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Soviet Deputy Arrives in Tokyo. A possible indication of a Soviet intention to maintain its large mission in Tokyo, despite the recent departure of the mission head for Moscow (Digest 24-50), appeared in the arrival on 27 June in Tokyo of a new Soviet mission deputy political adviser. Continued retention of the large mission enables the Soviets to have in Japan an effective listening post as well as a center for guiding Japanese Communist political and subversive activities. (CONFIDENTIAL)

KOREA

The War in Korea. War on South Korea was declared by North Korea, in a radio announcement, at 250200Z June 1950. There had been a gradual accumulation of indications, over the past months, that North Korea might be jockeying into an offensive military posture; but these reports were minimized by observers in view of the long history of border incidents and the frequent "invasion scares" of the past. In his routine intelligence report of 23 June, the U.S. observer in Seoul mentioned "considerable movement" of North Korean forces, including tanks, trucks and landing craft, north of the 38th Parallel.

For some time now estimates had given the forces of North and South Korea about equal capabilities. In the past few months, three main factors tended to give the advantage to the North: 1) the influx of former Communist Chinese elements of Korean descent (about 20,000-30,000), 2) build-up of N. Korean air power, and 3) build-up of N.K. armored strength. Best available information concerning the armed forces of these two countries at the outbreak of hostilities may be shown as follows:

NORTH KOREA		SOUTH KOREA	
Army. . .	4-7 Infantry divisions 1 mixed brigade 1 tank brigade (150 tanks)	Army. . .	8 Infantry divisions
Air Force	150 aircraft, combat type	Air Force	16 liaison-type (L-5 and AT-6)
Navy . . .	25 misc. vessels of coastal patrol type	Navy. . .	40 misc. vessels, mostly YMS
TOTAL STRENGTH-100,000-130,000		TOTAL STRENGTH- 96,000	

It will be noted that N. Korea has a significant superiority in air and armored strength. On both of these, they have the Soviets to thank. The aircraft are Soviet type fighters and attack bombers, about 70 of each. In the recent warfare, the tanks in particular soon stood out as of critical value.

Attacks evidently started at dawn, preceding the Pyongyang announcement. With heaviest activity on the east and west ends of the 38th Parallel, the Northern forces attacked with tanks and artillery. The situation rapidly developed to cover the entire parallel. Ongjin Peninsula was soon lost by the South Koreans. The main effort of the North Korean Army soon appeared to be delivered from slightly northeast of Seoul, at Chunchon, and this effort soon developed in conjunction with another spearhead from immediately north of Seoul. By the morning of early Monday (Pearl Harbor time), Seoul was threatened directly by forces only a few miles away.

KOREA (cont'd)

One of the most interesting aspects of the N.K. attack was made up of reported amphibious attacks made on the east coast, far below the 38th Parallel. These consisted of numerous small landing attempts, the success of which has not been reported at this time. At Pohang, a short distance north of the 36th Parallel on the east coast, a force of "20 vessels provided with air cover" was mentioned. It is estimated that the total strength of N.K. troops possibly involved in all of these east coast landing attempts was in the neighborhood of 3,000-4,000.

In connection with these landings, it should be born in mind that the N.K. guerrillas spread throughout S.K. are largely unarmed and uncoordinated. With the addition of weapons and leadership, an estimated force of 6,000 guerrillas could soon become operating, mainly in the East and South. It is possible that the landings, if actually accomplished, had the purpose of bringing support and leadership, as well as reinforcements to the guerrillas. At the time of this report, however, there is no further information as to developments in these landing attempts. If the amphibious attack at Pohang, especially, turns out to be sizeable and successful, this force could soon gain control of a vital communication network in the southern area.

On 27 June the situation looked rather more hopeful for the southern forces. On 28 June, South Korean troops that had been disorganized and moving south on the roads were reportedly being reorganized and returned to the front. On 28 June, however, the two pronged armor-infantry thrusts of the North Korean forces, supported by air, managed to gain possession of Seoul and adjacent Kimpo Airfield. The southern forces held a line generally along the south bank of the Han (Kan) River and its northern branch. Principal North Korea success has been in the west, in taking Ongjin Peninsula and Seoul.

