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~~SECURITY INFORMATION~~

13 July 1952



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Copy No. 53

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CURRENT INTELLIGENCE BULLETIN



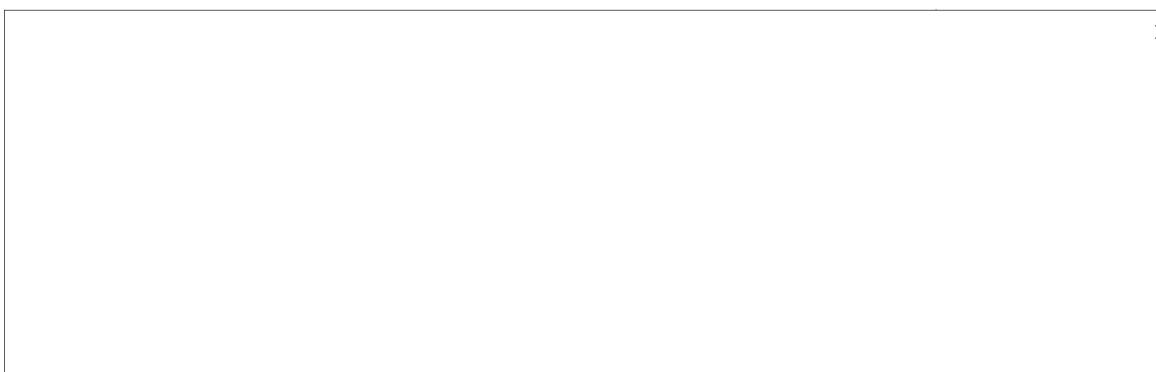
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CENTRAL INTELLIGENCE AGENCY



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~~SECURITY INFORMATION~~

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1. [REDACTED]
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WESTERN EUROPE

6. De Gasperi refuses to withdraw Trieste appointment (page 6).
7. Russia may be seeking to expand Danube traffic (page 6).

LATIN AMERICA

8. [REDACTED]

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FAR EAST

1.

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2. New "total war" organization formed in Indochina:

The American Embassy has indirectly learned of the formation of a French-Vietnamese organization for "total war," to be directed by French military authorities. The organization is composed of five committees charged with mobilizing human, economic, and psychological resources, public works and transportation, and civilian defense.

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The Embassy, while expressing "disappointment" at not being informed earlier of this important development, comments that the cooperation necessary to make the scheme work is a possibility under the new Tam government.

Comment: This organization should increase the efficiency of the military effort; but it does run directly counter to Vietnamese aspirations for greater autonomy. It could have far-reaching significance in the maintenance of French control over a wide range of political, military, economic and social activities in Vietnam.

The American Embassy is apparently still not receiving full and timely information from the French.

3. Communists in Burma reportedly striving for alliance of all insurgents:

[redacted] The present policy of the Burma Communist 3.3(h)(2) Party is to form an alliance among all in-
[redacted] [redacted] surgents, including the Karens, [redacted]

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[redacted] a Karen-Communist merger would not necessarily result in the overthrow of the government, but that it would severely strain the Burmese armed forces.

Comment: As the Karen position becomes increasingly desperate, and as older, pro-West leaders are replaced by younger ones, the Communist offers for an alliance are becoming increasingly appealing.

NEAR EAST - AFRICA

4. British persist in support of present Greek Government:

[redacted] Ambassador Peurifoy reports that British 3.3(h)(2)
Ambassador Peake asked him on 10 July what
the American attitude would be if the present

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Greek Government were forced by the defection of a few of its supporters to depend on the Communist front faction in Parliament to stay in power.

Ambassador Peake said Lord Mountbatten had advised him that he would not receive opposition leader Papagos during his forthcoming visit to Greece unless the interview were approved by King Paul.

Comment: The Ambassador's question was undoubtedly stimulated by current opposition attempts to cause the government's fall because of the defection of its parliamentary supporters. The British, however, have tended to side with the government and the Palace against Papagos, who is favored by the United States. The refusal of Lord Mountbatten to interview Papagos will spur Greek efforts to exploit any difference of opinion between American and British representatives in Greece.

5. Maragli Pasha may succeed Sirry as Egyptian Prime Minister:

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King Farouk must eventually accept either a return of the Wafd Party or a dictatorial regime headed by ex-Minister of the

Interior Maragli Pasha. Maragli would undertake to neutralize the Wafd in three years of rule without parliament.

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Farouk will probably choose Maragli as Prime Minister if the Sirry government falls.

