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3.5(c)

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GENERAL

1. British action in Guiana may influence Latin American UN voting:

3.3(h)(2)

[redacted] Latin American reaction to the Guiana situation has shown a strongly nationalistic tone which may have its effect in the UN when the Tunisian-Moroccan and the nonself-governing territorial issues are debated, [redacted]

[redacted] A Venezuelan official and the ambassadors from Cuba, Ecuador and Argentina reportedly have made statements favoring the liquidation of the "colonial system in America."

Comment: Last year Cuba, Ecuador and Venezuela joined Brazil and other Latin American countries in sponsoring a mild resolution on North Africa designed to give the French time to undertake reforms in the area. The French, confident of defeating any Arab-Asian proposal, have asked the Latin Americans not to take any initiative on the issue this year.

3.3(h)(2)

FAR EAST

2. Chou En-lai's political conference proposal:

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[redacted] Chinese Communist premier Chou En-lai's 10 October message to the UN secretary-general proposes meetings between Communist and American representatives at Panmunjom to decide the time and place of the Korean political conference and, "more important," its composition. Chou specifically reaffirms the Communist demand for the participation of "neutral nations" in the conference itself.

The only modification of Chou's position of 13 September is the withdrawal of the demand that Chinese Communist and North Korean representatives be invited to conduct "joint negotiations" at the UN General Assembly. The current statement waters down, but does not withdraw, the 13 September demand for settlement of the composition question before discussing the time and place.

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Chou's message does not reflect any Sino-Soviet disagreement on the conference. A Polish UN delegate told an American official on 5 October that the USSR favors a two-phase conference, i. e., preliminary negotiations on procedure to be followed by the conference itself. Such a procedure would lend itself to the familiar Communist delaying tactics.

3. Coup against Rhee believed unlikely:

3.3(h)(2)

[redacted]
The American embassy in Seoul reports that in desperation supporters of Yi Pom-sok might attempt to unseat President Rhee, but that such action is unlikely at this

juncture. It points out that police and possibly army support would be needed, and the president has successfully removed Yi supporters from key positions in both organizations.

Comment: Contrary to the embassy's views, General Chong Il-kwon, commander of South Korea's II Corps, reportedly stated in late September that Yi still could determine the actions of the army, and that there is danger of a coup by elements of the I Corps. There is no other evidence to indicate that an army coup is likely.

SOUTHEAST ASIA

4. Thailand's resistance reportedly depends on prompt arrival of American troops:

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[redacted] in the event of a Communist invasion, the Phibun regime would not resist unless the United States immediately sent infantry units to Thailand's aid, [redacted]

[redacted] the Thai armed forces alone would put up only token resistance, but that with American assistance they would fight "to the last man." The Thais would insist on an American commander in chief in any general Southeast Asian defense effort.

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Thai leaders are under the impression that the United States has given Malaya definite assurances that it will defend the latter in case of Communist attack, whereas it has made no similar guarantee to Thailand.

Comment: These views are in accord with those of other observers. They are given added substance by a high Thai defense official's recent public admission that "foreign forces" would be required to defend Thailand against Communist aggression.

5. Langson raid reportedly less successful than French claimed:

3.3(h)(2)

[redacted] the French High Commissariat in Saigon told the assistant US army attache on 8 October that the French raid on Langson last July was not as successful as had been expected, and had no significant effect on Viet Minh capabilities.

A security leak gave the enemy time to evacuate vehicles and other supplies with the result that automatic rifles were the only important stocks at the depot. Considerably less than 1,000 tons of enemy materiel was destroyed, in contrast to the figure of 5,000 tons which was given to the press.

Comment: The Langson raid was widely acclaimed as a successful manifestation of a new aggressive policy instituted by General Navarre. The commander in chief carried out only one other operation of six which he reportedly planned during the summer rainy season, and it was even less successful.

