CURRENT INTELLIGENCE BULLETIN

State Department review completed

Office of Current Intelligence

CENTRAL INTELLIGENCE AGENCY
SUMMARY

1. 25X1

2. 25X1

3. 25X1

FAR EAST

4. Preparations for Communist offensive in Korea reported (page 4).
5. Desperate plight of Americans in China reported (page 5).

NEAR EAST - AFRICA

6. 25X1
7. Syria favors closer relations with Spain (page 6).

EASTERN EUROPE

8. 25X1

LATIN AMERICA

9. Chilean free-disposal copper sales reduced (page 7).

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- 2 -
FAR EAST

4. Preparations for Communist offensive in Korea reported:

25X1A - 4 -
Two Chinese Communist armies began moving southeast on 28 March from staging areas in east central Korea near the 39th Parallel. Four additional Chinese armies have also been alerted for the offensive. Four North Korean corps, now in the east coast area, are scheduled to participate.

Comment: There are no firm indications that Communist forces in Korea intend to launch another major offensive in the near future. It is possible, however, that a limited objective offensive may be undertaken in eastern Korea, the apparent focal point of the reported preparations, where UN forces hold a considerable amount of North Korean terrain.

5. Desperate plight of Americans in China reported:

The American Consul General in Hong Kong reports that the manager of the Standard Vacuum Oil Company in Shanghai telephoned the company's Hong Kong office and declared that the plight of American businessmen was desperate. He was afraid, not so much of jail, as of "the other thing."

The Consul General calls attention to an authentic report from Tsingtau of the arrest of an American missionary on 7 March under circumstances indicating that the seizure might be connected with the germ warfare propaganda campaign.

Comment: All Western businessmen in China are subjected to extortionate financial demands as a condition for permission to leave the country. Over 200 Americans are still in Communist China, nearly 40 of them under arrest.

Recent British and French diplomatic reports have expressed grave concern for their nationals in China.
7. Syria favors closer relations with Spain:

The Syrian Government favors close political, economic, and military collaboration with Spain, This attitude stems in large part from Syria's desire to be equally independent of the Soviet Union and the West.

The Syrian Foreign Minister reportedly said that his government will take advantage of Spanish Foreign Minister Martin Artajo's coming visit to complete plans for closer relations.

- 6 -
that some of the Arab states may be willing to consider a Spanish-Arab pact. There have been many rumors that the matter would be discussed by the Spanish Foreign Minister during his tour of the Arab capitals which began on 4 April.

LATIN AMERICA

9. Chilean free-disposal copper sales reduced:

Chile has reported that there are practically no new orders for copper from Chile's 20 percent free-disposal quota, and that current shipments are on old orders. The United States Embassy in Santiago accepts this version and believes that President Gonzalez Videla's optimistic statements on this subject are intended for internal consumption in Chile.
The continued failure of free-disposal copper to be sold at the Chilean official price of $1200 per metric ton may considerably weaken Chile's position in the current Washington conversations in which that country is seeking an increase of about six cents per pound in the price of copper sold to the United States.

Chile's free-disposal copper quota for the first year of the US-Chilean agreement of May 1951 may approximate 100,000 metric tons.