Approved for Release: 2019/05/08 C02046568  $\mathsf{KFT}$ SECURITY INFORMATION 22 April 1952 3.5(c) Copy No. 52 CURRENT INTELLIGENCE BULLETIN DOCUMENT NO. NO CHANGE IN CLASS. DECLASSIFIED CLASS. CHANGED TO: TS SCOR NEXT REVIEW DATE: AUTH: HR 70-2 DATE 1:14 19 REVIEWER: 3.5(c) Office of Current Intelligence CENTRAL INTELLIGENCE AGENCY 3.5(c) SECURITY INFORMATION Approved for Release: 2019/05/08 C02046568

### SUMMARY

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FAR EAST

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#### 1. Malayan High Commissioner strongly criticized:

British and Australian correspondents in Malaya privately express the opinion that High Commissioner Sir Gerald Templer is "inept and neurotic." They claim he is at-

tempting to solve the security problem by a combination of force and appeals to "the traditional British public school sense of values." Federation residents are "bewildered and angry" over the Templer administration.

Comment: Templer's policy of force has <sup>3.3(h)(2)</sup> also been criticized Elements in the police are reported dissatisfied with his apparent favoritism toward the army.

Lack of a unified effort against the Communist terrorists, the result of widespread disagreement and dissension among the security forces, has long been characteristic of the British campaign in Malaya.

#### NEAR EAST - AFRICA

2. Greece desires Anglo-Egyptian settlement:

suffered from the 26 January Cairo riot.

hope of an early settlement of the dispute with Egypt. This request was made because of the "unsettled status" of the Greek diplomatic representation in Egypt, which is delaying indemnities for Greek nationals who

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<u>Comments</u>: Out of deference to Britain, Greece has not yet accredited a new Ambassador to Egypt, since this action would necessitate the recognition of Farouk as King of the Sudan. Extensive Greek commercial interests in Egypt, however, make an early understanding desirable. The Greek Foreign Office has reportedly been considering recognizing Farouk as King of the Sudan with the reservation that this would not constitute its acceptance of Egypt's claim to the area.

3.

#### Libyan plan to integrate Fezzan:

The new Libyan Government wants to integrate the Fezzan more fully with the provinces of Tripolitania and Cyrenaica in order to create a unified state,

He reports that the King's speech to the Libyan Parliament indicated that the government would initiate common legislation for all three provinces and plans a road system which would give the Fezzan access to the sea through Tripolitania.

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that such a program "might unfortunately turn the Fezzan awayfrom Tunisia" and cause it to lose the commercial and strategic importance that France has wished it to have.

## Comment:

France's wish to maintain its special position in the Fezzan. Its maneuvering in Libya is favorable to development of the already strong separatist elements in Libya.

## 4. Trouble in Morocco reported imminent:

Well-placed military sources have told the American Consul in Rabat to expect "serious trouble" in Morocco shortly. Other sources, however, have supplied no recent corroborating information.



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<u>Comment</u>: Despite frequent warnings of a "general uprising" in French Morocco, there is no evidence that the nationalists can stage a full-scale, coordinated revolt. French military authorities probably could maintain control in the event of sporadic disturbances in urban areas.

The young nationalists are reported to be growing impatient with the present policy of restraint established by their more moderate leaders. The Moroccan Communists' capabilities for taking full advantage of the situation are restricted by recent French security measures.

## WESTERN EUROPE

# 5. Slovenes reportedly desert Stalinist party in Trieste:

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American officials in Trieste have received information that the reported schism in the pro-Cominform Communist Party has resulted in the defection of many Slovene members to local Slovene parties, including the pro-Titoist group.

This Slovene minority in the party has apparently been estranged by party chief Vidali's pro-Italian election pronouncements in Italy and by the party's participation in the pro-Italian political strike in late March.

Comment: The recent upsurge of Italian nationalism in Trieste has undoubtedly contributed to the first serious rift in the pro-Cominform party since the Tito-Cominform split. American officials in Trieste received reliable reports in early April that the Communist-led port workers in Trieste were greatly displeased with Vidali's "irredentist" statements.

Although Slovene elements fear a change in the party's line, its new election platform supporting independence for Trieste suggests that their fears are not justified. Other measures designed to heal the breach in party ranks have also been taken by Vidali since his return from Italy.

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6. Anglo-American draft on Trieste believed acceptable to Italian public:

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The American Embassy in Rome believes that the Italian public will accept the substance of the Anglo-American draft on Trieste as a satisfactory conclusion of the London talks,

provided the Italian press is not unduly stirred up over the need for a "political agreement," which is not covered by the draft.

The Embassy suggests that the London conference would be more useful to the Italian Government if only a document in general terms were issued for public consumption.

Comment:

Italy is dissatisfied with those portions of the draft which would leave effective control of civil administration, particularly internal security, in the hands of the Allied Zone A Commander.

7. European Defense Community conference agrees to early May deadline:

In view of the urgency for signature of the European Defense Community treaty, the conferees in Paris have agreed on a deadline of 3 May for the completion of their work.

The French delegate suggests that the treaty itself be forwarded to the governments by that date. He believes that any remaining work on the protocols could be finished in time for the final Ministers meeting and the signing scheduled for 17 May.

<u>Comment:</u> The United States had originally proposed 9 May as the deadline for signing the treaty.

Most of the Defense Community members agree that the unresolved issues are minor and could be covered in a protocol after the signing. The German financial contribution is the principal problem blocking complete agreement.

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## 8. Adenauer may oust Kaiser from cabinet:

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Kaiser, Minister of All German Affairs, will probably be dismissed from the government. Chancellor Adenauer allegedly sounded out his

Defense Minister on 15 April to learn if the labor wing of the Christian Democratic Party would support the move and was assured of its support.

Grounds for the ouster will be Kaiser's countenancing the leakage of confidential information to the East German Government by his subordinates. However, some circles believe that Adenauer's reasons lie not only in the Minister's independent dealings with East Germany but also in the probability that he will not cooperate in next year's election.

Comment:Kaiser, a Christian Democrat,has been embarrassing Adenauer on both the Saar and German unificationissues.His Ministry has been fomenting discord in the Saar in opposi-tion to Adenauer's current policy of resolving this French-German dispute.Adenauer recently labeled Kaiser'sSaar machinations "stupid."3.3(h)(2)

## 9. Embassy comments on Franco-Salazar meeting:

Ambassador MacVeagh in Madrid believes that the conference between General Franco and Portuguese Prime Minister Salazar on 14 and 15 April will not affect American military objectives in the current US-Spanish negotiations. He strongly discounts rumors that Salazar may have proposed that Portugal be included in the present talks.

According to an account of the meeting given the American Embassy in Lisbon by the Portuguese Defense Minister, the only result, aside

from an exchange of views, was informal Spanish agreement to permit the transit of Portuguese troops to France in accordance with Portugal's arrangements with SHAPE.



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Comment: While Portugal is not likely to

insist on a tripartite pact,

indicate that it had obtained expressions of Spanish support for such a pact. The Foreign Office seemed certain that Portugal's strong interest in the matter had been conveyed to MacVeagh.



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