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OFFICE OF ORIGIN:  
SSU/ITALY

FIELD NO. FILE NO. JEL-3841 #2

REPORT MADE AT: Rome	DATE: 17 July 1946	PERIOD COVERED: July 1946	MADE BY: CB 9
SUBJECT: GENERAL - Plan BAZAR		STATUS:	
SPECIFIC - Major Ugo DaDOME ✓		Pending	
REFERENCE: GX-2392 of 13 March 1946; GX-2227 of 3 Dec. 1945; GX-2293 of 31 Jan. 1945; GX-2411 of 28 March 1946; XI-11515 of 5 April 1946; JZX-6226 of 20 Feb. 1946; Rome cable 325; Cairo cable No. 199. ✓			

IN 42388

COMMENT:

1. Attached herewith, our plan for subjects use, together with a summary of the present situation in the Arab country as seen by him from this vantage point.
2. This memo is a follow up to our cable no. 134. ✓ = TS IN-39332
3. Comments and criticisms are invited. = See FBI Evaluation dated 3 Sept. 46
4. Istanbul is requested to submit suggestions as to methods of contact, locally.

DISTRIBUTION: (9)  
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Plan BAZAR file  
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OFFICER IN CHARGE:

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CENTRAL INTELLIGENCE AGENCY  
SOURCE METHOD EXEMPTION 3B2B  
NAZI WAR CRIMES DISCLOSURE ACT  
DATE 2008

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Subject: DADONE Major Ugo

1. Subject is identical with source of JEX-3804, and will be referred to in future reports by the symbol therein indicated.
2. This unit has been in contact with subject since early March 1946, pursuant to the dossier submitted by Cairo, GX-2295 of 31 Jan 1946. A full dossier on subject's activities since 1935, based upon documents in the files of the Ministry of Popular Culture will be submitted in due course.
3. His past notwithstanding, we have been impressed from the start by subject's mastery of all aspects of the Near Eastern question, his vast network of contacts in the Levant, and his almost natural inclination toward clandestine operations. He is not, however, a professional information vendor who can be attracted to any mercenary offer. Personal contact has confirmed the impression given by the reading of his past operations, that he is a person of superior political espionage qualities. Therefore the only emotional basis for collaboration is that which has the mutuality of Italian and American interests as its cornerstone.
4. Thus far, the positive qualities above sketched are offset only by subject's tendency to follow the line of his reactionary political convictions in energetic participation, particularly through the channels of the Scottish Rite Masonic organization of which he is a leader, in the domestic political scene. Fundamentally, however, it is not believed that subject is tied to a Fascist restoration. It will be our object to direct him as much as possible away from domestic political participation. We feel that there is a common basis upon which we can meet for the exploitation of his specialized talents. To this must be added, subject's anti-JE feelings which constitute a controlling factor in his political outlook and conduct. Subject's anti-BB outlook, intensified by the treatment received as a POW after capture in Libya, is still a strong force in his psychological outlook.
5. A plan which would comprehend the elements above discussed so as to assure loyalty in the pursuit of our aims, has been under consideration for the past two months. With the crystallization of the Arab-Jewish problem, the return of the Mifti to the Levant and EL KEILANI's reportedly successful arrival at Taif, the time is ripe to set subject upon a positive course of action.

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6. Subject was called to a contact at 1500, 6 July 1946. The information which he had furnished in JEX-3804, was discussed for sub-sources. In each case the sub-source was KEILANI's wife (now in Terni) who had passed or received the information from the Mufti's contact man, TABUIA. The latter was in Rome two weeks ago on his way to Paris and had contacted subject who is a good personal friend of the Mufti and KEILANI. TABUIA is to return to Rome in mid-July and it is expected that subject will then be able to secure many more details on current developments. A short report by subject summarizing what he has been able to learn from the fragmentary indications available here is appended.

