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COPY NO. 50 OCI NO. 1788/58

8 May 1958

# CURRENT INTELLIGENCE WEEKLY SUMMARY



DOCUMENT NO.

NO CHANGE IN CLASS. 
DECLASSIFIED

CLASS CHANGED TO:

NEXT REVIEW DATE:

AUTH: HR 70.2

DATE:

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# CENTRAL INTELLIGENCE AGENCY

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17-228514

State Department review completed

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# Approved For Release 2005/02/17 : CIA-RDP79-00927A001700090001-6 SECRET

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between Nasir and the Soviet Government has been reached concerning Israel. Another report says that, during his visit, Nasir will announce his

willingness to make peace with Israel in accordance with the 1947 UN resolution--a solution Moscow has favored in the past.

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# MAY DAY CELEBRATIONS IN THE SINO-SOVIET BLOC

This year's May Day celebration in Moscow, with its peaceful coexistence theme, was the least spectacular in years. The military portion of the 40minute parade lasted only 15 minutes, and no new equipment was observed. A steady drizzle may have canceled a planned fly-by of aircraft for which several rehearsals had been held. None of the family of missiles shown in last fall's October Revolution parade appeared, although armored personnel carriers, self-propelled antiaircraft artillery, multiplerocket launchers, and medium and heavy artillery were shown. Moscow's unexciting show and Defense Minister Malinovsky's protest against flights of American aircraft over the Arctic were echoed in other bloc capitals.

### Eastern Europe

Among the East European satellites, only East Germany included military participation in its parade, bringing protests on 3 May from all three Western powers in Berlin. All the military and paramilitary services were represented in a parade in East Berlin, which was described as the most extensive military display since the establishment of the East German Army in 1956. Defense Minister Stoph, in his order of the day, stressed the role of East Germany as a "peace outpost" against West German rearmament. Soviet units based in East Germany did not

participate in the parade but staged an extensive display of military equipment at one of their field training areas. The display included at least one of each type of weapon known to be used by the units at this time.

In Poland, Party Secretary Gomulka delivered a harsh attack on the West before an unenthusiastic audience, and Defense Minister Spychalski stressed Polish brotherhood with the Soviet Army and the unity of the Warsaw Pact forces. In Czechoslovakia, Party Secretary Novotny's speech, which concentrated on the dangers of West German rearmament, was followed by an orderly five-hour parade of labor, student, and other institutional groups. A large military parade will probably be staged on 9 May in connection with Czech Liberation Day festivities.

Hungary, Bulgaria, Rumania, and Albania held orderly parades following speeches by political leaders outlining the successes of labor and echoing the Moscow peaceful coexistence theme. No meetings or parades were held in Yugoslavia, where the annual May Day observance has been postponed until 4 July, the anniversary of the uprising against the nazis.

## Asian Communist Countries

Communist China celebrated May Day this year by holding

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the customary parades in major cities. The general theme, as in the past, seemed to be one of proclaiming industrial and agricultural accomplishment, with various worker groups displaying new products ranging from tractors to television sets. Apparently the only military participants in the parade at Peiping were present as observers. For the first time in eight years, Mao Tsetung, who was inspecting party work in Kwantung Province, was not on the rostrum in Peiping.

Pyongyang's parade was highlighted by columns of workers carrying posters and signs indicating progress in industrial expansion and "socialist construction." Premier Kim Il-sung told a mass rally that North Korea would continue its struggle for the withdrawal of American troops from South Korea and the peaceful unification of the fatherland.

The slogans which spanned Hanoi's reviewing stand reflected the program for increased production and economy and called on the people to "smash the plots of the imperialist warmongers." The armed forces apparently participated in the festivities at Hanoi, Haiphong, and Vinh, but the military theme was generally played down.

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### NEW EAST GERMAN ECONOMIC MEASURES TO BE ANNOUNCED

The end of food rationing and the introduction of a new wage system, possibly accompanied by increased work norms, are reportedly to be announced at the fifth congress of the East German Socialist Unity Communist party (SED) to be held in July.

Plans to end rationing have often been announced but not carried out, and the present vigorous drive to collectivize private farm land may complicate this effort by causing further decreases in domestic farm production. East Germany now imports each year about 50 percent or 2,000,000 tons of its grain—almost all of it from the Soviet Union—about 100,000 tons

of meat (half from the West), and 30,000 tons of butter.

The impact of derationing on the East German people would be considerable. Over half the budget of the average family is spent on basic and luxury food items, two thirds of these coming from the rationed lists --meat, sugar, fats, milk, and eggs. Imports of some of the rationed items have recently been increased, suggesting that the regime anticipates heavy buying when restrictions are lifted. The prices of foods reportedly will be set about half way between ration and freemarket prices, thus causing a price rise of 100 to 200 percent in such items as butter.

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