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13 December 1956

CURRENT INTELLIGENCE WEEKLY SUMMARY



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

PART I

OF IMMEDIATE INTEREST

**HUNGARIAN REGIME LAUNCHES CAMPAIGN
TO CRUSH RESISTANCE Page 1**

The Soviet-sponsored Kadar regime took strong repressive measures on 9 December designed to eliminate resistance. The regime's imposition of martial law and the outlawing of the regional workers' councils--the leading forces of the opposition--have strengthened worker resolve, however, and resulted in a new and effective general strike and a flare-up of armed violence. [redacted]

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THE POLISH SITUATION Page 2

The Gomulka regime in Poland has continued its efforts to win increased popular support in the face of popular unrest as exemplified in the recent riots in several Polish cities. It has reached agreement with the Catholic Church on outstanding differences, is rehabilitating former Socialist leaders, and has allowed independent youth groups to organize. The regime may feel compelled to exercise some controls over the youth groups, however, to keep them from becoming involved in anti-Soviet activities. [redacted]

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PART II

NOTES AND COMMENTS

SUEZ PROBLEM Page 1

Arrangements for clearance of the Suez Canal are being delayed by Egyptian opposition to British or French participation in clearance operations. The British and French continue to urge that their salvage fleet at Port Said be permitted to carry on its work. Approximately half of the British and French forces have now been withdrawn from Egypt. Final departure may be delayed a few days beyond the scheduled 18 December date. [redacted]

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THE MIDDLE EAST SITUATION Page 3

The USSR has withdrawn its offer to send "volunteers" to fight in Egypt. The leftist group in Syria appears now to be exploiting Iraqi arms-smuggling operations to facilitate a cabinet change and stepping up their efforts in Iraq to unseat Nuri Said. Iraq is withdrawing its troops from Jordan, as requested by Amman, which, however, has not requested Syria and Saudi Arabia to withdraw their troops. [redacted]

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EGYPT'S MOVES AGAINST JEWS Page 5

Reports from Egypt indicate that moves against Jews have not been as extensive as Israeli propaganda has claimed. The Nasr regime does appear to be using the present situation as an opportunity to eliminate foreign influences, especially British, French, and Jewish. [redacted]

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BRITISH PLANS FOR CYPRUS Page 6

Britain intends to publish about 20 December, after pro forma consultations with Greece and Turkey, its draft constitution providing limited autonomy for Cyprus. While the constitution would appear to meet Turkey's minimum requirements, it will probably be unacceptable to Archbishop Makarios and to Athens. [redacted]

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KHRUSHCHEV FORECASTS MINOR MODIFICATIONS IN SOVIET POLICY Page 7

The question of adapting the decisions of the 20th party congress last February to developments since the congress will be discussed at the central committee plenum scheduled for this month, according to Khrushchev. Measures to improve the lot of the Soviet consumer reportedly will be included. [redacted]

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SOVIET MISSILE-LAUNCHING SUBMARINE Page 7

Recent reports suggest that some Soviet "W-class" long-range submarines have been equipped to launch guided missiles. Such a role for Soviet long-range submarines was forecast by party leader Khrushchev last spring when he said that a submarine equipped with guided missiles is the "most suitable naval weapon," and that its development would be emphasized by the Soviet navy. [redacted]

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USSR EASES INTERFERENCE WITH ALLIED ACCESS TO BERLIN . . . Page 8

Allied trains and truck convoys are running between West Germany and Berlin without further Soviet attempts to board or inspect them, although the USSR still insists on documentation checks objected to by the Allies. The tension was eased when Soviet authorities agreed not to insist on searching military truck convoys, after an American convoy had turned back on 5 December to avoid such a search.

[Redacted]

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BULGARIA Page 9

The Bulgarian regime is pursuing a two-pronged policy of severe police repression and economic concessions to deal with the popular unrest and factionalism within the party and groups closely associated with it. There have been reports that workers have demonstrated in the provinces, students have advocated less political indoctrination, and youthful "hooligan" elements have engaged in demonstrations against the regime.

[Redacted]

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AMOY RAILROAD COMPLETED Page 9

Tracklaying on the Yingtian-Amoy railroad in Fukien Province was completed to Amoy station on 9 December, about one year ahead of the original schedule. The line will greatly increase the Chinese Communists' ability to deliver military supplies to the Taiwan Straits area. Completion of the railroad also enhances the potential value of Amoy as a commercial port, but merchant vessels using the harbor would be exposed to Chinese Nationalist artillery on Quemoy and Little Quemoy Islands.

[Redacted]

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CHOU EN-LAI'S ASIAN TOUR Page 10

Chou's remarks at the conclusion of his official visit to India emphasized his desire for improved relations with the United States and were slanted to support possible efforts by Nehru to mediate Sino-American differences during his talks in Washington. Chou is now in Rangoon, where he may be meeting with Burmese resistance to settlement of the border dispute along the lines of the tentative agreement worked out in Peiping last October.

[Redacted]

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CAMBODIA Page 11

The Communist bloc's economic penetration of Cambodia is increasing. A Soviet economic mission recently arrived in Phnom Penh and additional members have joined the permanent Chinese Communist economic mission already there. The projected Soviet aid program will be "unconditional," as in the case of Peiping's assistance to Cambodia. in order to derive maximum good will. [redacted]

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LAOS Page 12

The Laotian National Assembly is soon to vote on whether to include in the government two Pathet Lao officials--one of whom would be Pathet chief Souphanouvong. In return for the cabinet seats, the Pathet Lao movement would be formally "dissolved." Souphanouvong would make a public declaration that he is not a Communist and would provide written guarantees on the restoration of royal government authority in the two northern provinces and integration of Pathet forces in the royal army. The American embassy believes that sentiment for a settlement is strong and there are probably few deputies willing to vote openly against the proposal. even at the risk of losing American assistance. [redacted]

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HAITI Page 13

The resignation of Haitian ruler Paul Magloire on 12 December in favor of Joseph Nemours Pierre-Louis, president of the Court of Appeals, may ease the tense situation in the country. The selection of Pierre-Louis, who was Magloire's legal successor before the "palace revolution of 6 December," may lead to a return to constitutional order. Political conditions, however, are likely to remain unsettled for some time. [redacted]

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PART III

PATTERNS AND PERSPECTIVES

NEHRU'S CURRENT INTERESTS Page 1

Prime Minister Nehru, when he comes to the United States on 16 December, will probably be concerned principally with discussions on the Middle East, the position of Communist China, the danger of a renewed cold war, Hungary, Pakistan, nuclear weapons tests and disarmament, as well as India's relations with the United States. At the same time, Nehru faces a crucial national election within four months and must obtain about two billion dollars in foreign aid in the next few years for the ambitious Second Five-Year Plan to which he has pledged his prestige. [redacted]

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SOVIET POLICY ON "DIFFERENT ROADS TO SOCIALISM" IN THE SATELLITES Page 3

Contrary to [redacted] speculation about a split within the Soviet ruling group over Satellite policy, none of the Soviet leaders has favored letting the Eastern European Satellites freely seek their own "different roads to socialism" in the Yugoslav manner. In crucial policy debates in 1955, Khrushchev and Molotov disagreed sharply over the wisdom of Soviet reconciliation with Yugoslavia and the consequences in the Satellites of thus implicitly commending Titoism. There were also disputes over the degree of "liberalization" of Soviet rule best calculated to satisfy national sentiment in Eastern Europe and ensure Satellite loyalty to Communism and the Soviet Union. Nevertheless, all the Soviet leaders agreed and, from their public utterances, still appear to agree, that preservation of the unity of the Communist world is a prerequisite to the development of each Socialist country's specific national peculiarities. Since the Poznan riots of June 1956, Soviet leaders appear to have been firmly united on the need to tighten control over the Satellites and check a drift toward demanding real independence of the USSR. [redacted]

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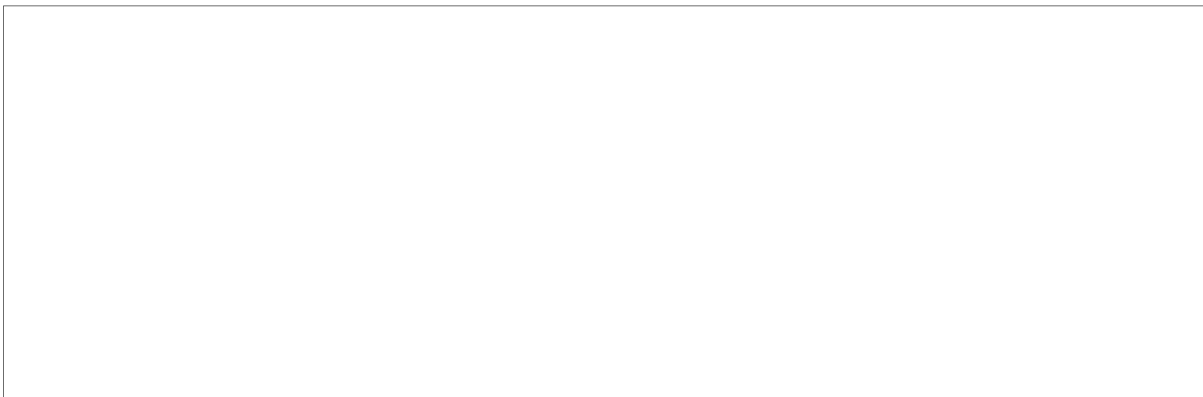
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**DISARMAMENT AND ATOMIC ENERGY QUESTIONS
IN THE 11TH UN GENERAL ASSEMBLY Page 8**