NEAR EAST - AFRICA

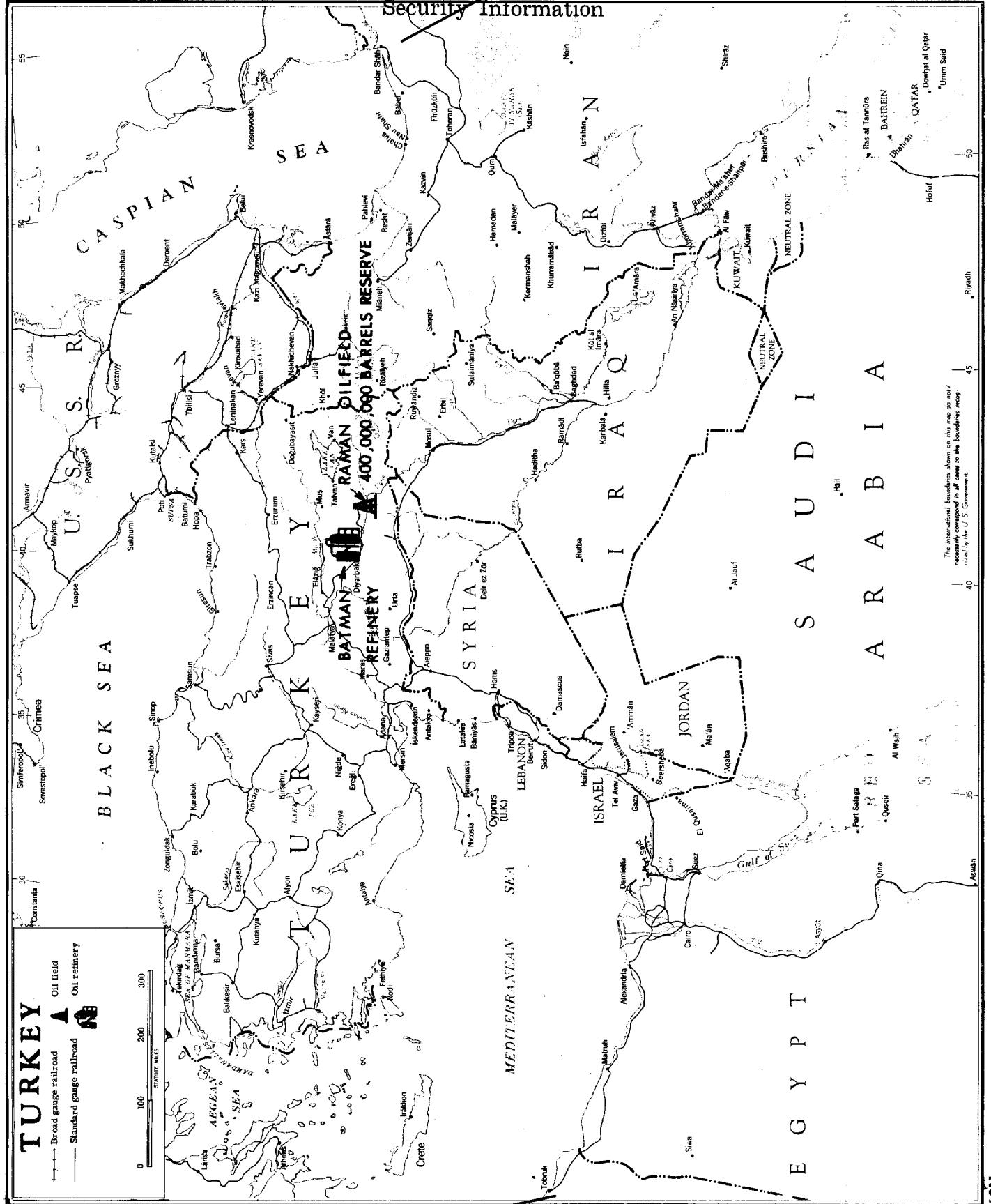
6. Oil field in southeastern Turkey recorded as a major reservoir:

3.3(h)(2)

[redacted]
Oil reserves at the Raman field in southeastern Turkey (see map, p. 6) are now estimated at 400,000,000 barrels, enough

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to support for over 35 years the nearby Batman refinery, which has a daily capacity of 7,500 barrels,

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Turkey's plans for exploiting the Raman oil reservoir, formerly cautious, are now proceeding at full speed.

Comment: This is the first evidence that Turkey may have significant oil resources. In 1952 the proven reserves of this same field were estimated as 70,000,000 barrels.

Sharply increasing oil requirements have become a major factor in Turkey's foreign expenditures. On the basis of this latest estimate, the Raman field should be able to supply roughly 25 percent of Turkey's petroleum requirements, and thus reduce the drain on Turkish dollar earnings.

7. Comment on Syrian elections:

The rigged election on 9 October of a Syrian parliament at least superficially completes the restoration of constitutional rule promised by General Shishakli when he seized power in December 1951. He now possesses the prestige and constitutional machinery necessary for implementing domestic reforms and foreign policies.

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He may be expected to push through parliament a series of agricultural, commercial and financial reforms. He is also likely to renew efforts to obtain sizable economic and military assistance from the United States, as well as a loan from the World Bank, for which legislative approval is needed. He will probably now resume his efforts to get higher oil revenues from the Iraq Petroleum Company.

The majority of Syrians are relatively indifferent to President Shishakli's dictatorship, but the disgruntled politicians and extremist elements, currently checked by his police controls, are a constant threat to his position.

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SECURITY INFORMATION8. Kenya officials pessimistic over elimination of Mau Mau:

[redacted]

High Kenya officials are reportedly pessimistic about prospects of eliminating the Mau Mau. They are said to be extremely concerned over the secret society's continuing ability to intimidate Africans in Kenya and over further indications that the Mau Mau is spreading beyond the Kikuyu tribe. The security situation in Nairobi is reportedly now worse than ever.

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Comment: The deterioration of security in Nairobi and the continuing failure of increased military operations to suppress the Mau Mau are now reversing the wave of optimism which followed the appointment of Sir George Erskine as commander in chief of the East Africa command last June

3.3(h)(2)

[redacted]

An added threat will arise if the Mau Mau resorts to sabotage of communications facilities and mass strikes, as has been suggested by at least one report.

