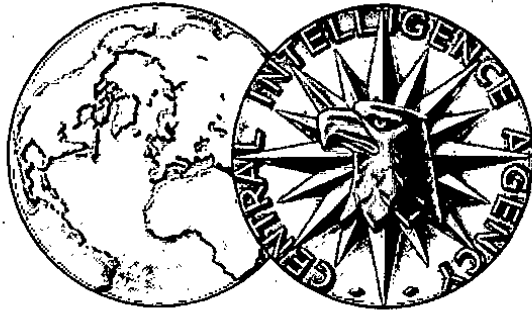


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WEEKLY SUMMARY



Number 97

7 APR 1950

F-21

Document No. 001
NO CHANGE in Class:
 DECLASSIFIED
Class. CHANGED TO: S S C
DDA Form, 4 Jan 77
Auth: EM 817, 2-1-83
Date: 31-1-70 By: 013

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SECRET**H I G H L I G H T S**

In the fluctuating East-West conflict, temporary gains and losses were registered by both sides during the past week. In the United Nations, the continuing Soviet boycott was largely responsible for bringing UN prestige to its lowest point, and the over-all Soviet attitude toward the UN makes it increasingly difficult for that body to serve as an instrument for bridging the gap between East and West (see page 2). In the struggle for Germany, the USSR has been placed on the propaganda defensive by Western proposals favoring all-German and all-Berlin elections (see pages 6 and 7), but the stimulus which German participation in the Council of Europe might have given the cause of Western European integration will be weakened by anticipated delay in German acceptance of the Council's offer (see page 4).

Meanwhile, on the Western European labor front, the Communist offensive, particularly in France, concentrated on propaganda and political demonstrations rather than on concerted strike activity (see page 6), and the recently organized Free Trade Union Confederation reached a stage which will permit it to exert increased influence on the East-West conflict by combatting the Soviet-dominated World Federation of Trade Unions (see page 5).

In the Far East, the Chinese Communists reportedly completed preparations for the early resumption of their military offensive and may soon launch an attack on the Nationalist-held Chou Shan Islands, near Shanghai (see page 9). Meanwhile, the issue of a federal vs. a unitary state has provoked armed conflict in East Indonesia and has delayed the development of a stable government of Indonesia (see page 10).

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UNITED NATIONS

UN Effectiveness The Soviet boycott of the United Nations, coupled with the continued failure of the UN to make substantial contributions either toward easing East-West tension or toward solving other major disputes, has brought the prestige of the UN to its lowest point. As UN officials search desperately for a formula which will increase the effectiveness of the UN, it is almost certain that the USSR will refuse to participate in the UN until the Chinese Communist regime is seated. Moreover, it is apparent that: (1) the USSR, though not yet ready to withdraw from the UN, is adopting an attitude which makes it increasingly difficult for the UN to serve as an instrument for bridging the gap between East and West; and (2) the Soviet Satellites will persist in the present policy of withdrawing gradually from specialized UN organizations. Meanwhile, as the nations involved take matters increasingly into their own hands, the UN is making little progress toward a permanent settlement of the Palestine case, and some complications have arisen in the Libyan affair.

Palestine Issue New efforts by the UN Palestine Commission (PCC) to reach a Palestine settlement are threatened by the recent Arab League decision to expel any member state which negotiates a separate agreement with Israel, as well as by pressure by Israel to publish its recent note to the PCC sharply denouncing the Arabs. The PCC, which once again has immediate responsibility for the Arab-Israeli issue, will urge all parties to accept a new procedure, combining PCC mediation as advocated by the Arabs and direct negotiations as requested by the Israelis. Although Jordan may see in such an approach

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a means of avoiding the Arab League ban on negotiations with Israel, King Abdullah is apparently unwilling to flout Arab opinion at this time and will move cautiously, probably waiting till after the 11 April elections to show his hand. It is evident that the Arabs do not want peace and normal relations with Israel. They continue to fear Israeli expansionism, both military and economic, and apparently believe their best defense is to isolate Israel. Although neither Israel nor the Arab states are contemplating aggression (at least for the next few years), mutual recriminations concerning their respective re-arming programs and occasional border "incidents" sustain suspicion and fear and prevent dissipation of the "cold war" atmosphere in the area.