Disarmament discussions at the 11th General Assembly are likely to focus largely on the problem of nuclear testing. India and the USSR will probably call for a complete ban, and the growing apprehension among UN members over the effects of increased radiation indicates that a majority would support some UN limitation on testing. General disarmament discussions will probably be referred to the subcommittee composed of the Big Four and Canada. The new International Atomic Energy Agency is expected to be given a status similar to that of the UN specialized agencies. [redacted]

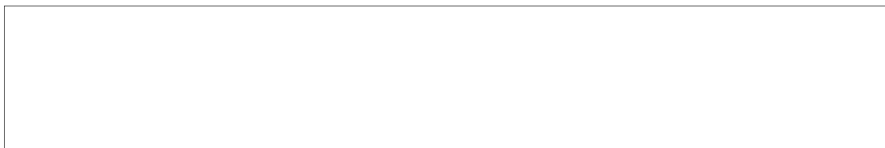
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CHINESE COMMUNIST "PEOPLE'S DIPLOMACY" Page 10

Liu Shao-chi's statement before the recent eighth congress of the Chinese Communist Party that "our friends are increasing daily...our doors are open to all" reflects Peiping's confidence in the success of what the Chinese call "people's diplomacy." Its purpose is to sell Communist China abroad as a cultured, industrious, and peaceful member of the community of nations; it relies heavily on guided tours for visitors to Communist China and exchanges of "cultural" groups, which have been made with success in various non-Communist countries. [redacted]

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PART I**OF IMMEDIATE INTEREST****HUNGARIAN REGIME LAUNCHES CAMPAIGN TO CRUSH RESISTANCE**

The Soviet-sponsored Kadar regime took strong repressive measures on 9 December designed to eliminate resistance. The regime's imposition of martial law and the outlawing of the regional workers' councils--the leading forces of the opposition--have strengthened worker resolve, however, and resulted in a new and effective general strike and a flare-up of armed violence.

Regime Policy and Position

Faced with determined and continued worker opposition, the Kadar regime has proved itself totally incapable of restoring order or regaining any popular support. Kadar--a national Communist by orientation and a victim of Rakosi oppression--has in fact had to compromise almost all his basic national-Communist tenets in his effort to overcome political and economic anarchy. One of the major reasons for his failure has been the lack of an effective party organization; reports indicate that Communist workers and intellectuals and national Communists are shunning the Hungarian Socialist Workers Party, and only Stalinists and opportunists are joining.

Despite his lack of a party apparatus and his inability to organize a large and reliable security force, Kadar has turned to repression in an effort to check the workers. On 9 December, he announced the abolition of the territorial workers' councils which had become the focal

points for worker demands and action. The lower-level factory workers' councils remain, charged only with maintaining production levels and devoid of any political responsibility.

The regime has also moved against all vestiges of active or potentially active resistance. Declaring martial law on 9 December, the regime announced that all persons possessing arms after 11 December would be subject to severe penalties, including death.

Worker Attitude

In the face of Kadar's threats, the workers have staged repeated demonstrations since 3 December. These shows of strength culminated in a 48-hour general strike on 11 and 12 December, which was resumed shortly after its "official" end in protest over the arrest of labor leaders. The strike may continue if Kadar does not recognize worker demands. Although members of the workers' councils have been arrested, a basic unity appears to exist among the workers which is giving them renewed energy.

The strike which started on 11 December came after the most extensive regime efforts yet seen to prevent such a public demonstration of worker strength, and served as a symbol of the relative strengths of the Kadar and worker positions.

The workers have made full use of classic Communist tactics of resistance and subversion--

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strikes, guerrilla warfare, cellular organizations and infiltration.

Soviet Policy

By trying to use the Kadar regime and its small police forces to implement a policy of total repression, the Soviet Union has demonstrated that it still hopes not to commit its troops to more than minimal police activity to restore order. It also apparently hopes to avoid a complete Soviet military dictatorship. But-- as has been the pattern for six weeks--regime repression has strengthened popular resistance and has, accordingly, increased the likelihood of greater Soviet military involvement in support of the weak security units of the regime.

The USSR undoubtedly recognizes the urgency of finding a quick solution of its problems in Hungary. In view of determined worker resistance, there appear to be only two basic courses of action open, neither of which is particularly

palatable for the USSR. The first alternative--basic concessions--might include the restoration of Nagy--or some former minority party leader-- to the premiership and a reversal of the ban on the, politically active workers' councils. Such an alternative would involve another threat to Soviet control but might eventually achieve a return to civil and economic order.

The second alternative--complete suppression--toward which Kadar and the Soviets appear to be moving, albeit somewhat reluctantly, would in effect necessitate the establishment of a Soviet military dictatorship, presumably through a reorganized puppet regime. A more adroit, tougher-minded Communist, perhaps Ferenc Muennich, might be expected to assume control of the party from Kadar, whose failures and policies have certainly discredited him in the eyes of the people, the party and possibly Moscow as well.

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THE POLISH SITUATION

The Gomulka regime in Poland has continued its efforts to win increased popular support in the face of the popular unrest exemplified in the recent riots in several Polish cities and towns. It has reached agreement with the Catholic Church on outstanding differences, is rehabilitating former Socialist leaders, and has allowed independent youth groups to organize. The regime may feel compelled to exercise some controls over the youth groups, however, to keep them from becoming involved in anti-Soviet activities.

In early December, riots occurred in at least three Polish towns, the most serious apparently being those which took place in Stettin (Szczecin). The Stettin riots, which culminated in an attack on the Soviet consulate, were sparked by youths and illustrate the difficulties facing the regime in keeping the deep-seated popular hatred of the USSR from taking overt form. The regime's use of the army to quell the riots indicates its determination to avoid giving the USSR a pretext to intervene. The stern attitude it has taken

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toward the youths involved in these riots and the 18 November Bydgoszcz riots may foreshadow a reassertion of its authority over the youth groups lest they spark large-scale demonstrations against the USSR.

Youth Groups

Three new youth organizations were organized in recent weeks to replace the discredited Communist-controlled Polish Youth Union, which admitted on 14 November that it had been "incapable of action" and had "played no part in the battle for democratization." Shortly after this declaration was published, a Union of Democratic Youth and a Peasant Youth Organization were set up, apparently loosely affiliated with the Democratic and United Peasant Parties respectively, and a Marxist-oriented Revolutionary Youth Union was organized on 7 December. Although the latter group proclaims it will work to implement the present policies of the party, the party may have difficulty in controlling it, since it has already declared its opposition to party control of the organization, and reserves for itself the right to interpret the party line.

Church-State Agreement

The joint church-state commission which was set up shortly after the release of Cardinal Wyszynski announced on 7 December that agreement had been reached on principles governing future relations. The most far-reaching aspect of the agreement was the provision that religious education could be given in state

schools for children whose parents request it, and that the state would pay the cost of such a program. In addition, the state agreed to relinquish its veto over church appointments, to allow priests to function as chaplains in hospitals and prisons, and to permit the church to establish several independent publications. In return, the church has publicly supported the new regime and reportedly agreed that no Catholic political party will be organized.

Rehabilitation

Since Gomulka's return to power, a special politburo commission has been set up to rehabilitate former Socialist leaders and take them into the Polish United Workers (Communist) Party (PZPR) in order to give the party wider appeal. Even before he was purged in 1948, Gomulka favored including most of the Socialists in the PZPR, which had been formed by merging the Socialist and Communist Parties. His successors, however, insisted on an extensive purge of the Socialist Party before admitting the remaining pro-Communist elements. The new commission has already announced that over a dozen former Socialist officials have been made members of the PZPR, and more are apparently to follow.

While most of these former officials appear to have been middle-echelon figures, they include former premier Edward Osobka-Morawski, who was purged in 1948 and imprisoned in 1951 in spite of his earlier cooperation with the Communists. Even more striking was the recent statement of a Warsaw newspaper that Czeslaw Bobrowski

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would soon be named deputy chief of the newly organized planning council. Bobrowski, head of the planning commission in the early

postwar years, is a right-wing Socialist who defected in 1950 and was living in Paris at the time of this announcement. 25X1

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PART II

NOTES AND COMMENTS

SUEZ PROBLEM

UN secretary general Hammarskjold is seriously concerned that Britain and France will jeopardize the entire canal clearance operation by insisting that their personnel as well as their salvage fleet at Port Said be used. Egyptian agreement to UN clearance operations is based on the condition that no British or French technicians be used other than a few to train other nationals to use the equipment. London, on the other hand, has indicated it would have to start withdrawing its equipment unless assured that its personnel, protected by diplomatic immunity, could operate it.

