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WEEKLY SUMMARY



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H I G H L I G H T S

The USSR's surprise decision to return to the United Nations Security Council in August came at a time when tension throughout the world had been increasing as a result of a steady stream of reports suggesting that the USSR was preparing to initiate further aggressive moves (see page 2). The USSR's return to the Security Council could be designed to pave the way either for negotiations leading to a settlement in Korea or for further aggressive moves; current Soviet propaganda would support either step. Meanwhile, the USSR has not yet given any firm indication of its intention to permit an expansion of the Korean conflict, with the possible exception of continued preparations for an attack on Taiwan (see page 3). Available evidence points to the possibility of a reinforcement of North Korean forces with Korean veterans of the Chinese Communist Army (see page 2), but does not support growing fears of immediate aggressive Soviet action in such areas as Burma, Hong Kong, or Yugoslavia (see pages 4 and 5).

For the first time there is apparent in Western Europe a real and widespread sense of urgency, heretofore largely confined to military circles, over the need to accelerate rearmament plans. Meanwhile, the material and manpower aid being offered to assist UN forces in Korea, although significant as an indication of Western solidarity against Soviet aggression, promises to be overshadowed by the impact of the Korean invasion on Western European efforts to create a collective defensive force (see page 7).

SECRET**SOVIET/SATELLITE INTENTIONS**

As the USSR and its Satellites continued to talk loudly of "peace" and the warlike intentions of the Western "imperialists," there was no slackening of reports that the USSR itself was preparing to initiate further aggressive moves around the Soviet perimeter. Although possessing the capability to move militarily in a number of places with little advance warning, with the possible exception of continued preparations for an attack on Taiwan, the USSR has not yet given any firm indication of its intention to expand the Korean conflict and increase the risk of global warfare involving the Soviet Union. Meanwhile, Soviet diplomatic activity was aimed primarily at South Asia and the Soviet Far East.

Korean Support Although there has been no evidence of troop movements from Manchuria into northern Korea since the outbreak of hostilities, North Korean forces may soon be reinforced by Korean veterans of the Chinese Communist Army. Within the next three weeks, North Korean forces will probably have made the maximum advance possible with the troops currently available in Korea. If the USSR desires a quick victory before UN forces are further reinforced, it will have to call upon additional experienced troops for use in Korea. Although the North Koreans may have committed practically all their available organized and trained units merely to achieve a quick victory regardless of the risk, it seems more probable that the Northern Command has been assured of reinforcements. Such reinforcements would at the minimum consist of the 40-50,000 Koreans believed to be available in Manchuria and would be used to replace the heavy casualties resulting from the rapid North Korean advance, to cover the exposed flanks and rear, and, if necessary, to provide momentum for the final push against reinforced UN troops. The USSR could use these "Korean"

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reinforcements with little danger of political repercussions. There is at present no indication, however, as to whether the USSR will risk the political disadvantages involved in committing non-Korean reinforcements should such a step become necessary.

Taiwan Assault The considerable increase in troop movements in South and Southeast China during the past two months indicates the probable concentration of Chinese Communist troops in assembly areas from which they could be rapidly moved to embarkation points for an assault on Taiwan. Further reports have suggested both accelerated purchase and movement to the Fukien coastal area of small boats and junks and the concentration of operational supplies, notably aviation gasoline. There are no indications that the US pronouncement of 27 June 1950 has caused the Chinese Communists to abandon these preparations. Barring effective opposition by US naval units, Chinese Communist forces are capable of securing an initial lodgment of 75,000 fully equipped troops on Taiwan and within two or three weeks of establishing control over the entire island. An early assault may well be launched. Communist China is committed to the annexation of Taiwan and so long as Taiwan remains in Nationalist hands Peiping loses some political prestige. Although such considerations do not in themselves require an early invasion attempt, for military reasons the Communists must attempt an invasion before the US strengthens its defensive screen of the island. In addition, a successful assault on Taiwan would: (1) demonstrate world Communist power; (2) strengthen the Soviet and Chinese strategic position in the Far East; and (3) promote lack of confidence in US commitments and undermine non-Communist opposition to Soviet aggression. Although an invasion of Taiwan, by enlarging the area of conflict between Communist and US forces, would increase the risk of global

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war involving the USSR, such an invasion would probably encounter much less international opposition than would Chinese Communist military operations against Korea, Hong Kong, or Southeast Asia. Moreover, in view of the fact that the Kremlin has permitted North Korean forces to become directly involved with US forces, it may be willing to permit the Chinese Communists to become similarly involved, thereby creating a further drain on US resources.

