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31 October 1968

25X1

Central Intelligence Bulletin

CONTENTS

	25X1
<pre>Israel-Egypt: Israeli forces are preparing for a strong reprisal in the Suez Canal area. (Page 3)</pre>	
	25X1
	÷
Italy-France: Recent deals point to increased in- dustrial cooperation between the two countries. (Page 7)	
	25X1

25X1

25X1

Next 3 Page(s) In Document Exempt

Israel-Egypt: Israeli forces in the Suez Canal area are preparing for a strong reprisal, possibly in response to some new Egyptian "provocation."

UN officials say that Israeli forces along the canal are being strongly reinforced and that tensions are very high, particularly in the southern sector. They believe that all indications point toward "a real go in the southern area."

On 30 October, Israeli officials indicated to one UN officer that while Israel would not initiate any exchange of fire on the canal, should such an exchange occur Israel would respond in "the strongest possible terms."

The Israelis were stung by the 26 October artillery duel with the Egyptians--the second one since early September--in which they suffered relatively heavy casualties.

25X1

25X1

Next 2 Page(s) In Document Exempt



The Breguet 1150 Atlantique (with German insignia)

Italy-France: Recent deals involving a French loan of uranium and Italian purchase of French antisubmarine warfare aircraft point to increased industrial cooperation between the two countries.

The loan of 2,000 kilograms of partially enriched uranium will permit Italy to continue research essential to its plan to start construction next year of the nuclear-powered tanker Enrico Fermi. The tanker is to be the world's fourth nuclear-powered surface ship.

Rome had earlier approached the US and Britain for nuclear fuel for the Enrico Fermi project. Washington and London turned down the request on grounds that the construction is under military auspices and might involve dissemination of nuclear technology for military purposes.

In an apparently related move, Italy has decided to buy the Breguet Atlantique rather than the US-produced Lockheed Orion to fill its needs for antisubmarine warfare aircraft.

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US Embassy officials comment that the Italians chose the Atlantique because they believe their aircraft industry will benefit more from working with a predominantly European consortium. Although the Atlantique is basically French, its design and components are the product of a joint enterprise of several firms from NATO countries. In choosing the Atlantique, Rome may also have been swayed by the French agreement to provide uranium.

The accord between FIAT and Citroen, concluded last week, is still another sign of the trend toward increased cooperation between French and Italian industries.

25X1

31 Oct 68

Central Intelligence Bulletin

7

Next 2 Page(s) In Document Exempt

25X1	Top Secret	For Release 2004/01/15 : CIA-RDP79T00975A012400100002-1

Top Secret