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# WEEKLY SUMMARY



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**SECRET**

**C O N T E N T S**

	<b>Page</b>
<b>HIGHLIGHTS .....</b>	<b>1</b>
<b>WESTERN EUROPE .....</b>	<b>2</b>
<b>EASTERN EUROPE .....</b>	<b>4</b>
<b>NEAR EAST - AFRICA .....</b>	<b>7</b>
<b>FAR EAST .....</b>	<b>8</b>
 <b>ARTICLES</b>	
<b>Agrarian Reform in Italy .....</b>	<b>11</b>
<b>Banditry in China .....</b>	<b>13</b>

**SECRET**

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

The possibility that the UN General Assembly will postpone a final decision on the disposition of Libya has been increased by continued disunity on the question among the western powers and by strong Soviet and Arab opposition to most of the proposed solutions for the Italian colonies problem. UK representatives, confronted by French and Latin American opposition to British plans for trusteeship of Cyrenaica and for denial of Tripolitania to Italy, are willing now to accept postponement of the Tripolitanian issue until 1952 (see page 2). Meanwhile, present British plans envisage an advisory panel for Tripolitania made up of US, Italian, and Egyptian representatives during the interim period.

Communist troops are expected to cross the Yangtze River and resume military operations sometime in the near future regardless of the outcome of the current peace negotiations in Peiping (see page 8). If Acting President Li were to accept a Communist demand that Nationalist political and military authority be turned over to a Communist-controlled coalition government, Chiang Kai-shek might still reclaim his position as president of the Republic and make another attempt to oppose the Communists. The signing of the agreement would, however, greatly reduce Chiang's ability to rally effective resistance and the Communists could then brand remaining Nationalist armies as "outlaw."

**- 1 -****SECRET**

**SECRET****W E S T E R N   E U R O P E**

**Italian Colonies** Continued strong opposition to most of the proposed solutions to the Italian colonies question has increased the likelihood that the UN General Assembly will postpone its final decision on the disposition of Libya. The UK, which is extremely desirous of retaining Cyrenaica and reluctant to return Tripolitania to Italy, would now accept postponement of the Tripolitanian issue until 1952 in view of: (1) apparent French, as well as Latin American, efforts to bargain for Italian trusteeship of Tripolitania by withholding approval of British trusteeship over Cyrenaica; and (2) the anticipated Slav opposition and Arab resistance to any dismemberment of Libya. The British postponement plans call for selecting representatives from the US, Italy, and Egypt to serve as an advisory panel during the interim period. Such a scheme would be more palatable to the Arabs than Italian trusteeship. Moreover, by allowing Italy some participation in Libyan affairs, Italian bitterness over the set-back to its claims might be somewhat alleviated.

**World Peace Congress** Communist leaders are preparing to launch a concentrated attack on the Atlantic Pact and the security program of the western powers at the World Congress of Partisans of Peace to be held in Paris on 20 April. Financial contributions from Soviet and Satellite areas may reach figures approaching the total aid given by the Communists to the striking French coal miners in 1948; so-called "initiative committees" have been established in some thirty countries to organize the widest possible participation in the Congress; and a preliminary meeting of Eastern European delegates has been held in Bucharest. Boasting the sponsorship of the World Federation of Trade Unions and such

**SECRET**

non-Communist figures as the ex-President of Mexico and the Dowager Queen of Belgium, Communist propagandists in Paris are emphasizing the international character of the Congress, and invitations have been issued to some 2,000 delegates of fifty-two countries. Substantially the same Soviet delegation which attended the recent Cultural and Scientific Conference in New York will attack western plans for increased armament outlays and will stress the importance of setting up peace organizations on a world-wide basis to hold conferences such as those already scheduled for Italy, Canada, the UK, and Mexico.

**UNITED KINGDOM**

**UK Elections** The outcome of the UK general elections in 1950 is still in doubt despite substantial gains by the Conservative Party in the recent nation-wide local elections. With the local contests nearly completed, the Conservatives claim a net gain of 325 seats and the Laborites admit the loss of 253 seats on various County Councils. Despite these local results, in a general election the two parties at this time would probably be very evenly matched. Local elections do not necessarily provide an infallible indication of public opinion on national issues because of their emphasis on local issues and the opportunity afforded for casting a purely protest vote. The Conservative Party has greatly increased its organizing activities and efficiency in the past few years and has apparently profited also from: (1) the Labor Government's recently-announced national budget which provided no relief from high taxes or high living costs; (2) the continuation of austerity controls; (3) excessive economic pressure on the middle classes; and (4) general dissatisfaction over the reduced meat ration.