EASTERN EUROPE

9. Comment on Yugoslav reaction to Trieste demarche:

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[redacted]

Yugoslavia's opposition to the American-British demarche on Trieste was emphatically reaffirmed on 10 and 11 October, when Tito warned that Italian aggression in Zone A would be met by all measures at Yugoslavia's disposal under the United Nations Charter, including the use of armed force. He warned that Yugoslav troops would enter Zone A the moment Italian troops moved into the zone. These threats are obviously designed to disrupt plans for the replacement of Allied troops by Italian forces.

To support this firm position, all military leaves have been canceled and Tito has affirmed that units of the Yugoslav army have already entered Zone B to reinforce the garrison there. The American embassy in Belgrade has evidence, as yet unconfirmed, of troop movements toward Zone B in the vicinity of Ljubljana.

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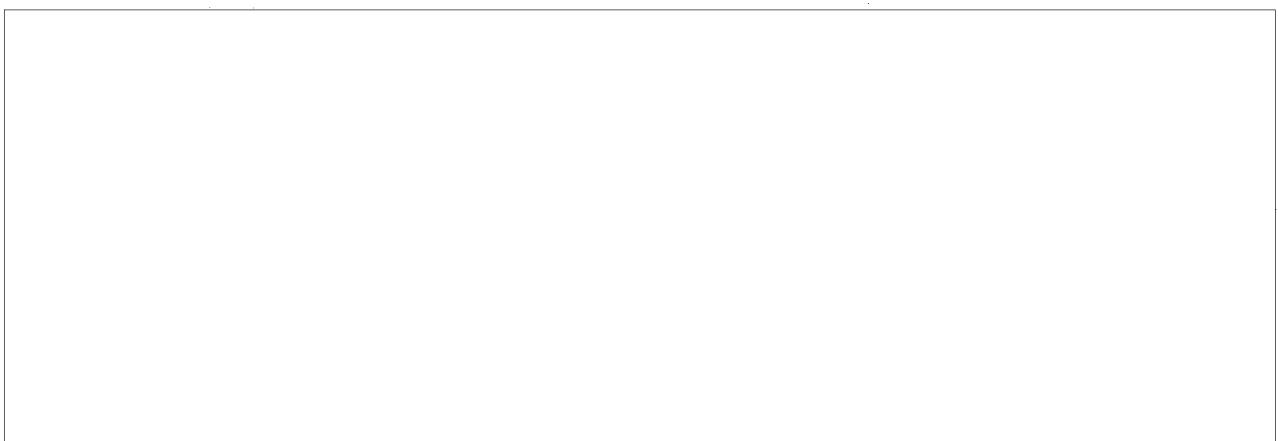
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By these belligerent gestures, Tito is assuming a stand from which he will find it extremely difficult to retreat. The emphasis which Belgrade has placed on the provisions of the Italian Peace Treaty and the principles of the United Nations Charter suggests, however, that these military steps are intended to prepare the ground for a Yugoslav appeal to the United Nations on the grounds that the Anglo-American plan constitutes a threat to the peace.

WESTERN EUROPE

10. Italy to maintain its claims to entire Trieste territory



Comment: Italian leaders have privately indicated that they would accept a solution giving Zone A to Italy, but public admission of this is apparently not feasible at this time.

Improvement in Italo-American relations has already been reflected in the attitude of the Foreign Office, which on 9 October expressed "warm optimism" that the changed Trieste picture would result in the speedy conclusion of the stalled bilateral negotiations for US-manned NATO base facilities.

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SECURITY INFORMATION**11. German delegate sees progress made on EPC at Rome:**

[Redacted]

Walter Hallstein, chief German delegate, 3.3(h)(2) conceded that the meeting of the European Political Community at Rome had been "disappointing in some aspects," but flatly predicted that its final report would contain no compromises jeopardizing the supranational principle of the community.

Hallstein added that the conference agreed to postpone the previously scheduled Hague meeting until late November, thus enabling working level diplomats to resolve some of the differences between the various participants.

Comment: At the Rome meeting, it became clear that the French representatives wanted to water down the supranational powers of the EPC executive.

Since France and West Germany will probably negotiate on the Saar issue before the Hague meeting, it is possible that the French may reduce their demands for a weak EPC executive if Chancellor Adenauer grants concessions on the Saar. French Socialists, whose votes are needed by the government for EDC ratification, will simultaneously be pressing their government for a stronger EPC executive.

LATIN AMERICA**12. Copper strike threatened in Chile:**

[Redacted]

The Copper Confederation workers at the 3.3(h)(2) American-owned mines in northern Chile have called a strike for 12 October unless the companies meet their demands for a 75 percent wage increase and additional benefits which would amount to as much more. The companies claim that they are unable to negotiate with the workers prior to a settlement of their various problems with the Chilean government.

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Comment: The northern mines produce about 65 percent of Chile's copper. With present government expenditures running from 10 to 15 percent over 1953 estimates, any further loss of revenue from copper would seriously weaken Chile's already shaky economy.

The Chilean government's attitude toward this strike threat is not known, but a state of emergency has already been declared in this area as a result of a nitrate workers strike.

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