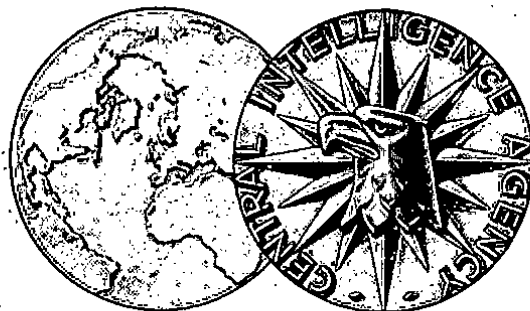


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WEEKLY SUMMARY



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H I G H L I G H T S

The Soviet-inspired invasion of South Korea and the prompt and vigorous US reaction have overnight changed the complexion of East-West relations and will lead to the rapid development of new and critical problems for the US in nearly every area of the world. The most immediate effect of the Korean invasion is the emergence of the US as the primary enforcement agency of the United Nations, a development strengthening the UN but at the same time adding to the difficulty of getting the USSR to return to the world organization. As a result of the US action in Korea, which establishes the absolute minimum of assistance that can be extended to any other nation in a similar situation in the future without disastrous repercussions on Western morale, the US is now committed to a fixed position in the East-West struggle for world leadership. In Western Europe where the peoples are closely watching the development of a painfully familiar pattern of invasion and then liberation, there are critical implications for the US effort to contain Soviet Communism. The Western Europeans are almost certain to develop grave doubts about the effectiveness of US aid for them in any conflict with the USSR if they now see a protracted and costly war fought in Korea.

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THE KOREAN SITUATION

The Soviet-inspired invasion of South Korea and the prompt and vigorous US reaction have overnight changed the complexion of the cold war and will lead to the development of new and critical problems for the US in nearly every quarter of the globe. It is not believed that the USSR desires a global war at this time. It is probable, however, that a concerted attempt will be made to make the US effort in Korea as difficult and costly as possible. (The USSR has sizeable forces of Chinese Communist troops at its disposal for this purpose.) The implications to the US of defeat in Korea would be far-reaching. It would become nearly impossible to develop effective anti-Communist resistance in Southeast Asia, and progress toward building a strong Atlantic community would be seriously threatened. A US victory in Korea would also pose serious problems for the US.

Increased Demands The adoption of a vigorous stand by the US against Communist expansion has, in general, been favorably received throughout the non-Soviet world. The adoption of this stand, however, implies that any failure by the US to take similarly prompt and effective action to stop any further aggressive moves may have even more serious repercussions to US and Western prestige than would have resulted from failure to come to the aid of South Korea. The Korean invasion has increased fears that the USSR will take aggressive action in other "soft spots" on the Soviet periphery, thus tending to create in these areas greater demands for US military and economic aid. The areas most immediately affected are Southeast Asia (particularly Indochina), Iran, Yugoslavia, Greece, and Germany.

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The UN The Korean invasion will have its most immediate effects on the United Nations insofar as US security interests are involved. In effect, the US has become the enforcement agency of the UN, a development which has increased the ability of the UN to act forcibly and promptly, but which also reduces the potential of the UN as a moderator between East and West. Although there is as yet no indication that the USSR is preparing to withdraw from the UN, the Korean incident has created conditions which will make a Soviet return to the UN much more difficult. The UN, therefore, without continued US support of the kind offered to Korea, will be able to bring far less pressure on the Kremlin than it did for instance, in the case of Iran in 1946.

Western Europe It is in Western Europe that the Korean invasion may have the most critical implications for the US in its efforts to contain Soviet expansion. The European peoples are watching the development of a situation that patently involves a painfully familiar pattern of invasion and liberation. They have aligned themselves with the US in the hope that the US would offer protection, not eventual and disastrous liberation. The possibility of a protracted war fought viciously the length of Korea, not once but twice, cannot but engender doubts in European minds as to the efficacy of US protection. The US is at judgment and, while as yet the reactions remain latent, the European nations, according to their several inclinations, are capable of preparing to hedge against eventualities. There is now no evidence of an inclination to disregard commitments to common defense, but there is sufficient anxiety to fortify the neutrality sentiment in Europe to a point where the common defense efforts could be disrupted by fear and by a desire, bred of desperation, to strengthen their national military defenses at the expense of a collective effort.