As for air operations, North Korea's aircraft have made several strafing attacks on airports in the south, notably Kimpo and Suwan, with small numbers of planes. (SECRET)

KOREA

U.S. Aircraft Fired on by North Korean Convoy. At approximately 1700K, 25 June, U.S. fighter planes of the 8th Fighter Group at Kyushu sighted a small convoy at 37° - 50'N, 129° - 40'E. This force was probably one of several amphibious forces which made landings on the East coast of South Korea. The force consisted of a large patrol vessel, two mine sweepers, two craft resembling PTs and two large landing barges in tow. When aircraft approached, the formation went into a right turn and fired flares. One pilot reported flack burst near left wing. Convoy then resumed original course (340 degrees) and lead vessel pulled ahead making smoke. (SECRET)

KOREA

Political Aspects of North Korean Invasion. The North Korean attack was apparently timed to take advantage of the political confusion and weakness of the government existing in South Korea as a result of the 30 May elections to the National Assembly. A preponderance of independents were elected and their political grouping had not yet crystallized by the time of the attack. The elections also had resulted in the defeat of a significant number of Rhee supporters, providing a clear gauge of popular discontent with the Rhee regime, principally on economic grounds. During the period following the elections and before the attack, the North Korean regime attempted to take advantage of the political confusion and

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KOREA (cont'd)

uncertainty, by formally and publicly proposing a unification of North and South Korea. Conditions attached to the proposal, while calculated to place all of Korea under de facto Communist control, were framed also to appeal to the large degree of anti-Rhee sentiment in the National Assembly. (SECRET)

CHINA

Indications of New Communist Policy. Recent reports of Chinese Communist economic activity indicate an increasing concern with private businesses. Such concrete actions may indicate the beginning of an implementation of the extremely significant policy statement of Mao Tse-tung on 6 June (Digest 24-50). Mao called in effect for a slow-down in his regime's socialization measures. Such action, similar to that undertaken by the USSR from 1921 to 1927 with its New Economic Policy, may go a long way, as it did in the Soviet Union, to promoting economic recovery and rehabilitation. If implementation of this major new policy continues, it may indicate that Mao either did not lose, or has regained, power that might have been swinging to a more radical clique. (SECRET)

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CHINA

Scant Information on Communist Troop Movements. The most significant element in the Communist military picture at the present time is the lack of information, either negative or otherwise, about Red troop movements on the Chinese mainland opposite Formosa. Whether or not a Taiwan invasion attempt is impending is not clear.

It appears, however, that troops which captured Hainan as well as some from the Chushans, are now moving to the Fukien area. This serves as a reminder of earlier rumors that Hainan was to become a "reserve" for the Soviets.

The Chinese press has speculated that the reported closing of Shanghai and Swatow harbors may be a prelude to an invasion of Taiwan. An American observer in Hong Kong believes, however, that these ports have been closed temporarily only because the port entrances have been mined. (SECRET)

CHINA

Nationalist Bomber Raids. Heavy bombers (probably B-24's) of the CNAF claimed destruction of a Communist airfield and installations at Foochow last week. This field, on which the Reds had recently completed repairs, was one of the most strategically located air bases for support of an invasion of Taiwan. The raid was the first in which big bombers were used in the newest phase of the Nationalist air offensive against mainland targets.

Fighter escorts covered the bombers while other scout planes maintained land and sea patrols. Observation planes following the bombers claimed that large bombs scored better than 70% effective hits.

In a subsequent raid on the same field, the Nationalists reported that the airfield seemed deserted and no Communist aircraft were observed. (SECRET)

CHINA

British Warship Fires on Chinese Nationalist Aircraft. The first known case of a British warship firing on Nationalist Air Force planes since the coastal closure occurred on 23 June. HMS HART, a frigate stationed off Swatow, opened fire on CNAF planes which attacked the beached SS ANHUI and the tug FROSTY MOLLER, which was attempting salvage operations on SS ANHUI. The planes attacked with strafing and bombs. There were no casualties on either side. When the planes had made two runs, HMS HART and FROSTY MOLLER proceeded out and anchored in international waters, where they were apparently not molested any further. The FROSTY MOLLER is now reported to be awaiting orders from her owners.

