

~~TOP SECRET~~

3.3(h)(2)

3.5(c)

25 March 1954

Copy No. 84

## CURRENT INTELLIGENCE BULLETIN

DOCUMENT NO. 12  
NO CHANGE IN CLASS.   
 DECLASSIFIED  
CLASS. CHANGED TO: TS S C  
NEXT REVIEW DATE: 2009  
AUTH: HR 70-2  
DATE: 27/12/79 REVIEWER:

Office of Current Intelligence

CENTRAL INTELLIGENCE AGENCY

~~TOP SECRET~~

~~TOP SECRET~~**SUMMARY****GENERAL**

1. Soviet officials sound out West on widening Geneva discussions (page 3).
2. Second Soviet diplomat suggests partition of Indochina (page 4).
3. East Germans offer copper to Communist China (page 4).

**FAR EAST**

4. Japanese "irresponsibility" in radiation incident may jeopardize future cooperation (page 5).
5. Border guard asserts "no Americans allowed to leave" China (page 5).

**SOUTHEAST ASIA**

6. Viet Minh victory at Dien Bien Phu could lead to peace offer (page 6).
7. Indonesia planning to lay New Guinea issue before UN (page 6).
8. Indonesian Communist Party being purged to give it nationalist character (page 7).

**SOUTH ASIA**

9. Indian army tightens restrictions on American military attachés (page 8).

**NEAR EAST - AFRICA**

10.

**WESTERN EUROPE**

11. French-German relations imperiled by Bonn defense amendment issue (page 9). \* \* \* \*

~~TOP SECRET~~

~~TOP SECRET~~

## GENERAL

### 1. Soviet officials sound out West on widening Geneva discussions:

During a discussion of the prospects for the Geneva conference at the British Foreign Office on 19 March, the first secretary of the Soviet embassy in London remarked that it would be difficult to confine the Geneva discussions strictly to Korea and Indochina, as those problems were closely related to a number of others, for example trade restrictions.

The chief of protocol of the Soviet Foreign Ministry asked Ambassador Bohlen on 22 March whether it would be possible to discuss at Geneva "other questions apart from the two subjects agreed on at Berlin." He added that he was not thinking of "European questions" or any additional formal agenda items, but merely the possibility afforded by the conference for private discussions of general questions.

Comment: Moscow probably will make strong efforts to arrange private five-power meetings at Geneva to discuss the three major topics outlined by Molotov at Berlin: reduction of armaments, "normalization" of relations among the great powers, and conditions for the development of international trade.

The Soviet delegation's main efforts are likely to be aimed more at securing for Communist China a permanent voice in international affairs than at moving toward settlement of either the Korean or Indochina questions.

The timing of these approaches also suggests that Moscow is seeking possible areas of disagreement between Britain and the United States on China's role and on widening the agenda at Geneva.

~~TOP SECRET~~

~~TOP SECRET~~

**2. Second Soviet diplomat suggests partition of Indochina:**

[Redacted] In a conversation with British Foreign Office officials on 19 March, the first secretary of the Soviet embassy in London spoke of the "similarity" between the Korean

and Indochina problems and observed that if partition is to be the solution for Korea, then the same solution might apply in Indochina. He repeated several times that the Chinese Communists are "definitely sensitive" regarding their southern frontier.

Comment: These views closely follow those expressed by a Soviet embassy counselor in London to American diplomats on 4 March regarding the continued division of Korea and the partition of Indochina along the 16th parallel. They provide no evidence of a Soviet desire for an early settlement and suggest that Moscow's primary aim in the Indochina discussions at Geneva will be to secure wider international recognition for Ho Chi Minh's government.

**3. East Germans offer copper to Communist China:**

[Redacted] Comment: This transaction would probably supply Communist China's entire annual import requirements and half its annual consumption.

This deal appears to be further advanced than those mentioned in recent rumors of copper sales to China from non-Communist countries. The quoted price is approximately 25 percent above the world market price.

