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SECURITY INFORMATION

22 January 1952

[Redacted]
Copy No. 49

3.5(c)

CURRENT INTELLIGENCE BULLETIN

34
DOCUMENT NO. 34
NO CHANGE IN CLASS.
X DECLASSIFIED
CLASS. CHANGED TO: TS 2009
NEXT REVIEW DATE:
AUTH: HR-70-8
DATE 12-19-79 REVIEWER: [Redacted]

3.5(c)

Office of Current Intelligence

CENTRAL INTELLIGENCE AGENCY

[Redacted]
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FAR EAST

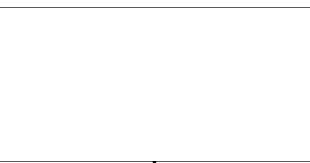
1. French forces in Tonkin are severely pressed:

The US Military Attaché at Hanoi states it 3.3(h)(2) is "very doubtful" that the military picture in Tonkin is as promising as the French publicly assert. The Viet Minh strategy of

constant attacks against new points on the defense perimeter is tiring French troops by forcing them to make continual countermoves. The French are losing experienced and well-armed soldiers, while the Viet Minh is holding its best troops in reserve and committing only ill-equipped, untrained conscripts.

The attache concludes that the "best French hope" at the moment is for the Viet Minh soon to cease general operations in order to recuperate and supply.

Comment: An American official, just returned from the southern delta region within the defense perimeter, reports that the entire area is being infiltrated by Viet Minh forces, with only four towns securely held by the French. Announcements over the past weekend by the French that they are conducting an offensive in that area appear therefore to be misleading; actually, the operation has more the complexion of a defensive action involving troops badly needed elsewhere.

2. Karens may abandon demand for separate state in Burma:

A spokesman for the Karen Congress, an 3.3(h)(2) organization composed of Karens in legal opposition to the Burmese Government, reportedly stated that the insurgent Karens will

not insist upon the establishment of a separate state. They will, however,

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demand that Karen who have been imprisoned or discharged from military or civil positions for political reasons be released or reinstated, and that Karen be guaranteed minority rights throughout Burma, including the right to their own educational system and equal commercial opportunities with Burmans.

Comment: The Karen Congress has been in constant touch with the insurgent Karen and it is plausible that this group would be utilized as an intermediary to transmit any offer by the insurgents to the government.

This report, if true, represents a considerable concession on the part of the Karen who have heretofore been intransigent in their demand for a separate state. Moreover, the reported concession is being offered at a time when the Burmese Communists have been holding out to the Karen the promise of such a state.

SOUTH ASIA

3. Pakistan expresses interest in Middle East Command:

Pakistan and Turkey are the two cornerstones upon which the proposed Middle East Command should rest. This statement was made by Pakistani Foreign Minister Zafrullah Khan to the French Ambassador in Karachi during a discussion of mutual problems. The Foreign Minister said further that Pakistan would agree to take part in a mutual defense plan for the area only if promised assistance in the event of threatening moves by India or if "forces from the north" were overwhelming.

3.3(h)(2)

Zafrullah also stated that instead of participation in the proposed Middle East Command, Egypt should have been offered custody of the Suez Canal with arrangements for its international defense, in which Pakistani troops would participate.

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Comment: Similar statements were voiced by another Pakistani Cabinet member last September. While the Western defense proposals have not been completely defined, there has been some discussion between the United States and Great Britain of an approach to Pakistan regarding membership in the proposed Middle East Command. Pakistan has indicated that its cooperation with the West would be increased if a satisfactory solution of the Kashmir issue could be arranged.

NEAR EAST - AFRICA

4. Suez Canal Company expects Egypt's assistance in preventing future strikes:



Farouk's palace cabinet.

3.3(h)(2)

Francois Charles-Roux, Chairman of the Suez Canal Company, has expressed his satisfaction over the reception he recently received from the Egyptian Prime Minister, the Minister of Interior, and the chief of King

The Chairman explained to the Egyptian officials that his company, which is not implicated in the Anglo-Egyptian conflict, is interested solely in ensuring the uninterrupted continuation of all shipping traffic through the Suez Canal. He also stated that, since this policy is to Egypt's interest, he expected the Egyptian Government to render all possible assistance in preventing strikes by Egyptian laborers.

The Prime Minister assured him that he realized the importance of the unrestricted operation of the Suez Canal and that he believed that Egypt should offer the canal company as much aid as possible in preventing future work stoppages.

Comment: The US Embassy in Cairo previously reported the concern felt by Suez Canal Company officials over the brief labor strikes of the past two weeks. While relations between the Egyptian Government and the company are cordial at present, it will be increasingly difficult for the company to avoid indirect involvement in the Anglo-Egyptian dispute, since Egyptian personnel may strike again as a protest, not against any company actions, but against the participation of the British authorities in operating the canal.

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EASTERN EUROPE

5. Local political groups in Trieste clamor for elections:

[redacted] All parties favoring an independent Trieste, 3.3(h)(2) including the Cominformists and the pro-Tito groups, are clamoring for communal elections in Trieste, according to the American

Political Adviser. He states that pro-Italian groups are voicing no objections to an election, and that consequently there seems to be no legitimate local basis for the Allied Military Government to persist in its refusal to set an election date.

Comment: Last October the Military Government postponed communal elections until 1952 at the request of the Italian Government, in order to provide a proper atmosphere for possible Yugoslav-Italian negotiations on the Trieste issue. In the absence of any firm prospect for an early Yugoslav-Italian accord, the Military Government has no justification for further postponement.

With Italian national and local elections impending, the Italian Government is particularly anxious to avoid risking further weakening of its position by a poor showing of the Italian parties in Trieste.

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