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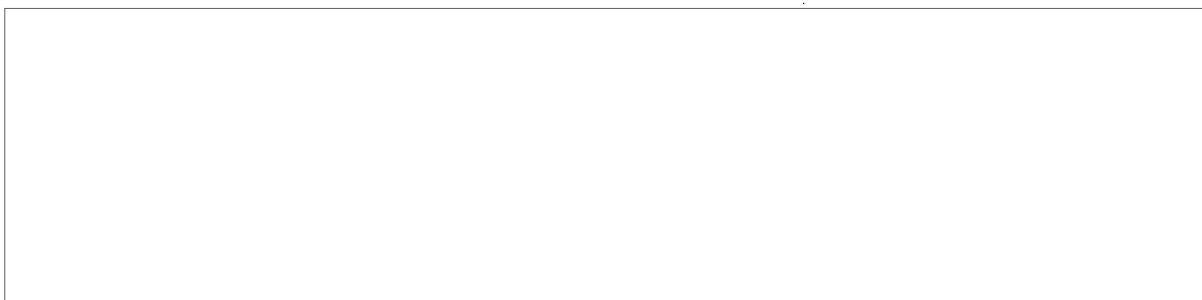
WESTERN EUROPE

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FAR EAST

1. Rhee may move against Communist members of NNSC inspection teams:



that the Polish and Czech members of the inspection teams of the Neutral Nations Supervisory Commission in Korea "would be picked up,"

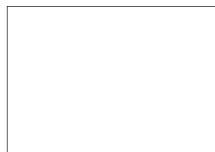
Comment: Rhee issued a warning

that "either the Communist spies must be expelled forthwith or we shall have to follow our sovereign interests." In a meeting with Ambassador Briggs on 27 September, he likewise threatened to take action because the United States was "doing nothing."

There are strong indications that South Korean security agencies have been preparing plans for action against the Polish and Czech members of the inspection teams. Provost Marshal General Won Yong-tok, who engineered the prisoner release last year, often acts as Rhee's hatchet-man and would be the logical person to carry out any order for such action.

Any South Korean move against inspection team members would almost certainly involve clashes with their American military guards.

2. Comment on Chinese offshore island developments:



During the intensified Communist shelling of the Quemoys on 1 October, Communist loudspeakers warned the Nationalist garrison that the island would be in

Communist hands by 15 October, a Chinese Nationalist official told a press conference on 2 October.

Although Nationalist press releases have frequently been proved false, the Communists continue to possess the capability to launch an attack on the Quemoys or other Nationalist-held islands at any time.

Nationalist sources continue to report increased patrol and reconnaissance activity by Communist aircraft in the Tachen Islands area. There has been no confirmation of a Nationalist press report of 2 October stating that the Chinese Communists were assembling a "sizable" fleet of naval craft in the Choushan Islands, a naval base about 100 miles north of the Tachens.

SOUTHEAST ASIA

3. Viet Minh reported getting 155mm artillery:

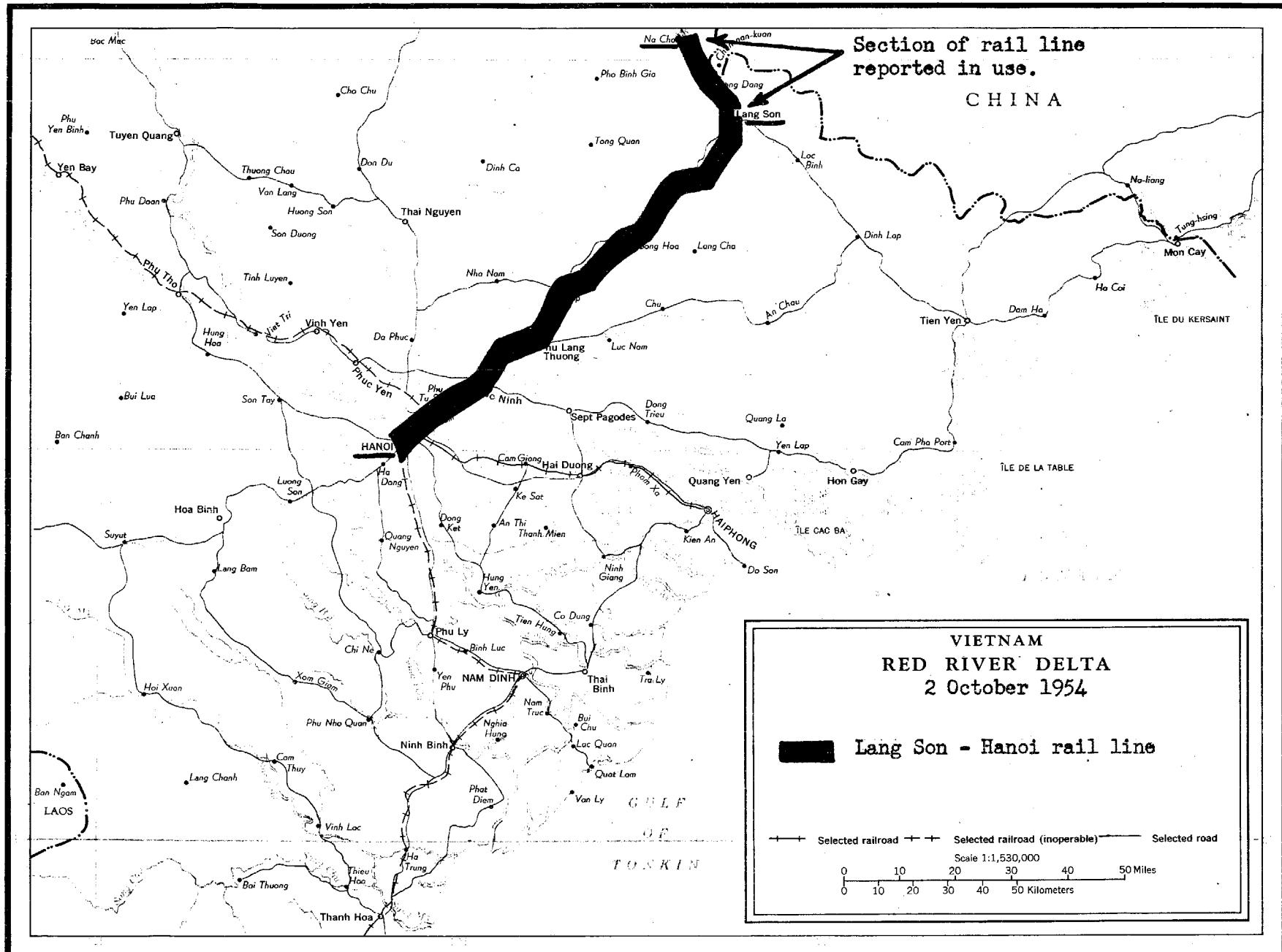
[redacted] [redacted]
[redacted] 155mm artillery was observed on railway cars moving from Na Cham toward Langson in northern Vietnam on 28 September (see map, page 5). [redacted]