The exact disposition of HMS HART, as to whether she was in Chinese territorial waters or not at the time of the engagement, is not clear. The tug was alongside SS ANHUI, which is sunken well inside territorial waters. Royal Navy sources emphasized that this incident does not mean a change in British naval policy. RN ships are always ordered to assist British registry merchantmen in distress, even if it involves entering Chinese territorial waters. (SECRET)

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CHINA

Soviet Air Division. The Chinese Ministry of National Defense informed an official U.S. observer in Taiwan that Peking is headquarters of the Soviet Air Division in China. Soviet air combat units are located in Shanghai, Nanking, Tsingtao, Hangchow, Tientsin, Peking, Sian and Canton.

Chinese Communists, under Soviet supervision, are repairing and enlarging many mainland air fields, particularly those bases established by the U.S. during World War II. Coastal airfields have the highest priority.

The smallest Soviet technical group at any field is 28 men, the largest 500. At airfields in the Chekiang, Tukien, Ankwei, Kwangtung, and Kwangsi areas, radar stations and radar-controlled antiaircraft weapons are being installed. (SECRET)

CHINA

Status of Guerrilla Action in China. Recent reports from within China show that guerrilla activity is continuing and widespread. From most areas, however, the reports are fragmentary. Guerrillas operations are known to have reached fairly major proportions, however, in the Provinces of Kwangtung, Kwangsi, Kweichow, Hunan, and Kiangsi. Throughout South China the Communists have apparently been limited in their actual control to the urban areas.

Guerrilla activities on the mainland may not be affected appreciably by President Truman's request to Chiang to cease Nationalist air and sea attacks on the mainland. Such activities have received little or no support from Taiwan. Furthermore, guerrilla resistance is not a coordinated effort to destroy the regime, but is mainly a symptom of unsatisfactory conditions in those parts of China where the activity occurs. In addition some of the guerrillas, though anti-Communist, are not pro-Chiang.

The continuity of guerrilla resistance may be aided somewhat, however, by the beneficial effects on morale of the vigorous stand taken by the U.S. guerrilla activities, nevertheless, may continue to be hampered by 1) continuing lack of material aid from the outside; 2) constantly greater attention given to them by the Chinese Communist Army as more and more units are fired for this sort of work; and 3) the recent moves on the part of Chiang to take power away from the guerrilla leader, Mao Sen, and place it in the hands of his Army Chief of Staff. (SECRET)

CHINA

Chinese Nationalists Say No Mines in Formosa Straits. Nationalist Naval Headquarters in Taipei has announced that there are no mines laid in the Formosa Straits as previously feared. The locations of the mines laid in river mouths along the China Coast have been announced as follows: 1) in the north and south channels of the Yangtze, 2) at the mouth of the Min River at Foochow, the entrance of Amoy, and the entrance of Swatow Harbor 2000 yards from shore. All fields are reported as being laid within three miles off shore. (SECRET)

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CHINA

Reinforcement of Macao. One mechanized unit of 2,000 men and the 6th Regiment of the Mozambique Force have been ordered to Macao by the Portuguese Government. These troops and two medium cruisers are en route to the colony. (SECRET)

CHINA

British Plan Reorganization of Hong Kong Defenses. Having taken the calculated risk of transferring troops from Hong Kong to Malay, and thus seriously weakening Hong Kong defensive capabilities, the British are now engaged in planning a reorganization of the Hong Kong command set-up and a redistribution of Hong Kong troops and defenses. Lt. General Mansergh is believed to have been given carte blanche authority to make whatever changes he deems necessary. Earlier British planning involved the elimination of the 40th division headquarters, the curtailment or elimination of certain staffs and the establishment of a Land Forces, Hong Kong command within the over-all joint command set-up.

The British actions would seem to involve an effort to create as strong a military posture as possible with the reduced personnel available. A major weakness of the British position continues to be the high susceptibility to internal subversion and economic weaknesses. (SECRET)

TAIWAN

Defenses Developed: East Coast Vulnerable. The defenses of northern Taiwan, from Hsinchu to Ilan, are now reported to be "organized to a depth of 20 kilometers". There is no information as to the intensity or type of defense so organized, however.

The east coast, from Ilan to the southern part, is extremely hard to defend against an infiltration of guerrillas. Communist infiltration in this area is relatively simple, but the region is not friendly or encouraging to dissidents. Both the ruggedness of the terrain and the traditional hostility of the aborigines in the hills will tend to prevent the guerrillas' establishing themselves.

