communist parties are all politically isolated and reduced to hard-core elements which try to infiltrate the ranks of labor, slavishly propagandize "favorable" turns in Soviet foreign policy and have difficulty in maintaining their party press.

Both in Denmark and Sweden, there have been frequent reports of dissension among Communist leaders. The Swedish Communists have been unsuccessfully pushing united front tactics since 1953, even admitting the needs at a December party convention of a "reasonable" military program in Sweden. Communist influence in the unions is largely confined to the miners and forest workers in the north, construction workers in Stockholm, and the ship and dockyard employees in Goteborg.

In Norway, the Communists have had no success with united front tactics directed at the Labor Party, and in the October local elections the Communists received about the same share of the popular vote as in the 1953 national elections.

The British Communist Party contested only 17 of the 630 parliamentary seats at stake in the 26 May general elections and

won none, polling a total vote little greater than the party's estimated membership. Efforts to infiltrate the trade unions achieved their first noteworthy success in several years with the election last December of a Communist to the executive of the Amalgamated Engineering Union.

Membership of the Belgian Communist Party has continued to decline, and the only Communist-dominated labor union in Belgium, the Syndicat Unique, disintegrated last fall. Party membership in the Netherlands is stable at an estimated 40,000, and the Communist-controlled Unity Trade Union Central had no notable successes during 1955.

The capabilities of the Swiss Communist Party, a negligible political force, remained stationary. On the Iberian Peninsula, Communist organizations are illegal, are under strict surveillance, and have virtually no potential for subversive action among the anti-Communist populations.

Prospects

In recent months, the Soviet Union itself has seemed to give increased recognition to the problems faced by the parties of Western Europe in their efforts to give effective local representation to the foreign policy objectives of the USSR and at the same time gain an effective voice in the formation of national policies.

The direct overtures the Soviet Union has made to seven of the thirteen Socialist parties of Western Europe since last fall seem intended both to encourage Socialist support for the foreign policy views of Moscow on a variety of issues and to overcome the suspicion with which the European Socialists have greeted local Communist appeals for common fronts and election alliances. The doctrinal innovations proclaimed

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at the 20th Party Congress of the Communist Party of the Soviet Union--the attacks on Stalinism and the proclamation of a parliamentary route to Communism--were directed also to these ends.

It is too early to determine the effectiveness of these maneuvers, although in some cases, the direct overtures to the Socialist parties have already been spurned. The attitude taken by the Council of the Socialist

International at its 2-4 March meeting in Zurich suggests that many Western Socialists remain highly conscious of previous experience with united fronts both in their own countries and in Eastern Europe immediately following the war. Moreover, the Communists themselves have historically found it difficult to cope with the tactical problems of participating in a parliamentary system which they are dedicated to destroy.

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MAO TSE-TUNG AND THE COLLECTIVE LEADERSHIP PRINCIPLE

Mao Tse-tung and other Chinese Communist leaders have regularly endorsed the principle of "collective leadership," but Mao for many years has personally led the Chinese Communist Party and has personally controlled its policy in a way not very different from Stalin's domination of the USSR. Mao's personal domination has been particularly evident in the past year. Nevertheless, Mao's program in China--that is, the Chinese "application" of Marxist-Leninist doctrine--has continued to be warmly praised by Soviet leaders. Moreover, Soviet party leader Khrushchev's pragmatic approach to ideology suggests that he and Mao are suited to work well with one another.

Collective Basis

The Chinese Communist Party has always been committed in theory to direction by party organizations rather than by a single leader. In fact, however, the party's early years were marked by a series of struggles between individual leaders, with Mao and Mao's policies emerging triumphant in 1935, at which

time Mao's program was given Soviet blessing. Having risen to power much as Stalin did, Mao since 1935 has dominated his party much as Stalin controlled the Soviet party, although the Chinese leader has apparently relied more on persuasion than on purges.



Khrushchev and Mao Tse-tung at Peiping in October 1954

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Chinese Communist pronouncements endorsed the collective leadership principle, without great enthusiasm, during 1953 and 1954, and in 1954 Peiping carried on a mild campaign for the principle during the "party unity" drive. The reorganization of the government structure in the fall of 1954 indeed established the basis for a collective leadership in the government. Nevertheless, Chinese pronouncements and Chinese practice continued to reflect the fact of Mao's domination.

