

JIC Summary

PT. 2

Vol. 2

JIC  
SUMMARY

Issue Nos. 26 To 53 incl.



## REDI Binding Covers

Can be made in all sheet sizes and capacities from 1" to 6" with Standard Fastener centres of  $2\frac{3}{4}$ ",  $4\frac{1}{4}$ ",  $5\frac{1}{2}$ ", 7" and  $8\frac{1}{2}$ ".

Unless otherwise specified fasteners with (B- $2\frac{3}{4}$ ") centre will be supplied for sheet sizes up to 6", (D- $4\frac{1}{4}$ ") centre for sheet sizes 7" to 10" (H- $8\frac{1}{2}$ ") centre for sheet 11" to 14". All covers are punched to take any of these centres within the cover size. Tang capacities of 2" supplied on  $2\frac{3}{4}$ " centres, all larger centres with 3" capacity.

Due to the many combinations in which these Covers can be made we have adopted the following representative letter and figure symbols to cover grades, sheet sizes, centres and capacities, a number to represent any particular one of thousands of combinations can be easily ascertained from the illustration as shown below:

### COVER GRADES

Grade "V"	200 lb. Filetex	} With double ply binding bars.
Grade "HV"	300 lb. Filetex	
An extra tough fawn coloured paper material, especially adapted for office file requirements.		
Grade "C"	.012 Leatheroid	} Double ply binding bars.
Grade "HC"	.023 Leatheroid	
An extra strong terra cotta coloured paper material of leather appearance and wearing qualities.		
Grade "GW"	Green Pressboard Covers — Blue cloth bound binding bars. Red Pressboard can also be supplied, change "GW" to "RW" if red is wanted.	
Grade "CV"	Leatheroid with Filetex Lining — Canvas hinge.	
Grade "F"	Full black cloth — Board covers.	
Grade "J"	Full canvas — Board covers. Colours: Maroon, Green, Blue black, Light blue, Fawn and Brown. (Specify colour, otherwise Maroon will be supplied).	
Grade "SY"	Full Black grained imitation leather, stiff board covers.	
Grade "FY"	Full Black Seal grained imitation leather, flexible covers. (Grades SY and FY can be supplied in dark red or green when specified.)	

Side Binding	SHEET SIZES		FASTENER	TANG CAPACITIES	
	Size Number	End Binding	Size Number	Centre to Centre	Symbol Capacity Symbol
$8\frac{1}{2}$ " x $5\frac{1}{2}$ "	1600	$5\frac{1}{2}$ " x $8\frac{1}{2}$ "	1610	$2\frac{3}{4}$ "	B 1" 1
$8\frac{1}{2}$ " x 7"	1601	7" x $8\frac{1}{2}$ "	1611	$4\frac{1}{4}$ "	D 2" 2
$9\frac{1}{2}$ " x 6"	1602	6" x $9\frac{1}{2}$ "	1612	$5\frac{1}{2}$ "	E 3" 3
10" x 7"	1603	7" x 10"	1613	7"	G 4" 4
10" x 8"	1604	8" x 10"	1614	$8\frac{1}{2}$ "	H 5" 5
11" x $8\frac{1}{2}$ "	1605	$8\frac{1}{2}$ " x 11"	1615		6" 6
12" x $9\frac{1}{2}$ "	1606	$9\frac{1}{2}$ " x 12"	1616		
13" x 8"	1607	8" x 13"	1617		
14" x $8\frac{1}{2}$ "	1608	$8\frac{1}{2}$ " x 14"	1618		

### HOW TO ORDER BY LETTER AND FIGURE SYMBOLS

Place in order as shown below:

- (1) Give letter or letters representing grade of cover wanted.
- (2) Give number representing sheet size.
- (3) Give letter representing Fastener centre.
- (4) Give number representing capacity.
- (5) Colour wanted.

(Viz.) If covers are required in full green canvas to take sheet 14" x  $8\frac{1}{2}$ ".  $4\frac{1}{4}$ " centre to centre, capacity 3", your order would read:

Canvas Grade (J)  
Sheet size 14" x  $8\frac{1}{2}$ " (1608)  
Fastener centre  $4\frac{1}{4}$ " (D) No. J-1608-D-3 Green  
Capacity 3" (3)  
Colour (Green)

Should the same type of binder be required with  $8\frac{1}{2}$ " centre, maroon colour, your order should read No. J-1608-H-3 Maroon.

### MacMILLAN OFFICE APPLIANCES COMPANY

WESTBORO, ONT., CANADA

Manufacturers of Office and Library Filing Supplies

To Duplicate This File Order  
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ISSUE NO. 26  
20 Oct 52

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COPY N° 100

# JOINT INTELLIGENCE SUMMARY

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Issued weekly under the authority of  
The Joint Intelligence Committee  
National Defence Headquarters  
Ottawa

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## SOVIET UNION AND SATELLITES

### Soviet Five Year Plan

(SECRET)

The Soviet Five Year Plan was adopted on October 12th. No major changes were made in the draft plan, but only small additions of technical or regional significance.

### Distribution of Industry in the Soviet Union

(SECRET)

In his speech before the 19th Party Congress, Malenkov referred to the rapid growth of the industry of the Eastern districts of the Soviet Union. He pointed out that the total industrial output of these areas, which include the southern portion of the Volga basin, the Urals, Central Asia, Siberia and the Far East, has trebled since 1940. In 1951 the Eastern districts produced about one-third of the whole industrial output of the Soviet Union; over one-half of the whole output of steel and rolled metal; almost one-half of the whole output of coal and oil, and over 40 per cent of the output of electric power.

COMMENT: The rise in importance of the Eastern regions of Soviet Union has mainly taken place over the last decade. In 1937 the percentage of industrial output produced in the Eastern regions was only slightly greater than in 1913; 20 per cent as opposed to 18 per cent in 1913. During the immediate pre-war years a further shift occurred, but the major change took place during the war when this area became of pre-eminent importance in the Soviet war economy. Since the war the area in the West which was devastated has been reconstructed while further development has taken place in the Eastern regions. As a result the regional balance of the Soviet economy has altered considerably since pre-war.