The Libyan Case In Libya, meanwhile, British efforts to protect their strategic interests in Cyrenaica are being opposed by UN Commissioner Pelt, who is charged with working out a formula for the future Libyan state. The British desire to grant early independence to Cyrenaica; Pelt fears that some members of the UN Advisory Council for Libya will regard such a British act as a unilateral infraction of the General Assembly decision to create an independent unified Libya by January 1952. The British, on the other hand, fear that by waiting for a UN decision they may lose the opportunity to conclude a treaty assuring them of access to strategic bases in Cyrenaica. The lines are not yet drawn so tightly, however, as to prevent a compromise which will protect British (and US) strategic interests and simultaneously avoid General Assembly criticism.

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SECRET**WESTERN EUROPE**

Council of Europe Except for its invitation to Western Germany, the recent session of the Council of Europe's Committee of Ministers in Strasbourg did little to advance the cause of Western European integration and watered down proposals which would strengthen the Council itself as an instrument for achieving European unity. Although West Germany and the Saar were offered associate membership in the Council, the stimulus which German participation might have given the cause of Western European integration was weakened both by strong German reaction to the ill-timed French-Saar agreements and by the anticipated delay in German acceptance of the offer and the sharp criticism expected in the Bundestag. Overshadowing this one positive achievement was the failure of the cautious nationally-minded Ministers to grant any real concessions to the Council's Consultative Assembly, which has adopted a bolder "European" approach. Assembly impatience with the inaction of the Ministers crystallized in a proposal by the Assembly's General Affairs Committee for the creation of an Executive Committee composed of representatives of the members and the Assembly empowered to make decisions binding on member governments in a limited field. This attempt to grant the Council actual though limited powers met the expected frosty reception in the Committee of Ministers, although as a sop to Assembly sentiments, the Ministers proposed a mixed advisory committee to study methods of improving cooperation between the two. This minimal concession to Assembly desires will not head off bitter Assembly criticism and increasingly insistent demands for a larger role.

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Western Labor The Western-oriented Free Trade Union Confederation (ICFTU), now representing 53 countries and an estimated 48 million workers, has successfully overcome its principal organizational problems and is now in a position to exert increased influence in the East-West conflict. It is actively combatting the influence of the Soviet-dominated World Federation of Trade Unions (WFTU) in Western Europe and is giving aid to non-Communist workers resisting the Communist labor offensive in Italy and France. In these efforts the ICFTU, unlike its predecessors, will work closely with the powerful International Trade Secretariats (international organizations of miners, metal workers, etc.) representing an additional 2½ million workers.

In addition, the ICFTU has belatedly taken steps to develop and strengthen the nascent non-Communist trade union movement in Southeast Asia. An ICFTU delegation will be sent to the area and limited financial and organizational aid may be granted to non-Communist unions in Thailand, Burma, and Indonesia, as well as to the still embryonic Asian Labor Federation in Calcutta. Although the ICFTU may thus prove of increasing importance in the struggle to strengthen anti-Communist resistance in this area, it will face serious obstacles, including: (1) the ICFTU ruling against admitting government-dominated unions, such as those in India and Thailand; (2) the anti-colonial and hence anti-Western feeling of the majority of workers; and (3) the depressed economy of the area which makes it susceptible to Communist exploitation.

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FRANCE

Communist Offensive The current Communist offensive in France continues to concentrate on propaganda and political demonstrations rather than on widespread strikes to rectify legitimate economic grievances. The apathy of the workers during the recent unsuccessful strike wave has led the Communists to the belief that the most profitable tactics for the present would be to: (1) persuade the workers of the futility of military preparations directed against the USSR; (2) stage demonstrations against the delivery of US arms; and (3) promote occasional work stoppages and sabotage in plants manufacturing war materials. Meanwhile, all organized labor unions are taking advantage of worker disappointment with the recent strike effort to increase their memberships. The Communist-led General Confederation of Labor may, however, sacrifice its present advantage in this drive both by inciting purely political demonstrations and by adopting in harmony with Kremlin policy a more openly militant and anti-nationalist position.

GERMANY

All-German Elections Initial treatment in Soviet propaganda media of US and West German statements favoring all-German elections indicates that the USSR does not intend to make a formal proposal of its own; at least until the Western Powers approach the USSR officially. Realizing that all-German elections under conditions acceptable to the West would gain nothing for the USSR and would jeopardize Communist control of East Germany, the Kremlin considers it more profitable to temporize

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SECRET**GERMANY**

by: (1) branding the Western proposals a "diversionist" maneuver stemming from Western fear of the growing success of the National Front campaign for German unity; and (2) countering the effect of the proposals in Germany by constant references to the "truly free" elections to be held in East Germany in October 1950. Having committed itself to a propoganda line advocating German unity, however, the USSR, if approached officially by the West on the all-German election issue, will probably feel it necessary to make a formal counter proposal. Such a counter proposal would embody conditions clearly unacceptable to the West and would simultaneously attempt to convince West Germans that the USSR was the only true champion of German unity.

