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22 September 1953

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GENERAL

1. USSR reportedly approaches India to collaborate in atomic field:

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The Soviet Union has proposed collaboration with India in various scientific fields including atomic energy, according to Dr. S. S. Bhatnagar, secretary of India's National Resources Ministry and member of the Atomic Energy Commission.

Bhatnagar told the American minerals attache in New Delhi that he opposes the suggestion because he wants to cooperate with the US in this field. He also doubts that collaboration with the USSR would be "a two-way street," and he feels that the proposal is "untimely, perhaps purposely so."

Comment: In view of India's policy of neutrality, it is unlikely that the Soviet proposal will be accepted. Indian Atomic Energy Commission chairman Homi J. Bhabha, who is reportedly Communist-inclined, might press for collaboration with the USSR, however.

This approach to India, together with the invitations to the recent Budapest congress of the World Federation of Scientific Workers and the Soviet bid to Japanese scientists to visit the USSR, reflects Moscow's increased efforts to contact non-Communist scientists. In recent months, more Soviet delegations have participated actively in non-Communist scientific conferences.

FAR EAST

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3. Comment on personnel changes in Chinese Communist regime:

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The personnel changes announced by the Peiping regime on 19 September may reflect Communist China's numerous economic difficulties or may represent the extension of the continuing party reorganization into the central committee.

The two officials concerned, the minister of finance and the vice minister of posts and telegraph, have not been identified in new jobs and may have been made scapegoats for the weaknesses of their ministries, which like most ministries have been publicly criticized by party leaders during 1953. The Finance Ministry's record in stabilizing the regime's budget during the Korean war was excellent, however.

The Chinese Communist Party has been in process of reorganization since 1951, with about one in ten members being dropped. Although the purge is not known to have reached the central committee level, the position of several party leaders has appeared uncertain in recent months.

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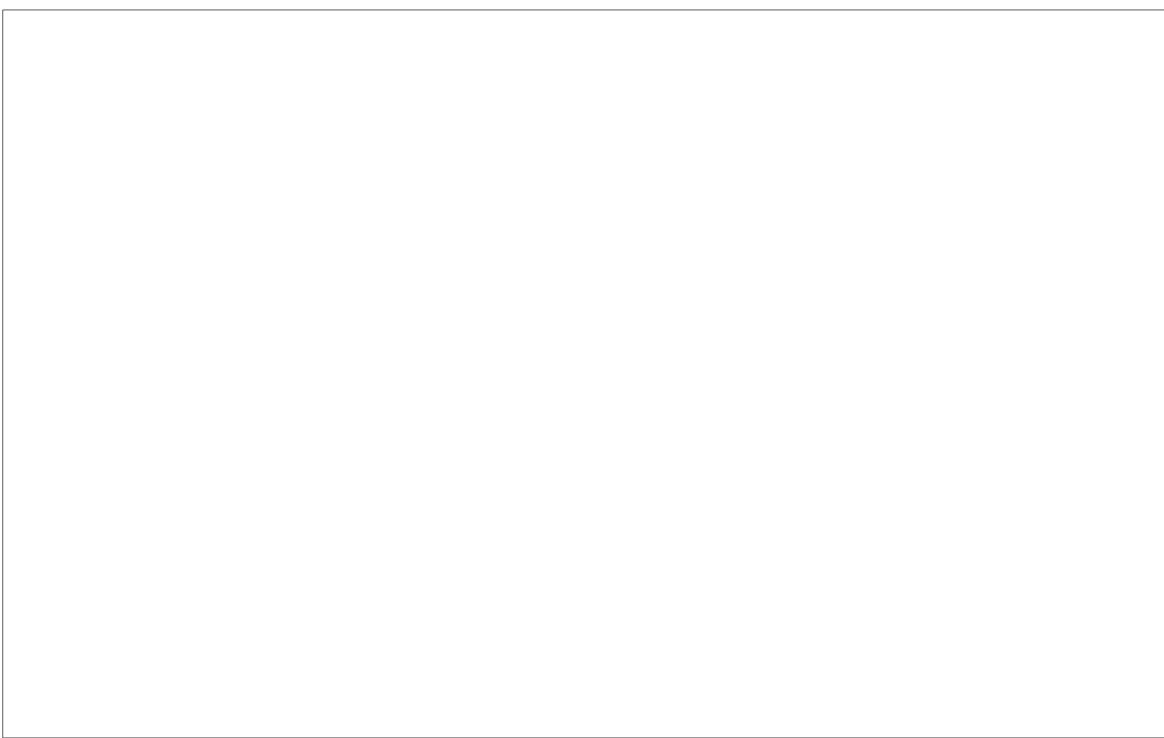
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SOUTH ASIA

5. Comment on rumored resignation of Ceylon's prime minister:

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Reports that Prime Minister Dudley Senanayake of Ceylon is about to resign because of ill-health may be rumors circulated by his opposition. The prime minister and his United National Party control at least 69 of the 101 parliamentary seats and he can accordingly maintain his position. Should he choose to resign, however, such action would bring no major changes in the policy of the conservative Ceylonese government.

The Communists and leftists who were behind the recent riots over reduction of food subsidies are not sufficiently strong to constitute a threat.

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NEAR EAST - AFRICA

6. British outline "final position" on Anglo-Egyptian settlement:

The British government has requested full American support for its "final position" on the future of the Suez Canal base. The agreement with Egypt would last seven years, of which 18 months would be allowed for the evacuation of troops.

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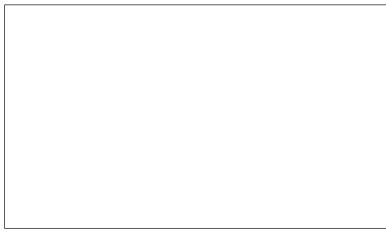
Four thousand British technicians would then remain at the base for three years and a smaller number for another two and a half years.

The base would be made available to Britain in case of a UN action to resist aggression or of an outside attack on any signatory of the Arab Mutual Security Pact. Immediate British-Egyptian consultations would be held if any such attack were threatened, or in the event of an attack on Turkey or Iran.

In addition Britain insists that the agreement contain a clause regarding freedom of transit of the Suez Canal.

Comment: The duration question had been the main point not settled in the current informal Anglo-Egyptian talks. Cairo has announced that a six-year agreement is the longest it feels able to sign. Furthermore, the last-minute introduction of the new issue of freedom of transit of the canal may cause the Egyptians to balk.

WESTERN EUROPE

7. Resignations from French cabinet over EDC reportedly threatened:

French premier Laniel reportedly learned [redacted] if the government seeks parliamentary approval of the EDC

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treaty in its present form, the ministers in his cabinet who belong to the party of the former Gaullists, the Republican Union of Social Action, will resign.

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Comment: Though there are contradictory reports as to cabinet differences on European integration, both Laniel and Bidault are reportedly pushing for EDC ratification this year. The resignations of the three Union ministers would not necessarily mean an early downfall of the government, since the party would probably continue to support it on other issues.

On 18 September the Union's executive committee publicly warned that the party would oppose EDC.

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