[redacted] state that this materiel was going to equip units of the Viet Minh's newly activated 305th Division near Langson.

Comment: This is the first reliable report that 155mm artillery is in the hands of the Viet Minh.

The receipt of 155's would be a clear violation of the cease-fire agreement. An inspection team of the International Supervisory Commission is now located in Langson and is presumably in a position to detect the reported violation.

This is also the first report that the rail line between Na Cham and Langson is being used. The entire line between Na Cham and Hanoi has been out of operation since World War II.



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4. British officials in Singapore concerned over Communist infiltration of schools:

[Redacted]

British officials in Singapore state that a "critical and explosive" situation has been created by increasing Communist infiltration of Chinese schools there.

Chinese elders have told the secretary for Chinese affairs in the Singapore government that they are unable to control their youth. The secretary expects tension to reach a peak during the forthcoming trial of several students who were arrested for refusing to register for military service as provided by law. He also fears that the recent release of captured Communist documents designating students as the key target to influence and outlining a plan for the assassination of government officials and anti-Communist Chinese will impress the Chinese with the extent and strength of the Communist net.

Comment: Chinese schools in the Federation of Malaya as well as in Singapore are strongly infected with Communism and students are recruited directly from the schools for military and subversive training in Communist China. Chinese constitute more than 800,000 of Singapore's million-odd population.

WESTERN EUROPE

5. Comment on Soviet hints of modified position on Austria:

[Redacted]

The USSR has strengthened its current divisive efforts in Europe with strong hints that it has modified its terms for conclusion of an Austrian treaty.

This tactic may be designed to satisfy the Austrian demand that the USSR show more flexibility in its terms before new treaty talks are held. Both Chancellor Raab and Foreign Minister Figl, eager for negotiations, are likely to consider that there is now an adequate basis for new talks.

A Russian Hour broadcast in Vienna on 29 September suggested that the USSR is now willing to limit occupation forces both as to numbers and locations after a treaty is signed. Also, Soviet officials in Austria have gone out of their way in the past two weeks to refer to Austrian and German press predictions of a modification of the Soviet position on Austria.

In the past few weeks the USSR has also suggested modifications in its positions on world disarmament and has hinted at a change in its attitude on the question of free all-German elections. Thus the USSR has now intimated it may modify its positions on the three key points of disagreement with the West in Europe. These various moves appear designed primarily to influence the French and block implementation of any Western agreement on West Germany.

LATE ITEM

6. USSR rumored preparing new proposal on all-German elections:
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[Redacted]

Comment: Ambassador Bohlen reported from Moscow on 27 September that he knew of nothing to support the rumors in Berlin, reported to him by the French embassy, of Soviet-East German consultations regarding the Soviet position on Germany. Bohlen believes that the USSR may, as a Pravda editorial has hinted, offer some modification of its position, but that it would not actually agree to really free elections.

France could be expected to insist on accepting any Soviet proposal for talks if there were any hint of concessions, particularly an offer of free elections in exchange for neutralization of a unified Germany. Paris would not necessarily postpone action on ratifying the London agreement pending an East-West conference, but would probably make final ratification contingent on failure of such a conference.

Moscow is doubtless aware of the French attitude and may be expected to exploit it in an effort to prevent ratification of the agreements reached in London.