### Soviet Cruiser Construction

(SECRET)

On 21st July 1952, what appeared to be a new Sverdlov Class Cruiser (720 ft long, 18,000 tons) was sighted in Northern Waters. The vessel had not yet been fitted with gun turrets.

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The reported lack of guns could indicate that the cruiser had been fitting out at Rosta Dockyard in Kola inlet and was on builder's trials or was departing from Kola inlet so as to be unobserved by HMS "Warden" when she came to tow away the "Lincoln" and "Georgetown" from Murmansk.

Other circumstances which support cruiser construction in the far north are the facts that building facilities do exist in Molotovsk near Archangel, the yard has been unobserved since 1949 and Rosta Dockyard is known to engage in fitting out vessels launched in Molotovsk.

COMMENT: This evidence is not fully conclusive, but it has a fair probability of being true.

#### Soviet Submarine Base on Ruegen Island

(TOP SECRET)

There now seems to be little doubt that a submarine base is being constructed on one of the land-locked lagoons of Ruegen Island. The last report from a secret source states that completion date for the base is sometime in 1954. As part of the project, canals are to be cut gaining access to the Baltic. Two giant excavators are said to have arrived already for this purpose from the Soviet Union.

#### Shift in Fighter Strength of 59th Air Army

(TOP SECRET)

Further information received from Austria concerning the sighting of MIG-15's and MIG-15 crates at Wiener Neustadt airfield, (see Issue No. 25) provides strong indications that a major shift of 59th Air Army fighter strength is in progress. Contrary to earlier suggestions that a build-up in fighter strength might be underway, however, present evidence indicates that there has been a marked reduction in MIG-15 strength at airfields in Austria and Hungary. On 3rd October it was reported that empty MIG crates had arrived at Wiener Neustadt (it was not known previously whether the crates observed there were empty or full), and observations revealed that the MIG-15 count at the field had decreased from 62 to 9 between 23rd September and 2nd October 1952.

COMMENT: These reports indicate that the MIG-15's, reported earlier as being assembled, were actually being disassembled and crated for shipment to an unknown destination. This conclusion is supported by other reports stating that Parndorf and Deutsch Wagram airfields in Austria were vacant on 2nd October and that there were no MIG's on Budapest/Tokol airfield in Hungary on 19th and 20th September. The reason for  
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this sudden disappearance of a considerable proportion of the fighter strength of the 59th Air Army is unknown and there is no information as yet as to whether the ground support element of the fighter regiment has also moved. It is of interest to note that a similar movement of MIG-15's out of the 24th Air Army in Germany occurred at this same time a year ago; the destination of those aircraft has never been determined. The movement of MIG-15 from the 24th Air Army was considered to be the removal of older type aircraft and replacement with 6000 lb thrust engined MIG-15's. This is in keeping with the Soviet intent of placing their best equipment opposite our forces in Europe and could possibly explain the shift of MIG-15's from the 59th Air Army.

Improved Radar Coverage in Austria and Germany

(TOP SECRET)

On 30th September two new locations of Token radars (CPS-6 type) in Eastern Europe were reported near Freistadt (20 miles NNE of Linz) in the Soviet Zone of Austria and in the vicinity of Langensalze (20 miles NW of Erfurt in the Soviet Zone of Germany). In addition another of the same type was identified on 1st October in East Germany in the vicinity of Grevesmuehlen (east of Lubeck).

COMMENT: The first two radars mentioned above are located in the air corridors to Vienna and Berlin, thereby providing increased capability for surveillance of air corridor traffic; a probable reason for installation at these sites. The Lubeck location will markedly increase Soviet radar capabilities in the NW portion of the Soviet Zone of Germany, Southern Denmark and over the Western approaches to the Baltic Sea. These identifications bring to light the possible total of this type of radar in the outer extremities of Communist-controlled Europe, thus greatly increasing Soviet early warning and GCI capabilities in this area. These reports are also the first placing this type of radar in the Soviet Zone of Germany.

WESTERN EUROPE

Ratification of EDC Treaty and Contractual Agreement

(CONFIDENTIAL)

It is expected that the West German Bundestag (Upper House) will ratify these agreements during its autumn session and the whole procedure should be finished by 14th November. President Hans, however, will probably not approve the agreements until the Federal Constitutional Court has given an opinion on their constitutionality and the expected date of such decision cannot be forecast. Italy is likely to ratify after the Germans have ratified but without waiting for French action.

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COMMENT: The conditions which will have an influence on the French decision to ratify are so numerous and so varied that there can be no ground for optimism about the chances of early French action. Much will depend on the survival of the Pinay Government but even granting its survival there are still doubts as to whether it could obtain the necessary majority in the National Assembly.

US Arms Shipments to Europe

(CONFIDENTIAL)

Arms shipments under the U.S. military aid program are increasing, although not as rapidly as was estimated by the Temporary Council Committee of NATO. Deliveries to all countries during the U.S. fiscal years from 1st July to 30th June were as follows: 1949/50 \$63 million; 1950/51 \$1.14 billion; 1951/52 \$1.9 billion. In the second quarter of 1952 deliveries were at an annual rate of \$2.5 billion.

The TCC had estimated that Western Europe would receive about \$3 billion worth of military equipment from the U.S. in 1951/52. Actual deliveries were about \$1.5 billion. The TCC estimate for shipments in 1952/53 was \$6.3 billion. The U.S. State Department now suggests that actual deliveries will be about \$5.3 billion in that year.

COMMENT: By June 30, 1953 U.S. shipments of arms to Europe may be \$2.5 billion behind the original T.C.C. estimates. The reduction in shipments is the result of errors in programming and delays caused by the U.S. steel strike. There is no shortage of funds for military aid and over \$6 billion will remain unspent at the end of 1952/53 fiscal year.

