SUMMARY

GENERAL

1. Anonymous source reports Soviet plans to enter Korean war (page 3).

FAR EAST

2. Peiping reportedly committing more units to Korea (page 3).

3. Political wrangling continues in Indochina (page 4).

EASTERN EUROPE

4. Yugoslavia hopes Council of Foreign Ministers will not consider Trieste issue (page 5).

WESTERN EUROPE

5. French Communists appeal to "neutralists" on German neutralization question (page 5).
GENERAL

1. Anonymous source reports Soviet plans to enter Korean war:

An anonymous letter received by the New York field office of the FBI warns the US Government that the USSR intends to use the forthcoming Four-Power Conference only as a smoke-screen to hide its offensive preparations. The anonymous source alleges that "an old World War II friend, now in a UN Iron Curtain group," told him all "Iron Curtain UN delegations" were informed late in February that the USSR plans to enter the Korean war in full force in April. The source's friend believes both Japan and Alaska will be invaded and that Mao Tse-tung has been in Moscow getting final instructions.

Comment: No evidence exists to support the statements in this letter; it seems unlikely that such plans would be communicated to Satellite delegations at the UN. Communications intelligence indicates that Soviet military and naval air activity in the Far East has reached higher levels this winter than in any previous winter and appears to be aimed at reaching a state of readiness in the near future. Training flights have been conducted at night and in bad weather and are increasing in length; flights of 1,000 miles are becoming common in the Tenth Air Army, operating north from Sakhalin. Training in the Soviet fleets in the Far East has been active during the winter. Firm information regarding the Soviet ground forces in the Far East is lacking, but a number of unsubstantiated reports have mentioned troop movements to the Far East and to Sakhalin.

FAR EAST

2. Peiping reportedly committing more units to Korea:

- 3 -
Comment: PW's and captured documents have referred to a late January decision to the effect that Communist forces in Korea would make a planned withdrawal to the vicinity of the 38th Parallel where they would receive reinforcements for a "fourth and final phase offensive." The "Fifth Field Army" is believed to be the North China Military Area Special Army Group: Nieh Jung-chen is known to be the Commander of this army group; he commanded the Fifth Field Army, which was formed (and later dissolved) in 1949 in the North China Military Area.

3. Political wrangling continues in Indochina:

Vietnamese Emperor Bao Dai has informed US Minister Heath he is strongly opposed to the policies of his Premier, Tran Van Huu. When asked why he did not remove the Premier, Bao Dai replied that even though Huu's mismanagement of the Defense Ministry would result in three or four months' delay in the formation of a Viet Nam army, he could not "risk" disposing of the Premier at present for fear that Huu, abetted by the French, would start a separatist movement in Cochinchina. Bao Dai commented that Huu's incompetence would eventually become evident.

Minister Heath comments that the Bao Dai-Huu conflict is a "sort of civil war" between the legal central government (headed by Huu) and a second "cabinet" (consisting of the Emperor and his personal following). Heath considers this development gravely detrimental to Vietnamese national reconstruction, to the formation of a national army and to the prosecution of the "real" civil war against the Communists.
EASTERN EUROPE

4. Yugoslavia hopes Council of Foreign Ministers will not consider Trieste issue:

Yugoslav Deputy Foreign Minister Mates has informed US Ambassador Allen that the Yugoslav Government hopes the Trieste question will not arise at a possible Council of Foreign Ministers, since any likely Soviet proposals would certainly be opposed to Yugoslav interests. In the event that the question does arise, however, Mates said he wished US authorities to know that the Yugoslav position had not changed since last summer and that his government still favored a settlement of the Trieste question through direct negotiation between Italy and Yugoslavia. The Yugoslav Government, however, does not feel that the time is ripe for direct negotiations since, as long as the Italian Government does not genuinely wish settlement, formal discussions of the issue would only exacerbate public opinion and reverse the present favorable trend in Italian-Yugoslav relations.

Comment: In the summer of 1950, the Yugoslav Government indicated to the Italian Government that it was willing to discuss the Trieste question on the basis, in principle, of Zone A to Italy, Zone B to Yugoslavia, with minor modifications along ethnic lines. In his recent Reuters interview, Tito said he preferred that the question be tabled for the present, since it was not an urgent problem and there was no mutual desire to settle it. The Italian Government, likewise, would prefer no international discussion of the Trieste issue at this time; it continues to insist upon the implementation of the West's Tripartite Declaration of 20 March 1948, which promised that the entire Free Territory of Trieste would be returned to Italy.

WESTERN EUROPE

5. French Communists appeal to "neutralists" on German neutralization question:

At a "neutralist" mass meeting in Paris on 1 March, Pierre Cot, speaking for the

- 5 -
Communist-front Progressive Union, seemed mainly interested in creating a favorable climate of opinion for some eventual Soviet proposal to neutralize Germany. This emphasis in his speech received approving comment from "orthodox neutralists." It was evident from the speeches that the Progressive Union has not yet had much success in winning "orthodox neutralists" to the support of the Soviet peace policy and, hence, Cot and his followers can be expected to increase their efforts to exploit neutrality sentiment during the next few months. At the same time, the French Communist Party is understood to be conducting a covert struggle to prevent the spread of "neutralism" and national deviationism within its ranks.

Comment: This is the first report of a mass meeting sponsored by both "orthodox" and Communist-front "neutralists" and the first indication that the French Communist Party is failing in its propaganda campaign with respect to the "orthodox neutralists." By shifting its emphasis to the neutralization of Germany, it probably hopes to accomplish two objectives: to convince those who favor neutrality to support the Soviet peace offensive and to avert defections within the Party itself.