Hammarskjold plans to use six of the 40 British salvage vessels now in the area. They would supplement the 28-vessel UN salvage fleet, and would be operated by Dutch and Danish personnel, after a short training period by the British. Britain has taken the position, however, that the UN must use all or none of its vessels, for the addition of only six British vessels capable of medium or heavy lift would not be enough for quick clearance of the canal. American chief of UN salvage operations Lt. General Wheeler estimates, however, that salvage operations would be delayed only a matter of days if the British fleet is not used.

Withdrawals of British and French forces from Egypt have

continued, with about half of the 20,000 troops apparently now gone and the rest scheduled to leave by 18 December. There are some signs that this final date may be put off for a few days. Incidents such as the kidnaping of a British officer on 11 December could provide a pretext for longer delays.

Britain, after recalling all major naval vessels from the eastern Mediterranean, reportedly has sent back a task force to cover the Anglo-French withdrawal from Port Said. This group, consisting of two carriers, one cruiser, three destroyers, and two escort vessels, would presumably also be concerned with the security of the numerous salvage craft and their crews which are in the area. Of major French vessels, only a carrier remains.

Egyptian Tactics

Egypt's tactic has been to appear accommodating on details in private, but in public to make withdrawal as humiliating as possible for the Allies. The smuggling of arms into Port Said and the increasingly bold demonstrations there are probably instigated by the Nasr regime not only to harass the British and French forces but to found a legend that Egyptian popular resistance rather than American and Soviet pressure got the invaders out of the country.

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Israel

Israel has been reluctant to leave Sinai without some kind of guarantee that the peninsula would not again become a "base for aggression." Failing diplomatic assurances from the great powers, the Israelis apparently are writing their own warranty by tearing up roads and railway tracks and demolishing Egyptian installations as they withdraw. How long this kind of guarantee will be effective is problematical, but the American embassy in Tel Aviv reports that at least for the moment Israel's apprehensions over its military situation are probably at the lowest point since before the Egyptian-Soviet bloc arms deal.

In line with this relaxation, the active strength of the Israeli army is now estimated at 80,000, including paramilitary units. This is about the level at which Israel maintained its forces before the build-up for hostilities against Egypt.

The short-term effects of the Sinai campaign on the Israeli economy do not now appear to be serious. Decreases in industrial production are probably only temporary, and the distribution system, dislocated by the mobilization of transport, should return to normal as vehicles are released by the army. The government apparently is making arrangements to counter the USSR's refusal to ship petroleum products by increasing imports from Western sources to meet minimum needs. Israel's long-term development program has been set back, however, by the diversion of resources to the military effort, and any

possible solution to its balance-of-payments deficit has been pushed further into the future.

British and French Economies

The unofficial sterling exchange rate rose sharply following the International Monetary Fund's authorization on 10 December for Britain to draw an unprecedented 1.3 billion dollars. The pound sterling has thus been strengthened, at least temporarily, but British officials expect Britain's trading position to be weakened during coming months. They see this resulting from rising import prices for oil and other raw materials, and the expected decline in industrial output. London now estimates that additional dollar oil will cost \$445,000,000 by the end of August 1957.

In France, gold and dollar reserves are down to a low working level of 1.3 billion dollars; the American embassy expects them to decline below one billion dollars by mid-1957. Because France derives 13 percent of its industrial energy from petroleum in contrast to only 4 percent in Britain, industrial production will be harder hit. This poses a grave threat to France's effort to continue the expansion of output as one facet of the fight against inflation.

Political Situation

In both Britain and France, the political tensions of the past weeks are easing. The Conservative government in

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Britain successfully weathered its parliamentary debate and vote of confidence on Egyptian policy with only 15 defections from the party's normal vote--considerably less than had been feared. Prime Minister Eden

will return on 14 December from his three-week rest in Jamaica.

In France, the foreign policy debate scheduled for 18 December in the National Assembly is not expected to pose a threat to the Mollet government.

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THE MIDDLE EAST SITUATION

In an apparent attempt to ease Western concern over Soviet activities in the Middle East and to avert further outbreaks of military action in that area, the USSR last week withdrew its 10 November threat to send "volunteers" to fight in Egypt. Moscow is apparently confident that it can win credit for easing tension and averting further fighting in the Near East through diplomatic and propaganda maneuvers.

A TASS statement of 8 December declared the USSR's "great satisfaction that in the Arab East, the fire of war has been extinguished" and stated that the withdrawal of British, French and Israeli forces from Egypt "eliminates the question of the departure of Soviet volunteers for Egypt." The TASS statement may have been an attempt to assure the Syrians that tensions had slackened, despite a continuation of Moscow's propaganda campaign against alleged Western plans of "military aggression against Syria."

Syria

The leftist group in Syria which has been pressing for changes in the Asali cabinet appears now to have decided that the first order of business is to investigate and bring to trial the Syrians involved in Iraqi arms-smuggling operations. Previous abortive Iraqi plots have furnished an opportunity to eliminate opposition elements, and the leftist group

apparently intends to exploit this latest conspiracy. These tactics have the advantage of lessening the chances of rightist countermoves while preparing the way for cabinet changes favoring the left. The continuation of Syria's radio and press campaign against Iraq's Prime Minister Nuri Said keeps tension high between the two countries.

There have been reports from Damascus that rightist ministers backed by Quwatli are resisting leftist pressures to change or enlarge the cabinet. The rightist ministers reportedly have agreed among themselves to stay in the cabinet as long as possible in order to avoid yielding the field to the leftists. The pressures for the elimination of the rightists will continue, however, and almost certainly increase as the Iraqi arms plot is unraveled, and as the threat of foreign intervention recedes with the withdrawal of British and French troops from Egypt.

The Egyptian embassy in Damascus has reportedly submitted a list of Egyptian-approved ministerial candidates to President Quwatli and advised him to make his selections accordingly, but an Egyptian embassy official has stated that no immediate cabinet change was contemplated. Ambassador Moose reports that the Syrian politicians listed by the embassy are ineffectual or strongly anti-Western.

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The leftist group is also apparently making use of the Syrian popular resistance movement to intimidate the rightists. Armed "young patriots" of the resistance movement are now seen on all Damascus streets. Last week 3,200 of them, all armed with Czech small machine guns, paraded for President Quwatli. Some 80,000 to 100,000 Syrian youths who enlisted in the movement have completed training, 20,000 of them in Damascus alone.

The movement was organized ostensibly for resistance against external aggression, but the training--street fighting tactics, the use of small arms and explosives--has been under the direction of junior army officers sympathetic to the nationalist, pro-Egyptian policies of the Arab Socialist Resurrection Party and Colonel Sarraj, head of Syrian army intelligence.

Jordan

Jordan meanwhile appears preparing to draw still closer to Syria and Egypt. A shake-up of Jordanian government personnel, involving the removal of some allegedly pro-British sub-cabinet officials, was begun on 12 December.

At the same time, cooling relations with Iraq, as a consequence of its identification with British interests, culminated in the withdrawal of the 3,500-man Iraqi brigade group from Jordan on 10 December. An additional factor in the removal was the unwilling-

ness of Iraq to place its forces in Jordan under the Arab Joint Command.

Over 5,000 Syrian troops and 500 to 800 Saudi Arabian troops apparently will remain in Jordan. Syrian forces are concentrated in the north near the Syrian border, guarding key Jordan River bridges, and in the Nablus area of West Jordan. [REDACTED] 25X1 25X1

Iraq

The intensity of anti-government feeling in Iraq has diminished over the past week, and will probably relax as the British and French withdraw from Egypt. American observers believe that, barring the possibility of disaffection in the army or lack of continued support by the palace, Prime Minister Nuri Said will remain in control. However, the continuation of popular agitation against the government indicates that the period of strain is far from over. Bitterness against Britain and Nuri has been stored up and may have a delayed reaction after the present period of acute tension has passed.

Damascus and Cairo, abetted by Moscow, are continuing their anti-Nuri propaganda offensive, and the Iraqi government still has to face the problem of reopening the schools and colleges and eventually releasing the jailed politicians. [REDACTED]

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EGYPT'S MOVES AGAINST JEWS

Reports from Egypt indicate that moves against Jews have not been as extensive as Israeli propaganda has claimed. The regime does appear to be using the present situation as an opportunity to eliminate foreign influences, especially British, French and Jewish.

Cairo insists there is no anti-Jewish campaign as such and Egyptian spokesmen have pointed to Egypt's liberal treatment of its Jewish population during the past seven years. Official expulsion orders have been directed at British and French nationals--as "enemy aliens"--and at specific stateless Jews who have been found dangerous to Egypt's security. Egyptian officials contend that the latter category numbers only some 280 persons, and that probably no more than 450 expulsion cases would involve Jews. The American embassy calculates, however, that if dependents are included, between 450 and 500 expulsion cases could mean an exodus of about 2,000 persons.