Lack of Night and All-Weather Fighters in France

(CONFIDENTIAL)

The French Air Force appears to have given scant attention to the problem of all-weather fighter defence. Only one squadron, equipped with aging Mosquito aircraft, has been assigned to this role, and it is based at Rabat in North Africa. Under NATO, France is pledged to provide six all-weather fighter squadrons by the end of 1953.

The situation as far as night fighter aircraft is concerned is little better. The French Air Force has only one night fighter squadron, equipped with Mosquito MK 36 type aircraft. An additional 36 of these MK 36 Mosquito aircraft have been ordered from the UK as an interim aircraft to bolster the French night fighter defence until a more modern night fighter aircraft becomes available.

COMMENT: The French have adequate radar control facilities for night fighter and all-weather interceptions, but lack modern aircraft. The MD 453 (Mystere de Nuit) has been mentioned as a possibility for this role.

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Call-up in Yugoslavia

(CONFIDENTIAL)

The 1932 age class was called up in Yugoslavia in the first week in October. It is believed that the 1930 age class was released in early September.

COMMENT: If it is true that the 1930 age class was released in early September, it is the first time that the old class has been released before the new class is called up. This may be an indication that Yugoslavia does not consider an outbreak of war to be likely during the next few months.

MIDDLE EAST

Sale of UK Aircraft to Middle Eastern Countries

(SECRET)

The UK Government, after continuous pressure from Middle East countries, has agreed to provide jet fighter aircraft for the air forces of Syria, Lebanon, Iraq, and Israel. Increased supplies in the UK have now made it possible to respond to demands from these countries and after consultation with United States and French Governments, the UK has informed the four Middle East Countries concerned that the way is now open for each of them to purchase up to fourteen jet fighters, including two trainers, from the United Kingdom.

COMMENT: The addition of 46 jet fighters to air forces of these countries will assist overall fighter defence arrangements for the Middle East. Egypt was not included in this UK offer, although there are indications that General Mahommed Naguib has been negotiating for the sale of UK modern jet fighters for the Egyptian Air Force. Furthermore, the United Kingdom Government has modified its strict embargo on sale of arms to Egypt. The list of equipment released includes spares for operational and training aircraft, as well as ground radar. Complete aircraft, except Chipmunk trainers, are still banned, as well as arms and ammunition of all kinds.

Iran

(SECRET)

The recent breakdown in diplomatic relations between Iran and the United Kingdom was expected. It is reported that the Foreign Office came to the conclusion that it was impossible to back down any further in the oil dispute and that additional concessions would not materially

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affect the possibility of the Communists eventually gaining control.

It was decided earlier to ask the Swiss to look after Canadian interests in the area in the event of a rupture. This action followed naturally the procedure already initiated by the U.K. Government asking the Swiss to undertake the protection of "the persons, property and interests for whose protection Her Majesty's Ambassador at Tehran is normally responsible".

COMMENT: Prior to the break the United Kingdom view was that while a severance of diplomatic relations was most likely, Mossadeq himself might prefer not to take the step until the possibilities of splitting the U.S. and the U.K. had been further exploited but that the religious leader Kashani and other extremists in all likelihood would force his hand.

#### Recruitment of Gurkhas in India

(CONFIDENTIAL)

During this summer, leaders of the five main Opposition Parties, probably inspired by the ( Communist) Indian Socialist Party, raised objections to Gurkha enlistment in British forces on Indian soil, alleging that "foreign mercenaries were being recruited in India for service in a capitalistic war in Malaya".

Prime Minister Nehru thereafter asked the UK to discontinue the Gurkha enlistment stations in India. His note was mild and no time limit was set.

COMMENT: The UK has made it clear that closing the enlistment stations in India would prejudice the situation in Malaya, where the Gurkhas have been a mainstay in General Templer's campaign against the Chinese insurgents.

At the time of partition in August, 1947, a tripartite agreement between India, Nepal and the United Kingdom provided for the recruitment of Gurkhas for the UK Army on Nepali soil and for their enlistment and attestation in India. This was because the Gurkhas come down the valleys of the Himalayas and are rounded up at key points inside India where the valleys flatten out and railways exist.

There is reason to believe that recruiting and enlistment will be permitted to continue as at present until conditions in Nepal are sufficiently stable to allow shifting the stations into Nepal territory.

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## FAR EAST AND SOUTH-EAST ASIA

### Reinforcements for UN Forces in Korea

(SECRET)

It is generally recognized that the UN line in Korea is thinly held and that it is desirable to build a mobile reserve. Nevertheless, there are strong elements in the United States that are anxious to withdraw some American divisions and secure replacements for other members of the UN as well as by raising additional South Korean forces.

Even the doubling of the present token contributions of continental European countries would produce only about one more brigade and there is little prospect of tangible results elsewhere. Some responsible opinion suggests that there is more prospect of a reasonable result in adopting a proposal by Trygve Lie to raise an international legion of volunteers to be trained, equipped, and maintained by the US.

COMMENT: Official US military reaction to such an international legion, wholly maintained by the US, is not known. Apart from the inherent difficulties within such a polyglot formation, there is little reason to suppose it would contribute any effective military improvement over present international contributions to Korea. As a politico-military gesture it might admit of the use of token forces from hitherto non-contributing powers, including Nationalist China. A more important and far-reaching possibility, however, is that it may foreshadow what would be virtually a UN mobile striking force wholly under one command.

### Chinese Minor Tactics in Korea

(SECRET)

A pattern of Chinese minor tactics has emerged from study of several enemy attacks on UN outpost positions. Enemy field tactics are reported, by the commanders of units that have suffered from them, as being "excellent".

In several outpost actions the Chinese have attacked from at least two different directions simultaneously, so close behind their own artillery fire as to catch the defenders off guard, while other enemy groups took up blocking positions covering possible avenues of approach of allied reinforcements. Enemy artillery fire is also effectively used to prevent UN reinforcement of the invested position.

