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GENERAL

1. Turks urge caution in approaching Egypt on Middle East Command:

In talking with the US Ambassador in Ankara about the Middle East Command, the Turkish Foreign Minister stated that his efforts to improve Arab-Turkish relations had received a setback by the untimely UN consideration of the Suez Canal restrictions. He is willing to discuss with the US, the UK, and France, the broad question of associating Egypt with Middle East

defense plans but not the technical question of a Middle East Command. Such questions, according to the foreign minister, cannot be discussed formally until all the NATO countries and the Turkish Parliament have ratified Turkish admission to NATO.

The foreign minister appreciates the British sense of urgency, but feels that an early demarche to Egypt on participation in the Middle East Command would not have the desired effect. Egypt would sense the pressure and begin to bargain. He feels that the initial approach to Egypt should be made by the US and Turkey, without Britain.

FAR EAST

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2. Chinese captured recently in Korea report defensive mission:

Chinese Communist prisoners of war captured in both the west-central and east-central sectors have reported that their units were assigned a defensive mission. One prisoner from the newly-

identified 67th Army in east-central Korea stated that his battalion's mission was to defend for approximately one month beginning on 10 September, while a prisoner from the west-central front stated that his army -- the 42nd -- was to defend for a month until bridges in the rear areas could be repaired and the front line units resupplied. The latter prisoner stated that following this an offensive was to be launched to drive UN forces to the 38th parallel.

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Comment: These unconfirmed reports are unique in that this is the first mention of an additional defensive period prior to the launching of an offensive. Of equal interest are the allegations that additional supplies are needed by the front line units and that the objective of the coming offensive is the 38th parallel.

On the basis of currently accepted information, Communist forces in Korea are still believed capable of launching a powerful, sustained offensive where and when they choose.

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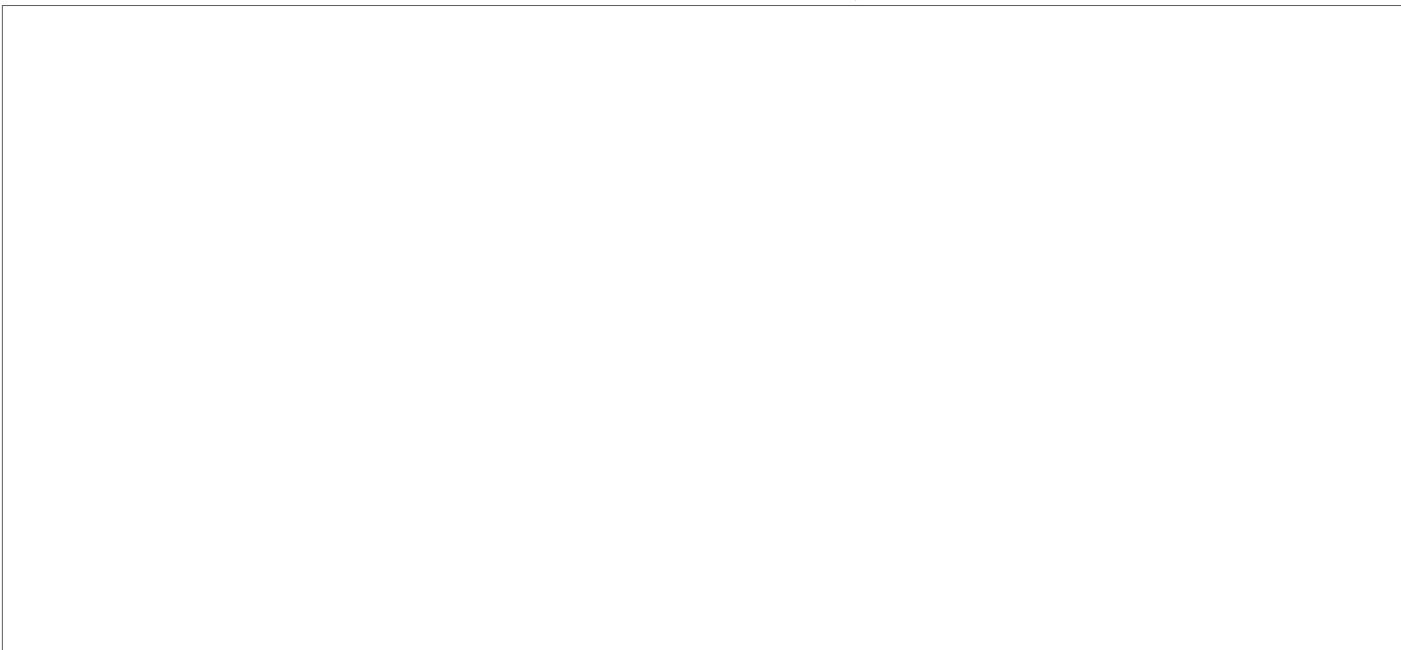
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NEAR EAST - AFRICA

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5. British Foreign Secretary not enthusiastic over US suggestion for Sudan:

British Foreign Secretary Morrison has given only limited approval to the suggestions on the Sudan problem put forward by the US in the current Washington talks.

The US plan for a solution includes an Anglo-Egyptian-Sudanese commission to study constitutional proposals for the Sudan, appointing a temporary neutral governor-general, setting an early date for Sudanese self-government, and setting up a UN commission with general advisory and reporting functions. Egypt would also be given an international guarantee concerning the Nile waters, and a Nile Water Authority would be created with assistance from the International Bank.

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WESTERN EUROPE

7. Steel scrap agreement clears way for abolition of Ruhr Authority:

The UK Foreign Office has approved the US-UK-German steel scrap agreement recently concluded by the two Allied High Commissioners.

The foreign office will therefore request Prime Minister Attlee, probably early next week, to authorize British agreement to the abolition of the Ruhr Authority.

Comment: Since spring the UK has blocked efforts to terminate the Ruhr Authority until satisfaction was reached on German deliveries of scrap, failure of which has been a major problem for the British steel industry. The Bonn Government, on the other hand, has insisted that the Allies must abolish the Ruhr Authority before the Germans will ratify the Schuman Plan or cooperate in Western defense plans.

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9. British tell Acheson rearmament program is imperilled by economic crisis:

The deteriorating British economic picture received the main emphasis at the general US-UK talks on 11 September. Chancellor of the Exchequer Gaitskell indicated that Britain would be unable to continue its 4.7-billion-pound rearmament program without US "cooperation." Emphasizing the higher prices Britain must now pay for imports, Gaitskell asserted that the UK was "up against it."

Comment: Gaitskell made no specific suggestions at this meeting for additional US "cooperation." On several occasions recently the British have dropped hints for larger American contributions to their rearmament effort, but their main desire seems to be the adoption of measures that will improve their general economic position.

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