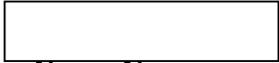


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12 August 1953



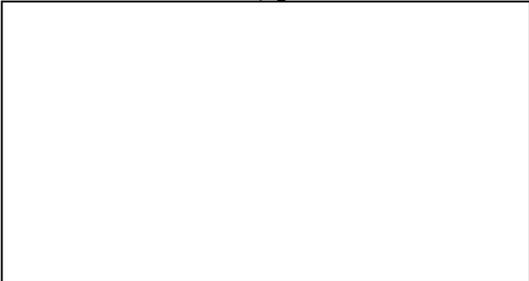
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**CURRENT INTELLIGENCE BULLETIN**

APPROVED FOR RELEASE  
DATE: FEB 2003



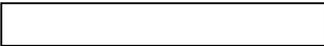
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**Office of Current Intelligence**

**CENTRAL INTELLIGENCE AGENCY**



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**SUMMARY**

**SOUTHEAST ASIA**

1. [redacted]

EO 12958 3.4(b)(1)>25Yrs  
EO 12958 3.4(b)(6)>25Yrs  
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**Sentiment for coup increases in Indonesian army circles (page 3).**

**NEAR EAST - AFRICA**

4. Friction reported between Egyptian regime and Moslem Brotherhood (page 4).

**EASTERN EUROPE**

5. Comment on Black Sea canal work suspension (page 5).

**WESTERN EUROPE**

6. West Germans believe Allies now hold initiative on unity issue (page 5).

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- 2 -

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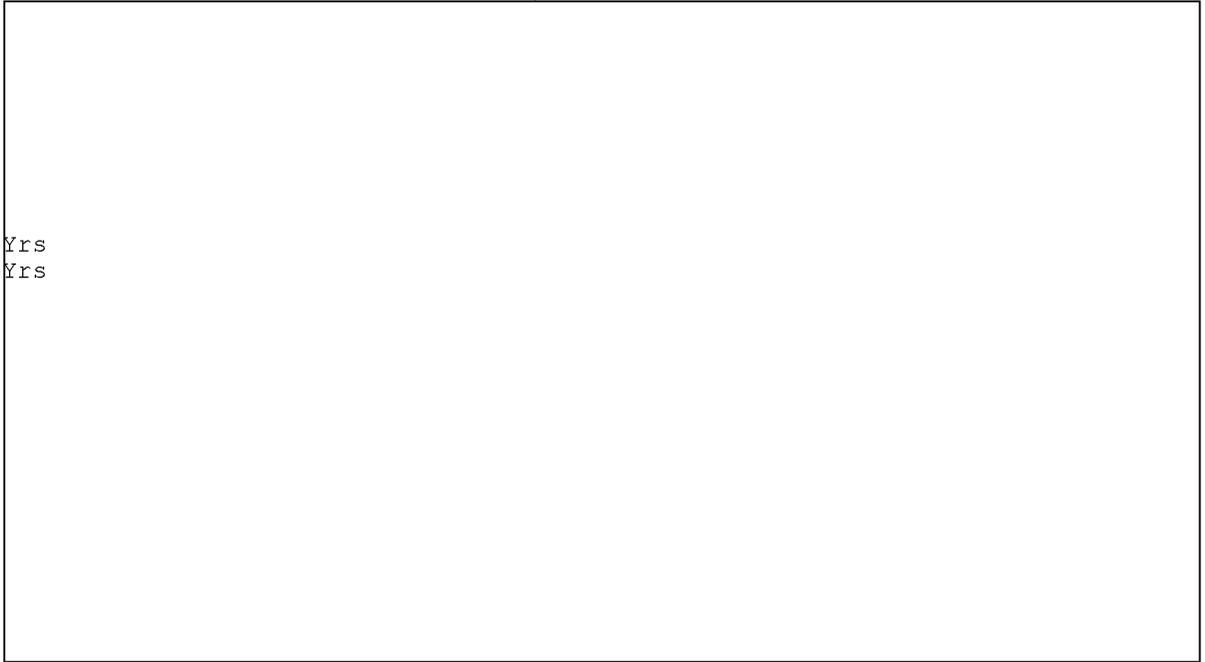
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SOUTHEAST ASIA

1.



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2. Sentiment for coup increases in Indonesian army circles:



Talk of a coup is increasing in Indonesian army circles, particularly among the young officers, [redacted]  
[redacted] In the absence of a suitable leader, however, the "present attitude is to wait and see."

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[redacted] if the new defense minister tries to replace battalion commanders and higher officers with Communists, there will probably be mass desertions to the fanatic Moslem insurgents, the Darul Islam.

Comment: Army leaders are alarmed at the Communist influence in the new government and fear widespread arrests in reprisal for the army's antileftist demonstrations of last October. Lack of leadership and of support from the government's political opposition, however, reduce the probability of a coup at this time.