The Jewish rabbinate in Egypt reportedly has received applications for resettlement outside the country from 1,500 Jews of all nationalities. These applications have arisen from various motives, including official expulsion orders, government pressure to leave and the applicants' own desires. Voluntary applications at this time are probably relatively few, since applicants are allowed a very short period to dispose of their property and cannot take out of the country any significant sums of money--\$575 maximum, less cost of tickets, jewelry, and other goods carried with them.

The Nasr regime has also moved to sequester Jewish property. As of 3 December, sequestration orders had been carried out against 539 individual Jews and 105 Jewish firms. Unemployment among the 45,000 to 50,000 Jews in Egypt is believed to be growing. In addition to economic and social pressures to drop Jews from payrolls, government officials appointed to manage sequestered businesses or firms taken over under the industrial mobilization orders have in many cases either dismissed Jewish employees or put them on leave without pay, although regime spokesmen have indicated such action does not have official approval.

These moves, and the publicity given them outside Egypt, have led to protests in the UN and to approaches directly to Egypt. Such representations seem to have lessened the harshness of implementation of the expulsion orders, and elicited statements from Nasr's cabinet denying any anti-Semitic ideology.

However, the other Arabs presumably interpret the Egyptian moves as specifically anti-Jewish.

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BRITISH PLANS FOR CYPRUS

Britain intends to publish about 20 December, after pro forma consultations with Greece and Turkey, its draft constitution providing limited autonomy for Cyprus. While the constitution would appear to meet Turkey's minimum requirements, it will probably be unacceptable to Archbishop Makarios and to Athens.

Colonial Office deputy under secretary Martin told the American embassy on 10 December that the proposed constitution, which would confer extensive self-government, offers what may be the last chance for a considerable time to proceed toward a solution. Martin indicated that the Radcliffe report, as well as a plan for increased financial assistance to Cyprus, will probably be approved and published by the government about 20 December. Implementation would not take place, however, until order had been restored on the island.

The embassy believes Britain wishes to avoid modifying its plan, and will therefore probably consult Greece and Turkey only at the last minute. Britain apparently does not intend to consult Makarios at all, despite the belief of some British officials that this is necessary to obtain Cypriot support. The Greek prime minister has indicated that the Cypriots would be much more likely to accept a less desirable settlement backed by Makarios than a better settlement backed by Athens. The new constitution,

though apparently meeting Turkey's minimum requirements, will probably be unacceptable to Greece, and Makarios will probably continue to balk at any scheme retaining ultimate British control over the island.

[redacted] London might in addition to the constitutional proposals issue a statement promising a self-determination plebiscite after 10 or 15 years of internal self-government. The proposed Cypriot government would have no authority to alter the international status of the island.

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The constitution is probably being published at this time in order to conciliate both British and international public opinion. The Cyprus question will be taken up by the UN General Assembly in about two months, and a number of powers, including the Soviet bloc and Asian-African countries, will probably support Greece.

Britain, still determined to retain effective use of Cyprus as a military base, has indicated that the alternatives of either partition or demilitarization, as suggested by some, would be unacceptable. London has stated repeatedly that the Suez crisis proves the importance of maintaining military bases on Cyprus. It now plans to hold armed forces there above the pre-Suez level of about 21,000, all available for internal security duty.

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KHRUSHCHEV FORECASTS MINOR MODIFICATIONS IN SOVIET POLICY

The question of adapting the decisions of the 20th party congress last February to developments since the congress will be discussed at the central committee plenum scheduled for this month, according to Khrushchev. Measures to improve the lot of the Soviet consumer reportedly will be included.

Acknowledging that preparations for the plenum were somewhat difficult, [redacted]

[redacted] the decisions of the 20th party congress would be respected in their essentials, but that there was a question of "adapting them to developments which have taken place since the congress." The plenum, he said, would be held in the second half of December and would be followed in January by a session of the Supreme Soviet which would be called to approve measures decided at the plenum.

Reports from Moscow on 11 December stated that new plans for the USSR's economy would be announced at the

central committee meeting. According to these reports, the current Soviet five-year plan is to be modified to provide for increased production of consumer goods and more housing. One report said that light industry was slated to get twice as much in the way of investment in 1957 as originally planned and that additional funds would be allocated for housing up to 40 percent of the total for all construction in the coming year. Budgetary adjustments would also have to be made to reflect the economic concessions recently made to Poland and Rumania and probably to be extended to the other Satellites.

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[redacted] Soviet Presidium secretary Aleksandr Gorkin said on 6 December he did not "anticipate" any important personnel changes. In reply to a further question as to whether this applied to the party as well as the government, Gorkin answered in the affirmative, saying "he did not know" of any important changes pending in this field either.

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SOVIET MISSILE-LAUNCHING SUBMARINE

[redacted] in Kronstadt a Soviet submarine equipped with a cylindrical tank approximately 22 feet long and 8 feet in diameter, and possibly an inclined ramp, both located aft of the conning tower. This arrangement is similar to one used by missile-launching submarines of the US navy. The submarine probably was a "W-class" long-range boat. The USSR is believed to have had

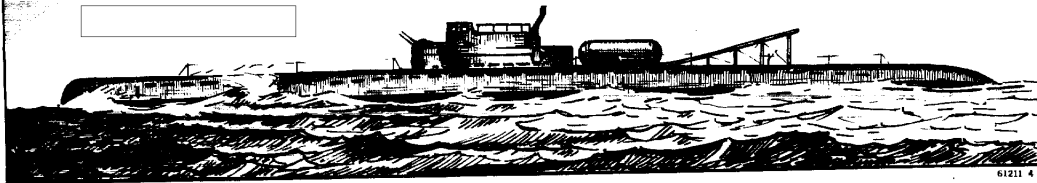
an operational capability since 1955 of launching subsonic, cruise-type guided missiles of 500-nautical-mile range from submarines.

On 18 November, American naval aircraft sighted an unidentified submarine in the Sea of Japan which had a separate structure aft of the conning tower described as a tank similar to the one reported on the submarine in Kronstadt. A similar submarine was also

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SOVIET 'W-CLASS' SUBMARINE WITH TANK AND LAUNCHING RAMP

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reportedly sighted in the Northern Fleet area in July.

The USSR has constructed over 200 long-range submarines of the "W-class" since 1950. Modification of a number of "W-class" units to carry missiles externally would only be an interim measure until the USSR develops a submarine which can carry larger missiles in greater numbers within the pressure hull.

The use of Soviet long-range submarines to carry guided missiles was forecast by party leader Khrushchev last spring when he said that a submarine equipped with guided missiles is the "most suitable naval weapon," and that its development would be emphasized by the Soviet navy. Khrushchev added that possession of this weapon would give the USSR the capability of making "defensive" attacks on the United States.

(Concurred in by OSI)

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USSR EASES INTERFERENCE WITH ALLIED ACCESS TO BERLIN

Allied trains and truck convoys are running between West Germany and Berlin without further Soviet attempts to board or inspect them, although the USSR still insists on documentation checks objected to by the Allies. The tension was eased when Soviet authorities agreed not to insist on searching military truck convoys after an American convoy had turned back on 5 December to avoid such a search.

Colonel Kotsiuba, the Soviet commander in Berlin, agreed on 6 December there would be no inspection of trucks, although he insisted that such inspection implied no interference with the convoys. While some points of disagreement remain over what documentation is needed, several military convoys have since made the trip without difficulty.

The USSR continues to insist, over Allied objections, on checking identity documents of passengers on Allied military trains as well as Russian translations of their travel orders. Despite hints that they might board trains in the future, Soviet authorities have not insisted on this prerogative.

The USSR probably believes it has already achieved its purpose of warning the Allies against stirring up trouble in East Germany by emphasizing its retaliatory capabilities, but may continue the stricter traffic controls in order to cause continued uneasiness in the West. It evidently does not intend at present to effect a partial Berlin blockade by instituting those inspection measures which the Allies have flatly refused to accept.

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BULGARIA

The Bulgarian regime is pursuing a two-pronged policy of severe police repression and economic concessions to deal with the popular unrest and factionalism within the party and groups closely associated with it. There have been reports that workers have demonstrated in the provinces, students have advocated less political indoctrination, and youthful "hooligan" elements have engaged in demonstrations against the regime.

Approximately one third of the central committee members of the Bulgarian party are reportedly opposed to the present leadership. There is no evidence, however, that dissident elements are united. Furthermore, unlike the situation in Poland and Hungary last summer, the dissidents are not in control of any organization which can give expression to their various views.

The regime has arrested an estimated 1,200 suspected unreliaables and reopened at least one concentration camp.

[redacted] most of 25X1
the rehabilitated Kostovites, purged for Titoism following Yugoslavia's break with the Cominform, have been rearrested. Two army generals have reportedly been demoted and 200 officers ousted for pro-Titoist views. [redacted] 25X1
[redacted] depor- 25X1
tations to the provinces of "unreliable" elements, including peasants who refused to join collective farms.

By way of economic concessions, the government has announced increases in family allowances and pensions, and within the last week has abolished compulsory delivery of some agricultural products and promised wage increases averaging 15 percent beginning in January.

