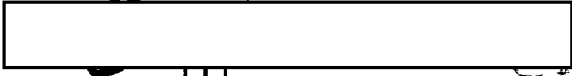


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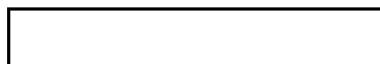
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SPECIAL ARTICLE. THE CURRENT STATUS OF THE NATO
DEFENSE EFFORT Page 15

The 1953 annual review, approved at the unusually harmonious NATO ministerial meeting on 14-16 December, reveals that the problems arising from the rapid build-up phase are now being replaced by problems peculiar to the "long haul" concept of the NATO defense effort.

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THE SOVIET WORLD

The Soviet reply to President Eisenhower's atomic energy proposals, devoid of the vituperative language which has been the leitmotif of the average Soviet note, was evidently intended for serious consideration. It seems apparent that the Kremlin desired to erase the bad effects on world opinion of its initial brusque propaganda rejection of the president's suggestions. In addition, Moscow probably realized that in order to probe the American position, it would have to make an answer which had at least some semblance of reasonableness.

The reply, however, gave no hint that a basically new Soviet position would emerge at forthcoming talks. On the contrary, the Soviet proposal centers on the need for "unconditional pledges" not to use atomic weapons and the establishment of strict international control to guarantee the pledges. The statement in effect returns to the familiar conditions which the USSR first advanced in 1946 and has not since substantially altered. In the part of the statement listing points for discussion at a possible conference, however, there was an apparent tactical shift from the Kremlin's previous position that the first step in a program to control atomic weapons must be the destruction of existing stocks, with simultaneous strict international control subject to UN Security Council veto.

The failure of the Kremlin to offer a significant change in its previous proposals suggests that the forthcoming talks may revolve around essentially the same issues which have long prevented any action on this question in the United Nations. In such talks, while posing as a popular champion, the USSR can stall progress by continuing to insist on unacceptable conditions.

Within the USSR, the Soviet leaders, by reappointing five individuals as deputy chairmen of the USSR Council of Ministers, took a further step toward re-establishing the administrative structure which existed before Stalin's death. In March, the Council of Ministers was reduced from 57 ministries to 25, and the presidium of the council, comprising the chairman and deputy chairmen, was cut from 14 to 5 men.

Since August 1953, with strict political control assured and with a new economic program under way, many of the former ministries have been recreated. The reappointment of Saburov, Pervukhin, Tevosyan, Malyshev, and Kosygin to the positions

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which they had previously held suggests that with the increased number of ministries, it is again necessary to create another echelon of responsibility above the individual ministers.

The principal distinction between the present set-up and that which existed under Stalin is the absence of any deputy chairman in the agricultural field, which now comprises three ministries. Responsibility for this vital area possibly is being retained by Premier Malenkov, who has been active in agriculture since World War II. On the other hand, it may also be handled through party channels by First Party Secretary N. S. Khrushchev, who has assumed public leadership on agricultural matters since September.

The editorial treatment by the Soviet press of Beria's indictment and workers meetings demanding the death penalty appear to be setting the stage for an announcement that Beria and his associates were executed following a secret trial. The Kremlin announced that Beria was to be tried under the law of 1 December 1934. This is the same law under which Marshal Tukhachevsky and seven generals were tried in camera and put to death in 1937. The law provides for a "trial" in which neither prosecuting nor defense attorney nor the accused is permitted to participate. The present situation indicates a desire by the collective leadership to dispose of the case quickly.

The main Pravda editorial on the charges against Beria has obliquely indicated that only since Stalin's death has it become possible to eradicate a situation whereby one man could use the MVD to institute an arbitrary rule of terror. Although ostensibly attacking Beria, the leaders are once again attributing to Stalin the main responsibility for a system of terror from which they would prefer to dissociate themselves.

A further example of this attempt at dissociation was contained in the treatment accorded to Stalin's birthday on 21 December. In recent years this has served as an occasion for adulation, with all propaganda media directed toward proving his genius in all areas of life. This year the day passed in a significant silence.

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SOVIET TACTICS AT THE PROPOSED BERLIN CONFERENCE

Soviet diplomatic hints and propaganda have indicated that at a foreign ministers' meeting the USSR will reaffirm its basic position on Germany and Austria while adopting tactics designed to avoid Western challenges.