COMMENT: UN divisions with numerous outpost positions in advance of their Main Line of Resistance (MLR) have suffered quite heavy casualties lately from this type of attack and in trying to regain the positions. Canadian Military Mission Far East suggests that UN casualties during

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recent periods may be higher than the enemy's and he also reports a senior US officer's opinion that US commanders were inclined to push an outpost on to "the next hill" in front of their MLR and when felt obliged to fight to retain their position.

French Union Reconnaissance in Tongking

(SECRET)

It is reported that a French reconnaissance column, consisting of two mobile groups and one armoured unit, penetrated some 8 miles into Viet Minh held territory north of the Tongking Delta perimeter.

The force failed to encounter important Viet Minh resistance although the axis of advance was Route Coloniale 3 on which is situated Thai Nguyen, an important enemy road junction.

COMMENT: This is the first major French Union offensive action in the Tongking war zone outside the Delta perimeter since Hoa Binh was captured in November 1951. As the major part of Viet Minh strength in this sector is concentrated 40 to 50 miles west of Thai Nguyen, reportedly engaged in higher formation training, the French threat to the enemy communication centre may have been planned with a view to forcing the Viet Minh to deploy some of the training forces, thus reducing Communist potential immediately north west of the perimeter.





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SOVIET UNION AND SATELLITES

Soviet Air Activity - Austira

(TOP SECRET)

Additional information tends to confirm the departure of some 90 MIG-15's from the Soviet zone of Austria (see DAI briefing items No.9 and 18 dated 6 Oct and 17 Oct respectively). Reliable reports indicate that during the period 30 Sep - 7 Oct a total of 39 troop cars, five kitchen cars, 61 box cars and 168 flatcars left Wiener Neustadt, and that 22 troop cars, two kitchen cars, 42 box cars and 89 flat cars left Deutsch Wagram. These movements coincide with reports during late September and early October of a sudden decline in the number of MIG-15's at Wiener Neustadt.

COMMENT: General airfield improvement in Austria suggests, that these airfields are not to be completely abandoned and the decline in aircraft strength in the 59th Air Army may be only temporary. IL28 jet light bombers continue to be observed at Wiener Neustadt and the departure of the jet fighters makes more space available, possibly for additional IL28's.

Soviet Interest in Afghanistan

(CONFIDENTIAL)

A Soviet note delivered to the Afghan Government at the end of August protested against the award of a contract for an oil project in northern Afghanistan to a French oil company. The note alleged that the employment of Western oil technicians, which were described as belonging to NATO countries, involved a breach of the Russo-Afghan Treaty of 1926. As a result of this protest, the Afghans have blocked measures for the development of the oil concessions. In addition as a result of Soviet objections, the Afghans have suspended the operations of a UN geological survey party. At the same time, the Afghans are spreading reports that the Russians will stimulate discontent and possibly a revolution within Afghanistan.

There seems to be a dual danger of the Army overthrowing the political leaders, and of the tribesmen unseating the hereditary rulers in the capital town, Kabul. The tribesmen are being successfully diverted by the red herring of promises of an autonomous tribal area "Pakhtoonistan". The real danger of revolution, however, would best be overcome by economic development on which to raise the standard of living. If the Afghan government is not permitted to develop the northern provinces (on the Soviet frontier) its position will really become insecure. Collaboration of Afghanistan with India and Pakistan in this matter, though desirable, is unlikely.

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COMMENT: The implication drawn from the recent Soviet moves is that the Soviet Union takes exception to the presence of western technicians and engineers in that part of Afghanistan which is adjacent to it, and that it regards northern Afghanistan as a Soviet sphere of influence.

Since Russian targets in Karaganda and the Kuzbek area are vulnerable to air attacks from Pakistan and Afghanistan is a buffer state closely comparable to Sinkiang where Russia has already a powerful ally in the Chinese forces and where Russia can most probably develop air bases, both offensive and defensive, before the start of general war, Russia probably wishes, first, to ensure there is no unfriendly government in Afghanistan; and, secondly, to attempt control of air bases there in advance of hostilities.

Since the deterioration of the Afghan foreign trade position in 1949 the Soviet Union has shown increased interest in trade with Afghanistan. In 1950 a four-year trade agreement was signed and though trade with the Soviet Union is reported to have doubled in the interim, it is not thought to amount to more than 10% of Afghan trade. It was reported at the time that the agreement also included an offer of technical assistance for mining and oil drilling. Commodities obtained from the north are petroleum products, textiles and sugar. Unless the problem of transit trade through Pakistan to India is settled amicably, there is a possibility that trade routes to the north will become more important.

#### WESTERN EUROPE

##### Defence of Europe

(RESTRICTED)

The Political Committee of the Council of Europe Assembly has submitted a report which contains strong criticisms of NATO plans for European defence. The report makes a sharp protest against the alleged NATO plan based on abandoning parts of Holland and Western Germany and criticizes the inadequacy of the information given to the great mass of the people by NATO. In addition the report expresses the hope that the U.S. will adopt a system of long-term off shore procurements to achieve a genuine integration of the European armaments industry - "It is understandable that our countries require a guarantee from a number of years before concentrating on such a policy."

The political committee proposed a similar relationship between NATO and the Council of Europe as already exists between the Council and O.E.E.C. which reports to Strasbourg - "The Assembly of the fifteen nations has the right to give a general opinion about the European policy of NATO."

COMMENT: This protest in an official document shows how hard it is to lay the ghost of the Drew Middleton article which implies that parts of Holland and Western Germany would be abandoned despite denials of its accuracy in SHAPE and elsewhere.

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The suggestion of the Committee regarding relationship with NATO fails to recognize that there are many members of the Council of Europe who are not in NATO and shrunk from any act which might ally them with NATO. In addition, an arrangement exists in Paris whereby European members of NATO have full opportunity to express the European view on NATO plans.

#### Five Years of the Monnet Plan in France

(UNCLASSIFIED)

The broad objectives of the 1946 Monnet Modernization Plan for the economic development of France in the post-war years were to reach by 1950 an overall level of output some 25 per cent above that of 1929, the best inter-war year, and to modernize and attain expansion goals for the key sectors of coal, electricity, steel, cement, agricultural machinery, oil refining and transport. The specific goals were later somewhat scaled down and the target date for achievement stretched to 1952-53.

