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## SOVIET UNION

1. Chairmen of USSR Supreme Soviet discuss administrative changes in Soviet government with Yugoslav ambassador:

[redacted] Over a million Soviet workers are to be transferred from government administrative posts to productive sectors of the economy. Individuals having specialized training will be shifted to jobs in their fields, and the small remainder to manual labor.

This information was given to the Yugoslav ambassador to Moscow on 3 December by the chairmen of the two houses of the Supreme Soviet. The ambassador reported this conversation to the American embassy which comments that this is the first definite indication of the size of the current planned reorganization of the Soviet state apparatus.

Comment: The Soviet press and radio have referred many times in recent months to the need for transferring administrative workers from both government and industry to production jobs, and moving workers from the central government in Moscow out to regional or field organizations. [redacted]

[redacted] this drive began in April 1953, about a month after Stalin's death, but the numerous articles recently published in the USSR on the subject suggest that the drive is accelerating. The statement to the Yugoslav ambassador may apply either to the total reductions of administrative personnel since Stalin's death or only to future planned reductions.

The discussion of internal problems by these two Soviet officials with the Yugoslav ambassador constitutes an additional gesture to Belgrade. [redacted]

## SOUTHEAST ASIA

2. Indian head of Indochina truce team reported disgusted with Polish obstructionism;

[redacted] the Indian chairman of the International Control Commission in Indochina is disgusted

with the obstructionism of the Poles on the commission and is seriously contemplating abandoning the rule of unanimity in the commission's work for one of majority decision.

Comment: The Geneva agreement provides that a unanimous decision of the commission is required only on matters that might lead to a resumption of hostilities or on recommendations for amendments to the cease-fire agreement.

Efforts by the Indian chairmen of the truce teams in all three Associated States to insure that all decisions are unanimous have severely hampered the commission's effectiveness. In numerous instances where the Canadian and Polish members have disagreed on the handling of complaints, the subject has been referred to subcommittees for further study with the result that no action is taken or that any action loses its timeliness.

3.

## SOUTH ASIA

4. Indian industrialists unimpressed by Soviet industrial achievements:

"We have informed the government of India that Russia will not be able to help greatly in industrializing India," the leader of the Indian industrialists'

delegation which recently toured the USSR told the press in Bombay on 9 December.

The delegation spokesman said that, though Soviet authorities may not have wished the group to see certain establishments, they had seen 20 to 30 plants all of which were merely copies of British, German, Swiss or American installations. He stated the delegation was unimpressed by the quality of Soviet production and techniques, but was impressed by the amount of work put in by Soviet workers.

The leader added it would be very difficult to expand Indo-Soviet trade, because of the USSR's insistence on balancing trade each year and its unwillingness to import what India could export easily.

Comment: This report will have direct influence on private Indian business thinking, and will probably also induce New Delhi to review its estimates of Moscow's ability to help India. Nehru, however, is inclined to disregard economics when it suits his purposes and he may, in line with his neutralist policies, continue negotiations for some Soviet technical assistance.

The Indian mission--consisting of highly competent businessmen--toured the USSR in response to Soviet Ambassador Menshikov's blanket invitation issued to Asian countries at the ECAFE conference in February 1954.

## NEAR EAST - AFRICA

### 5. Paris sees no hope for improvement in French-Egyptian relations:

[REDACTED]

The French Foreign Ministry believes that the communication from Egyptian Prime Minister Nasr offering to mediate between France and Moroccan nationalists makes any improvement in French-Egyptian relations impossible for the foreseeable future, according to Ambassador Dillon in Paris.

Premier Mendes-France told Egyptian representatives, who read Nasr's note to him, that France could not accept mediation in "internal matters." Mendes-France also objected to the Egyptian "wish" that France drop its "repressive" policy in Algeria.

Comment: The recent softening of Cairo's anti-French propaganda may now be reversed. Cairo is likely to resume a strong anti-French line as it tries to establish its leadership of Moslems in Africa and the Near East.