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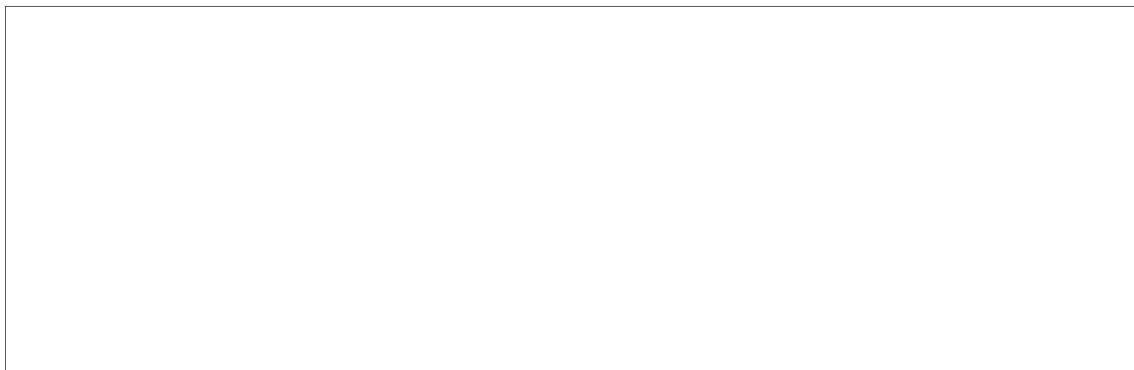
**CURRENT INTELLIGENCE BULLETIN**

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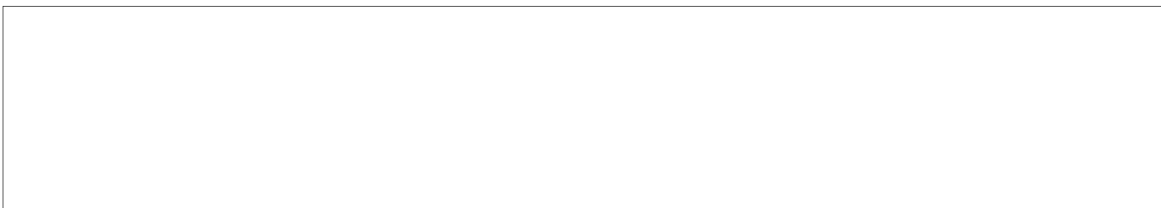
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**GENERAL**

**1. Soviet Foreign Ministry official states USSR would conclude Austrian treaty after Paris agreements ratified:**



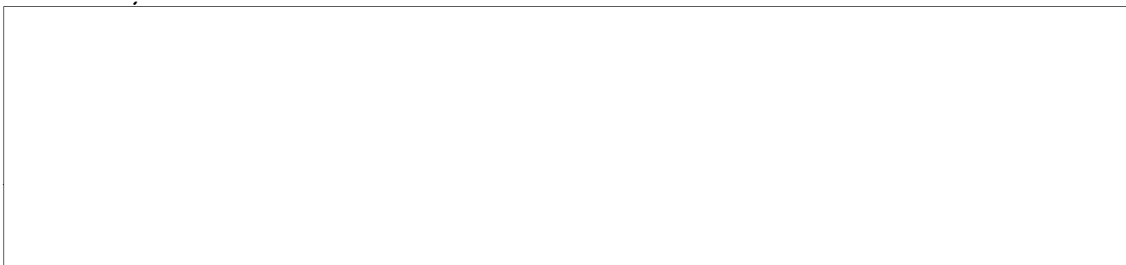
V. S. Semenov, who is in charge of Austrian and German affairs in the Soviet Foreign Ministry, told the Swedish minister in Moscow in early March that the USSR would be prepared to conclude an Austrian treaty even if the Paris agreements were ratified. He stated further that the Soviet Union recognizes that the Austrian question is separate from that of Germany.

Comment: Semenov's statement is a departure from a long-established Soviet position that the Austrian question cannot be settled after ratification of the Paris accords and cannot be considered apart from the German problem because the rearmament of West Germany will intensify the danger of an Anschluss. Although Soviet propaganda continues to insist on a conference on Austria prior to ratification, Molotov did not mention this condition to the Austrian ambassador in their recent talks.

Moscow may believe that the Austrians must be assured of the continuing possibility of a peace treaty to prevent the integration of Austria into Western defense plans, and may have used this indirect means to accomplish this end. Austria sent a note to the USSR on 14 March seeking further clarification of Molotov's proposals.