As the initial device to postpone a discussion on Germany, the Soviet delegates probably will demand discussion of a five-power conference including Communist China. This would be in keeping with Soviet propaganda that the proposed conference can in no way replace five-power talks.

Failing agreement on this issue, the Soviet delegation probably will raise the question of a European security system as a means of dividing the United States and its European allies and sidestepping the problem of all-German elections. There is considerable evidence that the Soviet Union will urge a series of bilateral arrangements and not consider a broad security system with a European community which it has consistently attacked as an aggressive organization. In a manner similar to the 26 November note, a Pravda editorial of 10 December pointed to the French-Soviet treaty as a basis for European security and emphasized France's role as a great power. Ambassador Bohlen believes that the Soviet propaganda on European security is intended to convey the impression that security should be achieved by European nations headed by the Soviet Union without the direct participation of the United States.

There have been some indications that the USSR may attempt to avoid the specific challenge of free German elections by treating Germany as only a part of the general problem of European security. In this manner the Soviet delegates could point to American overseas bases and EDC as proper subjects for discussion in connection with a German peace treaty.

The Soviet Union in any four-power conference probably cannot avoid the German question indefinitely but will probably continue to adhere to its position that a broad consideration of a German peace treaty with particular reference to the establishment of a provisional government must precede discussion of free German elections. Statements by East German spokesmen indicate that the USSR will demand that East and West Germans be invited to the conference, and a 20 December Neues Deutschland editorial contends that Molotov will support East German demands for participation.

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Soviet representatives will probably continue to maintain that free elections are a matter for the Germans to determine without outside interference. Similarly, the USSR is likely to cite other problems, such as East-West German trade and zonal controls, which require solely German consideration and which provide an opening wedge for eventual all-German talks on unity.

To prolong the conference in an attempt to gain propaganda advantage, the Soviet delegation may point to aspects of the German and Austrian problems on which it considers the West vulnerable. The specter of German remilitarization under former "Hitlerite generals" has been a long-standing propaganda peg used to counter Western challenges on Germany. Furthermore, the possibility cannot be precluded that the USSR will appear to favor troop withdrawal or reduction. To avoid the onus of a breakdown, the Soviet representatives may attempt to dispose of the embarrassing German issue by suggesting further discussion by deputies in a manner similar to the prolonged Austrian treaty deputies' meetings.

If challenged by the West on Austria, the most to be expected from the USSR is a renewed expression of willingness to pursue the problem "through normal diplomatic channels" or possibly an agreement to entrust it to deputy foreign ministers at an unspecified time. Recent Soviet propaganda has cited the necessity of first settling the German question because of an alleged threat to Austria from a remilitarized Germany. The USSR may even revert to its position that solution of the Austrian problem is contingent on a Trieste settlement in accordance with the Italian peace treaty.

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YI POM-SOK'S ECLIPSE COMPLICATES
QUESTION OF RHEE'S SUCCESSOR

The recent expulsion from the South Korean Liberal Party of former prime minister Yi Pom-sok, previously considered the most likely heir to 79-year-old President Rhee, complicates the question of his successor. Unless Yi regains power or another strong man emerges, there will be a prolonged period of chaos after Rhee dies.

Prior to his ouster, Yi led the most powerful faction in the Liberal Party, exerting a strong influence through control of the Home Ministry, the national police, the provincial branches of the Liberal Party, and the youth corps. The cooperation of the finance and commerce ministers and their influence with prominent businessmen guaranteed Yi ample funds, and in last May's party convention he seemed in a good position to achieve control of the entire party apparatus.

Since then, however, Rhee had become increasingly concerned over Yi's growing influence. The climax came in August when Yi's forces captured control of the National Society, a powerful mass organization affiliated with Rhee's party. The president thereupon began to undercut Yi by removing his adherents from the party and the government, abolishing the youth groups, sentencing to death a pro-Yi editor on charges of Communist spying, and breaking Yi's hold on the National Society.

Yi's ouster from the party in early December apparently eliminated the one man long considered to have sufficient power to inherit Rhee's authority. These moves are typical of Rhee, who invariably cuts back the power of potential challengers. He may have feared in particular that Yi's faction would obtain control of the National Assembly in the elections scheduled for next spring.

Within the assembly there is a group which desires to regain for that body the power of selecting the president which was stripped from it last year. Opposing this group are Rhee's followers who want to retain the present system of popular election by which they hope to remain in power. If the Rhee group fails to act quickly after Rhee dies, the assembly could repeal the law on popular election and name a president itself.