The Plan which was largely organized and inspired by Mr. Monnet, the new chairman of the High Authority of the Coal and Steel Community (Schuman Plan), was necessitated by the economic stagnation of France in the inter-war years and the heavy war-time destruction of physical assets and liquidation of internal assets. The choice facing France in 1946 was that of modernization or decadence. The dilemma in 1946 was not only that of making good the war damages but to do something about the previous twenty-five years of economic retrogression. Industrial production in 1946 was some 40 per cent of 1938, in itself 25 per cent under 1929.

COMMENT: A report just published on the result of the first five years of the Plan (1947-51) states that overall production in France is now 15-20 per cent larger than in 1929, and that "Mr. Average Frenchman" has a standard of living 6 per cent higher than in the immediate pre-war period; and 30 per cent higher than in 1946.

From 1946 to 1952 steel production has risen from 4.4 million metric tons to an estimated 10.5 million tons in 1952 (84 per cent of 1952-53 target); coal output has risen from 49.3 million metric tons to 58 million tons (96.5 per cent of target); electric output is up from 23 billion Kwh to 40 billion Kwh (93 per cent of target); oil refining (80 per cent destroyed by the war) rose from 2.8 million metric tons to 20 million tons (107 per cent of target) and cement production from 3.5 million metric tons to 9 million tons (106 per cent of target).

With the successes achieved in the modernization of its basic industries, France today has a larger industrial base than at any time in its history and is in a much stronger position to meet the problems of re-armament, inflation, and balance of payments difficulties.



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Return of General Ulepik Chief of Yugoslav Air Force

(SECRET)

General Z Ulepik Chief of the Yugoslav Air Force has been absent from duty for some time. He returned to duty on 4 October 52. He explained his absence by saying that following his annual leave of about five weeks he had been required to visit his constituency in Slovenia, in preparation for the forthcoming Sixth congress of the Communist Party of Yugoslavia.

COMMENT: It is not unusual for serving officers to be "elected" representatives of the various District Peoples committees.

Political Situation in Greece

(CONFIDENTIAL)

It is hoped that the coming Greek election will result in a single party government with a substantial parliamentary majority to enable the administration to cope more successfully than previous coalition governments with the serious economic and defence problems facing Greece.

This is the view of the U.S. State Department which feels that while Greece should contribute to NATO defence it should not direct its attention and resources to wider Mediterranean problems. It is reported that the U.S. has informed M.E.D.O. sponsors that they would prefer to see Greece left out of any Middle East defence organization rather than have Greece dissipate its slender resources in further defence commitments. It is also reported that the U.S. wishes to avoid encouraging similar claims from Italy.

MIDDLE EAST

Iran

(SECRET)

It is reported that the U.S. Ambassador to Iran did everything possible to prevent the final break in diplomatic relations between the United Kingdom and Iran but was unable to work out any proposals which would be acceptable to the United Kingdom.

The U.S. State Department believes that Mossadeq can maintain control for at least six months but that the strong influential position of Kashani may effectively limit Mossadeq's power.

Although Kashani has boasted that he could control the Tudeh party, it is believed that he is opposed to the aims of Tudeh and is not likely to seek its help. The party has increased in strength but it is still considered to be incapable of overthrowing the Government either by

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force or subversion. It will probably support Kashani in the hope of influencing him more than its could in the case of Mossadeq. The Shah has lost the power of independent action but he is considered capable of intervention in support of Mossadeq. The army is still believed to be capable of maintaining public order.

While the loss of oil revenue has seriously affected government finances, it has not equally affected the domestic economy of the country. An early settlement of the oil dispute is considered unlikely.

### FAR EAST AND SOUTHEAST ASIA

#### French Air Attacks on Viet Minh Supply Routes

(SECRET)

It is reported that French Air Force in Indo-China has been concentrating on the destruction of the main supply route from China through Viet Minh areas.

COMMENT: It is not considered that the French will be able to check appreciably the supply of materiel from China by this means. Chinese supplies into Korea have continued in spite of sustained UN air attacks in much greater volume than the French can hope to mount.

#### French Operations Tongking Delta

(SECRET)

Within the Tongking Delta a large French operation has been launched near Ninh Binh, in its SW extremity. The operation was launched against 9 Regt of 304 Viet Minh Division, which had infiltrated into the delta apparently to reinforce elements of 320 Viet Minh Division.

COMMENT: The large size of the forces involved indicates that the rainy-season lull is over and that the winter campaigning has started. The strength of the French force, reported to be three mobile groups, one parachutist group and five battalions of artillery supported by naval and air units, reflects French determination to eliminate the threat to their rear areas before the expected Viet Minh frontal assault on the perimeter proper.

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French Forecast of Viet Minh Winter Campaign

(SECRET)

The French for some time have made forecasts of probably Viet Minh strategy for the forthcoming winter campaigns. They feel first, that guerilla effort will be increased in order to commit French reserves. Then, when this phase is completed, a large scale attack against the French Delta perimeter is expected to be mounted by the 308, 312 and 316 Infantry Divisions supported by the 351 Artillery Division. Preventive action is being taken by the French to counter this programme.

Unconfirmed reports has been received of heavy Viet Minh assaults in the NW section of Tongking West of the Red River, and one French post is said to have been lost.

COMMENT: The NW Tongking area is loosely held by Franco Vietnam posts at communication centres, and it is probably with the idea of freeing the navigable positions of the Red and the Black Rivers from French control, that the attacks have been launched. At this time of the year, the Red River is navigable for shallow draft craft as far as Lao Kay an important communications centre on the China-Indochina supply route. The Black River could also be used to bring supplies to southern Tongking. As the dry season continues these two streams will lose their communications value. The intensity of reported Viet Minh attacks may have been dictated by the necessity of gaining rapid control of the rivers for a further supply build-up prior to an assault on the Delta perimeter.

