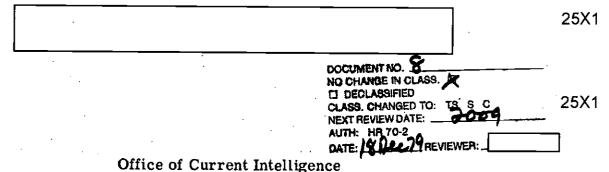
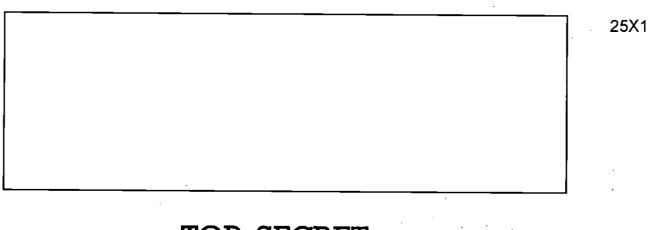


#### CURRENT INTELLIGENCE BULLETIN



#### CENTRAL INTELLIGENCE AGENCY



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#### FAR EAST

## 1. Communist ground capabilities in western Korea significantly reduced:

The recent movement of the Chinese Communist 63rd Army from the immediate rear in the western sector of the front reduces significantly the probability of

a Communist general offensive, according to Far East Command. It also represents a serious weakening of the enemy's immediate defensive capability.

This army's new position further west leaves the Communists with no immediate reserve known to be in support of the front line from the west coast to Pyonggang in the central sector.

#### NEAR EAST - AFRICA

## 2. Britain now favors early approach to Arab states on MEDO:

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Britain is now prepared to join with the other sponsoring powers of the Middle East Defense Organization in an early approach to the Arab States. The British

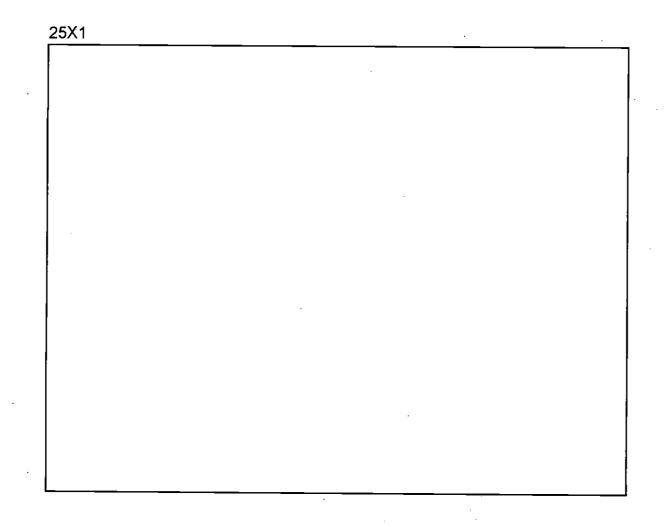
Foreign Office recommends the presentation of a written statement to the Arab governments asking for their preliminary views on Middle East defense planning, but warns against entering into any extended negotiations. An approach to Egypt would be accompanied by further British attempts to solve the Suez problem.

<u>Comment</u>: Britain had previously argued that no approach should be made to the Middle East states until after the actual establishment of the proposed Middle East defense planning organization.

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#### 4. US Ambassador doubts success of Point Four in Lebanon:

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Ambassador Minor doubts that the Point Four program can be successfully carried out in Lebanon and believes that even the present programs should be delayed until Lebanese cooperation.

there is evidence of true Lebanese cooperation.

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The Ambassador feels that the program has been pressed on Lebanon to the point of imposing aid and adds that the entrenched interests and high government officials of the country have no desire for the Point Four type of assistance.

Comment: The states of the Middle East in general have been reluctant to enter the Point Four program. Since Beirut is the center for the program in the area, the failure of Point Four in Lebanon would have unfavorable reactions in other Arab states.

Ambassador Berry in Iraq has also reported strong local criticism of the program.

