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# WEEKLY SUMMARY



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## H I G H L I G H T S

Western efforts to rearm Europe and Soviet counter-measures vied for this week's top billing with Chinese Communist activities and continued deterioration of the French military and political position in Indochina. Meanwhile, the United Nations was confronted with complex problems in Korea and the possibility of having to grapple with the Indochina question (see page 8).

In Western Europe, France's attitude toward West German rearmament remained the crucial issue; there appeared little likelihood of an early resolution of the impasse caused by French refusal to agree to German military contributions, but it seemed likely that the French would eventually accept safeguards on German military power short of their sweeping proposal that European unification must precede creation of German armed units (see page 2). The recent Soviet note to the US regarding German rearmament and the Prague Conference, while part of a stepped-up Soviet effort to retard Western defense measures, suggest no fundamental change in Soviet strategy toward Germany (see page 14).

In the Far East, Chinese Communist announcements hinting that the invasion of Tibet had begun are largely discounted (see page 10). The French military and political position in Indochina continued to deteriorate with the loss of the important border post of Langson and the abrupt attack on French policy by the previously pro-French Vietnam Premier, Tran Van Huu (see pages 11 and 12).

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## EUROPEAN ECONOMY AND SECURITY

**France's Role** As military talks continued in Washington, the French attitude toward German rearmament remained the critical factor in Western defense efforts. Although the latest French Government proposal calling for a European defense minister and a unified army has satisfied the French Assembly temporarily and eliminated prospects, for the present at least, of a parliamentary crisis over the German rearmament issue, it has demonstrated clearly that the French still regard a Europe unified politically and economically, as well as militarily, the best safeguard against German militarism. In addition, the recent parliamentary debate has made it clear that the French are intent upon limiting German military units to less than division size and will insist that conclusion of the Schuman Plan negotiations precede agreement on German militarization. Although this French position is likely to prolong the present impasse, the recent parliamentary debate revealed great progress in popular acceptance of the inevitability of a German contribution to Western defense, and the French will probably come to accept safeguards on German military power short of their sweeping proposal that European unification must precede the creation of German units. US and NATO pressure, growing reluctance to leave the Germans free of responsibility for their own defense while the French economy is regimented for war, and growing realization of the danger of Soviet aggression will be the principal factors in resigning the French to some form of German rearmament.

**French Stability** Meanwhile, numerous complex issues may seriously threaten the stability of the Plevin Government during the next few weeks, thus raising the possibility of an additional obstacle to French agreement with

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the other NAT countries on Western defense. In addition to the critical Indochina situation, such issues as a new electoral law, constitutional reform, and financing national defense will probably all elicit stormy Assembly debates. The fall of the Plevin Government is entirely possible over any one of these issues and the Popular Republicans and the Socialists particularly will be restrained from withdrawing their support only by such considerations as the difficulty of finding another working coalition, the possibility that new elections would be necessary, and the realization of the thankless tasks that would confront any new government.

**The Schuman Plan** As negotiations continue in Paris on the Schuman Plan, it is becoming more apparent that the Germans, as well as the French, no longer regard the plan as an end in itself, but rather as a means of or a preliminary to gaining other objectives. The German Government had originally seen in the Schuman proposal an opportunity, among other things, for obtaining a greater voice in Western European affairs. The relaxation of German occupation controls, the rapid revival of the German economy since the Korean war, and the key position German industry has begun to assume in European defense plans have persuaded the Germans that they need no longer accept the obligations imposed by the Schuman Plan without receiving adequate compensation. The Germans are consequently adopting a stiffer attitude in the Schuman Plan talks, hoping thereby to obtain further relaxation of occupation controls. German officials have linked the elimination of occupation controls with acceptance of the Schuman Plan, and look upon the recent Allied order liquidating the six largest steel combines as incompatible with the objectives of the Schuman Plan. Final German acceptance of the Schuman Plan will thus depend largely upon the attitude of the German industrialists and

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the Socialists toward such Allied controls as the recent steel dissolution order and the International Authority for the Ruhr. Concessions on these issues would greatly strengthen the government's hand in obtaining Bundestag approval of a treaty embodying the plan.