Meanwhile the Nationalists are keeping the east coast under constant patrol with armored cars. (SECRET)

MALAYA

Guerrilla Activity Increases; Sabotage flares up. While early June saw a decrease in bandit activity, the latter part was marked by an upsurge of bandit aggressiveness in most states. Perak State is the worst area, probably because of superior leadership and organization. And despite the Government's campaign against the guerrillas, the first results of their actions are disappointing.

The Singapore situation is characterized by increasing Commie subversive activity among labor organizations, especially among employees of the Government and the Armed Forces. Commie acts of sabotage are also increasing, topped by burning a rubber warehouse, with an estimated loss of one-quarter million U.S. dollars. These acts of destruction are well conducted by trained groups of four or five men who cover the arsonists' getaway. Singapore authorities feel that such activity will increase. (SECRET)

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SOUTHEAST ASIA

Nehru Warns Against Communist Menace. Prime Minister Nehru, during a recent tour through Indonesia, Malaya and Burma, has fostered an awareness of the Communist menace to Southeast Asia by his speeches to the strongly anti-colonial Southeast Asian leaders and people. He warned the local populations against the violent tactics of the local Communists and stressed the need for internal unity. Nehru's unequivocal warnings against Communism are important because of his great prestige in Asia as a forthright opponent of colonialism and exponent of Asian nationalism. (SECRET)

SOUTHEAST ASIA

Common Strategy Among Communists in S.E. Asia. The WFTU Conference of Asian and Australasian Trade Unions in Peking (November 16, 1949 to December 1, 1949), as mentioned in Digest 50-49, marked in several respects a turning point for Communist activities in Southeast Asia. Communist military and guerrilla operations have since then been intensified and extended to wider areas. More important, Southeast Asian Communists have clearly demonstrated for the first time that they are organized for coordinated group action in the execution of strategy prescribed from Moscow.

Basic Strategy: The Pei-p'ing Conference produced a precise set of instructions for Communists in colonial countries, best summed up by the speech of Liu Shao-chi, Chinese Communist theoretician and WFTU vice chairman. Defining proper strategy for colonial countries on the basis of the experience of the Chinese revolution, he listed three principal points:

- (1) Armed struggle is the primary method to be used by Communist-led "national-liberation armies," operating from liberated base areas.
- (2) The formation of united fronts, representing wide strata of the population but controlled by Communists.
- (3) The development of strong Communist parties.

There is now tangible evidence in nearly every country of Southeast Asia that these specific instructions are being carried out. Closer cooperation between trade union movements is evident from the British Communist Party's March 27 boycott on arms destined for Malaya, paralleling both the French Communist boycott on shipments to Indochina, and the Saigon Viet Minh Workers' Union's March 29 manifesto calling for a boycott on the unloading of French arms shipments. Similarly the Conference's edict on "united front" tactics has produced new united front gestures in Thailand and Indonesia, and the continuation of an already established front in Indochina.

These actions are subordinate, however, to the more vital issue of "armed struggle," the tactic most heavily emphasized at the Conference and most loudly echoed in subsequent Soviet propaganda. It is on this issue that the success or failure of Communist seizure of power in Southeast Asia in the near future depends.

Looking at the record in Southeast Asia five months after Pei-p'ing, the Kremlin is probably satisfied at progress to date:

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SOUTHEAST ASIA (cont'd)

Indochina: Since Pei-p'ing, Moscow has clearly expressed its belief in the eventual military victory of Communist Ho chi Minh, extending his Vietnam regime the diplomatic recognition which it had always withheld in the similar case of the Greek rebel government. Ho has responded with franker acknowledgment of his alignment with Moscow, and apparently has achieved success in converting some of the formerly non-Communist elements in his Viet Minh coalition to the Communist cause. Ho's open tie-up with Moscow does not appear to have cost him appreciable support from his followers, who visualize French domination more easily than Soviet domination.

Militarily the situation remains deadlocked, the French and their 150,000 troops holding the principal cities and Ho's forces of 82,000 regulars and 90,000 partisans generally dominant in the Vietnam rural areas. Moscow falsely claims Ho is in complete control of 90 percent of Vietnam.

The most important unknown factor yet to be weighed in the Vietnam military situation is the extent of aid to be supplied Ho by the Chinese Communists. While it is certain Ho is getting some aid now, there was no evidence by May 1 that a major assistance program is under way. This situation may change radically with the Communist victory on nearby Hainan Island. Since Moscow's treatment of Ho strongly indicates that it regards Indochina the key to its Southeast Asian program, Ho would seem assured of substantial help.

