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16 November 1954

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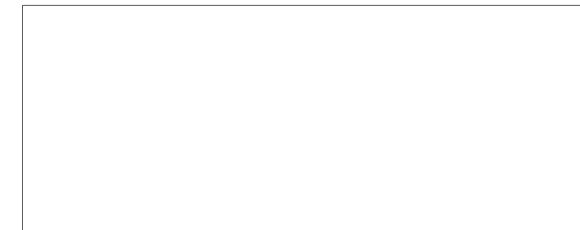
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CURRENT INTELLIGENCE BULLETIN



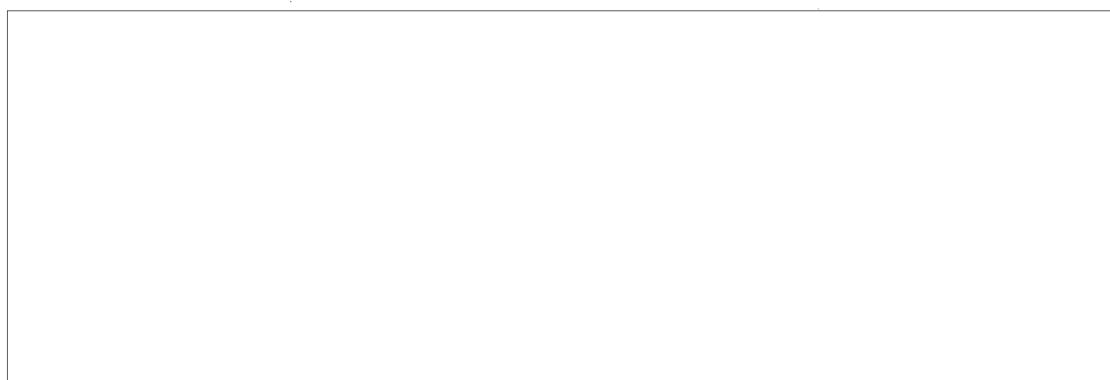
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CENTRAL INTELLIGENCE AGENCY



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SUMMARY

FAR EAST

1. Comment on sinking of Chinese Nationalist destroyer escort (page 3).

SOUTHEAST ASIA

2. Viet Minh reported making plans to deal with successor to General Hinh (page 4).
3. Czech activity increasing in Indonesia (page 4).

EASTERN EUROPE

4. Poles state Hungary will free Noel Field (page 5).

WESTERN EUROPE

5. Germans find French co-operative in Saar talks (page 6).

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FAR EAST

1. Comment on sinking of Chinese Nationalist destroyer escort:

The sinking of a Chinese Nationalist destroyer escort by four Chinese Communist motor torpedo boats on 14 November increases the pressure on the Nationalists to withdraw from the Tachen Islands area.

The Nationalists' three destroyers and five remaining destroyer escorts, together with smaller gun-boats and other patrol vessels, are considered sufficient to assure Nationalist naval superiority over that part of the Chinese Communist navy now available in the area. This loss of one of its major combat vessels may, however, discourage Taipei from risking further losses.

Should the Nationalists halt patrols by their major vessels near the Tachens, the islands would be thrown open to harassing fire from Communist ships in addition to air attacks and artillery fire from the coast. The Communists were reported on 13 November to be working on gun emplacements on a nearby peninsula, from which they could cover shipping to the Tachens. Such combined operations by the Communists would make supply of the islands difficult, and the islands might become untenable.

Should the Nationalists choose not to withdraw their major vessels, further Communist attacks on them seem likely. There also seems some possibility of an attack on American vessels patrolling the coastal waters, particularly if one could be caught within the 12-mile limit, although Communist behavior to date has suggested unwillingness to become involved with American naval and air forces.

SOUTHEAST ASIA

2. Viet Minh reported making plans to deal with successor to General Hinh:

The Viet Minh committee for the Saigon area concluded during a 9 November meeting that General Hinh was about to be replaced, [redacted]

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[redacted] The committee felt that if Hinh were replaced by an officer of similar background, such as General Vy, the Viet Minh had nothing to fear, but that the appointment of General Trinh Minh The must be prevented [redacted]

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Comment: General The formerly served capably as the Cao Dai chief of staff and is now commanding an autonomous force of several thousand in northwest Cochinchina. He is a strong nationalist and apparently pro-Diem.

The majority of the most experienced Vietnamese officers, including General Vy, who has been designated as Hinh's interim replacement, formerly served in the French army and have as a whole shown a pro-French or pro-Hinh tendency.

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3. Czech activity increasing in Indonesia:

[redacted] The Indonesian air force has retained as instructors two pilots who participated in a Czech air exhibit at a recent fair in Djakarta, [redacted]

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[redacted] some additional Czech as well as Rumanian pilots are being sought for the Indonesian air force.

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Comment: All elements of the Dutch military training mission, including air instructors, have left Indonesia. Contracts of most of the American pilots who were hired on an unofficial basis have expired and are not being renewed. In addition to the activity of the two Czech pilots, the Czech consul general in Djakarta has been extremely active in promoting increased trade, and Czechoslovakia is reported to have submitted the most favorable bid for the rehabilitation of sugar mills in central Java.

EASTERN EUROPE

4. Poles state Hungary will free Noel Field:

Hermann Field has informed American embassy officials in Warsaw that Polish authorities have assured him that Noel and Herta Field are alive and will be freed by the Hungarian government. The Poles admitted, however, that they were having some difficulty in dealing with the Hungarian authorities.

Field believes that there will be a trial of officials responsible for his arrest, but he has made it quite clear that he will not be willing to participate in it. Field added that a number of persons associated with him, who had been arrested in Eastern Europe on the assumption that he was an American agent, were currently being released and he had been told others would be freed.

Comment: Release of Noel and Herta Field would be exploited to encourage the belief that present Communist regimes are "liberal."

WESTERN EUROPE

5. Germans find French co-operative in Saar talks:

Ambassador Conant reported from Bonn on 13 November that Chancellor Adenauer's representative in the Saar talks in Paris found the French "apparently willing to meet German political needs as far as possible" in clarifying the French-German Saar agreement. The representative warns, however, that any American promise to guarantee the agreement at a future German peace conference would nullify what has so far been accomplished.

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Agreement was reached in Paris on questions relating to political activity in the Saar and for an exchange of interpretative protocols. The German official foresees no difficulty in working out with the French a more precise definition of the powers of the proposed European commissioner for the Saar.