Whether such a dispute would result in a breakdown of the government would depend on any leader's ability to stage a successful coup and, in turn, on his control of the army and the police. Yi's eclipse, should Rhee die in the near future, increases the chances of political infighting among several lesser individuals and of a military coup if army leaders became convinced that the political struggle was leading to national disaster.

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MAGSAYSAY'S PROSPECTS AS A FAR EASTERN LEADER

Ramon Magsaysay, who is to be inaugurated as Philippine president on 30 December, has already been suggested as the leader of an anti-Communist alliance in the Far East. While Magsaysay has shown his popularity with his own people and revealed exceptional qualities of leadership as the secretary of national defense, he has yet to prove himself as the leader of a government and has had little experience in international affairs.

At least for the near future, Magsaysay's popularity at home has probably reached its peak, and there will be some disillusionment as he wrestles with domestic issues that cannot be solved on a short-term basis, particularly the problem of land-tenure on which the Huks base their appeal to the Philippine peasants. Any strong efforts toward land and agricultural credit reform by Magsaysay are almost certain to be resisted by the "old guard" in his own Nacionalista Party.

Magsaysay inherits a nearly empty treasury and faces a possible reduction of American aid. Unemployment has been growing, particularly in Manila, largely as the result of declining export earnings. Underemployment is chronic in the Philippines, and can be eliminated only through extensive economic development. Corruption and inefficiency are widespread in the government and cannot soon be eliminated by a mere change in administrations.

These domestic questions are sufficient to occupy Magsaysay fully for at least the next six months. Even if he copes with them successfully, he must then persuade his reactionary Nacionalista Party colleagues of the feasibility of branching into international fields. In the past, many of them have shown little interest in international cooperation and some have occasionally revealed an anti-American bias.

Of Asian leaders, apparently only Syngman Rhee and Chiang Kai-shek are looking to Magsaysay for leadership and have recently put out feelers in his direction. The Manila press has commented unfavorably on the Rhee-Chiang discussions of a defensive alliance, and Magsaysay himself is said to be opposed to championing any anti-Communist crusade now.

Association with Rhee and Chiang would undercut any appeal Magsaysay may now have for the Burmese and Indonesians, who in any case look with suspicion on Filipino leaders as American

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puppets. Indonesian officials reportedly are disturbed over attempts in some quarters to boost Magsaysay as a future Asian leader and regard current talk of this nature as presumptuous. Few Southeast Asian leaders think of the area as a political or economic entity and the various countries have few of the economic or cultural ties which would appear to be a prerequisite for any defensive grouping.

Nevertheless, if Magsaysay is successful at home, he would appear to be the most likely person to lead the way toward a resolution of the disparate outlooks obtaining in the area. Should he attempt this, it will be important that he retain the support of Carlos Romulo, who is the Filipino most qualified in international affairs. Romulo's experience would be useful and his Democratic Party could help to rally Philippine support for a broadening of Magsaysay's role.