- 3 -

**SECRET**

**SECRET****E A S T E R N   E U R O P E****SOVIET UNION**

**Party Members** Recently-announced figures on Communist Party membership in USSR indicate that since 1940 the Communist Party has lost its base of tried and well-indoctrinated party members and is growing more and more remote from the laboring classes it claims to represent. For example, two-thirds of the Leningrad Party members have joined since 1940; membership in the Byelorussian Party has increased 84% since 1940; and about half the Kirghiz Party have taken up membership during the same period. Moreover, members of the Soviet bureaucracy constitute the overwhelming majority of the Communist Party, with workers and peasants poorly represented.

**FINLAND**

**Cabinet Threat** Dr. Urho Kekkonen, Finnish Agrarian Party leader, may [redacted] overthrow the Social Democratic government by demanding a non-confidence vote in the Diet. The composition of the Diet has not changed since a similar move was defeated in February by a slim two-vote margin. Consequently, a renewed effort on the part of the Agrarians would again constitute a serious threat to the Fagerholm government. Meanwhile, Prime Minister Fagerholm's efforts to form a non-Communist coalition Cabinet have been blocked by Kekkonen who: (1) opposes Agrarian Party participation in a broadened cabinet under Fagerholm; and (2) favors a coalition based upon the numerical strength of the parties in parliament. Because Kekkonen's latter proposal would automatically assure their re-entry into Finland's government, the Communists may be expected to support a future effort of Kekkonen to overthrow the present cabinet.

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**SECRET****CZECHOSLOVAKIA**

**Espionage Case** Perhaps emboldened by the lack of strong reaction to the imprisonment of two US soldiers convicted on charges of espionage, the Czechoslovak Government is apparently intensifying its repressive measures against US nationals. The arrest of a US citizen directing the activities of American Relief for Czechoslovakia is the latest action of this kind by the Communist regime. Meanwhile, Communist propaganda is apparently having considerable success in persuading the Czechoslovak people of the truth of the trumped-up espionage charges against the two US soldiers currently in jail. Unless effective retaliatory measures can be taken by the US, the Czechoslovak Government can be expected to continue its attacks on US nationals in further attempts to restrict US activity within the country and undermine US prestige and influence.

**GREECE**

**Guerrilla Government** The recently announced changes in the guerrilla government reflect not only Cominform intentions to use the Macedonian issue as an instrument to undermine Tito but also Cominform and Greek Communist efforts to prevent that issue from reducing too much the effectiveness of Greek guerrilla action, at least in the northern Greek frontier areas. The reshuffling of the guerrilla government probably also completes official Greek Communist acceptance of Cominform control, a process which apparently began with the dismissal of Markos in January. As a result of the inclusion in the new guerrilla government of two Slavo-Macedonian leaders who are members of the National Liberation Front, Macedonian aspirations have again received Communist recognition. The Cominform



**SECRET****GREECE**

apparently hopes thus not only to weaken Tito's influence, but also to counteract the probable loss of Yugoslav support for the Greek Communists by securing the full cooperation of Slavo-Macedonians along the Yugoslav frontier. If successful, such a move would facilitate the maintenance of some guerrilla land communications between Bulgaria and Albania. No change is expected, however, in over-all Communist policy towards Greece, which will probably remain militant. The current offensive in the Grammos area indicates that the guerrillas will continue their aggressive military tactics.

**New Government** The fourth successive Sophoulis Cabinet, sworn in on 14 April, represents a slightly narrower, and perhaps less effective, coalition than its predecessor, which had resigned 12 April over a minor domestic political issue. The crisis had resulted from insistent partisan pressure and public suspicion over allegations that a key figure in the old Cabinet, Minister-without-Portfolio Markezinis, had been involved in illegal financial transactions. Although Markezinis and two of his colleagues in the New Party were omitted from the new Cabinet, their duties have been assigned to Liberals already in the Cabinet. Thus the change appears not to have worked to the benefit of the Populist foes of Markezinis. Meanwhile, the Crown Prosecutor is making an urgent investigation of the allegations against the ex-Minister; if the findings are clearly favorable to Markezinis, he may ultimately be included in the government, perhaps at the insistence of the King, General Papagos, and possibly Sophoulis. Another Cabinet crisis or a prolongation of partisan difficulties undermining the government might tempt the military command and the King to take strong measures, thus increasing the danger that an authoritarian regime might evolve.