Military Situation - Korea

(SECRET)

The enemy has put up a most formidable effort to capture Hill 395 (Whitehorse Hill) involving extensive casualties. PW interrogations indicate some interesting reasons for this costly effort, apart from the obvious reasons of gaining control of the valley approaches to Cherwon and that capture of this hill feature would reduce the effectiveness of a (still expected) UN attack. According to PW sources, it was mounted in order to raise the morale of 38 Corps of the Chinese Communist Army.

COMMENT: It is not likely there has been a positive decline in the morale of 38 Army, which contains three veteran divisions (113, 114 and 115). The Chinese are notoriously effective diggers, and in place they have long occupied they may have dug themselves into a state of defensive-mindedness the Higher Command has come to consider unhealthy. Recent UN counter-offensive against enemyheld hill features have discovered many large and very deep dugouts. All were well constructed and well concealed. Many will hold 50 to 100 men and some as much as a company. These bunkers were reported to be able to withstand 500 lb bombs, though

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a direct hit has some neutralizing effect. Some have four entrances and under attack the enemy is reported to have remained in these dugouts and allowed UN assault troops to pass over them, then attacked from the rear.

### Indonesia

(SECRET)

A current crisis in Indonesian politics has resulted in mob violence in the capital. An outstanding difficulty centres around the reorganization of the army and the presence in the republic of the Netherlands Military Mission. The Minister of National Defence, Sultan Hamengku Buwono IX of Djogjakarta is a strong proponent of a military reorganization along Western lines as opposed to the present loose anti-bandit battalions. He recognizes the necessity of an outside training mission and consequently favours the retention of the Netherlands Military Mission.

COMMENT: Should Indonesia decide to abrogate the treaty setting up the Netherlands Indonesian Union, which is reported to be the desire of many of the political leaders, the way would be open for the replacement of the Netherlands Military Mission by a training mission from some other (presumably Western) power. The last government in Indonesia fell largely as a result of popular refusal to accept strings said to be tied to offers of United States military aid. Since then, however, responsible opinion may have re-examined the advantages of operating in closer cooperation with Western powers in the Pacific.

### Burmese Army

(SECRET)

The current formation of four new infantry battalions in Burma will complete the planned infantry establishment of forty-one battalions. The supporting units, however, will still have to be raised. Thirty-seven infantry battalions are expected to be operational by the end of October 52.

Some 400 of the Karens interned in Rangoon are reported to have been released and reinstated in the army, presumably they will be used as the nucleus for two of the newly organized infantry battalions.

COMMENT: The Karens have long been recruited into the Burmese Army as individuals but forming their own units. They may not for obvious reasons, be used against the insurgent Karen National Defence Organization. The present location of the Burmese Government's Karen battalions, namely in the Arakan country may well be used as the basis for an outcry against a Burmese plot to destroy two minority races by expending Karen troops in the subjugation of the Arakanese.



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5 Nov 52

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**COPY N° 139**

# JOINT INTELLIGENCE SUMMARY

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SOVIET UNION AND SATELLITES

USSR - Central Committee of the Communist Party

(SECRET)

Admiral N.G. Kusnetsov, Navy Minister and C-in-C, was elected a full member of the Party's new Central Committee. A former C-in-C Admiral I.S. Yumashev was elected a candidate member, together with Admiral N.E. Basisty. Of the 235 full and candidate members, at least 21 are Marshals, Generals and Admirals.

Soviet Army Training in Germany, 1952

(TOP SECRET)

Field training for Soviet troops in Germany began in early April when elements of the six armies began to move from their winter barracks to training areas. Training generally consisted of individual and small unit exercises up to company level until the end of July, although there were isolated reports of exercises at battalion and regimental level during this period. At the beginning of August, exercises of battalion and higher level were more frequently observed and reports of such exercises continued until mid-September. Reports in early October indicated that troops were concentrating for large manoeuvres in their respective training areas. The largest concentration was reported in the Letzlinger Heide training area where large scale manoeuvres have taken place in previous years. Current reports indicate that the majority of Soviet formations have completed their final fall manoeuvres and have returned to their winter barracks. Fall reports on these manoeuvres are not yet available, but it seems that they were conducted by the respective armies on a division-versus-division basis. If true, this means that the Soviet Army has completed its summer training period two weeks earlier than in previous years.

The following are the highlights of this year's training programme.

- (a) The establishment of a new training area at Lossa and possibly at Vietmannsdorf (just South of the Templin training area), although evidence suggests that the latter may be a new airfield.
- (b) The improvement of facilities at training areas. There have been several reports of the construction of new barracks within the training areas and the building of railway lines leading into these areas. The transfer of petrol dumps into one of the training areas has also been reported. These developments suggest that troops may be

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housed in the training areas throughout the year, thus eliminating movement of troops to and from training areas at the beginning and end of the summer training period.

- (c) The move of at least two anti-tank units to Ruegen Island where, it is believed, they were engaged in firing at stationary and towed targets off the coast. The appearance of elements of some of the armies also suggests that amphibious exercises on a small scale may have taken place on this island.
- (d) Apparently increased emphasis on air co-operation, ground-controlled strafing attacks and two exercises involving air support to ground forces were reported this summer.
- (e) Training in river-crossing techniques was again emphasized. At various points along the Elbe river, engineer troops constructed pontoon and other types of bridges, besides participating in exercises involving other formations.
- (f) Combined exercises of all arms (infantry, armour, engineer, and artillery) seemed to be emphasized more than in previous years.
- (g) Motor transport discipline has not improved. This may be the result of the increased number of vehicles issued and the lack of driving experience of newly trained personnel.

COMMENT: The 1952 field training programme of Soviet ground forces in the Soviet Zone of Germany has, to date, closely conformed to the general pattern observed in previous years.

