			30 April 1953
			Copy No. 60
	CURRENT INTE	LLIGENCE BULLI	CTIN
		DOCUMENT NO NO CHANGE IN CLASS.	78
		LI DECLASSIFIED CLASS, CHANGED TO: NEXT REVIEW DATE: AUTH: HR 70-2	T3 5 2004
_		DATE I LA ??	3.5(c)
	Office of Cu	rrent Intelligence	
	CENTRAL INTE	LLIGENCE AGENO	CY

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TOP SECRET

GENERAL

1. British and Italian Foreign Offices analyze Pravda article:

3.3(h)(2)

The British Foreign Office assesses the Pravda article on Eisenhower's speech as being primarily designed to continue propaganda warfare, while at the same time "lowering the international temperature." It believes that the Soviet Union has kept the door open, but is in no hurry for genuine negotiations on substantive matters. The

Foreign Office sees no indication whatsoever that Moscow wishes talks on Germany, but considers its attitude on Austria less clear.

The Italian Foreign Ministry also feels that the USSR does not desire an over-all negotiated settlement but may be willing to pay some price for a relaxation of international tension and a slackening of the Western defense build-up. In the Foreign Ministry's opinion, the effects of each concession, such as the exchange of Korean prisoners of war, will be carefully appraised by the Kremlin to estimate how much more must be given to achieve its purpose.

SOVIET UNION

2. New Soviet air defense region near Astrakhan:

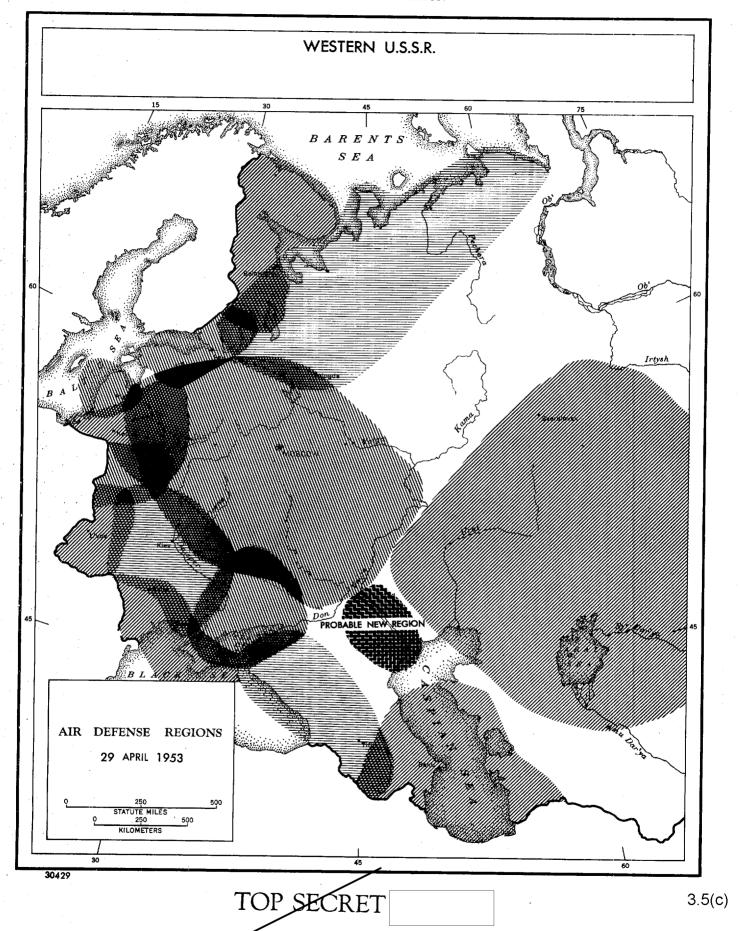
3.3(h)(2)

There are indications that a new air defense region has been established in the area between Stalingrad and Astrakhan, on the northwest coast of the Caspian Sea. A new regional control became active on 1 October 1952 (see map, p. 4).

Comment: This brings to 15 the total number of air defense regions in the European USSR. The new region provides protection in greater depth on the Soviet Union's southern flank.

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		SOUTHEAST ASIA					
3,	3. Cambodian uprising against French reportedly hinges on King's decision:						
	believes that the	There is immediate danger that Cambodian loyal and dissident forces will join in armed revolt against the French if the King orders it, according to General de Langlade, the local French commander. De Langlade states that the King's recent public criticism of the French has made him a national hero, and that his supporters have been asked to rise if the King's eater autonomy are not met before 7 May. De Langlade immediate return of the King, who is now in Tokyo, plus some concessions is imperative.					
	nese sources, h France's presen	Meanwhile, the King has informed French lean in Tokyo that he does not want to return to his country and may remain indefinitely in Tokyo. Dejean and Japa-owever, believe that the King is not fostering open rebellion. Comment: The King is apparently seizing on the difficulties in Laos to press his demands. He bitterly are of the French to make concessions in appreciation of the tion.					
	While it is probably true that the King is not yet actively fostering rebellion, mounting Cambodian resentment may get beyond his control.						
4.	Laotian leaders	do not fear ''Free Laos'' Government:					
		The vast majority of the Laotian people are indifferent to the implications of the Viet Minh invasion,					



Their leaders believe they can make peac3.3(h)(2) with a "Free Laos" puppet government under Viet Minh control.