The border with Yugoslavia reportedly is now floodlighted at night and has been restrung with barbed wire, only recently removed. Persistent rumors of the introduction of Soviet forces into Bulgaria have been conclusively disproved. [redacted]

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AMOY RAILROAD COMPLETED

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Tracklaying on the Yingtian-Amoy railroad was completed to Amoy station on 9 December. The 450-mile line was completed roughly 600 days after construction began, about one year ahead of the original schedule. A spur to the POL dump at Sunghsu, where a marshaling yard will be located, is presumably nearing completion.

Roadbed work on the major branch line to Mawei, near Foochow, is also under way.

[redacted] If the army railroad engineering divisions now in 25X1
Fukien are transferred to work on this branch, it can probably be completed during the first half of 1957.

The Yingtian-Amoy railroad will greatly enhance the logistic capabilities of the Chinese Communists in the coastal area. It is estimated that the line, after a brief shakedown period of perhaps three to six months, will be able to handle 4,000-5,000 tons of cargo each way

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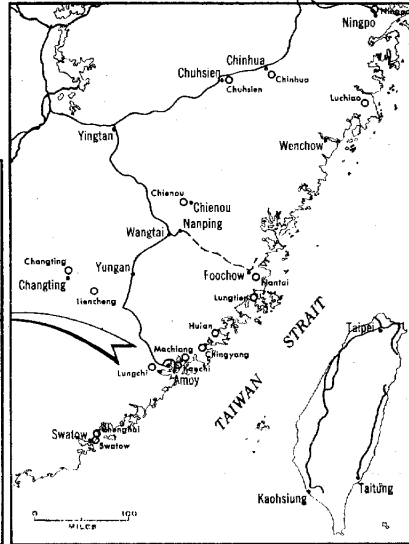
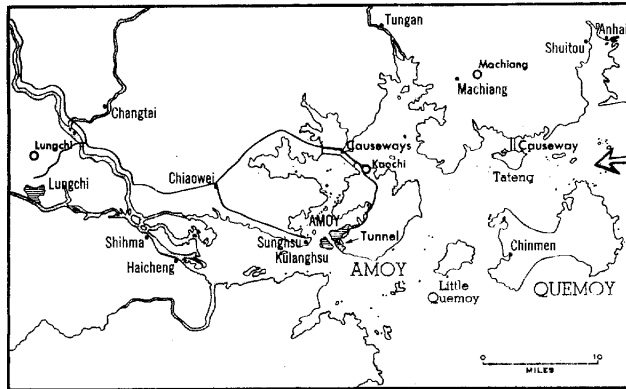
YINGTAN — AMOY RAILROAD

——— Railroad, operable - - - - - Railroad under construction

○ Airfield

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per day. Only about 2,000-3,500 tons per day can now be moved into the coastal areas via existing highways. The added tonnage would be sufficient to support, at least initially, offensive operations by seven divisions of jet fighters and a ground force of 11 armies and supporting troops.

The new line also enhances the potential value of Amoy as a commercial port, although merchant vessels using the harbor would be exposed to Chinese Nationalist artillery on Quemooy and Little Quemooy Islands. A

marshaling yard is located at Amoy station, from which a spur extends toward, but does not yet reach, the dock area itself.

The port of Amoy has been largely inactive since the Chinese Communists came to power. It formerly could handle some 2,000-3,000 tons of cargo per 20-hour day. No heavy cargo-working facilities have been available. Aside from the construction of additional warehousing prior to 1955, little work appears to have been done to ready the port for merchant vessels. (Prepared by ORR)

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CHOU EN-LAI'S ASIAN TOUR

Chou En-lai ended his official tour of India on 9 December in Calcutta, where he talked to newsmen for nearly two hours. His remarks emphasized Peiping's desire for improved relations with the United States and were clearly slanted to support possible efforts by Nehru to mediate Sino-American differences during the Indian leader's Washington visit.

Chou avoided giving a direct answer when a reporter asked if Nehru has been requested to carry a message to the American government. He implied, however, that if Nehru advanced proposals for improving Sino-American relations, they would be endorsed by Peiping. "We know Nehru has more understanding of the world situation than we do," Chou said,

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"therefore, any suggestion we could make could not be more than what he has in mind."

The stand taken by New Delhi on major issues between Communist China and the United States--the question of Taiwan, recognition of the Peiping regime and its seating in the UN--has been so close to Peiping's position that the Chinese could confidently hint at acceptance of an Indian solution to these questions.

When queried by reporters about Americans held prisoner in Communist China, Chou said they might be freed prior to expiration of their sentences if their behavior was "good." This is nothing more than a reiteration of previous Communist statements, however, and in the absence of American concessions or strong pressure from Nehru, the men are unlikely to be granted an early release.

Chou asserted that his government had been doing its best to improve relations with the United States, and reviewed earlier proposals by Peiping for a Sino-American meeting at the foreign minister level, removal of the trade "embargo," and cultural interchange as means of reducing tensions. He noted with regret that

Washington had not responded favorably to these overtures and indicated that the next move was up to the United States.

On his arrival in Rangoon on 10 December, Chou expressed hope that his visit there would help solve the border dispute between Burma and Communist China. He said he was confident the controversy could be settled on the basis of "peaceful coexistence." The Burmese reception, however, has been rather restrained and there are signs Chou may run into trouble in his effort to get agreement on the terms of a final border settlement.

[redacted] the Burmese have developed reservations about the tentative settlement worked out in Peiping last October between Chou and former premier Nu involving the transfer of three Kachin State villages to China in exchange for the withdrawal of Communist troops from the Wa States. These reservations stem from the strong opposition of local Kachin leaders to ceding any territory to Peiping, and possibly from second thoughts among Rangoon leaders about giving up control over an all-weather pass between China and Kachin State. [redacted]

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CAMBODIA

The Communist bloc's economic penetration of Cambodia is increasing. A 16-man Soviet economic mission recently arrived in Phnom Penh, and additional members have joined the permanent Chinese Communist economic mission already there. The projected Soviet aid program will be "unconditional," as in the case of Peiping's assistance to Cambodia, in order to derive maximum impact and good will.

On arriving in Phnom Penh on 4 December, the leader of

the Soviet mission stated that the mission's goal was to draw up "practical measures" to reinforce economic and cultural bonds between the USSR and Cambodia. It was announced that the USSR, respecting Cambodian sovereignty, would furnish aid without conditions.

The size and composition of the Soviet mission, which reportedly is to remain two or three months, suggest that Moscow will undertake a comprehensive aid program. The mission includes specialists in

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planning, economic organization, foreign trade, industry, agriculture, irrigation, public health, education, culture and construction. These are the fields in which Sihanouk is most interested in obtaining assistance to implement his ambitious two-year economic development program. Soviet aid along these lines would also have the greatest grassroots appeal.

Meanwhile, the \$22,400,000 Chinese Communist aid program in Cambodia is getting under way. The 11-man mission from Peiping which arrived in September to administer the program has been augmented by eight technicians who reportedly will supervise the construction of a textile mill, cement plant, paper factory and plywood factory. The Chinese Communists have also offered

medicine and equipment for a Buddhist hospital and a Chinese hospital in Phnom Penh. Peiping has also expressed willingness to improve Cambodian broadcasting facilities.

The Communist bloc aid programs seem likely to overlap those being undertaken by the West, particularly in the absence of any effective mechanism in the Cambodian government to co-ordinate its diverse aid requests. Recently, however, the Cambodian minister of planning assured American officials there would be no mixing of Communist and American aid on individual projects. The Communists, however, apparently hope to gain greater impact with their programs by avoiding "administrative red tape" which Cambodians allege surround Western aid programs.

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LAOS

Laotian premier Souvanna Phouma asked his cabinet on 10 December to accept two Pathet Lao officials--one of whom would be Pathet chief Souphannouvong--in the government. In return the Pathet Lao movement would be formally "dissolved," Souphannouvong would make a public declaration that he is not a Communist, and would provide written guarantees on the restoration of royal government authority in the two northern provinces and integration of Pathet forces in the royal army.

The cabinet reportedly agreed to submit Souvanna's proposal to the national assembly, and presumably will accept its verdict. The American embassy in Vientiane reports that sentiment for a settlement

of the Pathet problem is strong, and it is unlikely many deputies will openly vote against Souvanna, even at the risk of losing American assistance.

Souvanna has reportedly recalled Vice Premier Katay from the UN General Assembly to win his support for the proposals. Katay is expected to arrive on 15 December and the issue will probably be put to a vote in the assembly shortly thereafter.

Souvanna's move will inevitably alter the circumstances in which the Pathet Lao negotiations have been conducted to date. With Souphannouvong in the cabinet, a final settlement is likely to assume the characteristics of a "family affair" with the country's interests vis-a-vis the Pathets

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subordinated to national reunification. Souphannouvong's offer to "dissolve" the Pathet Lao is nothing more than an exercise in semantics, as Pathet hard-core elements would undoubtedly continue to operate in clandestine cells or in front organizations. Despite the sweeping guarantees on the two provinces and integration of Pathet forces, important "details" would remain to be negotiated, while the government would have sharply reduced its bargaining power. Moreover, there is little reason to

believe that Viet Minh influence over the Pathets will not remain strong.