**SECRET****N E A R E A S T - A F R I C A****PALESTINE**

**Armistice Talks** No beginning has yet been made on Syrian-Israeli armistice talks. Discussions were initially thrown off by the Israeli incursion across the Syrian frontier just north of Lake Hula last week. This move was apparently designed to gain bargaining leverage for Israel in its attempts to obtain Syrian withdrawal from the Jewish settlement at Mishmar hay Yarden. Following UN, US, and Syrian representations, Israeli troops were withdrawn, but resumption of negotiations was again blocked when the Israeli representatives refused to recognize Zaim's representatives as speaking for a validly constituted Syrian government. Despite these setbacks, however, the prospect for an armistice remains fair in view of the apparent desire of both nations to conclude a military settlement.

**EGYPT**

**Coup Doubted** Despite current rumors, the possibility of an Egyptian coup, similar to that which took place in Syria, seems remote at present. Although the Wafd Party, representing a parliamentary majority, is in opposition to Prime Minister Abdel Hadi's Cabinet, no party--the Wafdists, themselves, the outlawed Moslem Brotherhood, or the illegal Communist Party--is in a position to overthrow the government. Only the strong-willed Minister of Defense, Haidar Pasha, offers any substantial threat either to the King or to the Cabinet. However, Haidar's chances of initiating a palace revolution are dim as long as the army is hampered by disaffected elements within and the army and the police are at odds with each other.



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

**Peace Negotiations**    Regardless of the outcome of the current peace negotiations, Communist troops will probably cross the Yangtze and resume military operations in the near future. Because the majority of the Nationalist leaders will repudiate any agreement reached at Peiping and will continue resistance in the South, the current negotiations probably will only delay the resumption of the Communist military offensive. The negotiations will also determine whether this offensive will be conducted in the name of a Communist-Nationalist "coalition" as a "bandit suppression" campaign, or whether it will be a continuation of the Communist campaign against the National Government. Meanwhile, the Communists are probably demanding that the Nationalist negotiators sign an agreement transferring military and political authority to a Communist-controlled coalition government. These demands might permit Acting President Li to sign an agreement, despite his inability actually to deliver control of the majority of the Nationalist forces to the "coalition." In the event that a Nationalist-Communist coalition does emerge from the present negotiations, it could not prevent Chiang Kai-shek from reclaiming his position as president of the Republic; nor could it deliver to the Communists the remaining anti-Communist forces in China. Such an agreement would, however, greatly reduce Chiang's ability to rally effective resistance and would enable the Communists to brand the remaining Nationalist armies as "outlaws."

**Military Developments**    As superior Communist forces continue their southward push along the Pinghan railroad toward Hankow, Pai Chung-hsi, Nationalist Commander for central China and one of the few remaining

**SECRET****CHINA**

Nationalist commanders with an army capable of organized resistance, is readying his forces for a speedy evacuation of that important central Yangtze port area. The American Mission school in Wuchang, just across the river from Hankow, has been asked by Pai's headquarters to make its premises available by 15 April as advance headquarters for the Central China Command. Pai's main headquarters will probably be moved south to Changsha as the first phase of his withdrawal to his home province of Kwangsi. Almost all of his heavy equipment has already been moved south and the timing for the withdrawal of his troops from Hankow depends upon how rapidly the Communist forces advance. Pai will probably offer only token resistance in the Hankow area, thereby conserving his troops for possible inclusion either in a southern bloc or to support an autonomous Kwangsi regime.