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The Far East The generally favorable reaction of the non-Soviet nations in the Far East to the US action in Korea has been tempered somewhat by fears that it will lead to global war. Despite this fear, however, the effect of this invasion will be to widen the gap between Communist and non-Communist and to force many neutrality-minded elements to take a more positive stand in the East-West conflict. The US adoption of a more vigorous anti-Communist policy in the Far East, however, will not in itself solve the basic causes of unrest and instability in the Far East. For instance, strong nationalist, anti-colonial sentiment will persist and may even be accentuated in some areas both by resentment caused by the spectacle of US troops in combat with native populations and by the fear that increased US aid will strengthen the position of the colonial powers. In addition, prospects for the development of a strong regional anti-Communist association of Far Eastern nations have not materially improved as a result of events in Korea.

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WESTERN EUROPE

Communist Plans The recent meeting of representatives of the French and East German Communist trade unions to combat the Schuman proposal and Western defensive measures illustrates the progress being made toward joint French-German Communist action but will not materially increase Communist capabilities to disrupt Western efforts in either France or West Germany. A joint declaration sponsored by representatives of the French General Confederation of Labor and the Soviet Zone Federation of Free German Trade Unions advocated common action to liquidate the Schuman Plan and establish peaceful Franco-German relations. Aimed specifically at Western defensive measures, the declaration also called for an intensified struggle against MDAP shipments by the dock workers in both countries. In addition, agreement was reached to establish direct contacts between French and German labor organizations and to work for trade union unity on both a national and international basis in the WFTU.

FRANCE

Cabinet Crisis Despite the basic disagreements which caused the downfall of the Bidault Government and which under ordinary circumstances might cause a prolonged political crisis, the critical Korean situation and general desire to retain recently reasserted French leadership in European affairs will probably lead to the establishment of another middle-of-the-road coalition government in the near future. One of the most urgent requirements for establishing a stable government is a working agreement among the Popular

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FRANCE

Republicans, the Socialists, and the Radical Socialists, because even though they may not all participate in the next coalition, their support is essential to the stability of any coalition government in France. The split between these parties on domestic issues, especially the question of increased wages to workers, is the principal obstacle to the establishment of a new government. The political situation is further complicated by the fact that a second defeat on a vote of confidence will require dissolution of the Assembly and new elections. Following the fall of the Bidault Government, the Gaullists immediately took up the cry for elections in the near future. The first issue on which the three parties must agree prior to formation of a new government is where to find revenues to cover a raise in Civil Service salaries, the issue which led to the collapse of the Bidault coalition.

WEST GERMANY

Adenauer's Retirement In view of the extremely tight personal control exercised by Chancellor Adenauer over all branches of the Federal Government, his retirement from active political life as a result of his recent illness and advanced age would weaken the government and delay solution of numerous pressing foreign and domestic problems. The Chancellor's retirement would be followed by a period of confusion and inaction while factions within the coalition maneuver for position in selecting a successor or determining the composition of the next government. It is not likely, however, that any of Adenauer's potential successors, even if acceptable to the major factions in Parliament, would be able to exert immediately the thorough control over the government that Adenauer has thus

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WEST GERMANY

far maintained. Because of this lack of decisive leadership, consideration of such crucial foreign issues as the Schuman Plan would be delayed and a forthright solution of pressing economic and social problems of Western Germany would be more difficult.