7. Subject was asked during the course of the contact to act as our "consultant" on the Near East. He accepted the proposal with alacrity and joy. The immediate program agreed upon is as follows:

- a) He is still at work on his report on his former associates in Cairo, 1935-1940. We have received preliminary reports, but this final one should be finished shortly and will be processed as quickly as possible after it is received.
- b) An attempt will be made to place subject in contact, either under cover or openly with KEILANI's wife, and other Iraqi notables now being held at Terni.
- c) Subject will keep in contact with the Mufti's contact man, TABUIA, through whom it is hoped that the Mufti's courier can be reached.
- d) He will follow overt development in Italy related to Near Eastern problems. In this work he will use the facilities of the Istituto per l'Oriente which has again begun its work here. It is our desire to build up subject with the heads of the Istituto who are all his good friends, and at the same time to assist the Istituto as much as possible in its difficult effort to re-assume its pre-war position of pre-eminence among the non-Arab institutes studying Arab affairs. The most efficacious and least expensive forms of assistance, we have learned from subject, would be to provide the Istituto gratis, through him, with copies of current Arabic and Turkish newspapers.

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SSU Cairo and SSU Istanbul are therefore asked to participate in this project by pouching to us at regular weekly or bi-weekly intervals copies of the native newspapers available to them locally. It is realized that this request seems to pose annoyances; however, the long run effects of the service will be to the advantage of all units. Comments and criticisms are invited.

- e) Subject will arrange for his passport and will secure an assignment as special correspondent in the Eastern Mediterranean for a group of Italian newspapers.
8. Our long-range plan for subject comprises the following:
- a) He will be built up in the Istituto per l'Oriente until he becomes an courant of all its activities and can assure us complete coverage of its published and unpublished materials. During the pre-war period the Istituto secured the raw materials for its superb monthly periodical, "Oriente Moderno", directly through the Italian diplomatic and consular representatives in the Near East. This service has not yet been re-instituted. Eventually however, it is certain to be. At that time the Istituto will undoubtedly again function closely with the Ministry of Foreign Affairs, and it is to be expected that as previously, much of its high grade analysis will go to the Ministry rather than to the printing presses.)
  - b) Subject will re-activate his contacts with the Mufti, KEILANI, FAOUK and Ibn SA'UD. The purpose of this will be to get inside the Arab IS both in its European and Near Eastern manifestations. Once inside, this source can be tapped not only for information on the Zionist and other clandestine Jewish organizations but more especially, on the activities of other national services in the Near East.
  - c) To assure results from the immediately preceding objective, subject will be dispatched to the Near East, beginning probably with Turkey, under regular Italian newspaper cover. For him this is a natural cover which dates back to the period of the first World War when he served as a correspondent not only in Western Europe, but as well, in Russia where he reported during the revolution.

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(His reporting earned him a sentence of death in absentia by a Polish court.) In his projected work in the Near East he will be completely on his own externally, as far as we are concerned. As we have guarded our contacts with him here with every precaution, thus far successfully, no provision is being made for his contacting our Cairo or Istanbul colleagues, at least during his initial phases of activity. Both Cairo and Istanbul are requested to forward reports, their comments, criticisms and questionnaires.

9. Subject left Cairo hurriedly on 5 June 1949 (five days before the Italian declaration of war) upon the advice of Major WATSON who had received information of his imminent arrest by the British military authorities. He left all of his personal belongings, including apartment furnishings, automobile etc. It would be appreciated if Cairo could determine, without running the risk of attracting attention, what has happened to subject's belongings.

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APPENDIX

Subject: Notes on the present situation of the Arab countries.

Following is a brief tour-of-the-horizon by Subject. Comments please.

1. According to the scanty reports received so far, the situation in the Arab countries can be summarized as follows.

IRAN - The opposition against the present Government is constantly increasing. British influence in the internal affairs of the country has enabled the followers of former Premier KAILANI to resume their activities aiming at overthrowing the present government.