~~TOP SECRET~~

~~TOP SECRET~~

## FAR EAST

4. Japanese "irresponsibility" in radiation incident may jeopardize future cooperation:

[Redacted]

A situation inimical to the persons injured in the radiation incident and intolerable to American interests has resulted from the Japanese government's inability to control personal rivalries of scientists and a competition for publicity among bureaucrats, according to Ambassador Allison. He says the government is delaying acceptance of American offers of aid and is permitting the sensational press campaign on the incident to continue.

Allison argues that Japanese-American cooperation may be jeopardized if the government continues the "irresponsibility toward security" shown in allowing uncontrolled exploitation of the classified scientific aspects of this incident.

5. Border guard asserts "no Americans allowed to leave" China:

[Redacted]

An American woman with an exit permit from Communist China was prevented from crossing the border to Hong Kong on 23 March, according to her German husband who was allowed to leave. The Chinese Communist border guard said that "no Americans are allowed to leave" China and that this order had been in effect for some time.

The American consul general at Hong Kong comments that this is the first intimation of the issuance of a blanket regulation against all Americans. The most recent departure from China by an American citizen was on 3 January.

Comment: There are still about 95 American civilians in Communist China, of whom 32 are believed to be in prison. Peiping is not expected to cultivate good will by releasing the detained Americans before the Geneva conference, and the Chinese may even intend to use them for bargaining purposes at the conference.

[Redacted]

~~TOP SECRET~~

~~TOP SECRET~~

## SOUTHEAST ASIA

6. Viet Minh victory at Dien Bien Phu could lead to peace offer:

[redacted] that in the event of a Viet Minh victory at Dien Bien Phu, the enemy will immediately make a direct and official offer to the French government for a negotiated peace on terms that would be difficult to refuse.

[redacted] a Viet Minh victory would have a profoundly depressing effect on both the Vietnamese people and the rank and file of the Vietnam army.

Comment: The deteriorating military situation in the delta, the uncertain outcome of the Geneva conference, and the apparent deadlock in French-Vietnamese negotiations in Paris have already seriously impaired the morale of the Vietnamese people and government. This effect would be compounded by the fall of Dien Bien Phu.

Recent Communist propaganda has suggested that a pre-Geneva truce would enhance the prospects for a successful conference. The Viet Minh will probably continue to encourage the French to make a truce offer, or make an official one itself, primarily for the purpose of promoting French-Vietnamese and French-American friction.

7. Indonesia planning to lay New Guinea issue before UN:

[redacted] Indonesia intends to lay its claim to Dutch New Guinea before the United Nations, according to an official of the Indonesian Foreign Ministry who is close to President Sukarno. He asked that the United States at least remain neutral on the issue, since he intended to seek support from American republics for the Indonesian position.

~~TOP SECRET~~

~~TOP SECRET~~

The official introduced the subject with the American ambassador in Djakarta on 20 March by stating that some members of the cabinet, including Prime Minister Ali and the foreign minister, were trying to lessen the government's association with the Communists and bring about a "turn" in Indonesian foreign policy.

Comment: The Dutch have flatly rejected Indonesia's claim to Western New Guinea and would strongly oppose discussion of the issue in the United Nations. Australia is also firmly opposed to Indonesian control of the area.

It should be noted that the suggested about-face in Indonesian foreign policy coincides with a request for American sympathy on the New Guinea issue. A break between the government and the Communists is not believed to be imminent.

**8. Indonesian Communist Party being purged to give it nationalist character:**

Ambassador Cumming in Djakarta reports that the Indonesian Communist Party is apparently being purged of Overseas Chinese elements to enable it to appear as a champion of Indonesian national interests. He surmises that Moscow and Peiping may have agreed on the need to enhance the nationalist appeal of the local party.