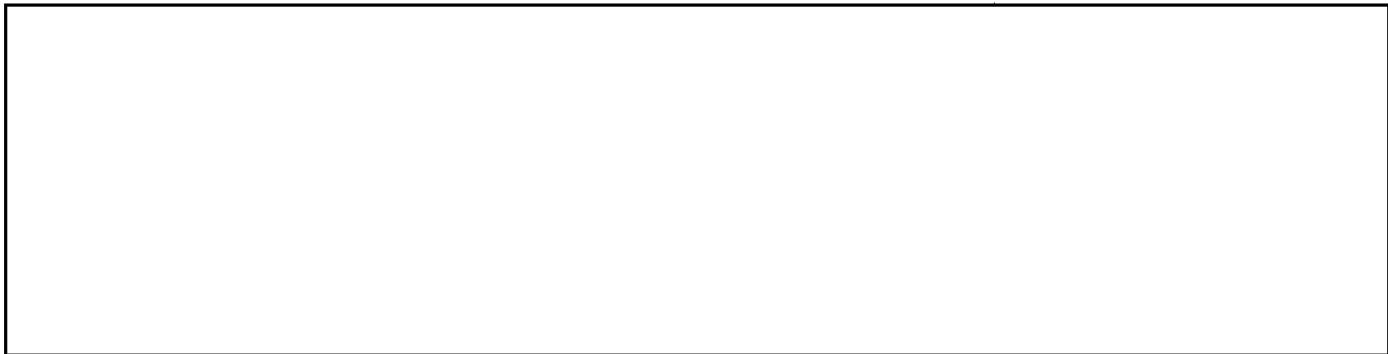
RECENT CHANGES AND PROMOTIONS IN
THE SOVIET ARMED FORCES

The unusual number of promotions and changes noted in the top Soviet military command since March suggests a desire by the new Soviet leadership to solidify its support in the armed forces. This increased attention to the armed services may be connected with recent evidence showing a de-emphasis of the public role of the MVD.

The promotions have for the most part involved professional officers with combat experience, the most popular group in the armed forces. Since the end of World War II, these men have received little or no recognition for their combat services. Two have now been raised to the grade of marshal, one to admiral of the fleet, and five to army general. These are the only known promotions to the highest military ranks since World War II, except for 1948 when there were four promotions to army general. None of those named has any apparent connection with the top Soviet political leaders.

In addition to the promotions there have been several shifts in the top military commands. The most important of these was the appointment of Marshal Zhukov, who had been in obscurity since the end of World War II, to the post of a first deputy minister of defense.

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There have also been several measures which would have the effect of raising the morale of the Soviet occupation troops in Germany and Austria. Recent information has disclosed that families will now be permitted to accompany Soviet officers to Austria. In Germany the restrictions on fraternization have been somewhat modified, permitting Soviet troops to have greater contact with the German population.

Connected with these promotions and changes are suggestions of an attempt to de-emphasize the public role of the unpopular MVD, following Beria's dismissal, without actually reducing its power over the people. The charges against Beria and his MVD associates connect the MVD with opposition to the present liberalized program by which the new regime is attempting to win popular support in the USSR.

The new MVD minister has been absent from public functions which that official normally attended in the past. A professional army officer has been appointed minister of the MVD in Georgia, and there has been public criticism of the MVD's lower levels. There is, however, no evidence that the MVD is losing the essentials of its power or is being deprived of any of the police apparatus which it inherited from the MGB.

COMMUNISM IS GAINING INFLUENCE IN CHILEAN LABOR

The Communist Party in Chile, though outlawed since 1948, is increasing its influence in labor organizations. Communists, already in control of the unions in two important industries, are apparently the only "activists" in the Chilean labor movement at present, and virtually the whole labor press is under their influence.

Communist labor leaders reportedly are in almost uncontested control of the unions in the nitrate fields and the coal mines with a total membership estimated at 24,000. Although the major copper workers union with a probable membership of 25,000 is non-Communist, the Communists command a considerable minority following. They are not believed to have much strength, however, in the communications federations which are said to have a total of 50,000 members.

Nevertheless, Chilean labor is ideologically susceptible to Communist influence because of the general low standard of living under the domestic type of capitalism with its practice of high markup and low turnover. The Communists have been able to play on these susceptibilities as a result of their success in recent years in spreading their influence throughout almost the entire labor press.

The Communist daily paper in Santiago, El Siglo, is read by workers of every political orientation. Also, the tabloid newspapers of Chile which appeal largely to the working classes have labor editors who slant material almost entirely along the Communist line. Such anti-Communist material as is published appears mainly in the conservative papers and reaches few members of the working class.

The formation last February of the Chilean Workers Central fulfilled a major Communist goal. This organization includes all the important labor and white collar unions. The Communists, who had taken the lead in working for a national labor confederation, secured only five of the 25 places on the directorate and failed to get a party member elected secretary general, but a Communist sympathizer was elected president. Moreover, the Communists achieved acceptance on an equal basis with all other important elements in Chilean labor in a general confederation. They thus gained a new forum for propaganda, and won a base of operations for extending their influence against a non-Communist opposition which remains divided.

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A 28-member Chilean delegation attended the congress of the Communist World Federation of Trade Unions (WFTU) in Vienna last October, and one of them described the creation of the Chilean Workers Central as an important achievement in "labor's struggle for unity" in his country. The Central, however, has not joined any international labor organization. That international Communism regards the situation as promising is clear from the speech made by WFTU secretary general Louis Salliant at the congress. In his comments on the successes achieved in seeking unity of action among trade unions, Chile and Guatemala were the only two Latin American countries mentioned.