Moves on Burma The Burmese are becoming increasingly fearful that the Chinese Communists are preparing to invade Burma on the pretext of either: (1) occupying Chinese territory (approximately 200 miles of Burma's northern border has never been delineated); or (2) disarming some 2,000 armed Chinese Nationalist troops in Kentung Province. There is little evidence, however, to indicate a Chinese Communist intent to invade Burma at this time. The deterrents to such an invasion are more political than military. Because Burma is an independent member of the UN and has recognized the Peiping regime, it is in a different position from Malaya or Indochina, and the Chinese Communists would find it difficult to maintain that they were fighting for the liberation of Asia from Western militarism. A Chinese invasion, therefore, would produce repercussions in non-Communist Asia, particularly India and Pakistan, which have already been stimulated by the UK to take a special interest in buttressing the present Burmese Government. Any efforts, diplomatic or military, to contain such an invasion would be made under UN auspices. The British, despite their present treaty commitments to provide arms and military training to Burma, probably have neither the capability nor the desire to intervene unilaterally.

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Hong Kong Although the possibility of a military attack on Hong Kong has been increased by the stalemate in Chinese-British negotiations regarding diplomatic relations, the stiffening of the British attitude, and the general increase in Communist militancy in the Far East, it is not likely that the Chinese Communists will take such a step at least until there have been further developments in Korea, in the UN, and in negotiations with the UK. The Chinese Communists are not likely to risk war with the UK while the Korean conflict is unresolved. Aggressive action in Hong Kong would further undermine Chinese Communist efforts to obtain membership in the UN. Finally, the Chinese Communists probably still hope for progress in negotiations with the UK. Moreover, even without resort to aggressive action toward Hong Kong, the Peiping regime is contributing to the cause of international Communism by pinning down British forces in Hong Kong, thereby reducing British capabilities for suppressing Communist terrorism in Malaya and assisting UN forces in Korea.

Yugoslav Concern Although officially calm, Belgrade is becoming more concerned over the possibility of a Soviet-inspired attack on Yugoslavia and may be strengthening security troops on the eastern frontiers and initiating some precautionary civilian defense measures in the capital. Despite growing Yugoslav concern, however, US and Western observers have thus far been unable to confirm the voluminous reports regarding an imminent Soviet-sponsored attack on Yugoslavia. Satellite military forces, however, are being strengthened and, with Soviet advice and logistic support, might be capable of capturing Belgrade and forcing Tito's Army to withdraw to the mountains. It is doubtful, however, that they could subjugate the entire country. Prospects of the survival of the Tito regime, even if it controlled only mountainous western and southwestern Yugoslavia, may act as a deterrent to a Soviet-sponsored invasion at this time.

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South Asia On the diplomatic front, the USSR is attempting to promote friendly relations with both India and Afghanistan in an effort to prevent these countries from unequivocally joining the Western camp. The recent exchange of messages between Stalin and Indian Prime Minister Nehru is part of this Soviet effort to encourage Indian "neutrality" and to promote a rift between India and the West. A further conciliatory move is the change in policy of the Indian Communist Party from tactics of violence and sabotage to a united front, "agrarian reform" movement. The favorable terms granted by the USSR to Afghanistan in the recently-concluded four-year trade treaty are further evidence of Soviet conciliatory tactics designed to achieve both political and economic advantages. In addition to boosting Soviet popularity with Afghanistan, the treaty will increase Afghan economic dependence on the Soviet orbit, supply propaganda material to substantiate the avowed Soviet policy of support through trade of "backward" areas, and possibly encourage Afghanistan to challenge Pakistan still further, thus promoting tension and possibly armed outbreaks in South Asia.

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WESTERN MILITARY DEVELOPMENTS

Atlantic Alliance The material and manpower aid being offered to assist UN forces in Korea, although significant as an indication of Western solidarity against Soviet aggression, promises to be overshadowed by the impact of the Korean invasion on Western European efforts to create a collective defensive force. For the first time there is apparent in Western Europe a real and widespread sense of urgency, heretofore largely confined to military circles, over the need to accelerate rearmament plans. France, Italy, and the UK are already planning greater defense outlays, and the Western Union defense ministers meeting in France have pledged increases in arms production and forces-in-being. Nevertheless, although the Korean war has created a propitious atmosphere for fulfillment of US efforts to accelerate the NAT rearmament program, the European nations will still be confronted with the ever-present problem of the impact of rearmament on economic recovery. There will thus still be a strong tendency to keep arms increases within modest limits and to shift as much of the financial burden as possible to the US.

