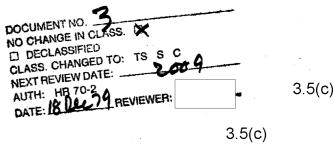


## CURRENT INTELLIGENCE BULLETIN



## Office of Current Intelligence

# CENTRAL INTELLIGENCE AGENCY



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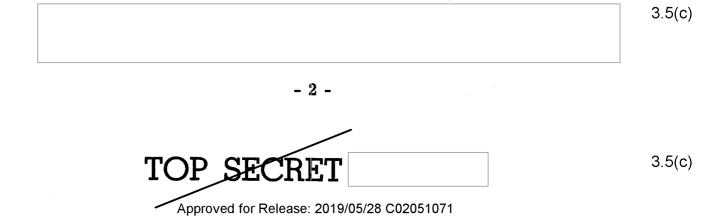
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#### SOVIET UNION

## 1. Malik attempts to sound out US on Korea:

Soviet UN delegate Malik asked the Israeli 3. delegate on 10 October what UN action the United States desires on Korea. Malik questioned whether the US really wants peace in Korea, citing the election campaign

speeches and Eisenhower's "admission" that American prosperity depends on a war economy.

Malik supported the Chinese stand on repatriation of prisoners, although his remarks suggested to the Israeli that the USSR is less opposed than the Chinese Communists to the most recent UN proposals.

The Israeli delegate commented that Malik appeared uninformed on current Soviet policy pending Vyshinsky's arrival. He believed Malik would assume that their conversation would be reported to the United States.

2. Kennan comments on Soviet approach to France:

Ambassador Kennan reports that the 3.3 ecent approach of Soviet Foreign Minister Vyshinsky to French Ambassador foxe for a new understanding with France

1s a "major Soviet move aimed at splitting the Western community." Kennan believes the Soviet move fits in completely with foreign policy laid down last April and recently made public in Stalin's article in Bolshevik.

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3.3(h)(2)

3.3(h)(2)

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The Ambassador feels that if talks take place the French will not fail to recognize "the Soviet ill will and duplicity which underlies all of its diplomatic moves toward non-Communist governments."

#### FAR EAST

## 3. Ambassador Murphy comments on political situation in Japan:

Ambassador Murphy believes that, despite the success of the Liberal and Progressive Parties, the recent election has brought about a changed

and uncertain political situation in Japan. He notes that the new Diet will include 132 wartime leaders and a substantial number of other new members whose stand on current issues is at present unknown.

He believes that although the election failed to produce a clear mandate on any specific issue, it can be interpreted as a general endorsement of the principle of American-Japanese cooperation. Murphy points out that n o prominent Japanese who held office during the occupation was defeated, despite predictions that this group would be repudiated at the polls.

#### SOUTHEAST ASIA

#### 4. Further indications of imminent Viet Minh offensive:

3.3(h)(2)

3.3(h)(2)

3.5(c)

Recent developments, which compare closely with those noted prior to the Hoa Binh offensive in December 1951, suggest that the

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3.5(c)

3.3(h)(2)

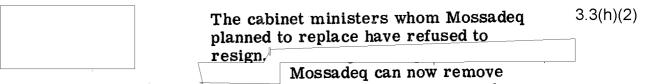
Viet Minh will expand its military operations in Tonkin shortly after 15 October. Among indications recently noted are establishment of what appears to be an advance general headquarters

<u>Comment:</u> These developments lend weight to the conclusion recently drawn regarding an early offensive

Two major Viet Minh groupings have been identified in Tonkin, the first and stronger to the north and west of the French defense perimeter, and the second to the south. The pattern of previous Viet Minh offensives and the present disposition. of forces suggest that the former will be the main force, while the latter will engage in diversionary action.

## NEAR EAST - AFRICA

5. Iranian cabinet ministers reportedly refuse to resign:



them only by himself resigning, obtaining reappointment and forming a new cabinet.

Mossadeq hesitates to resign because he is not sure that Kashani will support him for reappointment. Recently he called on the mullah to ask his advice.

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3.3(h)(2)

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3.3(h)(2)

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Comment: Even the National Front has criticized the cabinet for its inefficiency. Mossadeq's opponents may hope to use the ministers' refusal to resign as a way to force parliament to discuss the cabinet, which could lead to an attempt to vote the Prime Minister out of office.

# 6. British troop concentration reported near Iranian-Iraqi border:

3.3(h)(2) 3.3(h)(2)

- parachute troops are now stationed at Shaiba airbase near Basra, Iraq. The troops have been arriving secretly in small groups from the Suez Canal zone. They will be used to protect the Abadan refinery only if disorders break out and there is danger that the installations will be seized by the Tudeh.

<u>Comment:</u> Shaiba is one of the two airbases in Iraq currently operated by the British Air Force.

In late September the chief of the Iranian General Staff sent reinforcements to southern Iran after receiving reports of British troop concentrations in Iraq, the army is continuing to receive such reports. There is no confirmation, however, that any British troops have been sent to Iraq recently.

3.3(h)(2)

7. Egypt maintains reservations on Sudan statute:

The Egyptian Government has serious3.3(h)(2)reservations on the British draftstatute for the Sudan, according to

two battalions of British

representatives of General Nagib's inner circle. The military regime considers that it will be necessary to consult with the various Sudanese political factions before Egypt can state its objections to the present draft.

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According to Ambassador Caffery, the real objective of the Cairo regime is self-determination for the Sudanese. He points out that, although this is a departure from past Egyptian policy of "unity of the Nile Valley," it would free the Sudan from de facto British sovereignty as well as from nominal Egyptian suzerainty.

#### EASTERN EUROPE

### 8. Yugoslav relations with Vatican deteriorate:



Ambassador Allen reports that tension in official Yugoslav-Vatican relations has sharply increased as a result of the press campaign attacking alleged interference

by the Vatican in internal Yugoslav affairs. The press charges that the Vatican instructed the recent bishops' conference in Zagreb to order the clergy not to join government-sponsored priest associations.

The Papal Charge d'Affaires in Belgrade is extremely worried about the future position of the Nunqiate,

<u>Comment</u>: Assistant Yugoslav Foreign Minister Bebler recently told the French Ambassador that it was very likely that Vatican representation in Yugoslavia would soon be terminated.

The increasinly vehement press claims that the actions of the Papal Charge go "beyond the bounds" of diplomatic immunity further indicate that the government is considering a complete break in relations.

- 7 -



3.3(h)(2)

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A break with the Vatican would largely negate the popular good will which the Yugoslav regime obtained in the West by its release of Archbishop Stepinac in late 1951.



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