**FAR EAST**

**2. Soviet pilots reported operating in South China:**



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[redacted] the Russians may be advisers attached to Chinese jet fighter units based at Canton. Soviet advisers were once assigned to nearly all Chinese air units, but since the end of 1953 references to them have been rare.

The current activity may be related to Soviet assistance in helping Chinese units at Canton to make the transition from MIG-15's to the more advanced MIG-17 jet fighter.

Comment: There has been some indication in recent months that the Chinese Communists are being supplied with MIG-17's, which would be a better match for the American F-86 than is the MIG-15.

A fighter build-up at Canton would be of little danger to the offshore islands and Formosa, since Canton lies at or beyond the maximum range of jet fighters.

Such a build-up would fit the pattern of Peiping's continuing interest in improving defenses along its southern coast. Jet fighter strength in South China has been increased recently, additional radar sites have been installed, and the navy has become more active in patrol missions between Hainan Island and Canton.

### SOUTHEAST ASIA

3. Viet Minh [redacted] complains informally of entry of Chinese Nationalists into Laos:

[redacted]

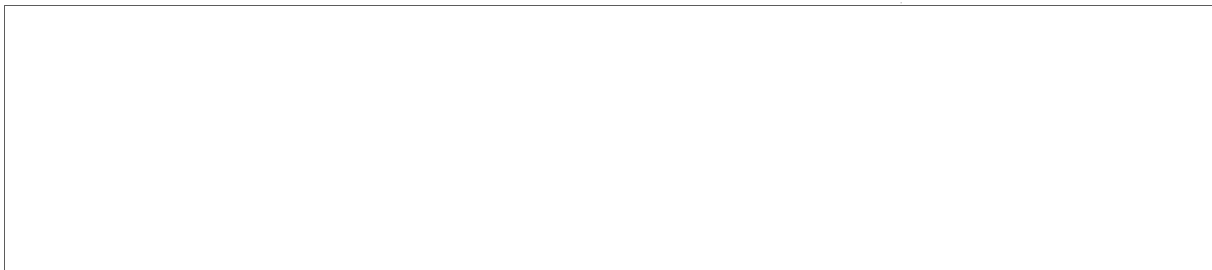
The Burmese chargé replied, according to his report to Rangoon, that the Chinese in Laos might be new



**Comment:** The Viet Minh

alleged that 3,000 Chinese Nationalists from Burma had entered northern Laos "under American instruction." Peiping subsequently repeated this line and accused the United States of furnishing supplies and transportation for these forces.

Burmese forces are at present engaged in an offensive against the Chinese Nationalist guerrillas in the southern Shan States, but the War Office in Rangoon does not believe there has been any movement of Nationalists into Laos.



4. Laotian action against Communists discouraged by British:



British and French officials have been working to counteract American assurances to Laotian officials that, in view of the Manila pact, the Laotian government might proceed against the Communist-backed Pathet Lao without serious risk of overt external attack, the American minister in Vientiane reports.

British minister Talbot stated that he had been instructed to oppose the use of force by the Laotian government, in the belief that such action might provoke a Viet Minh invasion.

French representative Dufour, while not opposed "in principle" to the eventual use of force, doubts that the Laotians have the capability, without French military direction, to carry out such an operation.

Comment: British and French overtures probably account for the Laotian government's agreement to a cease-fire with the Pathet Lao and its decision to continue talks in Vientiane. .

[Redacted]

[Redacted] The American army attaché in Vientiane believes royal forces have this capability, but only if the French direct the campaign and if the Pathet Lao is not reinforced by Viet Minh units.

**NEAR EAST - AFRICA**

**5. France continues to temporize on Turkish-Iraqi pact:**

[Redacted]

The French ambassador in Damascus told American ambassador Moose on 14 March that he had received 'nothing new' from Paris on the Turkish-Iraqi treaty and that his position continues to be one of 'no opposition' to the pact.

The French embassy in Washington recently officially informed the State Department that the primary French objective in the Near East is to help establish the best possible organization for defense against Soviet aggression. The American embassy in Damascus, however, has observed nothing to indicate that the French in Syria are operating under such instructions. The embassy notes the semiofficial French press agency continues to reflect opposition to the Turkish-Iraqi pact.

Comment: France has stated it is opposed to the current tendency of Syria to align itself with Egypt and Saudi Arabia, but Paris is still a long way from pressing Syria to join the Turkish-Iraqi pact.

[redacted]  
Turkey has told France in strong terms that the negative French attitude toward the Turkish-Iraqi pact is responsible for the serious situation in Syria and is damaging Turkish-French relations. Ankara is especially concerned that Syria, with which it has a long common border, will refuse to join the pact and may follow a hostile policy toward Turkey. [redacted]

6.