French-sponsored Laotian Government were at one time members of an anti-French rebel government, and could probably adjust to such a role again. The recent frustration by the French of Laotian efforts to bring their case to the United Nations is likely to encourage accommodation to the Viet Minh, particularly if the French defense of the country proves ineffectual.

NEAR EAST - AFRICA

5.	Iran asks Japan not to block oil purchases:	3.3(h)(2)
		3.3(h)(2
	Iran hopes Tokyo will allow J	apanese companies
	to buy oil.	this approach
L	was necessary to offset British pressure on Tokyo.	3.3(h)(2)

Government to discourage the private purchase of Iranian oil, and the Anglo-Iranian Oil Company will attempt to attach the cargo of refined products now en route to Japan.

Because of the importance of its trade with the sterling area, the Japanese Government may prevent future imports of Iranian oil, probably by eliminating Iran from the list of countries eligible for dollar exchange imports.

6. Britain protests Egyptian attacks on army vehicles in the Suez zone:

British Ambassador Stevenson in Cairo has 3.3(h)(2) complained to General Nagib about the "almost daily" attacks by Egyptian civilians on British

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military vehicles in the Suez Canal zone. A British noncommissioned officer was reportedly killed and another wounded as the Anglo-Egyptian talks were opening on 27 April.

Nagib denied that Egyptian authorities have any connection with these incidents. Foreign Minister Fawzi indicated to Ambassador Caffery that opponents of the Nagib regime are probably responsible.

3.3(h)(2)

Comment: These incidents may jeopardize the success of the Anglo-Egyptian defense talks, which, according to both British and Egyptian officials, opened in a friendly atmosphere.

Censorship has suppressed reports of more than 50 attacks involving the theft of British vehicles and small arms which have occurred since January, 20 of which took place in April.

7.	Israeli	terrorists	may be	e trying	to	precipitate	war	with	Arabs:
• •						F			

blamed on Arabs.

	American Consul General Tyler reports that	3.3(h)(2)
	an Israeli investigation of the fighting in	
	Jerusalem on 22 April indicates that an	
	Israeli terrorist gang may be endeavoring	
to precipitate war between	en the two countries. Tyler comments that	
this gang may have been	responsible for hitherto unexplained murders	

Comment: Young Israeli terrorists are the successors to the underground organizations which helped create the country. These elements have been pressing for expansion of Israel and may have been encouraged to carry on their activities by the government's readiness to blame the Arabs for recent border incidents.

Tyler considers the present situation "the most grimly serious threat to peace since the armistice was signed" in 1949.

TOP SECRET

WESTERN EUROPE

8.	Italian Political Adviser foresees all Trieste under Italian jurisdiction.
	The Italian Political Adviser in Trieste con-3.3(h)(2) siders that sentiment there has increased greatly of late in favor of actual formation of a Free Territory of Trieste as provided by the Italian Peace Treaty of 1947. Such a move, he told American and British officials in Trieste, would get the Yugoslavs out of Zone B, and in view of the "trend of international events" would result in the return to Italy in the "not distant future" of the entire territory.
	Comment: The Italian Political Adviser's
	suggestion is completely unrealistic since the Yugoslavs now hold Zone B and have shown no intention of withdrawing.
9.	Jet training by East German pilots may have begun:
υ.	3.3(h)(2)
	Comment: Between 350 and 400 East Germans reportedly completed basic flight training in February and were expected soon to start training in jets.
	Twenty-five MIG-15 fusilages were observed
	at Cottbus airfield A total of 77 crated aircraft, the majority believed to be MIG-15's, have 3.3(h)(2) A total of 77 crated aircraft, the majority believed to be MIG-15's, have 3.3(h)(2)
	reportedly arrived at this field 3.3(h)(2)
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There are indications that the Soviet air base at Finsterwalde, about 35 miles west of Cottbus in the southeastern part of the Soviet zone, will be used for jet training. The base at Cottbus is capable of accommodating jet aircraft, and the facilities at nearby Bautzen-Litten are being expanded.

10.	French fear Austrian views on treaty may undercut West:
	The French Foreign Ministry has informed 3.3(h)(2 the American Embassy in Paris that it still considers it inadvisable to call a four-power meeting on the Austrian treaty without first notifying Moscow of the West's willingness to withdraw the abbreviated

The Foreign Ministry furthermore fears that should Western insistence on revision of the long treaty draft delay its conclusion, the Austrians might place the West in a difficult position by advising the Russians that they are prepared to accept the long draft

treaty draft.

without revision.

The French consider that ultimately the West will probably have to accept Article 35 of the long treaty which provides for considerable economic advantages to the USSR.

Comment: While it seems unlikely that the Austrians would deliberately attempt to embarrass the West in an effort to obtain a treaty, Western differences over possible terms for a settlement are probably already well known to the Russians and would be exploited by them if they were prepared to terminate the Austrian occupation.

Although the Austrian Government is ready to accept the long treaty, it has publicly maintained that the question of its acceptability is a question for the Austrian Parliament to decide.

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