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GENERAL

1. Views on Chinese Communist intervention in Korea--US Embassy Moscow expresses the opinion that although the propaganda treatment given to Chinese Communist intervention in Korea may reflect an ominous Soviet attitude, there is not sufficient evidence to justify the assumption that the Chinese Communists are inviting war with the US and the UN. In support of this position, the Embassy points out that: (a) the Chinese Communists have retained their freedom of action by limiting intervention to "volunteers"; and (b) there has been no mention in the Soviet press of Soviet "volunteers" in the Korean war. The Embassy adds that the lateness of Chinese Communist intervention may reflect a Soviet desire to salvage something in Korea rather than a Chinese Communist intention to plunge China into a global war with the US.

In conclusion, the Embassy predicts that the assistance to North Korea by Chinese Communist "volunteers" will depend upon: (a) the prospect for preserving an extensive area in North Korea for Communist operations; and (b) the degree of UN determination to eliminate this intervention.

2. US views on Austrian police case--The Department of State has expressed to US Legation Vienna the view that any concession which the Austrians make to the USSR in the matter of the "suspended" Communist police chiefs in the Soviet Zone will "only hasten further Soviet demands." (The suspended police chiefs, with Soviet support, are holding their posts in defiance of Austrian orders. The police chiefs, however, are on reduced pay pending the results of an Austrian

STATE review(s) completed.

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commission's investigation.) The Department feels that present Soviet tactics in Austria may be aimed at eventual seizure of full political control of the Soviet Zone.

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EUROPE

3. **FINLAND: Finnish Cabinet faces overthrow**--According to US Minister Cabot in Helsinki, the Chairman of the rightist Coalition Party's parliamentary group has attached to a legislative report a "rider" declaring the incumbent minority Agrarian Cabinet incapable of achieving economic stabilization and therefore lacking Diet confidence. (This rider is a political maneuver designed to oust the present minority government without actually proposing a vote of non-confidence.) A vote on this legislation is scheduled for 17 November.

(CIA Comment: Opposition parliament groups will probably be able to muster sufficient strength from the right and left [Irrespective of the position taken by the Communist Diet group] to unseat the minority Agrarian Cabinet. A majority coalition government, capable of bringing political and economic stability to Finland, will probably be formed after considerable difficulty.)

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