2. The Communists have endeavored to exploit the current unrest, but have had little success.

3. Communist agents from IRAN conduct active propaganda among the bourgeoisie, but have met with the opposition of many circles, the military in particular, since the army is loyal to the king and is composed in general of ardent nationalists.

4. SYRIA - Communist propaganda is strongly opposed by the Syrian Nationalists, whose strength has of late considerably increased, and it finds no support whatsoever among the Arabs. The Christian natives, as well as Armenian, Jewish and French immigrants, are, instead, easier prey to Communist propaganda. Unwittingly, French propaganda is helping the Communists, inasmuch as French agents, in their efforts to pave the way to the re-establishment of French hegemony in Syria, base their propaganda on the gradual decline of British and American power. According to these agents, France, with her traditional friend, Russia, will again be dominant in the Near East.

(note by Subject: this thesis was also supported by a French journalist whom I met.)

The French propaganda is fostering the natural tendency of people to seek the support of the strongest nation, which in this particular case is Russia.

5. As stated before, Communist propaganda has been successful among Arab tribes in the Syrian desert. It is reported, however, that Russian agents are now trying to stir up trouble among these tribes. But it is most unlikely that these new Russian tactics will get adherents for Communism among the Arabs, since the Communist doctrine is the complete antithesis of Mohammedanism, and because of the Arab's loyalty to the Grand Mufti of Jerusalem, Amin HUSSEIN EL HAG, currently at CAIRO.

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6. LEBANON: - A group of Armenians, with seemingly unlimited funds, are conducting active Communist propaganda in the Lebanon, without, however, achieving much success.

7. TRANS-JORDAN: - The population of Trans-Jordan is absolutely indifferent to Communist propaganda.

8. PALESTINE: - The situation in Palestine is serious. In spite of the pro-British activities of what is left of the MASSADIBI group, the Arabs are completely in the hands of the Grand Mufti, and there is no question that their present inactivity is in accordance with orders received. On the other hand the Jews, including the so-called Nationalists, are mostly Communists and have any amount of arms and money.

9. It is quite clear that Communist influence in Palestinian internal affairs will not be easily overcome. Unfortunately Russian agents have been given plenty of time to propagate their doctrines and to establish Communist cells throughout the country. British forces at present stationed in Palestine are inadequate to cope with the situation in case of serious trouble, unless the Jews will recognize the advisability of withdrawing their support for Russian hegemony.

10. It would be unwise, however, to believe that if the Russians should lose the support of the Jews or the Soviet Government would disinterest itself in Palestinian affairs. It is widely reported, in fact, that many Russian agents have clandestinely entered into Palestine, especially in the last months, for the purpose of forming terrorist bands to operate in case of a solution being made to the Palestinian question unfavorable to Russian interests.

11. Even though the above reports show that the Communists might not have a decisive influence in the Arab world, it should be always be borne in mind, that unless the Arab question be followed closely and given due attention, it might develop into a most serious situation. While it is true that the Arabs are easily impressed by wealth, it is undeniable that they are more impressed still by strength as a manifestation of power.

12. According to their way of thinking, whoever surrenders to the enemy is a weakling. If the Communist propaganda should succeed in convincing the Arabs that the Americans and the British are afraid of Russia, Russian prestige among the Arabs would mount tremendously, even though Russia might not achieve her purpose of bolshevizing them.

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13. A case in point is Egypt where, according to some reports, Communist propaganda has somewhat decreased owing to the strong attitude of the Anglo-Americans on the Iranian question. This in spite of the fact that the Russian occupation of AZERBAIJAN and the Russian march on TEHRAN had for a while greatly favored Soviet influence among the Arabs.

14. The only means for counteracting the spreading of Communism in the Arab world, including Saudi Arabia and Yemen, where Communist doctrines have been most strongly opposed, is to adopt strong measures and to uphold the right and might of the western countries.

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