Burma: The Burmese White Flag (Stalinist) Communists have shown since Pei-p'ing that they may be stronger than was previously believed. In a maneuver conforming to the Pei-p'ing instructions, the White Flags in March staged a coup at Prome, 160 miles northwest of Rangoon, and assumed control of a "Peoples' Government of Burma" in their own "liberated base area." Moscow has kept silent on the subject, doubtless watching to see how strong the Burmese Communists prove themselves, but the New York Daily Worker extravagantly claims the new regime rules more than 70 percent of the country.

While Burmese government troops scored successes against various insurgent groups including the Communists in late March and April, the Communists' "regime" at Prome was still intact on May 15 and there was evidence that government operations against it would be further delayed. Here again one of the central issues from the long-term view is the possibility of Chinese Communist aid. There have been reports that the White Flag Communists, as a result of negotiations initiated at the Pei-p'ing Conference, have agreed to a Chinese proposal of aid which includes a proviso that the Burmese Communists take orders from China. Difficulties involved in the supplying of Chinese arms would not be insuperable in view of some White Flag strength in areas accessible from China.

Thailand: Thailand, which alone of Southeast Asian states has no armed resistance group exploitable for Soviet purposes, has been moving toward more definite association with Western nations. Premier Phibul Songram has initiated and is actively promoting an anti-Communist program designed to limit Communist opportunities for propaganda and subversion. It is probable, however, that Moscow does not regard Thailand by itself as a major problem, doubtless believing that a Communist victory in Indochina or Burma, or both, would make Thai resistance infeasible. Indeed, in the face of major Communist victories, Thailand would probably make accommodations voluntarily. Limited pressure is already being exerted against the Thai government on the score of alleged mistreatment of the country's large (3 million) Chinese minority group.

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SOUTHEAST ASIA (cont'd)

Moscow's softer treatment of Thailand may stem in part from a desire to maintain correct diplomatic relations, since the only Soviet mission in Southeast Asia at present is the one at Bangkok. Its staff of about 30 is too large for the small amount of Soviet-Thai business, and it is apparent that Moscow has used Bangkok as a center for directing Communist activities in the area.

Malaya: While Moscow's claim that 40 percent of Malayan territory is disputed between the "National Liberation Army" and British forces is typically exaggerated, the estimated 3 to 5,000 Malayan Communists have been showing increased effectiveness since the time of the Pei-p'ing Conference. Attacks in March were the highest yet recorded, despite the special "anti-bandit month" campaign waged against them during the month. This intensification has been accompanied by a sharp rise in Soviet propaganda on Malaya. It has also caused the British to revamp their command organization in Malaya, strengthen their armed forces in the area and adopt new combat techniques, based on lessons learned during "anti-bandit month."

Indonesia: From the Soviet viewpoint, Indonesia's emergence and progress as an independent neutral is the darkest spot in the Southeast Asian picture. This situation forced the USSR into a sharp policy change in January when Moscow called a sudden halt to attacks on Indonesia's foremost leaders, extended surprise diplomatic recognition to the new state, and began maneuvering to establish a Soviet diplomatic mission in Djakarta. Although Moscow has again resumed its general propaganda line of hostility toward developments in Indonesia, it is still refraining from attacks against the Indonesian leaders, at least until some decision is reached about a Soviet post in Indonesia. This question of a diplomatic exchange now appears near solution as a result of talks begun in Moscow on April 30 by a special Indonesian delegation; Djakarta Radio reported on May 7 that satisfactory results had been obtained in the negotiations. Indonesia is known to have made the exchange of diplomatic missions conditional on Soviet support of its bid for UN membership.