**German Police**      Creation of an effective West German police force under central federal control and capable of serving as a cadre for a future army will probably be delayed as a result of strong objections by the Land authorities and the Socialist Party. The force will probably be restricted initially to 15,000 (the Foreign Ministers authorized a force of 30,000), largely appointed by the Laender and stationed by them in sensitive areas. It appears unlikely that the Federal Government will have control of more than 25 percent of the total force. These restrictions will prevent the mobile police from becoming an effective emergency force for some time and will seriously limit Adenauer's ability to use the force as a cadre for a future Germany army. Adenauer, however, will probably attempt to create a rudimentary organization with a background of military training through a new External Security Office. If set up, this office will coordinate military planning efforts and may attempt to select and train officer cadres under the guise of a guard and escort battalion organized ostensibly to protect federal officials.

**Italian Security**      As the Italian Government grapples with the twin problems of making the maximum contribution to the Western rearmament effort and organizing a civil defense organization capable of combatting Communist fifth column activity, the danger is increasing that the government will attempt to militarize existing political and religious groups. There are indications that both the Vatican-sponsored society, Catholic Action, and a pro-Fascist rightist organization led by Valerio Borghese are developing their own militia for the

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defense of Italian democracy. Moreover, various government officials are said to be discussing the possibility of using such groups in the new civil defense organization authorized by Parliament. Although Interior Minister Scelba has denied that he will incorporate Catholic or Rightist militia in the new organization, these groups offer the most convenient source of trained manpower. A defense organization built around such groups would: (1) weaken popular respect for the government because resort to a Fascist-type militia would be regarded by many Italians as an admission of weakness on the part of the police; (2) subject the government to further charges of domination by the Vatican; (3) antagonize moderate non-Communist elements who already have expressed fears that a "political" militia will emerge; and (4) create a new security problem and retard the development of democratic institutions.

**Export Controls**      The Paris export control committees are not likely to be able to translate into a successful program the Foreign Ministers agreement of 19 September to extend the scope and effectiveness of controls over strategic exports to the Soviet orbit. There is increasing evidence that the ECA countries have become convinced of the ineffectiveness of the Paris mechanism, which has already demonstrated its inability to resolve the various conflicts between short-range and long-range and between national and collective interests. The Paris committees have made little progress toward agreement on the strategic importance of many particular items, on methods of quantitative control, or on a formula for allocating exports among competing suppliers. The participating governments have been harassed continually by the politically difficult problem of refusing export orders which might be taken up by some other country, and by embarrassing uncertainties and delay in concluding trade agreements with Soviet orbit countries. An example of current discontent is the recent statement of Belgian Foreign Minister Van Zeeland to

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the effect that the working groups in Paris are inadequate and lack authority and that this activity should be transferred to the Finance and Economic Committee of NATO. Continued ineffectiveness of the Paris committees is likely to negate, at least for the near future, what appears to be an improved disposition of the Western European governments toward broader export controls as a result of their growing consciousness of the realistic requirements of Western military security.

**British Potash**      Commercial development of the recently proved potash deposits in Yorkshire, England, will enable the UK to become completely independent of foreign sources of potash, principally from France and the Soviet Zone of Germany. It is believed that the UK is rapidly overcoming the numerous technical problems in developing the deposits. When fully developed, they will permit the British to increase agricultural production through greater use of potash as fertilizer and will provide the British with potash for the manufacture of chemicals having important industrial and military uses. Independence of foreign sources of supply also will mean a reduction of annual British shipping requirements by several hundred thousand tons and annual foreign exchange expenditures by several million pounds.

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**THE UNITED NATIONS**

With the General Assembly session now in its sixth week, current UN interest is centered on the sharp debate in the SC over the reappointment of Secretary General Trygve Lie. In view of the deadlock in the SC over this issue, the GA will probably extend Lie's term for another two or three years. Meanwhile, the adoption by the GA Political Committee of the "United Action for Peace" resolution and the establishment of the new UN Commission on Korea will have far-reaching effects on the United Nations; the first in its effect on Soviet tactics in the UN and the second in raising numerous problems for the UN in war-torn Korea. Moreover, the UN may soon be confronted with the problem of Indochina.

**Soviet Position**      Expected passage in the General Assembly of the United Action for Peace resolution will seriously restrict Soviet capabilities for using the technique of "local aggression" without incurring firm and prompt UN counteraction. Although passage of the resolution will be a blow to Soviet prestige and limit the usefulness of the UN as an instrument of Soviet policy, the resolution will actually strengthen Soviet determination to remain in the UN in order to: (1) place obstacles in the way of the GA in the exercise of its new responsibilities; and (2) retard as much as possible the further development of the UN into an effective collective security instrument. In attempting to achieve these goals, the USSR, no longer able to rely exclusively on its SC veto power, will to a greater extent resort to persuasion, subterfuge, and diplomatic pressure as means of preventing UN action contrary to Soviet objectives. Under these circumstances, Soviet obstruction of UN intervention against Soviet-inspired aggression could probably be successful only if: (1) the aggression achieves its goal with great

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rapidity; and (2) concurrent Soviet occupancy of the SC presidency provided exceptional opportunities for obstructionism.