EAST GERMANY

Communist Youth The growing success of the USSR in the political indoctrination of German youth will increase East German popular support for the Communist regime, will decrease the likelihood of a peaceful solution to the German problem, and may eventually weaken the presently favorable balance of pro-Western sentiment in all of Germany. At present the population of both the eastern and western zones is predominantly anti-Communist, but in the Soviet zone, few projects are receiving more attention and financial support than the molding of German youth into the Communist pattern. As East German boys and girls respond to the vigorous program of ideological training to which they are subjected, Soviet capabilities will increase. The success of this indoctrination, already impressively demonstrated by the strength and discipline shown by the Free German Youth (FDJ) at the Berlin rally, is likely to be accelerated. Strenuous efforts are being made to obliterate the conservative influence of family and church authority, and, as rapidly as possible, Communist-trained FDJ leaders are being fed back into the educational system as teachers. The FDJ now claims a strength of nearly 2 million, with over a million children, aged 6 to 14, in the auxiliary "Young Pioneers" group.

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EAST GERMANY

In contrast to this emphasis on youth in East Germany, the weight of democratic leadership in West Germany falls upon such elderly political leaders as Adenauer, Schumacher, and Heuss, who represent what will soon be an extinct generation. Although youth organizations are many, they are generally under-financed and can do little to fill the needs of the younger population. East Zone Communists, moreover, are persistently attempting to attract the youth of Western Germany. The Communist propaganda attack is directed particularly at the large proportion of West German youth who are unemployed, or will have extreme difficulty in obtaining employment when their education is completed.

Satellite Relations The economic and cultural pacts recently negotiated between the German Democratic Republic (GDR) and Czechoslovakia and Hungary are additional steps in the Soviet program leading to the formal integration of the GDR into the Satellite orbit. The pacts follow the general pattern of the recent GDR-Polish agreements and are undoubtedly forerunners of similar agreements to be negotiated soon between the GDR and other Satellite nations. As a necessary prerequisite to the accords with Czechoslovakia, the GDR renounced by formal agreement all claims for the two million Germans expelled from the Sudetenland to return to Czechoslovakia. The official acceptance by the GDR of the Sudetenland expulsion and the Oder-Neisse frontier (GDR-Polish accords) shows clearly that the Kremlin considers the formal liquidation of outstanding irritants between East Germany and the Satellites a necessary preparation for full and equal membership of the GDR in the Satellite community.

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E A S T E R N E U R O P E

YUGOSLAVIA

Greek Relations Yugoslavia's present attitude regarding the small Slav minority in Greek Macedonia has led to an impasse in negotiations for Greek-Yugoslav rapprochement and could develop into a serious barrier to eventual normalization of their relations. Yugoslavia has apparently taken the extreme position that rapprochement must be linked to settlement of the question of the "Macedonian minority" in Greece, and Greek public opinion has been aroused to such an extent that the Greek Government feels unable to continue negotiations and has postponed the already agreed-upon exchange of ministers. There are indications, however, that in the interest of obtaining the concrete benefits which would result from closer ties with Greece, Yugoslavia may take steps to relieve present strained relations.

BULGARIA

Communist Problems The failure of the Bulgarian Communist Party to complete the development of Bulgaria into a Communist state firmly bound to the Soviet Union, as confidently planned by the Party Congress of December 1948, is illustrated by the tone of the speeches at the recent Party conference. These speeches indicated that the relatively easy problem of controlling non-Communist opposition has been completely overshadowed by the more difficult task of controlling Communist opposition to Soviet subjugation and exploitation. Almost every branch of the government, the entire Party organization, and numerous Party officials were criticized, and, in contrast to the 1948 meeting, emphasis was placed on the importance of the role of front organizations in working with the Party.