Rejection by the assembly would result in the fall of the Souvanna Phouma government. It would indicate a lack of confidence in his policy of "faith" in the Pathet Lao as well as a disinclination to risk losing Western support. Such circumstances would probably hasten the return of Prince Petsarath from self-exile in Thailand to form an authoritarian government.

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HAITI

The resignation of Haitian ruler Paul Magloire on 12 December in favor of Joseph Nemours Pierre-Louis, president of the Court of Appeals, may ease the extremely tense situation in the country. Pierre-Louis would have been Magloire's legal successor prior to the "palace revolution" of 6 December, and his assumption of power may lead to a return to constitutional order. Political conditions, however, are likely to remain unsettled for some time.

Unrest increased sharply following the palace revolt by which the army returned President Magloire to power shortly after his first resignation on 6 December. Magloire, who had resigned allegedly to satisfy opposition claims that his legal term ended on that day, was authorized "to take exceptional measures" to restore order. Constitutional rights were suspended, the legislature dissolved, and many oppositionists arrested. A successful general strike protesting these acts of the impromptu regime was largely responsible for the latest change in government.

The shifts in government capped a period of heightened political ferment attending the preparations for senatorial and presidential elections which were scheduled for early 1957. Magloire explained to American



ambassador Davis on 5 December that his initial decision to resign was influenced by the serious economic situation and "irresponsible" acts of the opposition. Growing opposition strength, however, probably was a leading factor. The administration's presidential candidate

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had not attracted as much support as had been anticipated.

The continuing deterioration of Haiti's economic situation has also contributed to political instability. Directors of the National Bank and responsible American businessmen have informed American officials that the government--heavily in debt to industry and overdrawn at the bank--is virtually insolvent, and may be unable to meet its January payroll. The National Bank,

with its reserves already depleted as a result of financing government deficits, is experiencing a run on savings, and fears a run on its commercial department. At the same time, a poor yield is in prospect for the country's chief cash crop, coffee.

While it appears that the army, a key factor in the situation, has supported the latest transition in government, disagreement and disaffection among its members have been reported previously. 25X1

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PART III

PATTERNS AND PERSPECTIVES

NEHRU'S CURRENT INTERESTS

Prime Minister Nehru, in his self-appointed role as world peacemaker, will probably be concerned principally with international problems when he comes to the United States on 16 December. These are likely to include the Middle East, the position of Communist China, the danger of a renewed cold war, Hungary, Pakistan, nuclear tests and disarmament, and India's relations with the United States.

At the same time, Nehru faces a crucial national election at home and within the next few years Nehru must somehow obtain about two billion dollars worth of foreign assistance in order to succeed in the ambitious economic program to which he has pledged his party and his own prestige (see Weekly Part III, 6 Dec 1956). Although he is probably not yet prepared to seek this financial aid by directly requesting it from either the United States or the USSR, he is almost certainly prepared to co-operate in any arrangement under which he might be able to obtain it "without strings."

Nehru is probably also concerned about intensified competition between the USSR and the United States to fill the "power vacuum" in the Middle East. Since he believes world peace is essential to India's progress, his internal concerns are probably still subordinate in his thinking to international problems.

He may feel that relations with the United States are

really important only in the context of his world preoccupations. This outlook reflects the ambivalent character of a proudly "democratic" leader whose country's actions more nearly mirror his own personality than do those of many dictatorships.

Middle East Crisis

Since nationalization of the Suez Canal on 26 July, Nehru's primary foreign policy interest has been the Middle East.

More than 60 percent of India's total imports go through the Suez Canal and its closure endangers India's economy. This is reflected in Nehru's claim on 8 December that the cost of India's Second Five-Year Plan has probably risen about one billion dollars--

partially as a result of the canal crisis.

Until now, however, Nehru has subordinated his concern for the internal repercussions of the Egyptian situation to his fear that events in the Middle East might provoke a world conflict. India has led the demand for the withdrawal of British, French, and Israeli troops, and Nehru also reportedly warned Soviet premier Bulganin that any intervention by the USSR would be a "crime against humanity."

Nehru is probably still concerned over the need for a relaxation of tension in Syria and Iraq and the prevention of



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the expansion of Soviet or American influence in the Middle East. As the likelihood of war recedes, however, he will probably become more interested in reopening the canal and repairing the economic damage resulting from its closure.

Communist China

Nehru's recent talks with Chou En-lai, and the fact that the two leaders are to meet again after Nehru's return from the United States, make it quite likely he will discuss in Washington Communist China's relations with the United States and its membership in the UN. Chou gave his blessing for such a discussion in Calcutta on 9 December.

Nehru may also bring up recent rumors that Chiang Kai-shek's son and other Nationalists have been negotiating with Peiping for a settlement. These reports are probably part of a Communist psychological warfare effort to increase discontent on Taiwan. Nehru, however, probably feels that a negotiated settlement would provide a real solution to the problem of "the two Chinas," and may urge the United States to support it.

Nehru is unlikely to be dismayed by any appearance of being Chou's "messenger boy." He will probably argue that the United States has an obligation to world peace to accept China as a respectable great power. He is unlikely to be deterred by the thought that this suggestion might not improve Indo-American relations.

The Dalai Lama's presence in India, the Tibetan leader's

opposition to the Chinese regime, and the possibility he may seek asylum in India, may also be of concern to Nehru.

The Soviet Union

Moscow has tried to spark India to greater diplomatic initiative, apparently believing that India's strong stand against colonialism and military blocs would serve Soviet interests.

India's reaction to this has been fairly cool, especially in regard to Hungary. Moscow has avoided taking issue with Nehru by ignoring the lack of response, although the Soviet press has criticized individual Indian reactions.

Nehru has continually referred to the lack of "facts" available on events in Hungary. He probably now has a fair amount of firsthand reporting from Hungary, having sent two Indian envoys to Budapest. However, he is probably still eager for further factual clarification of occurrences in Hungary, and his position on Hungary is still subject to change.

He has been shaken by Soviet oppression in Hungary, but he probably remains reluctant to accept it as more than an aberration in the new Soviet policy--one which may have been partially justified by the excesses of the Hungarian independence forces. To do so would be to admit error in his belief in a "liberalized" Soviet Union as a real force for peace.

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Pakistan

Nehru's dislike of military alliances--which he believes are evil and aggressive in nature regardless of the motives of their members--is intensified by his hatred and fear of Pakistan as the one potential challenger to India's security. In his relations with Pakistan, Nehru abandons all his broad theories on the dynamics of world peace and reacts from a nationalistic outlook.

New Delhi is now mounting a propaganda campaign charging Pakistan with intending to take military action in Kashmir.

While the Indian campaigns against Pakistan both at home and abroad are probably primarily a propaganda build-up for Nehru's visit to the United States and Pakistan's presentation of the Kashmir issue to the United Nations in January, Nehru may also suspect that

the United States is actually attempting to use Pakistan to create a new alignment in the Middle East. He will probably continue to look on the Baghdad pact and American military and political support of Pakistan as threats to peace equal to, if not greater than, Soviet suppression in central Europe and Chinese Communist encroachments in the Far East.

Attitude Toward US

Nehru comes to the United States at a time when he and other Asian leaders have recently expressed deep respect for the United States, particularly the leadership of President Eisenhower. Nehru is apt to be sympathetic and co-operative in areas in which Indo-American collaboration is readily possible. However, his belief in the peaceful intentions of Communist China and the USSR will probably remain unchanged. [redacted]

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SOVIET POLICY ON "DIFFERENT ROADS TO SOCIALISM" IN THE SATELLITES

Contrary to [redacted] speculation about a split within the Soviet ruling group over Satellite policy, none of the Soviet leaders has favored letting the Eastern European Satellites freely seek their own "different roads to socialism" in the Yugoslav manner. In crucial policy debates in 1955, Khrushchev and Molotov sharply disagreed over the wisdom of Soviet reconciliation with Yugoslavia and the consequences in the Satellites of thus implicitly commending Titoism. There were also [redacted] disputes over the degree of

"liberalization" of Soviet rule best calculated to satisfy national sentiment in Eastern Europe and ensure Satellite loyalty to Communism and the Soviet Union.

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Nevertheless, all the Soviet leaders agreed and still appear to agree that preservation of the unity of the Communist world is a prerequisite to development of each socialist country's specific national peculiarities. Since the Poznan riots of June 1956, Soviet leaders appear to have been firmly united on the need to tighten control over

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the Satellites and check a drift toward demanding real independence of the USSR.

July 1955 Plenum Debate

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[redacted] at the July 1955 central committee plenum which censured Molotov for his opposition to rapprochement with Tito, the clash of views between Molotov and the Khrushchev-led majority, which reportedly included Bulganin, Mikoyan, Kaganovich, Suslov and Shepilov, brought into bold relief the differences in approach on how to deal with the problem of Satellite nationalism as well as the broad agreement reached on the question of Titoism in the Satellites.

