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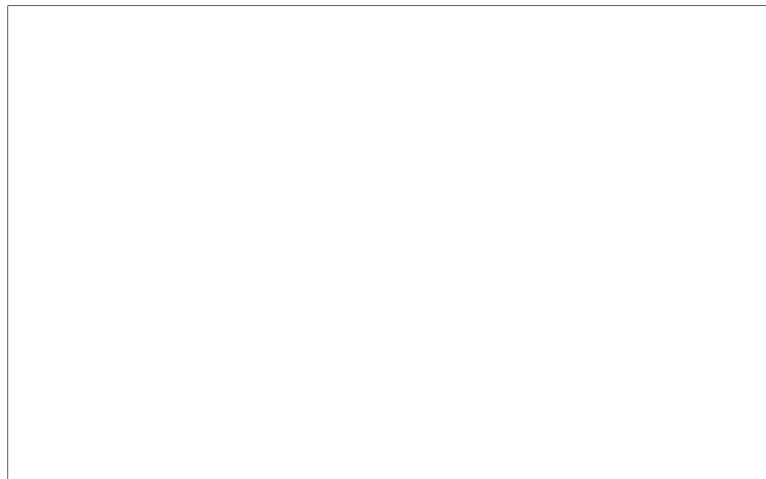
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1. GOMULKA REAFFIRMS INDEPENDENT POLISH ROAD TO SOCIALISM

In his key address to the ninth plenum of the Polish party, Gomulka on 15 May vigorously reaffirmed his "National Communist" policies, as approved by the eighth plenum in October. He defended his agricultural policies, which since October have been criticized by the party as causing the large-scale dissolution of collectives. Although pitched in a conciliatory tone presumably intended to be palatable to the Kremlin, Gomulka made clear that he intends to go ahead with three major points in his program--development of workers' councils, greater powers for local governments and establishment of certain forms of peasant co-operatives termed "circles" or "teams."

Referring to the Soviet Union, Gomulka declared that even if it had avoided the "disease" of Stalinism, the Russian road to socialism would probably not have been acceptable to other countries and certainly would not have been necessary. He declared further that the victory of socialism in the Soviet Union and the progress toward socialism of other countries had created a "historically new situation" which permits the pursuit of different roads to socialism and enables Poland to adopt a slower speed in socialization, particularly in agriculture.

Gomulka's statements probably will give a measure of reassurance to most Poles, since it does not indicate any reversal of his middle-of-the-road program. At the same time, the speech has been carefully tailored to appeal to as many elements of the party as possible in an effort to restore party unity.

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2. MOLLET MANEUVERS ON CANAL ISSUE

Comment on:



French premier Mollet's proffered resignation on 15 May was probably intended merely as a tactical move to improve his position on the Suez Canal issue. Britain's decision to use the canal on Nasr's terms faces France with the necessity of modifying its stand on use of the canal.

Mollet may have in mind an attempt to save face by having the decision seem to be forced on France. By referring the canal issue to the UN Security Council, Mollet may hope to accomplish this end.

To the French, Nasr's success has direct bearing on the outcome of the Algerian rebellion. The possibility of French-Israeli collusion in a move against Egypt cannot be ruled out in the event that Cairo acts to block transit by an Israeli ship of the Tiran Strait or the Suez Canal.



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3. AUSTRIA'S NEW PRESIDENT MAY STRESS ABOLITION OF NUCLEAR WEAPONS IN INAUGURAL ADDRESS

Comment on:

American ambassador Thompson in Vienna reports that President-elect Schaerf intends to make a plea for the abolition of nuclear weapons a prominent feature of his inaugural address on 22 May. Thompson told Schaerf that such a course would play into the hands of the USSR, but doubts that Schaerf can be influenced in view of his recent successful use of the issue in the presidential campaign.

Thompson intends to carry his appeal to Bruno Pittermann, newly elected leader of the Socialist Party, in the hope that he will restrain the president-elect, but Pittermann favors a search for a common ground between NATO and Soviet bloc powers on which nuclear abolition can be based. Thompson thinks that this may be "even more dangerous" to Western unity than Schaerf's appeal because it could easily develop into a mass demand in Europe for the abolition of nuclear weapons.

Schaerf used the nuclear weapons issue effectively against his conservative opponent in the closing days of the presidential campaign by charging him with demanding such weapons for the Austrian army. This was an important factor in reversing the anti-Socialist trend in Austria and electing Schaerf. Western European Socialists, especially in West Germany and Austria, are eager to exploit the prevailing sentiment for a ban on nuclear weapons.

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4. FRENCH TREASURY SITUATION CRITICAL

[Redacted]

Both the director of the French Treasury and the governor of the Bank of France informed the American embassy on 14 May that the French Treasury situation is precarious and direct advances from the Bank of France are now an urgent necessity.

They are discussing with Finance Minister Ramadier methods of obtaining National Assembly approval for such advances before President Coty leaves for the United States at the end of this month. The government's financial situation was aggravated when, in addition to the drain imposed by the military costs for Algeria and a fall in normal Treasury income, its recent bond issue produced less than 60 percent of the amount anticipated.

Comment New taxes and budget economies are now being pushed by Mollet with an eye to getting his house in order before seeking external loans when France's credit with the International Monetary Fund is exhausted in mid-June. Requests for new taxes and for National Assembly authorization to use the gold and dollars held in the Bank of France will considerably increase right-center irritation over the government's financial policies. [Redacted]

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5. HUSSAIN-SAUD RELATIONS

Comment on:

King Hussain's decision on 14 May not to go to Baghdad for a meeting with King Faisal and King Saud was prompted by Saudi intimations that such a meeting might be "misinterpreted" by Arab public opinion. Desire to avoid public provocation of Egypt with a meeting of the three monarchs was also indicated by a high Iraqi Foreign Ministry official who expressed belief that such a meeting would excite suspicions in other parts of the Arab world which would be out of proportion to its possible benefits.

Jordanian authorities now desire to invite Saud to Amman about 27 May. The Iraqi Foreign Ministry, however, does not rule out a possible flight by Hussain to visit Saud at the Habbaniya air base in Iraq on 16 May, after the official part of Saud's state visit is concluded.

6. REVOLUTIONARY ACTION IN CUBA REPORTED IMMINENT

Comment on:

New revolutionary attempts are expected in Cuba between 15 and 22 May, [redacted]

[redacted] The action may be touched off by several assassination attempts. Eusebio Mujal, secretary general of the Cuban Workers' Confederation, who has been accused by opposition elements of "selling out" to President Batista, is considered a likely victim.

[redacted] an atmosphere of tenseness exists in Havana and that various Cuban government officials are showing apprehension and anxiety. Outbreaks and assassination attempts have been expected to increase prior to 20 May, Cuban independence day.

7. NEW OUTBREAKS THREATEN HAITI WITH ANARCHY

Comment on:

[Redacted]

Pre-election tensions have erupted into widespread violence, threatening Haiti with anarchy. Strikers and demonstrators are demanding the resignation of the executive council, Haiti's fourth government since last December. The army appears to be the only remaining stabilizing element, but popular pressures against military rule forced army leaders to back down after attempting to assume control of the government earlier this month.

Current disturbances broke out after five presidential candidates accused the two leading candidates who control the executive council of attempting to rig the election, now scheduled for 16 June. The five candidates have announced that they will boycott the election, and are urging their followers not to register.

[Redacted]

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