Italian Plans Although the Italian Government's immediate reaction to the Korean invasion was to hasten the planned expansion of the Italian Army to twelve divisions, popular support for a strong stand against Soviet aggression is by no means assured. Concentration on military affairs would still further delay progress toward social and economic reforms and weaken the popular position of the government. As international tension increases, a major problem facing the Italian Government will be what to do with the Communist Party. Outlawing the Party now, as many influential persons

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are advocating, would not only be unpopular with a large segment of the laboring class, but would result in widespread civil disturbances, although not a full-scale insurrection. Moreover, although dissolution of the Communist Party would probably ease Italy's internal security problem in case of war, it would not prevent the underground Communist organization from considerably damaging Italian war efforts. On the other hand, failure to outlaw the Communist Party before the outbreak of hostilities would increase the government's difficulty in dealing with the Communist problem at a time when it would be fully occupied with mobilizing for war. The situation would assume serious proportions in the event of a Soviet-inspired attack on Yugoslavia. The Communists would have the capability for seizing control of various northern industrial facilities and cutting rail and other communications to northern Italy. Government success in dealing with this situation would depend both on the rapidity of Soviet advances in Yugoslavia and the extent to which the US responded to calls for greater military assistance.

Turkish Army The announcement by Premier Menderes that steps would be taken to reorganize and strengthen the armed forces suggests that Turkey is finally beginning to consider seriously a number of long-standing recommendations of the US Military Mission. The strained international situation has probably been largely influential in convincing the Turkish Government that the reorganization of Turkey's armed forces, which has been under way for several years, was proceeding at far too slow a pace. The recent retirement and reassignment of a considerable number of Turkey's more conservative senior officers and their replacement by younger men eager to prove their worth may also to some extent account for the more energetic attitude of the government. One indication

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that the initiative for this new program comes from the armed forces themselves is the fact that, several days before the Premier's announcement, the General Staff approved the US Military Mission's proposals for the re-organization of the First Army units defending Thrace and the European approaches to the Straits. Other major steps which the US Military Mission has recommended and which the Turkish Government may now be prepared to implement promptly are: (1) reduction of the number of infantry divisions from 22 to 16, so as to create more compact, more mobile, and better equipped ground forces; (2) preparation of effective mobilization plans and a detailed defense plan; (3) acceleration of current training programs; (4) increased efforts to solve the serious logistical problems of the Turkish Air Force and to make it more effective, particularly in ground support tactics; and (5) steps to improve the efficiency of the Turkish Navy in supporting ground and air forces and resisting an attack on the Straits.

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SECRET**LOCAL DEVELOPMENTS**

Peace Partisans The Communist-sponsored World Peace Partisans movement is losing non-Communist support, particularly in Western and Northern Europe, as a result of the North Korean Communist aggression. In Italy, where "peace" agitation was beginning to win substantial support among non-Communists, there has been a marked decrease in attendance at peace partisan meetings. In Denmark, organized labor has come out strongly in support of the US-UN action. The Prime Ministers of Norway and Sweden have publicly disavowed the "Stockholm Peace Appeal"; the Norwegian Prime Minister called for counteraction by patriotic groups. The Swiss Red Cross energetically denounced the use of its name by peace partisan groups supporting the Stockholm atom bomb appeal. In India, however, exploitation of the "peace" campaign and Asia-for-Asiatics sentiment is being increased by Communist-line groups. Representatives of 25 Indian leftwing organizations, meeting recently to set up a "Quit Asia" committee, condemned US "aggression" in Korea and urged the Indian Government to revoke its Korean stand.

GERMANY

Political Friction Current party disagreements over the bread-price and economic co-determination issues emphasize the fact that Chancellor Adenauer, who is vacationing in Switzerland, is the only German politician strong enough to exert discipline within the present coalition government. Tension between the Chancellor's Christian Democratic Union and the Free Democratic Party is not likely to lead to a definite break between the two parties, but will

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GERMANY

further increase the difficulty of the government in reaching agreement on controversial issues, at a time when the powerful German Federation of Trade Unions is not only threatening a general strike on the issue of rising bread prices but has warned vaguely of severe economic disturbances and trade union action unless labor is granted representation on industrial management boards. Although unpopular even in his own party, Adenauer has in the past been able to prevent incipient revolts within the government parties from assuming serious proportions. Adenauer has trained no understudy for his vital role in coordinating the views and interests of a widely-diversified coalition, nor is any capable successor as yet in evidence. Although Adenauer's death or retirement would not cause the early downfall of the present coalition, its effectiveness would be seriously reduced.