Khrushchev argued that the failure to assess properly the problem of nationalism in Soviet theory and practice was the root cause of many of the USSR's setbacks in relations with the Satellites. He attributed the break with Tito to Stalin's dictatorial handling of the problem of Yugoslav nationalism, and warned against the use of such tactics in dealing with the Satellites. In strong support of Khrushchev's position, the other Soviet leaders opposing Molotov--Bulganin, Mikoyan and Kaganovich in particular--pointed to the many past instances of tactlessness, brutality and discrimination in Soviet economic and political relations with the Satellites.

Despite the far-reaching criticism of past policy by Khrushchev and his supporters, however--the main purpose of which might have been to discredit Molotov--the resolution adopted on the subject merely directed Soviet officials to observe more courtesy toward the Satellites.

Molotov held that, apart from minor mistakes in handling the Yugoslav affair, the strong

Soviet stand against Tito in 1948 had been necessary to retain the integrity of the Soviet position in Eastern Europe. He reminded the plenum that Poland--a country more important than Yugoslavia in terms of its resources and Soviet security interests and possessing its own "rightist deviation" in the person of Gomulka--might have been lost if the USSR had not dealt firmly with Tito.

Molotov warned against the international repercussions of implied Soviet toleration of Tito's ideological heresies, charging that the significance of such a step would not be lost on the Satellite regimes. Although Molotov admitted that Soviet tactics, including those of his ministry, had not always been proper, he implied that threats and blackmail were justifiable insofar as they served to maintain Soviet control.

Opposition to Titoism

All the Soviet leaders agreed that the development of Titoism would not be tolerated in the Satellites. Both at the plenum and in his speech against Stalin at the 20th congress, Khrushchev reaffirmed the validity of the 1948 Cominform charges of "national deviationism" against Tito, charges which have never been retracted by the Soviet leaders. The secret minutes of the July plenum were circulated to the Satellite leaders in the fall to warn against attempts to emulate Tito. The plenum adopted a secret resolution, the contents of which were not released until 23 November when Pravda replied to Tito's Pula speech, declaring that preservation of the unity of the Communist world is a prerequisite to development of each socialist country's specific national peculiarities.

In all their doctrinal pronouncements, the Soviet

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leaders have carefully distinguished between the "roads" to socialism and the "forms of transition" to socialism. They have admitted the possibility of Satellite differences from the Soviet prototype in the "forms," but have avoided mention of the possibility of differences in the "roads," except in the case of Yugoslavia.

Titoism Underestimated

The plenum debate indicated that the attitudes of the Khrushchev group were generally in line with Molotov's own policy except in its estimate of the risks involved if the Satellites entered into closer relations with Tito. The Khrushchev group evidently felt that Satellite grievances could be eliminated and Soviet prestige enhanced by adoption of more flexible, milder and less discriminatory policies and by replacing detailed control through joint-stock companies and Soviet secret police and "advisers" at all levels--with a less irksome and less costly--but in their opinion by no means less efficient--control through party, military, and economic ties at the top.

What the Soviet leaders opposing Molotov did not foresee was that the general relaxation of Stalinist police terror and the explosion of the Stalin myth would set into motion forces within the Satellites pressing for a rapid break with the Stalin era and a greater voice in the direction of their national destiny. Soviet failure to react to Polish developments until after the Poznan riots and Soviet vacillation last summer in deposing the discredited Rakosi in Hungary clearly indicate that the Soviet leaders either failed to appreciate in time the issues and forces in dispute or lacked a consistent policy for coping with the rapidly changing situation.

Poznan Repercussions

Following the Poznan riots, opinion within the top Soviet command swung sharply toward the alarmist outlook of Molotov. Authoritative Soviet pronouncements in June and July re-introduced the theme of "proletarian internationalism," the old Stalinist formula for Communist unity under Soviet hegemony. In rapid succession from July through November the top Soviet leaders--Khrushchev in Moscow and Sverdlovsk, Bulganin and Zhukov in Warsaw, Mikoyan in Peiping and Suslov in Moscow--stressed Communist unity and paid only lip service to the "different roads to socialism" doctrine.

Subsequent Soviet moves--the 3 September circular letter to Satellite leaders which warned them against Titoism, the failure of Khrushchev and Tito to agree at Brioni and Yalta, the blunt pressure brought to bear on Poland, and the military intervention in Hungary--confirmed that the Soviet leaders had closed ranks in their estimate of the threat of Titoism in the Satellites. The belated admission on 30 October of past errors in Soviet-Satellite relations and the concessions granted to the Poles indicated reaction to events rather than any exercise of Soviet initiative.

Soviet setbacks in Poland and Hungary may well have led to recriminations within the Soviet leadership over responsibility for the consequences of rapprochement with Tito and endorsement of the "different roads to socialism" doctrine. Whatever their past disagreements as to the impact of this on the Satellites, they apparently now have an overriding interest in maintaining their unity in the face of the threat to the whole structure of Soviet power in Eastern Europe.

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DISARMAMENT AND ATOMIC ENERGY QUESTIONS
IN THE 11TH UN GENERAL ASSEMBLY

The UN General Assembly's discussions on disarmament are likely to result in a resolution for some form of UN control over nuclear testing because of the growing apprehension over the effects of increased radiation. To offset majority support for a complete ban on testing, which India and the USSR will probably introduce, Norway and Canada have already put forth proposals for limiting and registering tests.

Nuclear Tests

The establishment last year of a UN committee to study and report on radiation effects has not appreciably satisfied demands for some control over testing. In fact, the publication of the committee's report may increase the widespread apprehension over excessive radiation.

Since 1954 India has repeatedly demanded that nuclear

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tests be banned and has presented various proposals to that effect to several UN bodies. Prime Minister Nehru is expected to discuss the question of halting nuclear tests during his visit to the United States, and he may also use the UN forum to plead for a ban on tests.

In addition, the Indian UN delegate will probably refer during the disarmament debate to the likelihood of testing in the Antarctic region. India had proposed in August that the Antarctica question be discussed at this assembly but withdrew the item primarily because of Latin American objections.

On 17 November, the same date on which it announced another successful nuclear test, Moscow issued a new disarmament statement again calling for an immediate ban on nuclear tests. Its proposals again made no provision for adequate inspection or controls over compliance with the ban. The USSR will most likely encourage the introduction of any proposals for banning tests and may put forth a draft resolution calling for such a ban during the disarmament debate.

The Norwegian foreign minister, in his 27 November policy speech before the UN, called for advance registration with the UN of any "weapons tests expected to cause measurable, world-wide radioactive fallout." He had previously told the American embassy that the pressure of public opinion regarding the high increase of radioactivity made it essential for his government to raise the issue in this session. The Norwegian public has become aroused over reports that radioactive fallout measurements in Norway increased tenfold in September.

Canada has proposed that the nuclear powers agree not to increase the level of testing over that of last year and has suggested that these powers set a voluntary limit on the number of tests. A Canadian delegate told Ambassador Lodge on 5 December that his government's proposal was designed primarily as a "trial balloon" to forestall proposals for a complete ban on testing. He added, however, that Ottawa was seriously disturbed by reports of high concentrations of strontium 90 in British Columbia and has filed the reports with the UN radiation committee.

The growing fears of various UN members about excessive radiation has been repeatedly reported by Ambassador Lodge.

General Disarmament

Negotiations for a general disarmament agreement are likely to be referred by the General Assembly to the disarmament subcommittee, composed of the Big Four and Canada. This subcommittee, which has met twice a year since its establishment in April 1954, has made no substantial progress toward an agreement. UN members are generally agreed, however, that such negotiations should take place among the powers principally concerned, and will probably endorse further subcommittee talks.

Soviet delegate Kuznetsov told Ambassador Lodge on 27 November the USSR wanted to do "everything possible" to reach some agreement on disarmament, which he described as one of the most important problems before the UN. At some point in the debate, the USSR will probably direct the assembly's attention to its disarmament statement of 17 November in an attempt to get UN endorsement for its seven-point plan, which was

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primarily a redraft of previous Soviet disarmament proposals rejected by the UN in past sessions.

Its only new feature was the expression of Moscow's readiness to "examine" the question of using aerial photography for inspection in Europe for 500 miles on each side of the line between Soviet and Western forces--an area involving almost no Soviet territory but including much of Western Europe.

Atomic Energy Agency

The recent establishment of the International Atomic Energy Agency, which derives from President Eisenhower's proposals of December 1953, has been hailed by most UN members as a step toward the eventual use of atomic energy for peaceful purposes alone. The statute has been signed by 72 countries since it was opened for signature on 26 October; the agency will become

operative when 18 of these have ratified the statute.

The agency will have the authority to engage in research and development on the peaceful uses of atomic energy and will function as an atomic "pool," with a system of safeguards to enforce some controls over the use and disposition of nuclear materials allocated by it to recipient members.