**Korean Problems**      The seven-nation UN Commission for Unification and Rehabilitation in Korea (UNCURK) scheduled to arrive in Korea in November faces numerous, complex problems which may not only plague the UN for several years but in their solution may have an important effect on world confidence in the ability of the UN to discharge its obligations in a divided world. The most basic of the many problems facing UNCURK will be to define its own jurisdiction and its relationship with the Unified Command and the ROK Government, as well as to interpret and clarify the GA's 7 October resolution, which in broad terms pledges the UN to provide for recovery, effect unification, and ensure security throughout an independent Korea. The problems connected with new elections will present the most pressing difficulty; President Rhee will resolutely oppose nationwide elections while sentiment is growing among the Asian members of UNCURK against restricting elections to North Korea. Controversies will also develop over the timing of elections and who should be allowed to vote. Resolution of the unification problem and the beginning of the recovery program will still leave the UN facing such problems as the size of the Korean army, guarantees regarding Korea's boundaries, and how long the UN will have to protect the new state.

**Indochina Issue**      The disposition evident among some French officials to bring the Indochina issue before the UN suggests either a misconception of probable UN action or a desire to escape from a desperate situation. Prompt UN military action in support of the French in Indochina is most unlikely because the Indochina situation contains none of the special circumstances

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which enabled the UN to take prompt action in Korea, namely: (1) a UN-sponsored state; (2) an internationally recognized boundary line; (3) a UN commission to observe and report the invasion; (4) a sudden, coordinated aggression which shocked the UN into action; and (5) an independent state unsupported by foreign troops. Thus, barring overt invasion by the Chinese Communists, it is highly unlikely that authorization for a UN military effort in Indochina could be secured. Initial UN action would probably be limited to a cease-fire order and the dispatch of an observation mission. UN debate of the Indochina situation would reveal the widespread distaste among UN members for the French "colonial" regime in Indochina, and Soviet propaganda would capitalize on extensive feeling in Asia that the struggle is one of Western colonialism against Asian nationalism. Furthermore, it is quite possible that the UN might make recommendations concerning Indochinese independence which might prove highly unpalatable to the French.

On the other hand, some French officials may decide that UN action would be the best means of extracting themselves as gracefully as possible from a hopeless struggle. They may hope that the UN could establish an independent non-Communist Vietnamese state which would permit France to salvage some commercial interests.

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**FAR EASTERN TRENDS**

**India-China** Although there are indications of momentary Indian disillusion with Communist China, there is no reason to believe that the Government of India will revise its basically friendly policy toward China. Certain Indian officials are angered because of their embarrassment following the Chinese Communist Government's failure to fulfill its avowed intention to resist a crossing of the 38th Parallel by UN troops in Korea. Inasmuch as India took positions within and outside the UN designed to prevent the crossing and thus forestall the entry of China into the war, these officials now feel their country was used as a catspaw. The Indians are therefore somewhat skeptical of Chinese Communist assertions that they desire a peaceful settlement of Tibetan-Chinese relations, and the Secretary General of the Ministry of External Affairs now claims that India will react strongly to any Chinese attempt to force the submission of Tibet either by armed invasion or by pressure tactics. Nevertheless, India's relations with Communist China are not likely to suffer any lasting deterioration. Whatever anger India may feel over the Korean affair and a possible conquest of Tibet will probably be subordinated to its desire to maintain friendly relations with China. In any event, India is not expected to take effective steps to prevent the loss of Tibet to China; sending Indian troops to assist in a defense of Tibet has never been considered, and any other measures would be inadequate.

**Pressure on Tibet** Meanwhile, Chinese Communist announcements hinting that the invasion of Tibet has begun are largely discounted. The directive broadcast by the Peiping radio calls on Communist forces to make adequate preparations, develop communications, and carry out propaganda work for the "long-term task" of establishing control over Tibet. No timetable of advance was mentioned nor was it stated where

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the "liberation" troops are presently located. It appears that this directive was deliberately timed to coincide with the departure for Peiping of the Lhasa delegation which had been negotiating a settlement in New Delhi and is primarily a move to pressure Tibet into meeting Peiping's demands. Chinese Communist Premier Chou En-lai recently emphasized Peiping's hope that force would not be needed in order to secure Tibet's recognition of Chinese sovereignty. The transfer of Sino-Tibetan negotiations from New Delhi to Peiping and the simultaneous publicity given to the Chinese Communists' directive to their "liberation" troops reveals the same pattern of negotiation combined with threatened force which was used with such success in securing the successive surrenders of the Chinese Nationalists.