Berlin Morale Recent West German and Western Power decisions and actions will improve the economic situation somewhat in the Western sectors of Berlin, bolster popular morale, and strengthen popular resistance to Communist pressure. In the economic field, Berlin will benefit temporarily from recent ECA grants of counterpart funds, additional allocation of funds from the Bonn Government, and special trading privileges granted to West Berlin business concerns. Various propoganda proposals now being considered will further improve morale. A Western proposal for all-Berlin elections would counteract current Soviet propoganda by: (1) exposing the insincerity of the forthcoming Berlin Youth Rally if the USSR rejects the proposal; or (2) paving the way for complete freedom of campaigning throughout Berlin and the establishment of the Berlin Kommandatura (with the veto power eliminated) if the USSR accepts the proposal. Such proposed moves as the West Berlin Freedom Fair, the moving of some Federal Republic offices to Berlin, and Adenauer's April visit to the city will momentarily encourage West Berliners. Basically, however, Berlin will remain a deficit area particularly vulnerable to Soviet harassment.

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

GREECE

Continuing Confusion Despite widespread realization in Greece of the necessity for a stable and popularly supported government, replacement of the shaky one-party Cabinet of Sophocles Venizelos with a broad centrist coalition continues to be delayed by political maneuvering in which the Palace is deeply involved. Although the door is still open to the reconstitution of the Plastiras-Venizelos-Papandreou coalition set up immediately after the elections, the vacillation of Venizelos and his attempt to run the government single-handed provide major grounds for future dissension among the center parties. The situation has now drifted to such an extent that the coalition will probably not be formed before the Cabinet faces a showdown in Parliament in mid-April; even if the coalition can be reconstituted thereafter, its cohesiveness and staying power will be doubtful. Moreover, the King, who intensely dislikes Plastiras and yet has no real confidence in Venizelos, will continue to exploit the situation in order to keep the centrist majority divided, with the ultimate aim of bringing into power a monarchist party under Marshal Papagos.

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SECRET**F A R E A S T****CHINA**

Chou Shan Invasion There are a number of indications that the Chinese Communists are about to open a new offensive phase in the Chinese civil war by launching a major attack against the Chou Shan Islands in the near future. The Communists have reportedly completed preparations for throwing forces of overwhelming numerical superiority, with air support, against these Nationalist bases. The imminence of the attack is suggested by reports that it will occur on about 15 April, that more than 50 Communist military aircraft are based at Shanghai, that Communist troops are massing in the adjacent mainland area, and that junks are concentrated in Hangchow Bay, where a few Communist aircraft have reportedly attacked Nationalist planes. Loss of the Chou Shan Islands to the Communists would eliminate an advance staging base for Nationalist air and sea operations against the mainland and would virtually eliminate the sea blockade of the Yangtze estuary. Such a loss, coupled with the appearance of a Chinese Communist air force, would have an adverse psychological effect on the Nationalists in Taiwan.

Communist Problems The Communist regime continues to face serious economic and political problems throughout China. The disastrous North China famine will not be relieved until harvesting of the winter crops in May and June. Although the Peiping government claims its relief campaign has been partially successful, at least several millions of the forty million distressed North Chinese will die of starvation. The Communists have managed to supply the large cities of East and North China, but in the rural areas of the coastal plain north of the Yangtze River the

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SECRET**CHINA**

famine has assumed major proportions. Meanwhile, in South China, economic disruption and popular resistance to the new regime will militate against the Communist program of land reform and political consolidation. Successful Nationalist air and naval attacks on Canton-Hong Kong communications and continued guerrilla harassment may cause the removal of certain government functions from Canton to Kukong. Communist attempts to condition the South China populace to the use of Communist currency have been unsuccessful. Moreover, oppressive taxes, levied to defray the cost of continued Communist military operations, have aroused widespread resentment. Although the June rice harvest will ease the local food shortage, the Nationalist blockade and maintenance of the Communist military machine will continue to arouse economic and political unrest in South China.

