

CURRENT INTELLIGENCE BULLETIN

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Office of Current Intelligence

CENTRAL INTELLIGENCE AGENCY

TOP SECRET

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FAR EAST

1. Republic of Korea threatens to deny currency advances to UN forces:

The South Korean Government informed the UN Command on 14 November that unless immediate dollar repayments for all outstanding won drawings were made, no

further advances would be available to the UN after 15 December. Pointing out that only 46 percent of the advances made since July 1950 have been repaid, the Finance Minister blamed the present inflation on the constantly increasing issues of Korean currency to the UN and the latter's delay in making dollar repayments.

<u>Comment</u>: This problem is one of the principal sources of friction between the South Korean Government and the UN Command. Won drawings by the United Nations forces, which have been averaging 30 to 40 billion per month at the official rate of 6000 to the dollar, are one of the primary causes of the tremendous inflation in South Korea. Dollar repayments, however, will not alleviate the economic situation appreciably until Korea develops a practical import program.

NEAR EAST - AFRICA

2. Papagos reported likely to remove top Greek military figures:

Marshal Papagos' deputy Markezinis told 3.3(h)(2) an American Embassy official on 15 November that he would urge Papagos not to remove precipitously the high-ranking army officers

who have opposed him. He thought, however, that Papagos could not be dissuaded from replacing Chief of Staff Tsakalotos and the Chief of the National Defense General Staff, Grigoropoulos.

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<u>Comment</u>: After Papagos resigned as commander in chief, numerous pro-Papagos officers were reassigned or retired. The Marshal was disturbed by this reintroduction of political influence in the armed forces and has repeatedly insisted that their politically appointed replacements must be removed. It is not likely that Papagos, since he has been given an overwhelming mandate, will be easily dissuaded from any moves he thinks necessary to free the army from political intrigue.

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SECRET

3. Indian backing of Mau Mau in Kenya reported:

IVP



The Indian Ambassador to Afghanistan recentl_{3.3(h)(2)} told American Ambassador Ward in Kabul that "India and possibly Pakistan have organized and supported the Mau Mau movement and are continuing to do so."

Ambassador Ward, who previously served in Kenya, comments that the Indian High Commissioner in East Africa has in the past given lip service to African movements in an effort to drive a wedge between Africans and Europeans in East Africa and thereby create a "middle position" for Asians.

Comment: There is no evidence that the Indian Government played an active part in the organization of the secret society or that it is giving material support to the movement. On the other hand, India generally gives open encouragement to nationalism in the colonial areas.

The Indian Congress Party is publicly collecting funds to aid the Indian minority in South Africa, which is participating in the passive resistance campaign against the government's racial policies.

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EASTERN EUROPE

SECRET

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4. Albanian exile group favors cooperation with Yugoslavia:

TAL

Albanian nationalist refugee circles are rapidly changing their opinions on cooperating with Yugoslavia to liberate Albania,

The realization that

it will be almost impossible to liberate Albania without Yugoslav help and the belief that increased Western influence in Yugoslav affairs is gradually moderating Tito's brand of Communism contribute to their more favorable attitude toward the Yugoslav-sponsored Prizren Committee.

<u>Comment</u>: This is the first firm evidence that the Western-oriented BKI is becoming receptive to Yugoslav invitations and pressure to collaborate against the Hoxha regime. If BKI leaders decide to support the activities of the Prizren Committee, a significant increase in subversive action inside Albania may follow.

5. Polish Chief of Staff claims populace fears American war preparations:



As reasons for this fear he cited the election of General Eisenhower and the establishment by the United States of air and other military bases along the Orbit perimeter.

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<u>Comment</u>: Similar views have frequently been expressed in public addresses by Polish officials and given prominence in Polish propaganda media. It is unusual, however, for them to be stated by one of the top government leaders on an official occasion of this nature when usually only the most general amenities are exchanged. The Chief of Staff, a former Red Army general, ranks just under Marshal Rokossovski.

Shortly following the US elections, the American Military Attache reported numerous instances of Polish popular approval of the results. Large segments of the non-Communist Polish population have long believed that the only way by which they will be relieved of the Russian yoke is through a general war.

WESTERN EUROPE

6. West German political orientation dependent on French treaty action:

American officials in Bonn believe that French action on the European Defense Community treaty will largely determine the future course of West German foreign

and domestic developments. Should France ratify the treaty, a continuation of Chancellor Adenauer's present policy of French-German rapprochement is practically assured after the forthcoming federal elections.

Rejection of the treaty would compel Adenauer to abandon this policy, and to call for direct West German participation in the North Atlantic Treaty Organization and the elimination of Allied controls over West Germany in the present contractual conventions. Rejection would probably cause a revival of extreme nationalism in West Germany, and possibly the establishment of a Social Democratic government dedicated to neutrality and reunification. Such a government might present the Kremlin with a new opportunity to attempt to divide the West.

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<u>Comment</u>: A French attempt to modify the treaty extensively would probably be interpreted by the West German Government as tantamount to outright rejection.

