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SECURITY INFORMATION

30 October 1953

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CURRENT INTELLIGENCE BULLETIN

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Office of Current Intelligence

CENTRAL INTELLIGENCE AGENCY

[Redacted]

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- 3. [Redacted] 3.3(h)(2)

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GENERAL

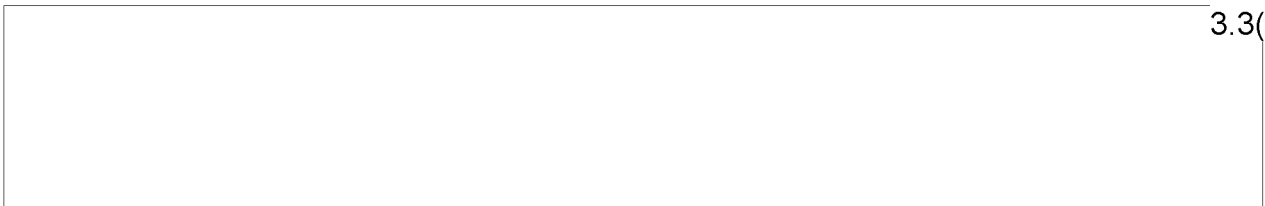
1.

3.3(h)(2)



2. Peiping buys \$71,000,000 worth of aviation equipment:

3.3(h)(2)



Comment: Most of these current Chinese purchases are believed to be for military equipment, as Communist China's domestic civil airline was well established by the end of last year and was then nearly adequate to meet internal transport needs.

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Peiping's military or quasimilitary purchases in 1953 from the Engineering Directorate, which handles military exports for the Ministry of Foreign Trade, now total \$160,864,449, probably a fourth of China's commercial imports from the USSR.

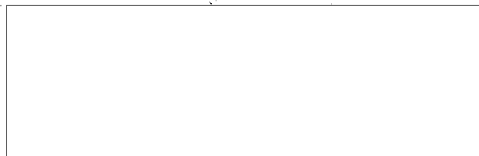
SOVIET UNION

3.



FAR EAST

4. Communists sending large quantities of materials to North Korea:



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in Korea, told Ambassador Dean on 28

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October that a huge quantity of construction materials had been observed coming into North Korea, and that enormous efforts were being made to aid the economy.

[redacted] said the Communists apparently want to show that they can rebuild the north before the United States can rebuild the south. He believes further that the Communists want a political conference for propaganda purposes to cover their frantic rehabilitation efforts.

3.3(h)(2)

Comment: Reports from an NNSC team state that Communist rail shipments into North Korea have been stepped up, indicating that Moscow may have begun to implement its billion-ruble aid program for North Korean reconstruction. Members of the neutral nations teams are permitted to make only limited inspections and have not been able to determine whether the materials arriving thus far are for military purposes or industrial rehabilitation.

SOUTHEAST ASIA

5. Viet Minh reportedly to attack northern apex of Tonkin delta:

[redacted]

The Viet Minh is planning to attack the Vinh Yen-Phuc Yen area at the northern apex of the Tonkin delta, [redacted]

3.3(h)(2)

[redacted] As of 27 October, one small unit of the 312th Division had already moved toward the area, and the 308th Division has reportedly moved southward from its summer quarters at Thai Nguyen.

Comment: [redacted]

3.3(h)(2)

have predicted a major enemy attack from the north and anticipate that it might begin between 7 and 14 November. [redacted]

[redacted]

Vinh Yen, located near the enemy headquarters, is often described as the gateway to Hanoi. It was the scene of the largest battle of the Indochina war in January 1950, when the French threw back a strong Viet Minh frontal assault.

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NEAR EAST - AFRICA

6.

3.3(h)(2)



7. Iraq renews request for US military aid:



Iraqi prime minister Jamali has inquired about the American attitude toward Iraq's 22 March request for a military grant. His government, Jamali told US ambassador Berry, is just as eager as its predecessor for favorable American action. The new Iraqi chief of staff has expressed the same hope to the US military attache.

3.3(h)(2)

Comment: Jamali favors planning with the United States for the defense of the Middle East. Iraq wants to carry out a four-year army expansion program, under which the army would serve as a British corps in the event of war, with the mission of defending the northern and eastern frontiers of Iraq.

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SECURITY INFORMATION**8. Communist connection with Mau Mau suggested:**

[REDACTED]

[REDACTED]

3.3(h)(2)

there is a loosely organized group of card-carrying Communists in Kenya who receive instructions and help from Communist groups in London, Bombay and Johannesburg.

A mimeographed Mau Mau leaflet, The Red Flag, which has been found in many parts of the Kikuyu reserve, faithfully parrots the Communist Party line. It has already been proscribed by the government.

[REDACTED]

3.3(h)(2)

before the end of the current emergency, there will be more than enough evidence to prove that both local and foreign Communists are actively supporting the Mau Mau.

Comment: This leaflet is the first evidence of direct Communist influence in Mau Mau. Previously known Communist interest had been limited to propaganda and to overt legal aid in connection with the Kenyatta trial.

WESTERN EUROPE**9. Soviet diplomat sets forth policy on Austria:**

[REDACTED]

Foreign Minister Gruber has reported that 3.3(h)(2)
at a dinner given by Soviet high commissioner Ilichev on 27 October, the latter said that the USSR favored Austrian participation in treaty

negotiations, on the assumption that Austria would "play a good part" in them. According to Gruber, the Austrians are attempting to work out a communique with the Russians. Austrian officials believe that the Soviet reply on Lugano will be merely a further discussion of the agenda and that the Austrian question can not be settled separately from the German problem.

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Another Soviet official said that the problem of German assets could not be settled prior to a treaty and discounted the prospect of increased Soviet-Austrian trade at this time.

Comment: The Soviet approach may foreshadow an attempt to commit Austria in advance to the Soviet version of a treaty.

Austrian officials have had some hopes of negotiating the return of Soviet-held German assets prior to a treaty. In negotiations for a trade treaty with the Soviet Union, the Austrians have often insisted that exports from the Soviet-held enterprises be included as Austrian exports.

10. Adenauer dashes hopes for early Saar settlement:



Chancellor Adenauer told Ambassador Conant on 27 October that he did not believe his government could reach an agreement with France on the Saar within the next two months. He will nevertheless resume his preliminary talks with French ambassador Francois-Poncet on 3 November, and he expects to talk with Foreign Minister Bidault on 26 November in The Hague.

3.3(h)(2)

Comment: Accumulating evidence suggests that Adenauer believes his bargaining position on the Saar improves with time and that he may seek American and British mediation to moderate French terms.

Meanwhile the minor coalition parties in Bonn are becoming more vocal in their opposition to the French-German agreement in principle for "Europeanizing" the Saar. Adenauer, however, can probably secure Bundestag support for such an arrangement if it is reviewable in five to ten years.

Ambassador Dillon in Paris believes that even if a Saar agreement were reached before the mid-December presidential election, the French National Assembly could hardly commence debate on the EDC before late January.

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