INDONESIA

Armed Revolt The campaign of the principal Indonesian state, the former Republic of Indonesia, to transform the federated United States of Indonesia (USI) into a unitary nation by absorbing all other constituent units, has met with armed resistance in the important state of East Indonesia. Officials there have felt that immediate and forceful absorption by the Republic would mean domination by Javanese, who differ ethnically and culturally from the East Indonesians, and a consequent breakdown of present conservative traditions. Although the armed revolt at Makassar, capital of East Indonesia, may have no official connection with the policies of the East Indonesian Government, it has dimmed prospects for successful conclusion

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SECRET**INDONESIA**

of the USI-Republic-East Indonesian conference originally scheduled for 8 April to settle the entire problem of absorption. The USI faces a difficult choice: a decision not to absorb East Indonesia would cause a loss of prestige in the eyes of Republican extremists, while a decision to occupy Makassar could precipitate strong resistance by some 9,000 still mobilized and well-armed soldiers in East Indonesia. Republican pressures for a unitary Indonesia, in the face of continued East Indonesian advocacy of federalism, have thus created one of the most serious problems yet to confront the new USI Government.

Union Conference Although agreement was reached on several major issues at the recent Dutch-Indonesian Union Conference, some of the most controversial issues remain unsolved and will continue to make close cooperation between the Dutch and Indonesians difficult. Joint commissions were appointed, however, to study these remaining issues--the question of New Guinea and the employment of Dutch citizens in the Indonesian Government. Agreement was reached on a Dutch loan of 200 million guilders to Indonesia and on the establishment of a temporary Dutch military mission (later to be replaced by a permanent mission) to advise the Indonesians on the development of their armed forces. Although relations at the Conference were cordial, the trend of future relations between the two countries will be determined largely by how successfully working-level government and business officials can cooperate in their day-to-day contacts.

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SECRET**THE PHILIPPINES**

Huk Campaign Recent well-coordinated Huk raids throughout the island of Luzon reflect more efficient Communist leadership in the face of the continued ineffective security measures of the Philippine Government. The marauding forays on arms and food stocks in central Luzon, where over 80 persons were killed and scores wounded, were apparently timed to take advantage of confusion in the Philippine armed forces resulting from current reorganization plans to separate police and military functions. The reorganization, intended to prepare for an anti-Huk offensive, has been halted temporarily by Huk violence. The successful Huk attacks have caused a further reduction of the people's confidence in the government's strength and have replenished Huk supplies in preparation for sustained resistance. The reorganization of the armed forces under more efficient command may result in the restriction of Huk activity to a smaller area but the establishment of effective government control over the situation within the foreseeable future is not likely.

KOREA

Election Plans President Rhee's proposal that general elections be postponed from May until November was made primarily in the hope of gaining time to strengthen his political position rather than to force the Assembly to take action on the 1950 budget. Although Assembly action on the budget is critically important in the fight against inflation, it is doubtful that Rhee as yet fully appreciates the seriousness of the inflationary threat. Rhee is fully aware, however, of the strong prospect that the opposition Democratic-Nationalist Party would win a large