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SOVIET UNION

Balkan Activity Recent reports indicating an acceleration of Soviet military activity in the Balkans should be regarded for the time being as part of a Soviet war of nerves designed, at least partially, to distract world attention from Korea. The number of Soviet troops in the Balkans has remained largely unchanged during the past six months, and present Soviet/Satellite troops in the Balkans are inadequate to mount an armed offensive against Yugoslavia, which would be the most likely target of Soviet action. On the other hand, a sizeable flow of Soviet war materiel into the Balkan area has been taking place during the past several months, probably sufficient to supply a force greater than the USSR now has available in the area. It is known that at least some of the Soviet military equipment sent into the Balkans is being used by Satellite military forces. Thus, the USSR has been building up its military potential in the Balkans over a period of months, with little indication of any intention to take aggressive action in the immediate future. The Yugoslav Government is inclined to discount the recent flurry of rumors regarding the possibility of a Soviet attack, and it is likely that the firm US stand against Soviet-directed aggression in Korea will deter the USSR from overt aggression in the Balkans.

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N E A R E A S T - A F R I C A

IRAN

New Premier The Shah's drastic action in appointing a military man, Chief of Staff Razmara, as premier may lead to a much needed improvement in Iran's political and economic situation. Unlike the old-line politicians, General Razmara is a vigorous leader with strong ideas about the necessity for internal reform, and he has worked out a tentative program which appears generally sound and workable. His appointment by the Shah, which was demanded in many quarters, should contribute toward restoring much-needed popular confidence in Iran's ability to extricate itself from its present difficulties. Razmara may encounter difficulties, however, unless he continues to receive vigorous support from the Shah. The vocal National Front group in the Majlis has already attacked the Premier and the pro-Soviet Tudeh Party is violently opposed to him. Razmara's attempt to undertake his reform program can be expected to draw the opposition of the powerful land-owning group as well, while his notable lack of political experience may be thrown into sharp relief if he tried to push the pending AIOC agreement, on which government fiscal stability and the financing of the Seven Year Plan are dependent, through the traditionally irresponsible Majlis.

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EVENTS IN KOREA

At 0400 Sunday 25 June (Korean time), Northern Korean forces launched a full-scale invasion south of the 38th Parallel. Although the opposing forces were nearly equal in numbers, the "People's Army" of the north had a marked superiority over Republican troops in artillery and an absolute advantage in armor and aircraft. The main northern drive was aimed at Seoul, capital of the Republic, while diversionary attacks were made elsewhere across the Parallel and amphibious landings were made on the east coast. The northern attack slowed on the second day, but, on the third day, Republican forces retreated in confusion south of the Han River and Seoul fell shortly thereafter.

The temporary Republican line along the Han River has now been penetrated and the Southern Korean position is critical. The four Republican Divisions formerly north of the Han have lost almost all their equipment, southern supply channels have broken down completely, the number of Republican effectives has been reduced to less than half, and the will to fight is diminishing rapidly. It is estimated that, even if the deteriorating situation permits, several weeks would be required to regroup and re-equip the broken Republican forces and permit them to take any significant offensive action.

The initial reaction to the invasion by Southern Korean leaders was one of calm, with the exception of President Rhee who was badly shaken. By the end of the second day, in the face of overwhelming enemy superiority, both military and political leaders began to show serious signs of despair and it appeared that the fall of Seoul would mean an end to organized

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resistance. The early promise of US aid, however, braced the Republicans sufficiently to allow a reasonably orderly withdrawal of the government from Seoul to Taejon. Republican Army headquarters were withdrawn to Suwon, twenty miles south of the fallen capital, and the US Military Advisory Group accompanied the Korean command. Subsequent adverse developments, however, have worsened the morale of Republican leaders and, at present, the situation borders on panic.

The chief of the US Mission in Korea, Ambassador Muccio, who moved to Taejon with the Republican Government, has concentrated his efforts on holding the government together and attempting to sustain its will to resist. In this task, he has been assisted by the Washington announcement of 27 June that the US would give air and sea cover and support to Republican forces. CINCFE's operational authority was extended to Korea following this declaration and an advance CINCFE headquarters (ADCOM) has been established at Suwon and has assumed command of the US Military Advisory Group which continues to work with Republican Army headquarters and units in the field. US air and naval support had an immediate effect on Korean leaders and Army officers and is believed responsible for present continued resistance. It is not likely, however, that the Republicans will be able to stabilize the situation without extensive support from US ground forces.

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