**Indochina Military**      The Viet Minh will lose no time in exploiting the opportunities for assuming the offensive afforded them by the recent French evacuation of the vital border post of Langson. Although the French garrison apparently did not suffer serious losses in withdrawing, the abandonment of Langson will seriously weaken the over-all military position of the French. Viet Minh control of Langson, which is on the main line of communications from Indochina to China, will greatly facilitate Chinese logistic support of Viet Minh operations as well as the movement of Viet Minh troops into China for training. The main body of Viet Minh forces in the border area now appears to be regrouping south of Langson, and an all-out Viet Minh offensive in North Vietnam within the next six months is highly probable. French strategy will perforce be limited to attempts to hold the Red River delta and the Tonkin coast pending the arrival of urgently requested US aid, principally light bombers, artillery, vehicles, radio equipment, and ammunition. The French then hope, perhaps unrealistically, to return to the offensive.

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Indochina Political      The weakening of the French military position in Vietnam appears to have sharpened the conflict, already in evidence during the Pau Conference, between French and Vietnamese views on the status of Vietnam. Vietnam Premier Tran Van Huu, abruptly abandoning his earlier disposition of friendly acquiescence in French policy, has publicly criticized the attitude of the French delegation at the Pau Conference and called for the supersession of the 8 March Agreement in favor of a treaty based on equality between France and Vietnam. Huu, who is a naturalized French citizen, has heretofore been regarded as spokesman for the "loyal" Vietnamese, i.e., those who accepted the principle of French tutelage during a period of gradual evolution toward full independence. French official reaction to his defection indicates that the French will continue to treat the Indochina problem as a primarily military problem, to be solved by increasing US aid, rather than by meeting the demands of Vietnamese nationalism.

Ambon Situation      After eight months' delay, representatives of the UN Committee for Indonesia (UNCI), the Netherlands, and Indonesia have resumed meetings on the subject of demobilization and repatriation of former Netherlands Indies Army troops (who are predominantly Ambonese). Although the first meeting, held on 25 October, accomplished little, the fact that the three parties are again working together will give them an opportunity to discuss the present Ambon situation. The Indonesian Government, disturbed over the prospect of a possible UN Security Council debate regarding the Ambon report, hopes that the meetings will give UNCI an excuse for withdrawing its request that the Security Council consider the affair. It will be virtually impossible, however, for the present Indonesian Government to retreat from its position of opposition to UNCI intervention in the "internal" Ambonese affair without losing the parliamentary support

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necessary for its survival, and therefore it is doubtful that UNCI will find a basis for reversing its position. Meanwhile, the Indonesian Government's decision to settle the insurrection on Ambon by force is meeting serious setbacks because of resistance by approximately 5,000 superior Ambonese troops, and the Republican Government may have to jeopardize security in other areas in order to send reinforcements to Ambon.

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## THE PRAGUE CONFERENCE

The recent Soviet note to the Western Powers on German rearmament and the declaration issued by the Prague Conference of Foreign Ministers of the USSR and its European Satellites appear to be a major propaganda and diplomatic attempt to exploit opposition in France and West Germany to West German rearmament. The USSR apparently estimates that these statements will strengthen French and West German fear of provoking Soviet military action by West German rearmament and will arouse hope in West Germany of attaining unity by peaceful means. Although these declarations demonstrate Kremlin concern at increasing Western rearmament and the possibility of West German contribution to it, neither the content of the declarations, propaganda treatment of them, nor recent Soviet tactics in East Germany suggest that the USSR is considering any substantial alteration in its current German strategy--the communization of East Germany and its integration into the Soviet orbit.

Nevertheless, the USSR may decide to carry its recent actions a little further for the increased propaganda advantages which could be gained. East Germany, for example, may formally request the West German Government to fulfill the Prague proposal, particularly the provision calling for creation of an "All German Constitutional Council" as a step toward establishing a provisional "All German sovereign government." If the USSR decides upon further formal moves, it will be in the full realization that the Prague proposal is unacceptable to the West, and they will be designed to strengthen the Soviet propaganda aim to prove that the West is interested in neither peace nor German unity.

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