**BURMA**

**Strife Continues** The breakdown in negotiations between the Government and the insurgent Karens and the resumption of military action against the surrounded Karens at Insien sharply reduce the possibility of a negotiated settlement in the near future. The breakdown followed the realization by both the Karens and the Government that agreement to negotiate had actually been based on mistaken expectations of concessions by each side. The Government widely publicized the "surrender" of the Karens, apparently expecting the Karens to submit to unconditional surrender. The Karens, however, expected substantial concessions from the Government because it had made the initial offer to negotiate a settlement

**SECRET**

**BURMA**

of the various issues involved. The Karens, confronted with a Government demand that they surrender their arms, countered with their own proposals, including a Burma-wide truce. When the Government flatly rejected the Karen counter-proposals, the Karens apparently decided that there was still no means of obtaining better terms except by force of arms. The failure of these negotiations and the uncompromising position of the Burma Government have probably increased the determination of the Karens to continue their armed insurgence until they either establish an autonomous state, receive substantial concessions from the Government, or suffer severe military reverses.

- 10 -

**SECRET**

**SECRET****AGRARIAN REFORM IN ITALY**

Prospects continue poor for the early passage of effective agrarian reform legislation, despite the 1948 electoral campaign pledges of the Christian Democratic Party. Delayed implementation of such a program provides a continuing threat to the stability of the Italian government. Failure to produce an adequate reform program: (1) could cause serious dissension within the Christian Democratic Party; (2) might cause the moderate Socialists to withdraw from the Cabinet; and, most important, (3) might strengthen the appeal of Communist propaganda, particularly in southern Italy. Millions of discontented peasants await parliamentary action on the proposed agrarian legislation in the hope of obtaining better living conditions as a result of improved distribution of property and land revenue.

Government efforts to achieve agrarian reform are currently being hampered both by dissension among proponents of reform over the type of program to be adopted and by opposition from vested interests and various conservative groups. The Christian Democratic Party's program of agrarian reform is being directed by Minister of Agriculture Segni. Segni's insistence on the creation of small landholdings -- approximately one acre for each proprietor -- is incurring the opposition of large landowners as well as independent technicians and economists who believe that larger holdings are necessary in order to maintain production levels.

Meanwhile, various groups are insisting that regional governments rather than the national Parliament have the constitutional authority to pass detailed agricultural legislation. Implementation of a large-scale reform program by

**SECRET**

**regional legislatures, however, would hamper nationwide reform and play into the hands of the Communists. Peasants, particularly in the South, might turn to the Communists in the 1949 fall regional elections as their best hope of procuring needed agrarian reforms.**

**- 12 -**

**SECRET**



**SECRET****BANDITRY IN CHINA**

Since the collapse of the Nationalist military effort north of the Yangtze, the twin problems of banditry and tribal brigandage, which have traditionally plagued both local and National officials in the outlying regions of China, have grown more acute, particularly in the south and the southwest. The ominous presence of Communist regulars north of the Yangtze and the numerous small bands of Communist irregulars south of the river emphasize the necessity for liquidating all anti-Government activities in the rear areas if further resistance to the Communists is to be attempted.

Dissident operations in Hunan, Yunnan, Kwangtung, and along the Indochinese border have already become serious. A rebellion by Miao tribesmen in western Hunan has already threatened the rear areas of Pai Chung-hsi, Nationalist Commander there. Bandits are estimated to control one-third of the province of Yunnan. In Kwangtung and on Hainan, the forces of "organized lawlessness for profit" (non-ideological bandits, pirates, and smugglers of long standing) and the Communists may actually outnumber the forces of the provincial government. As a result, the government exercises practically no control over large sections of rural Kwangtung and interior Hainan. On both the Kwangtung and Yunnan frontiers with Indochina, the French have charged that Chinese insurgents are joining with Viet Minh forces in attacks on French garrisons.

South China dissidents fall into three general categories: (1) groups either made up of or being led by Communists; (2) local bandits and dissidents having no particular political coloring (the largest group); and (3) opportunist bands of local bullies, fugitives, army deserters, etc. Each group operates,

**SECRET**

for the most part, in bands of 3-500, and liaison between them is probably maintained by a network of loyal Communists. Because of the nature of their operations and because of the fine shading between the forces of law and the lawless, it is difficult to determine the total number of these brigands. Although the total may run as high as 150,000 to 175,000, their true strength is more accurately indicated by the number of rifles the bands possess; this is often as low as 1 rifle per 10 men. Even though these forces are not all Communist-oriented, they serve the Communist cause by denying the countryside to the Nationalist tax-collectors and conscription officials and by keeping the areas in constant turmoil.

- 14 -

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