Examination of the Engineering Aspects of the Stalinets-80  
Soviet Tractor

(CONFIDENTIAL)

Two crawler tractors "Stalinets-80" powered by diesel engines developing 80 brake horsepower manufactured in the USSR and captured in Korea, have been examined by a research team of the U.S. Caterpillar Tractor Company which makes D 7, a similar type, of which a number were shipped to the USSR under lend lease. The results of the examination show that:

- (a) the S-80 tractor is a copy of the D7 with tolerances and fits competently changed to the metric system;
- (b) the Russians know and use modern metallurgical practices but their methods fall short in some fields;
- (c) where surface finish is not critical to efficient operation, machining is cut to a minimum and exterior finish is often rough;

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- (d) where accuracy is essential, careful attention is given to part finish and in the fuel injection pump, where the greatest accuracy is required, the Russians worked to closer tolerances than those thought necessary by the American Company;
- (e) parts are interchangeable, indicating mass production on an assembly-line basis.

The American research team was favourably impressed with the Stalinets-80. Their general conclusions are that the metallurgy is very good, machining competently handled and assembly line production is employed but, for certain operations, the most modern techniques are not thought to be in use.

Possible Preparations for Civilian Evacuation of Ruegen Island, Germany (TOP SECRET)

It is reported that since July 52 all inhabitants of Ruegen Island have had the name of one of the towns on the mainland entered into their identity documents together with the local police stamp. Such towns as Greifswald, Parchim and Shwerin have appeared. Speculation as to the reason for this registration is rife among the population and the general inference is that it is for eventual evacuation purposes.

COMMENT: Parts of Ruegen Island have been used for anti-tank firing ranges by Soviet troops since Jun 52. Since Aug 52 members of Brixmis have not been able to tour the island.

Soviet Naval Air Forces-Germany (TOP SECRET)

During the past few months there has been an increase in naval aviators and other naval personnel at Peenemuende and Garz on Ruegen Island.

COMMENT: A unit of the Fourth Fleet Air Force moved from Garz to Peenemuende in February 1952 and began coverting to MIG-15's. A program of improvements to the airfield installations at these bases has been reported. If the reports of airfield improvements and additional personnel are true this probably indicates that the Soviets are adding new units at these bases. The island is excellently situated to become a western Baltic base.

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Construction of Ships Model Test Tanks in East Germany

(SECRET)

Confirmed reports show that a Ship Research Institute including ship's model testing tanks is already under construction in the Soviet controlled (Karlshorst) sector of Berlin.

A towing basin 300 metres long to take models up to 10 metres in length at speeds up to 20 knots, and a shallow basin 100 metres in length are to be completed by the end of 1953. The whole establishment, which is scheduled to include a circular basin, a cavitation tank and a manoeuvring tank, should be finally completed by 1955.

COMMENT: This establishment, which will be used by the East German Shipbuilding Industry will be the only one of its kind in the Soviet Zone of Germany.

Celebration of the Founding of The German Democratic Republic

(CONFIDENTIAL)

The celebration of the third anniversary of the G.D. R. was attended this year by N. N. Shvernik, Chairman of the Praesidium of the Supreme Soviet of U.S.S.R. and titular head of the Soviet State.

Mr. Shvernik delivered a speech on the evening of October 7 in which he claimed that the German Democratic Republic in the last three years "has occupied a worthy place in the great camp of peace and democracy headed by the Soviet Union". He praised the East German State which, he said, because of its successes in the development of its national economy "gives grounds to assume that the tasks of the first Five Year Plan of the Republic will be successfully carried out". The remainder of his discourse dealt with the efforts of the G.D.R. supported by the U.S.S.R. to bring about "a united independent democratic and peace loving Germany".

The usual congratulatory telegrams were sent from Shvernik, Stalin and Vyshinsky to Pieck, Grotewohl and Dertinger.

COMMENT: It appears that this is the first time the head of the Soviet State has travelled outside the U.S.S.R. His appearance indicates the increased importance of East Germany for last year the Soviet Union sent only V.V. Kuznetsov, Chairman of the Soviet Trade Unions. The attendance of this dignitary should not only enhance the position of East Germany vis-a-vis the other satellites but it is perhaps a sign that East Germany may become a full people's democracy in the not too distant future.

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Construction of Landing Craft in Poland for the USSR (SECRET)

Reports have been received that tank landing craft 120 feet long, 27 feet beam and 4 feet draft when loaded are being constructed at the Vulkan Yard in Stettin for shipment to the USSR. Each craft can carry four tanks. Construction of landing craft of undetermined types has also been reported from Rogau, Wroclaw and Neusalz.

COMMENT: The reliability of the source has not yet been established.

Situation in Albania (CONFIDENTIAL)

Reports during the last year or two indicated near-critical unrest, keen rivalry between President Hodga and Minister of the Interior Shehu and control of the state by the numerous Russians in the country. The few scraps of information available indicate that tension in Albania is not lessening. Of more importance is the Yugoslav reaction to the unrest. Mr. Petric, Head of the North American section of the Ministry of Foreign Affairs and Yugoslavia's last Minister to Albania prior to the break between the two countries, considers it a wise policy to let the Albanians "stew in their own juice."

COMMENT: Mr. Petric's comment bears out the opinion expressed in Belgrade that Yugoslavia would discourage a Titoist revolt in Albania as it would prove an unbearable economic liability to Yugoslavia and would precipitate a direct conflict of interests with the U.S.S.R. On the other hand the New York Times correspondent in Belgrade believes that the Yugoslavs would go to any length to thwart an Italian-inspired counter-revolution aimed at restoring parliamentary democracy. Even though Hodga may be replaced, a breach of the peace is not likely.

WESTERN EUROPE

The Interim Committee of the E.D.C. (SECRET)

In a progress report to the Council, the Chairman of the E.D.C. Interim Committee revealed that agreement had been reached on the proposed Court of Justice, the territorial organization of the European Army and on the Status of Forces Convention as regards communications.

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COMMENT: It should be noted that these agreements, the texts of which have not been finalized, have not yet been submitted to the Interim Committee and that important alterations may be made before they are finally approved.