#### 5. Syria signs agreement for the resettlement of Arab refugees:



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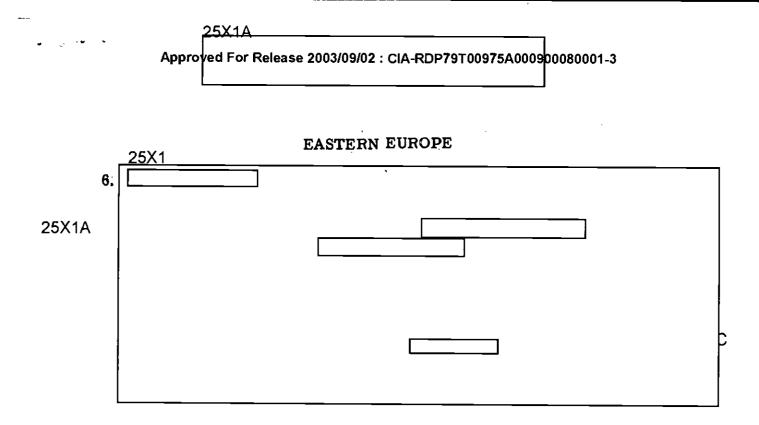
On 13 October Colonel Shishakli, military dictator of Syria, signed a \$30,000,000 agreement with the United Nations Relief and Works Agency for the resettlement of 80,000 Palestine

Arab refugees now in Syria. The agreement is to remain secret until public opinion in the country is prepared. Syria has not yet publicly accepted the principle of resettlement of Palestinian refugees, and the text of the agreement refers only to "amelioration of living conditions."

Comment: Although the lengthy negotiations over the resettlement of Arab refugees have been concluded, implementation of the agreement may be slow because Shishakli is aware of the general Arab sentiment which insists that the refugees be returned to their original homes.

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#### WESTERN EUROPE

#### 7. Austria opposes US views on peace treaty:

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American officials in Vienna report that the consensus of opinion in the Austrian Government is that mere evacuation of occupation forces and the end of the

occupation regime would be preferable to an indefinite prolongation of the existing situation. Austrian officials believe that their observers at the UN would encourage such a proposal there if it were presented be another power.

<u>Comment:</u> The Austrian attitude toward the American-supported draft resolution before the UN, calling the occupation powers to resume negotiations for a "state treaty," has been considerably in doubt. The present development suggests that Austria is in clear disagreement with the American view that the evacuation of troops without sufficient guarantees of Austrian national integrity would be hazardous.

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# 8. <u>French Government optimistic on lifting parliamentary immunity</u> of top Communists:

A French Defense Ministry official has informed the American Embassy that the case for lifting the parliamentary immunity of five leading Communist members of

the National Assembly has been carefully prepared and is fairly well documented. The case has been presented by the Paris Military Tribunal to the Parliamentary Immunity Commission, and a favorable recommendation to the Assembly is hoped for within the next few weeks.

<u>Comment</u>: Lifting of parliamentary immunity would enable the government to put the Communists on trial for having encouraged disobedience in the armed forces and having attempted to obtain secret military information. Material seized during recent raids on Communist organizations would be used to document these charges.

### 9. Spain reportedly evading strategic export ban:



A shipment of 1,460 tons of lead ignots, which left Spain early in October for delivery to Hamburg, is destined for transshipment to the Soviet bloc, The purchaser was R. J. Antoniolli

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of Geneva, an East-West trader.

<u>Comment:</u> Spain's Ministry of Commerce in December 1951 pledged cooperation in controlling exports of strategic materials to the Soviet bloc. By last summer, however, Spain's dollar position had deteriorated to such an extent that the government authorized the sale of low-grades pyrites with the full knowledge that these materials were ultimately destined for the Soviet bloc. Spanish authorities have in the past blocked direct sales of lead to Antoniolli, but they have disclaimed responsibility for indirect transactions, presumably like the present one.

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