

CD/EO

~~CONFIDENTIAL~~
~~SECRET~~

COPY NO. 17
OCI NO. 0059/57

21 February 1957

CURRENT INTELLIGENCE WEEKLY SUMMARY



DOCUMENT NO. 10
NO CHANGE IN CLASS.
 DECLASSIFIED
CLASS. CHANGED TO: TS S C
NEXT REVIEW DATE: 1989
AUTH: HR 70-2
DATE: 1 Aug 79 REVIEWER:

CENTRAL INTELLIGENCE AGENCY
OFFICE OF CURRENT INTELLIGENCE

~~CONFIDENTIAL~~
~~SECRET~~



(b)(3)

(b)(3)

~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

21 February 1957

[redacted] The USSR is reportedly withholding promised economic credits and threatening even greater sanctions, such as suspension of Soviet shipments of iron ore, oil, and grain, which, however, are still arriving. It is also

hampering the repatriation of Poles now in the USSR. There are indications, too, of stronger Soviet opposition to Gomulka's efforts to improve relations with the West and to seek credits and assistance from that direction. [redacted]

(b)(1)

(b)(3)

SOVIET-YUGOSLAV RELATIONS

Recent Kremlin moves appear calculated to bring the dispute with Tito to a head. The Russian leaders appear willing to read Tito completely out of the Communist world unless he is willing to make sufficient compromises in his position to allow some new form of modus vivendi. The Kremlin presumably has no intention of returning to such Stalin-era types of pressure on Yugoslavia as border incidents, name calling, and complete economic blockade. In its present foreign policy orientation of "coexistence," it will presumably find a way of coexisting with Tito, but not as a comradely Communist.

The strongest official Soviet statement thus far was made by Dmitry Shepilov in his final report as Soviet foreign minister on 12 February when he made future development of all Yugoslav-Soviet relations contingent on a change in the Yugoslav ideological attitude. Belgrade has reacted sharply to this, stating that since Yugoslavia bore no responsibility for the past abnormal relations, further development of relations would depend on the Soviet attitude, and that the Yugoslav position remains unchanged.

(b)(1)

The Kremlin leaders' increasing fears over Gomulka's course in Poland may be the cause of the stepped-up pace of their anti-Tito moves, even though they probably had concluded by November that Yugoslavia, with its present attitude, could no longer be tolerated even in a "fringe" position in the Communist world. Soviet bloc propaganda has often connected Yugoslav and Polish ideas [redacted]

Moscow is also reported to have proposed a meeting of all Communist leaders to take place this spring in Prague to settle ideological differences and establish Communist unity. The Yugoslavs refused an invitation, however, believing they would

(b)(1)

~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

21 February 1957

be placed in the position of a defendant before hostile judges.

The Yugoslavs report that their recent economic negotiations with Moscow have taken place in an "icy" climate. They say they have found the USSR recalcitrant on reaching reasonable prices for such items as coking coal, as well as on determining quotas for numerous other goods. They also report that Moscow is now unwilling to start implementing the joint Soviet-East German 700,000,000 ruble (\$175,000,000) credit for the development of a large aluminum complex in Yugoslavia until the present Soviet Five-Year Plan is completed in 1961. The Yugoslavs view the Soviet retreat on this project and on the agreement to assist in developing the Yugoslav nuclear energy program as an explicit pressure tactic.

During all these moves, communications have passed back and forth between Tito and Khrushchev. The Yugoslavs publicly have shown a strong desire to avoid a deterioration in relations, even though they are not retreating on their basic views. In a New Year's interview, Tito strongly emphasized the need to separate state relations from the ideological discussions, and in the latter, he called for dignified, comradely discussion, not "polemics." From that date until the Borba blast on 14 February, the leading Yugoslav newspapers largely refrained from answering the numerous Soviet bloc attacks on Yugoslavia, "national Communism," "revisionism," and on other sins with which the Yugoslavs have been charged.

(b)(3)

MOLLET'S VISIT TO WASHINGTON

French premier Mollet, who arrives in Washington on 26 February, is hoping to use the visit to buttress his domestic political position. Despite his government's success in the UN debate on Algeria, there are signs that the right-center is ready to launch an all-out attack on the government's economic, European integration, and Algerian policies.

Mollet is expected to discuss a wide range of topics with American officials which he probably hopes will give him new ammunition with which to fend off critics at home. France's growing inflation and budgetary problems are confronting Mollet with increasing parliamentary difficulties which may come to a head shortly after his return, and reports are again current that the right-center is planning to use an

economic issue to bring down the government before it makes too many concessions in Algeria or on EURATOM and the Common Market.

Although Paris insists requests for financial aid as such are not on the premier's agenda, discussion of France's economic difficulties is implicit in such proposed topics as European defense, the Middle East, and underdeveloped areas.

The prestige of Mollet's government, particularly that of Foreign Minister Pineau, has soared with France's successful defense of its Algerian policy in the UN. At the same time, however, there is a growing awareness in both the government and its opposition that Mollet now is morally committed to the formula of a cease-fire, elections and negotiations contained in his declaration of

~~SECRET~~