The ambassador believes that Communist influence on Overseas Chinese will now probably be exerted through channels other than the party and notes that an "Indonesian Citizenship Consultative Committee" was formed on 13 March from a number of left-wing Overseas Chinese parties previously outlawed.

Comment: The separation of Chinese and Indonesian Communists would involve no loss in the influence the Communists already command.

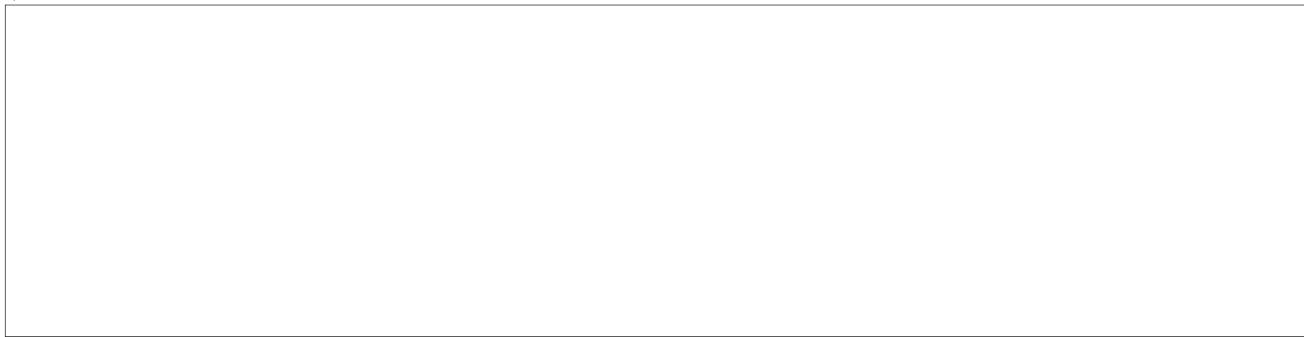
~~TOP SECRET~~

~~TOP SECRET~~**SOUTH ASIA****9. Indian army tightens restrictions on American military attachés:**

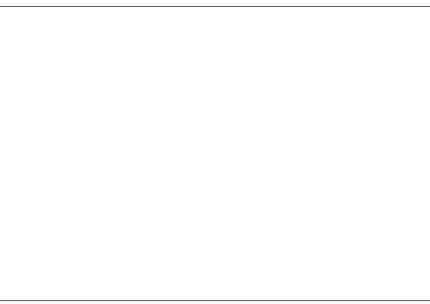
**Comment:** New Delhi is engaged in a general tightening of its security in regard to Americans in India. Local employees of American offices have been recently checked by the police as to whether they have relatives in the Indian government services.

These steps appear to be normal in the light of India's contention that, as a result of American military aid to Pakistan, the United States is no longer neutral in the Kashmir dispute.

**NEAR EAST - AFRICA****10.**~~TOP SECRET~~

~~TOP SECRET~~

## WESTERN EUROPE

11. French-German relations imperiled by Bonn defense amendment issue:

Unless France gives immediate approval to the West German constitutional amendment authorizing rearmament, there will be an outburst of public indignation in the Federal Republic which will seriously damage French-German relations, according to Ambassador Conant. He states that the "strange" actions of the French on the amendment suggest that anti-EDC forces in France wish to use this issue "to destroy any possibility of French-German cooperation during the immediate future."

Ambassador Dillon reports that Paris is again making its approval of the amendment conditional upon Adenauer's signing "in the name of the chief of state" the EDC protocols proposed by France. The French had previously given assurances they would not make this condition for their approval of the amendment.

Comment: The West German populace has anticipated prompt approval of the defense amendment by the Allied High Commission. The amendment, adopted by Bonn on 19 March, was designed to clear the way for final approval of the EDC treaty in West Germany.

If Adenauer meets the French demands on the EDC protocols, the Bundestag may be required to vote on them, a development Adenauer insists on avoiding.

~~TOP SECRET~~