"Era of Mao"

Since mid-1955 Mao has publicly and emphatically asserted his personal leadership of the Chinese Communist Party, and, through the party, his control of the government. In this period Chinese Communist spokesmen have been eulogizing Mao in extreme terms much like those employed in 1953, when China was said to be entering "the era of Mao Tse-tung." Special consideration for Mao has continued despite the strong reaffirmation of collective leadership and denunciation of "the cult of personality" at the Soviet party congress last month.

In July 1955 Mao personally reversed a moderate line on the collectivization of agriculture, affirmed by the Chinese Communist Party central committee and approved by the National People's Congress only a few days before Mao spoke. Mao, in calling for a rapid speed-up in agriculture, not only did not follow the collective leadership principle in so acting, but seemed unconcerned about making all other party leaders look foolish on this issue. Mao committed his own prestige so heavily as to suggest the possibility, for the first time, that a resounding failure of the line he had laid down might threaten his dominance of the party.

Evidently unperturbed by this risk, Mao in November 1955 exhorted the All-China Federation of Industry and Commerce, meeting at his instance, to carry out a commensurate speed-up in the socialization of industry. The transformation of "capitalist" industry to joint state-private industry had moved only slowly in the 1949-1955 period. Within two months of Mao's address, according to official pronouncements, private industry in major cities had been "transformed."

In December 1955, Mao announced flatly that the question of the tempo of socialization "has been settled," and in January 1956 he predicted that China's "socialist revolution" could be completed "in the main" in about three more years. Premier Chou En-lai, following up, said in January that "right-leaning conservatism" in regard to China's transition would be the "central question" for consideration by the Chinese Communist Party Congress later this year.

"Peaceful" Transition

Mao's theory that the transition in China will be "peaceful" in nature has been claimed by Peiping as another of Mao's "contributions" to Marxist-Leninist doctrine. In view of the current speed of agricultural socialization, which may encounter substantial resistance, there is some question as to whether the theory fits the facts. Nevertheless, a Peiping spokesman has recently asserted that the "peaceful" advance of Chinese capitalists to socialism is "something that has appeared for the first time in the world."

Soviet Views

Since Stalin's death, Soviet ideologists have at least in part accepted Chinese claims of Mao's eminence among living

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Communist greets by describing him as a "strong Marxist theoretician" and his work as an "enrichment" of a major "contribution" to Marxist theory-- terms previously reserved for Lenin and Stalin. The recent Soviet party congress in effect continued this practice, by warmly praising Chinese "application" of Marxist-Leninist doctrine. Soviet leaders, however, in line with their emphasis on collective leadership, for the most part modified their praise of Mao by citing the Chinese Communist Party rather than Mao personally.

Khrushchev in his report to the congress observed that the Chinese Communist Party, like other parties of the bloc, had demonstrated in its domestic program "creative Marxism in action." Similarly, party secretary D. T. Shepilov paid tribute to the Chinese for a "masterly application" of Marxist doctrine.

The Chinese Communists have not set themselves up as original theorists on any question more ambitious than that of the applicability of doctrine to backward "semicolonial" areas, such as China. They are evidently prepared to accept Khrushchev's revisions of Communist dogmas on the inevitability of war and the possibility of a peaceful "transition to socialism" in some countries. The Chinese Communist Party's official newspaper, People's Daily, has already endorsed Khrushchev's ideological points.

Mao and Khrushchev

While Khrushchev's newborn pretensions as a Communist theoretician may in the long run tend to lessen Mao's eminence in the Communist world, Khrushchev's approach to ideology suggests that he is the type of leader with whom Mao should be able to work very well for the time being. A milestone in Khrushchev's rise to power in

the USSR seems to have been his trip to Peiping with Bulganin and Mikoyan in the fall of 1954, and he has consistently supported and endorsed Mao's program in China.

The Soviet leader seems to resemble Mao strongly in his willingness to readjust dogma to fit the changing needs of basic strategy. Moreover, both Khrushchev and Mao exhibit great self-confidence, a boldness of approach, a livelier literary style than is customary among Communists, and a willingness to engage occasionally in undignified personal behavior. While nothing concrete is known of their personal relationship, such evidence as there is of the men and their policies suggests a cordial one.

Mao's Future

Mao is expected to retain his authority in shaping Chinese Communist policy while continuing to reduce his role in routine party and government affairs. He will almost certainly be re-elected as the party's top leader at the 1956 party congress.