Although the actual relationship of the agency to the United Nations is subject to agreement, the 11th General Assembly will probably recommend that the relationship be similar to that of the UN specialized agencies. This would involve yearly reports to the UN on the work of the agency, participation in the UN technical assistance programs, and general co-ordination with the UN, particularly on such political matters as memberships. (Con-
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CHINESE COMMUNIST "PEOPLE'S DIPLOMACY"

The statement by Liu Shao-chi before the recent eighth congress of the Chinese Communist Party that "our friends are increasing daily...our doors are open to all" reflects Peiping's confidence in the success of what the Chinese call "people's diplomacy." This is a many-faceted public relations effort designed to sell Communist China abroad as an honest, cultured, industrious and peaceful member of the community of nations.

Peiping's emphasis on this program has increased steadily during the past two years and is still growing. In a recent article, the Chinese Communists boasted that last year more than 10,000 people had taken part in exchanges which took Chinese delegations to 33 countries and gave nearly 5,000 visitors from 63 nations an opportunity to see the "new China" at first hand. Chou En-lai has predicted that the number will be substantially increased this year.

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The campaign for wider international contacts functions at many levels of sophistication and interest. People's diplomacy has "something for everybody"--the intellectual, the artist, the humanitarian, the religious enthusiast, the businessman and the tourist. The most spectacular appeal for international good fellowship has been made by itinerant groups of Chinese entertainers which have toured Europe, the Middle East and Latin America during the past 12 months.

Avoiding direct government sponsorship, these merchants of good will work to achieve one of Peiping's main policy objectives by a carefully conceived and executed campaign to build people-to-people rapport which can be nurtured into popular pressure for official relations with Peiping and alignment with Chinese objectives.

In Afghanistan, for example, the Chinese contribution to the country's recent month-long independence celebration eclipsed both the American and Soviet endeavors in popular appeal and won resounding acclaim in the local press. An Afghan audience was enthralled with dancing girls in a performance Western observers compared "to the best of Broadway." But the performance of Peiping's ensemble was not confined to the stage; for four weeks Chinese dancers entertained and were entertained by Afghan officials, gave benefits, presented gifts, and shook hands with everyone. By the end of this time, there was little doubt in Kabul diplomatic circles that Peiping had succeeded in winning many friends in Afghanistan. The display was typical of Peiping's elaborate program to convince the world of its sincerity in "peaceful co-existence and international exchanges."

A BURMESE VIEW



Hanthawaddy (Rangoon)

"THE CHINESE CULTURAL MISSION
IS COMING"

Entertainment for the masses is arranged by the Chinese People's Association for Cultural Relations with Foreign Countries. At the merest suggestion of an invitation, the association is prepared to dispatch a road show equipped to perform classic Chinese opera, folk dances, jugglery, or popular songs in any language. An operatic team is now touring Australia and another has just completed a long run in Latin America. Other shows have been presented in the Middle East, Africa, and Southeast Asia, and one was given for Queen Elizabeth in a command performance. Each show is preceded by an advance publicity team, and a press agent is assigned to the unit.

Although less spectacular than the cultural delegations, Chinese trade exhibits are becoming more frequent as industrial capabilities increase. Peiping has taken part in nearly all the major trade fairs held during the past year.

Peiping is also busy cultivating special interest

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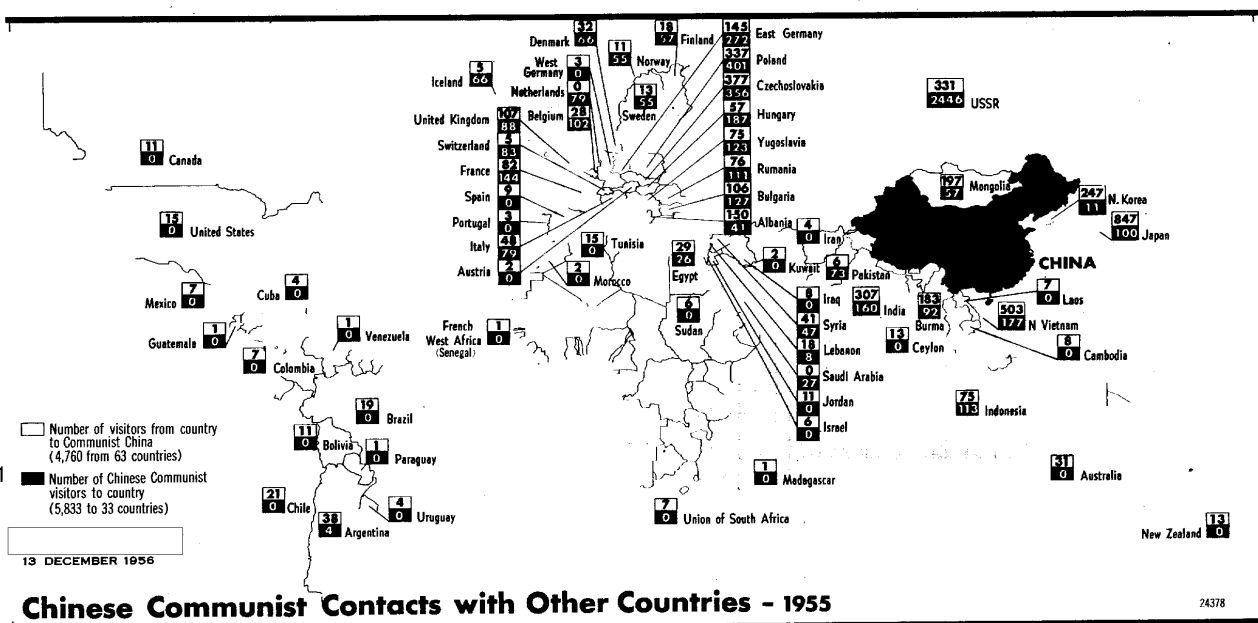
groups. Specific targets are professional, intellectual, business or religious representatives whose opinions of China can be favorably shaped and whose voice in domestic affairs in their countries will not be ignored. The new "open door" to China affords selected delegations and individuals the opportunity of an expense-paid guided tour of Communist China complete with hearty handshake by Chou En-lai. Groups of Chinese specialists are also continually junketing to negotiate agreements, attend conferences, and spread news of Chinese progress and desire to co-operate in whatever field may be pertinent.

Available figures show consistent disregard for the expense involved in promoting people's diplomacy. In Kabul, a good part of the Chinese trade exhibit was presented to influential Afghans at the conclusion of the fair. The cultural troupes performing in the Middle East and Japan donated proceeds to local charities. The Chinese have been anything but stingy in

subsidizing visiting foreigners. One Mexican journalist not only had his round-trip fare paid by Peiping, but was offered a comfortable stipend during his stay in exchange for suitable articles on the glories of "new China."

Intrabloc travel accounted for a good percentage of the reciprocal visits during 1955, but the number of contacts between China and the non-Communist world has been significant. Many of the countries whose nationals visited or were visited by Chinese Communists do not recognize the Peiping government. With a more aggressive "people's diplomacy" moving into new territory, the number and frequency of these exchanges probably have increased in 1956.

Two of the areas now being exploited are Latin America and Australia. An 89-member operatic troupe has just toured Chile, Brazil, Argentina and Uruguay, indicating Peiping's increasing interest in the western hemisphere. Australia is now host



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to an opera ensemble which has just completed a tour of New Zealand cities.

In the Far East, Japan continues a prime target for people's diplomacy. Peiping's decision in 1952 gradually to release Japanese prisoners of war marked the start of an ever-increasing exchange of trade, cultural, labor and professional delegations. In 1955, more Japanese entered Communist China than did nationals of any other country, including the USSR. This reciprocal flow of travelers represented practically every field of endeavor from song-and-dance acts to parliamentary delegations.

The Middle East and Africa have received considerable attention under the Bandung aegis of Asian-African brotherhood, as well as the community of religion between Chinese and Arab Moslems. Burhan Shahidi, a "professional" Moslem from Sinkiang Province, is the Chinese roving ambassador for religious activities in the Middle East. Burhan has visited most of the Islamic nations in the area and has set in motion an exchange of Moslem representatives between these countries and Communist China.

Chinese Buddhists are now participating in the World Buddhist Conference in Nepal and coreligious groups from Southeast Asia have toured monasteries in China at the invitation and expense of Peiping. Christian spokesmen are also allowed voice occasionally. Dr. Hewlett Johnson, the dean of Canterbury and a

frequent visitor to Communist China, has praised Christian progress under the Chinese Communists.

Reaction

China's touring minstrels have impressed audiences from Rio de Janeiro to Riyadh and Kabul to Khartoum. Peiping's commercial exhibits are reported among the most popular at any show where they appear. Small groups of Chinese trade, professional, and religious specialists have furthered Peiping's objectives by expanding contacts in the realms of commerce, education, science, and religious affairs--frequently producing informal exchange agreements. Visitors to China are seldom completely enchanted, unless their allegiance is already to the left-wing fringes, but even those who are most guarded in their praise of the Communist regime often come home with the belief that Chinese leaders are benevolent despots and that a "normalization" of relations with Peiping is desirable.

This year Peiping has spent more money, put more shows on the road, and invited more people to China than ever before, with every likelihood the effort to sell fellowship will continue to expand. In the light of past success, Communist China seems confident that broadening of its international people's diplomacy constitutes an effective instrument in its campaign to win support throughout the world for its claim to respected membership in the international community.

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