

CURRENT INTELLIGENCE BULLETIN







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FAR EAST

1. Chinese Communist units in Korea apparently preparing for winter:

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3.3(h)(2)

portation of winter clothing.

On the previous day, another Chinese unit indicated that its headquarters had sent out a report on the amount and weight of winter clothing needed.

Comment:3.3(h)(2)They offer further evidence of Chinesepreparations to remain in Korea through a third winter.

SOUTH ASIA

2. Pakistan denies Kashmir threatened by tribal invasion:

On 2 September the American Military 3.3(h)(2) Attache in Karachi reported that during his inspection of key military posts in the tribal areas there was no indication of tribal move-

an officer of the division had been sent to Antung, Manchuria to arrange for trans-

ments directed against Indian-held Kashmir. His trip closely paralleled in time and locale that of Michael James, the <u>New York Times corre-</u> spondent who recently reported an impending tribal invasion of Kashmir from Pakistan.

On 3 September the attache discussed the James report with Pakistani Major General Latif Khan, who vigorously denied its truth and added that Pakistan would use force to prevent tribal incursions into Kashmir.

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<u>York Times on 29 August was immediately headlined by the Indian press</u> as proof of Pakistan's aggressive intentions, and it even appeared in modified form in some leading Pakistani papers.

The Pakistani army is in full control of the area occupied by its forces and appears both willing and able to control any inflammatory tribal action.

NEAR EAST - AFRICA 3.

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3.3(h)(2)

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4. Saudi Arabia may cancel American aid arrangements:

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Saudi Arabia may cancel its arrangement with the Export-Import Bank for a \$15,000,000 credit because of the government's dissatisfaction with alleged interference by bank officials.

3.3(h)(2)

Comment: Government officials in Jidda have recently expressed dissatisfaction with the amount of Point IV aid allotted to Saudi Arabia in comparison with grants to other Arab countries and to Israel. Rejection of American economic assistance by Saudi Arabia, where there is considerable pro-American sentiment, would be a setback to the technical aid program throughout the Arab Near East.

5. Egyptian Premier seeks information from Turkey on land reforms:

Prime Minister Ali Maher has asked the 3.3(h)(2) Turkish Ambassador in Cairo to furnish him with details on the "troubles" which land reforms caused in Turkey. The Ambassador, in forwarding this request to Ankara, empha-

sized that Egyptian army pressure was forcing the Prime Minister to promote land reforms. It was his impression that Maher hoped a report from Turkey would point up the disadvantages.

The Ambassador also noted that Turkish nationals owning land in Egypt stand to lose nine million pounds sterling, and he suggested that his government take this fact into consideration when replying to Maher.

Comment: The Prime Minister's approach to the Turkish Ambassador underscores his opposition to drastic land reforms in Egypt.

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EASTERN EUROPE

3.3(h)(2)

6. British Government apparently expects major trouble in Albania:

Comment: Yugoslav officials have informed the American Embassy that trouble could be expected shortly in Albania, and other reports indicate that conditions in Albania are unstable. There is no concrete evidence, however, of any widespread organized resistance.

WESTERN EUROPE

7. Italy sees no possibility of Trieste negotiations:

3.3(h)(2)

The Italian Foreign Ministry, as a result of strong popular reaction to the publicity given the proposed American-British-French discussions on Trieste, now sees no possibility of negotiations with Yugoslavia over this issue,

3.3(h)(2)

in view of the Christian Democratic Party's lack of an absolute majority in the

Senate, the Foreign Ministry feels that it cannot negotiate a compromise solution without undermining the government.

Although Marshal Tito stated recently that he is not unalterably opposed to a division of the territory, Yugoslav officials are reportedly convinced that negotiations based on an ethnic approach would inevitably involve concessions unacceptable to Rome.

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<u>Comment</u>: On 21 August the Italian Political Adviser in Trieste told the American Political Adviser that he was most pessimistic over prospects for an Italo-Yugoslav agreement. He said that the two countries were "poles apart" and that Tito was unwilling to agree to a settlement that would enable the Italian Government to remain in office.

8. British apprehensive about NATO naval exercise:

The British view the inclusion of Bornholm in the forthcoming NATO exercise as provocative to the USSR eventhough the island will be visited only by Danish vessels,

Aware that this opinion is not shared by the Danish and Norwegian Governments, Prime Minister Churchill thinks the final decision should lie with the major NATO powers which would bear the brunt of any war.

The British propose that Bornholm be ex-

cluded by secretly moving the eastern limit of the exercise to the 14th meridian, thus avoiding an impression of giving in to Soviet pressure. They hope for French support if this matter comes before the Standing Group.

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