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SOVIET UNION

1. USSR reports fulfillment of 1954 grain procurement plan:

[redacted] The 1954 Soviet grain procurement plan was fulfilled by 100.1 percent as of 5 November, according to a joint report of the Communist Party's central committee and the Council of Ministers of the USSR. The government has received 4,730,000 metric tons more grain than it had by the same date last year, despite the summer drought in the Ukraine which reduced grain procurement there 3,680,000 tons below the 1953 level.

Comment: Most of the increase in the Soviet government's grain procurement this year probably results from delivery of a higher proportion of total grain output to the government than in 1953, despite the recent reduction of compulsory delivery quotas. Under the current agricultural program, which is a key to success of the consumers' goods program, state purchase prices for grain not covered by the compulsory delivery quotas have been raised substantially to induce collective farms to sell more grain to the state rather than in the open market.

The Soviet grain harvest this year is estimated as not significantly above last year's approximately 81,000,000 tons, and Soviet deputy premier Saburov on 6 November gave only faint praise to this year's harvest, stating it was "somewhat larger" than that of 1953. [redacted]

FAR EAST

2. [redacted]



SOUTHEAST ASIA

3. Hinh's army support said to come from pro-French officers:

Most of General Hinh's support in the Vietnamese National Army comes from a group of officers who comprise 20 percent of the officer corps and who

are pro-French and loyal to General Renucci. French commander in South Vietnam,

Another 20 percent of the officer corps is said to be anti-Hinh, while the remaining 60 percent is neutral.

Comment: Widely varying estimates have been made as to the extent of Hinh's support within the army. The estimate that 20 percent of the officers are pro-Hinh Franco-philes is plausible in view of the close control exercised by the French over the formation of the army and the fact that many Vietnamese officers began their careers in the French military service.

The American embassy in Saigon recently singled out General Renucci as representative of those French officials who have tacitly encouraged local opposition to Diem.

SOUTH ASIA

4. Comment on prospective president of Indian Congress Party:



The selection of U. N. Dhebar to replace Nehru as president of the Congress Party for 1955 indicates that conservative strength in the party has grown materially in recent months. It also suggests that rightists have again seized the initiative in party politics which they lost in September 1951, when Nehru replaced conservative Purushottamdas Tandon as party president.

The 49-year-old Dhebar, currently chief minister of Saurashtra state in western India, was closely associated with the late Sardar Patel, one of the strongest of the Congress rightists.

Nehru's apparent acquiescence in Dhebar's selection suggests that for the present the prime minister is not prepared to fight against certain internal and foreign policies advocated by rightists whose thinking is closer to that of the West. One reason may be the recent death of Food Minister Kidwai, which removed from Nehru's side the only other strong liberal in the Congress Party.

Another reason may be that Nehru's recent trip to Peiping has convinced him that the rapid industrialization needed to counter China's growing strength can only be achieved by the rightist faction of the party which controls most of its wealth, its propaganda media, and its present administrative positions.



LATE ITEM**5. Comment on Chinese Communist response to American air activity:**

The first Chinese Communist comment on current American air activity near the Tachen islands is more aggressive than were Peiping's statements earlier this year in periods of similar American air activity near the Tachens and the Quemoys.

Peiping Radio on 9 November, citing 50 sorties by American aircraft "over coastal areas of Chekiang Province" on 7 and 8 November, alleged that the American planes "fled toward the sea" on 7 November when "intercepted" and again on 8 November when fired on by antiaircraft units. The broadcast concluded that Communist forces in Chekiang Province were "ready to deal heavy blows to the American air intruders."

Last June Peiping failed to take public note of a visit of American naval forces to the Tachens, and no Chinese Communist aircraft appeared near the islands in that period. On a similar occasion in August, Peiping's propaganda immediately denounced American "intrusion" and "armed provocation" but made no threats.

During the American naval visit to the Quemoys area in September and early October, Peiping occasionally referred to Western press accounts of American activity but again failed to

issue warnings and again refrained from air action--and such action would have been difficult in any case.

Peiping's comment on 9 November suggests that the Chinese Communists will employ aircraft and artillery against American planes overflying the mainland and Communist-held islands off the East China coast. It does not necessarily indicate more aggressive action against major Nationalist-held islands, however. Peiping is apparently in doubt as to American intentions as regards the defense of these islands.