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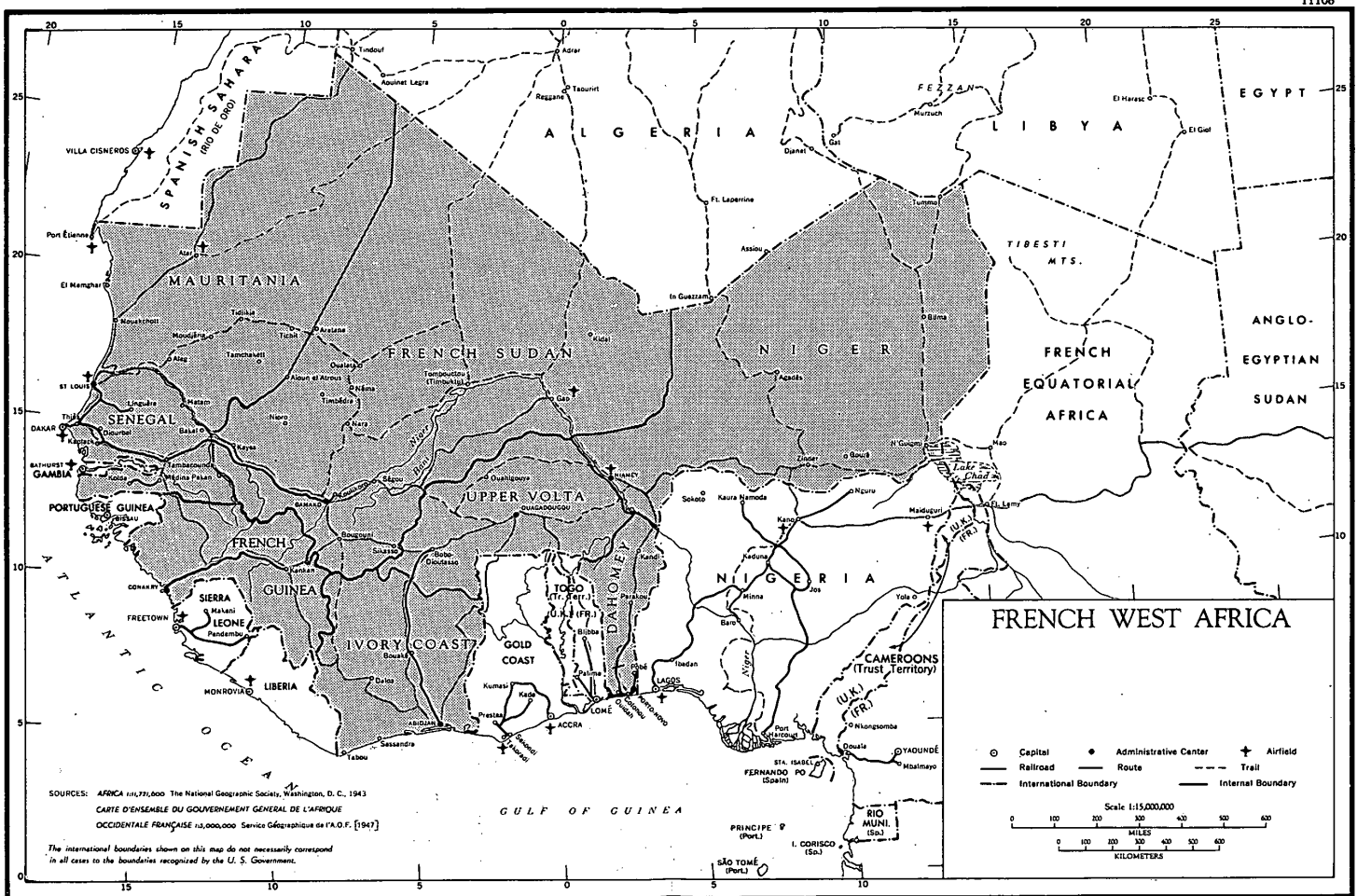
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KOREA

majority if elections were held in May. Rhee's proposal has already met strong opposition not only from the Democratic-Nationalists, but from the UN Commission on Korea and from the US. Rhee may therefore withdraw his request, particularly if the Assembly takes early action on the budget.

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SOURCES: AFRICA 1:11,771,000 The National Geographic Society, Washington, D. C., 1943
CARTE D'ENSEMBLE DU GOUVERNEMENT GENERAL DE L'AFRIQUE
OCCIDENTALE FRANÇAISE 1:13,000,000 Service Géographique de l'A.O.F. [1947]

The international boundaries shown on this map do not necessarily correspond
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COMMUNIST AFRICAN CAMPAIGN

In French West Africa, Communists are intensifying their efforts to penetrate and gain control of a strip of land stretching 1600 miles between souther Niger and Dakar. Organized Communist activity has heretofore been concentrated in the Ivory Coast, a center of some commercial activity, but the Communists have now apparently turned their attention to this strategically located strip, where the northern limit of fully habitable west Africa merges with the southern reaches of the high arid plateau of the Sahara. The natives living in this strategic strip of land must struggle hard for existence and may be easily persuaded by Communist agitators to blame all their troubles on the French. North-south movement across the desert by land, as well as sustained air operations, would be largely dependent on the facilities of this strip. The strip would also be the most feasible route for troop movement between the interior and Dakar.

The assistant chief of the African section of the French Communist Party recently visited Zinder, Niger, the most important military, trading, and communications center at the eastern end of this fringe zone, where he undoubtedly gave instructions for increasing subversive activities among troops and prison guards. Farther west, at Niamey, capital of Niger, Communist sympathizers are being energetically recruited. At smaller outposts and communications relay points, Communist Party leaders already occupy key spots and are in a position to take control of communications in an emergency. Communist organization and agitation meetings have also been held recently at Theis, rail and road center near Dakar; and the western part of Upper Volta, located in the middle region of the strategic strip, has been a hotbed of Communist activities for some time.

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