GREECE

Cabinet Crisis Although a threatened collapse of the Plastiras coalition Cabinet has been averted this time, the coalition may soon be replaced by a military-type government, unless somehow Parliament can be induced to rush through its essential business and adjourn for the summer. The divisions among Greece's four or five largest parties, the lack of any real parliamentary leadership, and current international tensions play into the hands of the King and other proponents of strong government. Plastiras' position is weakened not only by continuing external opposition but also by the increasing doubts expressed about his leadership by two of his principal colleagues, Papandreou and Tsouderos, and the largely uncooperative attitude of the third, Venizelos.

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GREECE

No other combination of elements in the present Parliament is believed capable of establishing a new Cabinet with majority support, unless perhaps under US pressure for unity, and should Plastiras fall, the Palace would then find itself in a position to declare an emergency and give extraordinary powers to a government under Marshal Papagos. Such a regime would inevitably acquire some of the features of dictatorship, despite any initial attempts to give an indirect voice to Parliament and to satisfy certain political leaders by naming them to the Cabinet. Sentiment for new elections, the normal solution to a parliamentary impasse, has thus far been restrained by apprehensiveness over possible Satellite aggression--an apprehensiveness which to some extent rightists have been capitalizing on in their desire to gain power.

KOREA

Civilian Reaction Despite the rapidity of the North Korean advances, South Koreans are continuing to demonstrate a will to resist and the majority of people in both North and South Korea would probably welcome: (1) the destruction of the Communists by UN forces in Korea; (2) the return of the South Korean Government to Seoul; and (3) the eventual unification of North and South Korea by means of a UN-supervised general election, provided the return is not delayed by an initial exercise of Communist control over all of South Korea. The failure of Koreans to harass or disrupt the Communist military operations, even though "Communist liberation" is extremely unpopular, may be due to: (1) the apathy and fatalism of the peasantry; (2) their lack of arms and ammunition; and (3) the confusing Communist propaganda

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KOREA

which describes the war as virtually over and thereby discourages any organized efforts to disrupt Communist-controlled areas. Until the forces of the United Nations can build up the necessary supplies, equipment, and personnel to go over to the offensive, little effort will be made to interfere with Communist occupation forces. Once it becomes clear that the UN forces are on the offensive, however, surviving anti-Communist elements of the population will be encouraged to begin guerrilla operations throughout Communist-occupied territory.

LATIN AMERICA

Mexican Election Evidence is increasing that President Aleman may try for reelection in 1952, a step that could lead to serious civil disturbances and possibly Aleman's assassination. The constitutional prohibition of reelection has been one of the cardinal points of Mexican political thinking since the 1910 revolution, and opposition to a bid for reelection by Aleman would be strong from such groups as: the revolutionary generals, of whom over a hundred are still in active command; ex-president Lazaro Cardenas and his followers in the army and among labor and farm groups; probably ex-presidents Abelardo Rodriguez and Manuel Avila Camacho; Vicente Lombardo Toledano and his labor and political following; and the Communists, who would instigate political disturbances to further their own ends. The current movement favoring a constitutional amendment to allow Aleman to succeed himself is believed to have been originated by the political clique surrounding him, who would like to continue personal profiteering for another six years and who probably keep Aleman from knowing the strength of opposing opinion. It is possible that by not discouraging talk of reelection, Aleman

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LATIN AMERICA

merely wishes to control general electioneering, but it is also possible that Aleman could become convinced that talk of reelection is a mandate from the people. Although Aleman has recently strengthened the security police, whose particular function is the personal protection of the president, it is doubtful that he is aware of the full risks entailed in a try for reelection, or of the serious proportions to which tension may grow if he lets the matter ride without a decision.

Guatemalan Violence Although continued anti-administration demonstrations in Guatemala, accompanied by violence, have caused President Arevalo to declare martial law, the government is capable of controlling the situation and preventing further outbreaks. The growing strength of the opposition, however, evident in the number and tenacity of the demonstrators, will greatly injure the prospects of the present pro-government presidential candidates and may force pro-government forces to attempt to unite behind a single candidate of moderate proclivities and to repudiate extreme leftist-Communist support.

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