Mao's frequent absences from the public eye during 1955 may be explained in part by a need for withdrawal to think and write on major policy matters. It also seems likely, as he is 62 and reported suffering from a variety of ailments, that he is actually incapacitated from time to time. For example, in 1954 he was "on holiday" for three months, missed a major party conference, and reappeared looking thinner.

Should he die in the near future, his power would probably pass to a collegium including Liu Shao-chi, who has seemed to be his most trusted lieutenant for many years, Premier Chou En-lai and Defense Minister Peng Teh-huai, both of whom have gained considerably in power in recent years, and a few other figures less well known in the West.

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JAPANESE INTEREST IN PROMOTING AN INDEPENDENT TAIWAN

Japanese leaders have long maintained that the creation of two Chinas offers the only feasible solution for the present impasse over the international status of Taiwan and Communist China. They are insistent that Taiwan must not fall into Communist hands. They fear this might occur suddenly, because of a collapse of the Nationalist regime through demoralization or the death of Chiang Kai-shek. This apprehension and the conviction that an independent Taiwan would be the most favorable solution for Japanese interests are behind the inclination of Japanese leaders to favor a Taiwan independence movement.

Beginning of Movement

Embittered by the Chinese Nationalist takeover at the end of World War II and the Chiang regime's maladministration, the Taiwanese openly revolted in February 1947. Many Taiwanese, including most intellectual and professional leaders, were killed, and the surviving leaders went abroad or underground to form an independence movement. The presence in nearby Japan of more than 40,000 Overseas Chinese--19,000 of Taiwanese origin--as well as mutual economic and strategic interests, inevitably involved Japan in the Taiwan problem and made it an appropriate headquarters for the Taiwan independence movement.

Although the movement's leaders preferred Nationalist to Communist domination, they continued to work for independence, and by 1950 several organizations sponsoring Taiwan autonomy had been formed in Japan. Of these groups, the Taiwan Democratic Independence Party, led by Thomas Liao (LIAO Wen-i), has emerged as the principal promoter of Taiwan independence in Japan.

Japanese Doubt

It was apparent as soon as it had regained its independence that Japan questioned the durability of the Chinese Nationalist government and the value of establishing relations with it. Some Japanese officials alleged that American pressure compelled Tokyo to conclude a peace treaty with Taipei. The foreign minister at that time, Okazaki, publicly stated that Japan recognized Nationalist sovereignty only over territory controlled by Taipei.

By 1952 the growing strength of the Taiwan independence movement led American officials in Tokyo to expect unofficial Japanese support for the movement, official aid being barred by Tokyo's political commitments to the Nationalists.

Japan Seeks Solution

Japan's desire for relations with Communist China, the growing assertion of independence from the United States, and the awareness of the potential danger to Japan of the explosive situation in the Taiwan Strait are among the factors prompting Tokyo to seek a solution of the Taipei-Peiping impasse. Influential Japanese leaders have repeatedly sought to determine whether the recognition of two Chinas is to become American policy. They fear that both Washington and Tokyo will be caught short by an early collapse of the Chiang Kai-shek regime.

A Foreign Ministry official asserted in mid-February that internal political dissension and a deteriorating international position precluded the continuation of the present Nationalist leadership for more than two years. In early December 1955, Foreign Minister Shigemitsu

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suggested to Ambassador Allison that a plebiscite be held on Taiwan which the foreign minister believed would clearly show that the islanders rejected Communist rule. Shigemitsu stressed that the anticipated Taiwanese vote for autonomy would strengthen the free world's endeavor to prevent Taiwan from becoming Communist.

Latest Moves

Subsequent events emphasize the continued growth of Japanese interest in Taiwan independence. The Foreign Ministry in mid-February apparently leaked a background paper "Analysis of China" in an effort to ascertain Washington policy, to influence that policy toward relaxing strategic trade controls against the mainland, and to persuade the United States to support Taiwan autonomy.

The Japanese government has rejected Chinese Nationalist requests to restrict the activities of the Taiwan Democratic Independence Party (TDIP). On 1 September 1955, the TDIP had inaugurated a Provisional National Congress of Taiwan and on 28 February 1956 had formed a "Democratic Taiwan Government." In each case, the Japanese government maintained there was no legal basis for it to take any action against the party. A Foreign Ministry official, did, however, call in its leader and told him "to take it easy."

These actions and the recurrent approaches to American representation by Japanese officials on the two Chinas problem and the status of Taiwan suggest that the Japanese will continue to work for Taiwan autonomy as the solution to this major Far East problem.

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