Comment: Maragli, considered a strong, independent figure, was frequently mentioned as the probable successor to Hilali Pasha, Sirry's predecessor. He was responsible for the effective reorganization of the police force after the January riots.

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WESTERN EUROPE

6. De Gasperi refuses to withdraw Trieste appointment:

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[Redacted]

Italian Premier de Gasperi has told the British and American Ambassadors "with some asperity" that despite their representations he cannot withdraw the appointment of De

Castro as Italian Political Adviser for Trieste. The ambassadors had told the Premier that the appointment might prejudice Italian-Yugoslav negotiations on Trieste, and had pointed to adverse Yugoslav press comment on De Castro's nationalist connections. De Gasperi replied that De Castro could be removed if he did not do the "competent, responsible job" expected of him.

De Gasperi referred again to the importance of the Trieste issue in the coming national elections. Asserting that he did not have the strength to "stand up against failure" to solve the problem, he emphasized its "bearing on the Italian ratification of EDC."

Comment: Recent Italian appointments in Trieste have shown the effects of extreme nationalist pressure on the De Gasperi government.

Although the Italian Parliament is expected to ratify the EDC treaty in the fall after some debate, US observers believe that this increasing nationalist pressure will jeopardize the next Italian Government's cooperation with US policies.

7. Russia may be seeking to expand Danube traffic:

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[Redacted]

The Soviet-Hungarian shipping company, Meszhart, which since 1946 has operated without Austrian authorization on the Danube between Vienna and the Hungarian border, has reportedly approached the Austrian Government for an official trade license.

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Since some Austrian officials fear that granting the license might prejudice chances for an Austrian peace treaty, no action has yet been taken. If the government decides to grant the license, it will reportedly seek guarantees for equal rights for Austrian shipping in Hungarian waters.

Comment: The Hungarian request, together with recent Soviet offers to the Austrians to relax long-standing obstructions to Austrian shipping on the river, may portend a general effort on the part of the Orbit to increase the volume of Danube traffic. The Soviet offers may have been designed in part to make the Austrian Government more receptive to the Soviet-Hungarian company's application.

Last January Meszhart sought permission to operate on the Danube within the US occupation zone in Germany. After American and German officials insisted that the USSR must first admit German vessels to the Soviet occupation zone in Austria, the question was dropped.

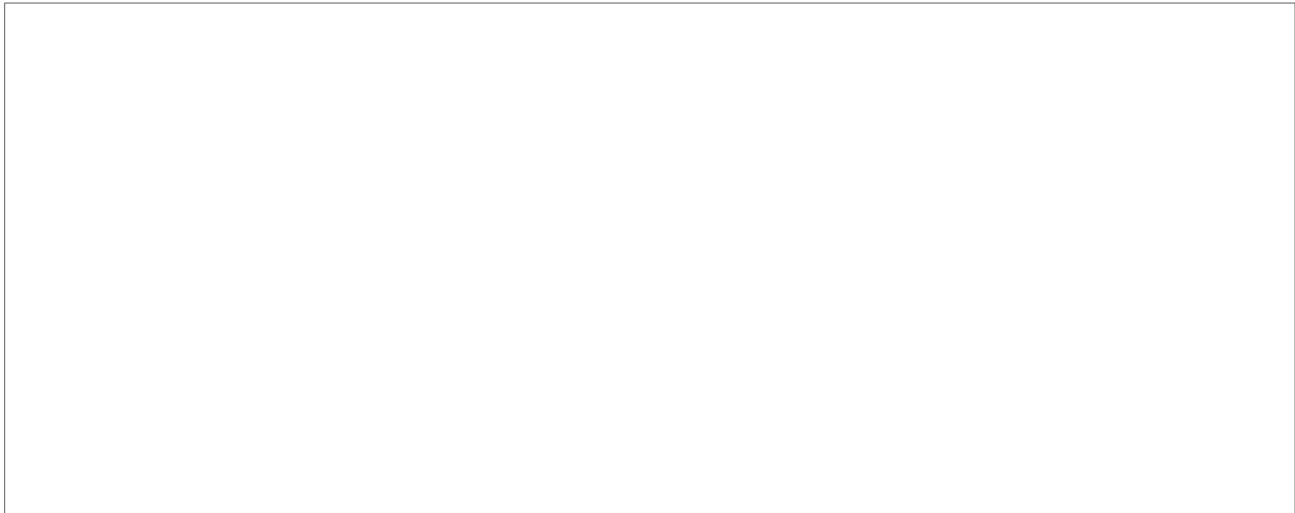
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