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| Office of Current Intelligence CENTRAL INTELLIGENCE AGENCY |
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SUMMARY

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GENERAL

| 1. | British and Italian | Foreign | Offices | analyze | Pravda | article: |
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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.

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SOUTHEAST ASIA

| 3, | Cambodian upr | ising against French reporte | dly hinges on King's decision: | |
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| 25X1A | believes that the | loyal and dissider revolt against the it, according to (French command the King's recent has made him a reporters have been eater autonomy are not met here. | ng, who is now in Tokyo, plus | |
| | Meanwhile, the King has informed French Ambassador Dejean in Tokyo that he does not want to return to his country "empty-handed" and may remain indefinitely in Tokyo. Dejean and Japa- nese sources, however, believe that the King is not fostering open rebell | | | |
| | France's present resents the failth his past coopera | it difficulties in Laos to pres are of the French to make co | King is apparently seizing on s his demands. He bitterly ncessions in appreciation of | |
| | yet actively fost get beyond his c | ering rebellion, mounting Ca | oly true that the King is not ambodian resentment may | |
| 4. | Laotian leaders | do not fear "Free Laos" Gov | vernment: | |
| 25X1A | | The vast majority indifferent to the i | of the Laotian people are implications of the Viet | |
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| Their leaders believe they can make with a "Free Laos" puppet government under Viet Minh control. Comment: Most of the leaders of the French-sponsored Laotian Government were at one time member | | present s of an | |
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| | 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. | 2 | |
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| 6 | Britain protests Egyptian attacks on army vehicles in the Suez zone: British Ambassador Stevenson in Cairo has | | |
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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.

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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.

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 trying to precipitate war with Arabs:

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American Consul General Tyler reports that an Israeli investigation of the fighting in Jerusalem on 22 April indicates that an Israeli terrorist gang may be endeavoring

to precipitate war between the two countries. Tyler comments that this gang may have been responsible for hitherto unexplained murders blamed on Arabs.

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.

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WESTERN EUROPE

| 8. | Italian Political Adviser foresees all Trieste under Italian jurisdiction: |
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| X1A | The Italian Political Adviser in Trieste considers 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 |
| < 1 | B and have shown no intention of withdrawing. |
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| | 10. | French fear Austrian views on treaty may undercut West: |
| | 25X1A | The French Foreign Ministry has informed 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 treaty draft. |
| | | 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 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. |
| | | 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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