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SUMMARY

FAR EAST

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	scheduled before 20 July (page 3).		
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WESTERN EUROPE

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FAR EAST

Soviet and Chinese diplomats currently at-
tending a conference at Peiping will reach
a 'final decision' on the cease fire talks no
 later than 20 July,
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Comment: There have been recent reports of an increasing Chinese Communist role in major decisions concerning North Korea, hitherto exclusively a Soviet puppet. It is possible that truce talk policy is now decided jointly by the Chinese and the Russians without North Korean consultation.

There have been no other reports of the conference or the 20 July deadline.

2. Chinese increase air supply to Tibetan border area:

	The heaviest air supply activity noted in the Tibetan border area to date occurred on 7 July when 16 Chinese transports made at least 20 "air drops" about 200 miles from Chengtu in West China. This activity contin-
ued on 8 July.	cargoes of rice and ammunition.

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re encountering difficulties in the Tibetan border region.	3.3
Another hint of resistance to Chinese Counist rule was the recent report of a Moslem uprising in Kansurovince some 400 miles north of Chengtu.	

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NEAR EAST - AFRICA

4. Greece may bring Cyprus issue before the UN:

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Greek UN Delegate Kyrou informed the American delegation on 9 July that public opinion was forcing his government to bring the Cyprus issue before the United Nations.

The American Ambassador in Athens reported on 8 July that Acting Prime Minister Venizelos has been pressing him for official American

reaction to such a move. The Ambassador fears that the Greek Government will not be able to resist raising the issue.

Comment:

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firm Athens' interest in bringing the Cyprus issue before the United Nations. Successful demonstrations on behalf of the union of Cyprus with Greece were held in Athens on 4 July.

Although there is no indication that the current campaign will be more successful than its predecessors, the choice of Cyprus as a Middle East defense headquarters increases the importance of the issue. Widespread Greek support for union may tempt the government to promote it in order to remain in power.

5. Syria explains its Tunisian stand to France:

The Syrian Secretary General for Foreign Affairs stressed to the French Minister in Damascus in late June the importance of a "practical settlement" of the Tunisian problem. He pointed out that five months have

passed without substantial progress toward its solution. Under these circumstances, he said, it would be difficult for Syria to refuse to join the Arab-Asian group in requesting a special session of the UN General Assembly. He assured the French Minister, however, that Syria would make every effort to exert a moderating influence.

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	The French Charge in Bucharest on 11 June commented on the Rumanian Government purges. The dismissal of the Minister of Agriculture resulted from "deviationism" in his department, where, according to the	3.3(h)(2)	
	Charge, he had served for more than four years without overcoming peasant hostility the peasants' passive resistance for several days had "again compromised" the Bucharest food supply.		
	The purge was reported to be particularly severe in the Ministry of Finance, while the numerous employees evidently dismissed from the Ministry of Interior included members of the militia. The Ministry of Justice and the whole judiciary were reported being purged after the recent reform of the judicial system. In the Ministry of the Armed Forces, where Russians double in all important posts, almost 500 other officers, including a number of generals, and many civilian employees had allegedly been ousted.		
•	Hungary apparently planning to involve US Legation in state trial:		
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the Hungarian Government may be preparing another state trial in which the American Legation in Budapest will be implicated. Father Balasz, a former parish priest in Budapest and an outspoken opponent of the regime, was reportedly tricked by agents provocateurs and arrested last September while trying to cross the border. Four Hungarians, formerly connected with	3.3(h)
the Legation, are at present in prison and available for trial purposes.	?
WESTERN EUROPE	
Recruiting for East German paramilitary forces lags:	
Reliable reports indicate that May recruiting quotas for the East German Alert and Border Police were missed by 80 percent in Saxony and 50 percent in Thuringia. In Saxony, only 700 men had been recruited by mid-June to fill the month's quota of 8,000 men.	3.3(h)(2)
	3.3(h)(2)
that Alert Police recruiting teams have now changed their tactics to bring pressure through personal interviews. Former security restrictions, such as the rule against recruiting individuals who were prisoners of war of Western powers, have reportedly been relaxed.	±.
Comment: Despite the pressure placed on sor groups to serve in the Alert Police, regular conscription will probably be necessary to obtain any significant expansion of the paramilitary forces.	me
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9.	Documents	seized in	France	incriminate	Communist	Part	y and	USSR:

Full disclosure of the information uncovered ^{3.3(h)(2)} in the recent raids on French Communist headquarters would logically lead to the suppression of the Communist Party in France, according to Minister for Associated States Letourneau. A member

according to Minister for Associated States Letourneau. A member of the French Embassy in Rome quotes him as saying that serious difficulties with the USSR would result from public disclosure because of Russian implication in espionage and sabotage activities.

The French Government reportedly is divided on how to handle the problem.

Comment: French Government spokesmen have given conflicting statements on the value of the evidence seized, but the official attitude since the release of Duclos has been that the "last word has not been spoken."

10. Italy ships embargoed bearings to Orbit:

The Italian Foreign Office has informed the ^{3.3(h)(2)} American Embassy that the Italian firm RIV has already shipped 310,000 dollars' worth of List I ball bearings and is about to ship

another 650,000 dollars' worth to Czechoslovakia, of a total order of 1,400,000 dollars. The bearings were included in an Italian-Czech exchange agreement of last November.

The Foreign Office has promised to furnish details on such shipments made by other manufacturers.

Comment: According to the Italian Foreign Office, the balance of the order will be dispatched by the end of the year. Italian officials previously gave assurances that none of the bearings would be shipped without COCOM approval.