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SPECIAL ARTICLE

THE CURRENT STATUS OF THE NATO DEFENSE EFFORT

The NATO ministerial meeting on 14-16 December was conducted in an unusually harmonious atmosphere mostly because from the start there was general agreement on the current status of East-West tension, on the character of NATO's military buildup, and on the problems likely to arise in the near future. The 1953 annual review approved at the meeting shows that the major problems peculiar to the period of the rapid creation and equipment of military units have been solved satisfactorily. At the same time the report points up new problems resulting from acceptance of the concept of a "long haul."

The combat effectiveness of the NATO forces is such that Ismay has called them a discouragement rather than a deterrent, meaning that the Soviet Union could not mount an all-out attack against them without moving additional forces and thus giving warning. General Gruenther has made it clear that he still does not have the military strength to defeat an all-out attack, especially since he is required to maintain a defense line as far east as possible. For this, he says, he needs German divisions.

Although there has been good progress over the past three years in the construction of airfields, airpower is NATO's most critical deficiency. The number of fighter aircraft is short of present goals, and the planned rate of buildup will leave appreciable deficiencies even by 1956. There is also a shortage of effective aircrews, and the present air warning systems are considered incapable of preventing a surprise attack. Gruenther's statement that the shortage of tactical airpower may be more serious than the shortage of ground forces led the council to recommend some increases in the rate of buildup for 1954.

Ground force units are not all up to combat standards of readiness. They lack adequate supporting units; reserves are insufficiently trained; ammunition and equipment shortages persist. For example, few NATO countries approach the minimum level of ammunition reserves, and Norway has only four days' reserve of .50 caliber ammunition. Political difficulties still prevent most member

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countries from instituting the recommended two-year term of national service and from requiring satisfactory refresher courses for reserves. Minesweepers, escort vessels, and maritime patrol aircraft continue to be the principal naval inadequacies.

On the credit side, equipment and armament have been generally improved; the command structure is now well integrated; and notable progress in standardization and training procedures has resulted from last year's directive to concentrate on qualitative improvement.

The harmony of the recent meeting contrasts sharply with the pessimistic atmosphere of the December 1952 and the April 1953 meetings.

There is now official acceptance of the idea that non-fulfillment of the ambitious goals set at Lisbon in February 1952 does not mean the failure of NATO. Moreover, subsequent examination of the Soviet "new look" has produced general agreement that, while the threat of military aggression is not immediate, it has not disappeared, and that the dismemberment of the North Atlantic alliance continues as one of the USSR's basic aims.

A widespread hope that the introduction of new weapons would reduce the requirements for conventional forces has contributed to a slackening in the NATO effort. General Gruenther told the ministerial meeting that SHAPE is giving first priority to a study of forces to be available four years hence and of the added impact of new weapons. He pointed to the 400-mile-long central European front and said that it would be premature to conclude that even with a German defense contribution, new weapons could close that gap successfully.

The year 1954 will mark the end of appreciable expansion in ground and naval forces. During 1953, defense spending for the 14 member countries increased by two billion dollars to a total of 65 billion dollars. The increase in 1952 over 1951 had been nine billion dollars. Leveling off may entail some reductions during 1954 in the defense budgets of the larger NATO members where the initial buildup was large and rapid; but increases will still be called for in countries such as Denmark, Greece, Turkey, Luxembourg and the Netherlands where the rearmament program has been more gradual.

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In offering guidance for the 1954 annual review, the North Atlantic Council noted that fulfillment of current programs is indispensable. It has also asked the military authorities to reassess the pattern of effective military power over the next few years, taking into account developments in military technology, Soviet capabilities, and the general strategic situation.

In the meantime, there is general agreement that the current status of East-West tension prevents NATO members politically and economically from supporting defense spending at a level higher than the present. While NATO's own "new look" is being further defined, ways must be found to prevent the annual recurring costs of maintaining existing forces from eating up all defense appropriations, which are required to complete the air buildup; to correct the most critical deficiencies; and to replace obsolete materiel.

General Gruenther has noted that NATO was created at a time when fear of the Soviet Union submerged longstanding rivalries and resulted in a peacetime alliance of unprecedented scope and duration. Its very success under these conditions thus poses difficulties for the future, since a defense program cannot be turned on and off with every fluctuation in East-West tension. He predicts that NATO's next three years will be more difficult than the first three.

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