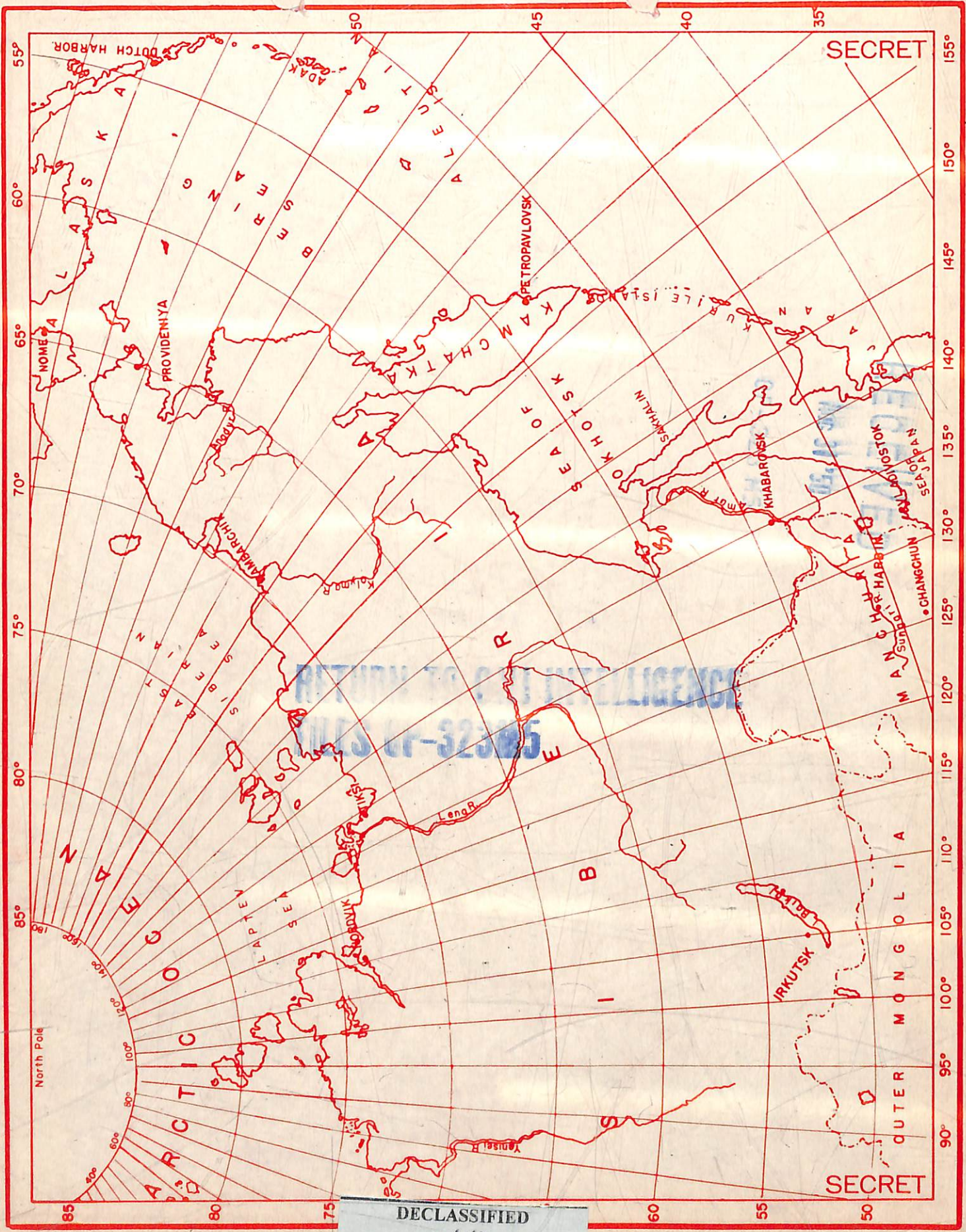
Indonesia's problems with dissident groups have been considerable but they have not been primarily Communist origin. Indonesia's small Communist Party appears to be consolidating for future revolutionary opportunities, meanwhile attempting to build a united front organization with other leftist parties.

Philippines: Since Pei-p'ing the situation has deteriorated more in the Philippines than in any other Southeast Asian country. As in Malaya and Burma, Communist elements have shown unexpected strength and organization. This increased effectiveness is thought to be at least partially the result of the return to Hukbalahap field operations by the two top Philippine Communist leaders, Party Secretary-General Balgos and Capadocia, who switched from trade union work in Manila in apparent execution of Pei-p'ing's "armed struggle" line.

Recent Huk operations have not approached the intensity of the violent uprisings staged March 29 on the Huk's eighth anniversary, but the Huks' estimated 16,000 armed men remain capable of large scale guerrilla operations, and it is possible, although for the time being unlikely, that the March raids may be followed by serious attempts to seize power if the Philippine political and economic situation continues to drift. (SECRET)

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