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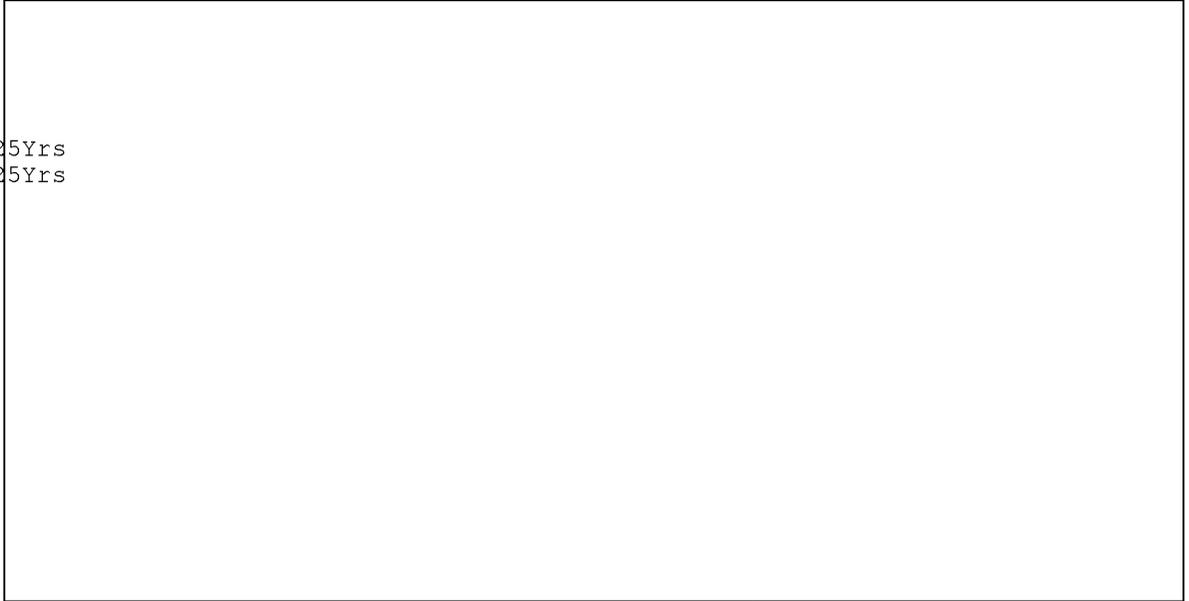
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[redacted]

Gradual replacement of anti-Communist officers in the army is probable. Desertions to the Darul Islam would aid Communist efforts to weaken the army.

3.

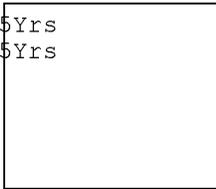
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NEAR EAST - AFRICA

4. Friction reported between Egyptian regime and Moslem Brotherhood:

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[redacted] the Moslem Brotherhood as a harmful organization led by dangerous individuals, [redacted]  
[redacted]

[redacted] the military regime will eventually have to remove Hassan Hudaibi from leadership of the Brotherhood, but cannot act immediately because of his influence. [redacted] the regime had been forced several times to restrict its actions because of the Moslem Brotherhood.

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Comment: This is the clearest indication to date of a basic conflict between the powerful Brotherhood and the military regime.

Any attempt by the army group to challenge the Brotherhood, the only legal political organization in Egypt, would create additional difficulties for the government, which is already faced with critical domestic problems.

### EASTERN EUROPE

#### 5. Comment on Black Sea canal work suspension:

[redacted] The tacit admission [redacted] on 10 August that work on the Danube-Black Sea canal has been suspended supports earlier reports that construction was stopped on 20 July. The apparent cessation of work on the project is in sharp contrast to the Rumanian propaganda line that the canal was to be the greatest of the country's socialist construction projects.

[redacted] labor, equipment, and investment resources will be shifted from the canal to consumer goods production. This is in line with the new "liberal" policy in the Orbit. The work stoppage also parallels the recent abandonment of at least two such major construction projects in the Soviet Union.

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### WESTERN EUROPE

#### 6. West Germans believe Allies now hold initiative on unity issue:

[redacted] The recent exchange of notes between the Western powers and the Soviet Union on German unification, together with Chancellor Adenauer's proposal that the EDC be expanded into a European-wide security system, has created an impression in West Germany favorable to the Allies and to the

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Adenauer government, [redacted]  
[redacted] both Adenauer and French foreign minister  
Bidault want to continue the note exchange in order to disclose Soviet  
insincerity on the German unity issue.

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Comment: There is general agreement  
among Western diplomats that the note exchange and the 7-8 August  
foreign ministers' conference at Baden-Baden have improved the  
prospects for Adenauer's re-election.

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