Netherlands Administration of E.D.C. Plans

(CONFIDENTIAL)

On 8 October 52, the Canadian Military Attache to the Netherlands had an interview with the Chief of the Defence Minister's Secretariat and obtained the following information:

A small bureau has been set up in the Ministry consisting of four or five experts to deal with the financial, supply and organizational problems arising from the eventual adoption of the EDC defence plan. This bureau will have direct access to the Dutch portion of the Interim Commission which is working on EDC plans in Paris. A similar bureau has been set up in the Foreign Ministry to deal with the political aspects of EDC. This bureau will also have a direct link with the Interim Commission.

The Chief of the Secretariat added that it was generally considered in Holland that EDC will be ratified shortly. Estimates of the time vary from one to three months.

The Military Attache also reports that the Minister of Defence has sent a letter to his Department heads and principal officers urging them to plan and prepare for the time when EDC becomes operative and, in fact exhorting them to take some interest in EDC. The letter contains a scarcely veiled threat to any of those who fail to cooperate. The contents of this letter has, unfortunately, leaked to the press and its publication has caused a good deal of embarrassment to the Dutch Foreign Office.

The MA comments that there seems to be a good deal of criticism of the EDC plan amongst senior officers and officials. Many of them feel that it would be better to stick to the NATO conception and bring Germany in as a member now.

COMMENT: There is a good deal of evidence to show that although the Dutch Government is firmly committed to EDC and determined to do all it can to bring it into effective being, there exists a certain amount of opposition amongst senior service officers and civil servants. There is also some opposition to it in Parliament.

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Possible Military Implications to the Appointment of a  
Soviet Ambassador to Belgium

(CONFIDENTIAL)

The Soviet Union, after a lapse of two years, has finally appointed an Ambassador to Belgium. The new Ambassador is Victor Avilov who, since January 1950, has been Counsellor at the Soviet Embassy in Paris. He is relatively new to the diplomatic service having entered the Ministry of Foreign Affairs only in 1946. He had previously had experience in propaganda and agitation work in the Soviet Union.

The fact that the Soviet Union asked for Mr. Avilov's "agreement" a short while after the outbreak of the conscription protests in Belgium leaves little doubt as to Soviet motives. The Soviet authorities possibly felt that the anti-conscription feeling in Belgium could best be exploited by judicious propaganda, and to this end have sent a man experienced in this field.

COMMENT: The present Belgian Communist Party membership of 35,000 represents only 40.7% of the 1948 figure. The BCP has very little influence (approx 2%) in Belgian Trade Unions. Its daily newspaper circulation (French and Flemish) is only 51,000. It has therefore very little influence, if any, outside Party circles.

If Mr. Avilov has been given the task of exploiting the anti-conscription feeling, he has indeed a major task confronting him. The lowering of the conscription period to 21 months seems to have met the general approval of conscripts. Furthermore the Communists have had very little success in bringing young men to their youth organization, leaving them little to work with.

Western Germany-U-Boat Diesel Engines in Small  
Merchant Ships

(SECRET)

It is reported that since the War there has been a widespread application in Western Germany of surplus ex U-boat engines for geared Diesel drive in small new merchant ships. M.A.N. and Krupp engines have been extensively used for this purpose and, with Vulcan clutches, have given propulsive efficiencies of 67-68 per cent, as against 55-60 per cent using the same engines to drive the propellers directly.

The Wester Company of Bremen alone has delivered 34 new ships equipped in this way with M.A.N. engines since the end of the war.

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COMMENT: Since the end of the war the manufacture of propulsion machinery has been a very serious bottleneck for the Western German shipbuilding industry: this difficulty has been largely surmounted as far as small vessels are concerned by adopting the general Diesel arrangement described above, which is in accordance with growing present day practice.

### MIDDLE EAST

#### Growing Communist Strength in Iran

(TOP SECRET)

Estimates of the strength of the Communist Party in Iran vary but the lowest estimate of card carrying membership is 8000 and other estimates place the Party strength at between fifteen and twenty thousand. The Communists completely control the Ministry of Education, and the Minister of Justice, together with many other officials, are considered to be Tudeh Party members or, at the very least, active sympathisers. The Communists have also seriously penetrated the Departments of Health, Posts and Telegraphs, Finance, Interior, and National Economy. In addition, they have made a great many converts amongst the police and the lower ranks of the Armed Services.

The one stabilizing factor in the situation and the reason why the Tudeh Party has not yet felt strong enough to seize power is that most of the Army remains loyal to the present Government. However, the various factions in Iran are struggling for control of the Military Forces and the morale and discipline of the units has decreased.

COMMENT: The above confirms a number of lower grade reports on Communist infiltration of Government agencies. The following comments were received in August 1952 on the type of assistance which the Tudeh has been receiving from the USSR and on which the Tudeh Party have no doubt been relying:

- (a) newsprint and propaganda mats are imported at reduced prices or smuggled in at no cost for Tudeh use;
- (b) trained personnel for subversive activities enter Iran from the USSR. Few are Russians, they are generally Soviet trained Iranians;
- (c) limited financial support received from Soviet embassy through Iranian agents;
- (d) it is believed that (c) is used for procurement of arms from illegal stocks existing in Iran.

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- (e) Soviet funds normally support a programme of subversion which may include economic, political, cultural, and political pressure. In a situation suitable for exploitation, such as the one in which Iran finds itself at present, the Soviets are usually willing to increase financial assistance to achieve success.

#### FAR EAST AND SOUTHEAST ASIA

##### Proposed Reduction in French Strength in Indo-China

(SECRET)

M. Letourneau, High Commissioner for Indo-China has informed the press that he hopes to return two French battalions by the end of this year and to reduce the financial allotment to Indo-China at once.

COMMENT: As there are believed to be at present eighty-four Metropolitan French infantry battalions in Indo-China in addition to troops from other parts of the French Union, this proposed reduction in French strength should not appreciably affect the course of the war.

France's direct financial burden may have been eased somewhat by the transfer of all Vietnamese units who were under French control to the Vietnamese National Army as reported in August of this year.

##### Naval Operations in Indo-China

(SECRET)

The French aircraft carrier *Arromanches* which arrived back at Saigon on 29 September after completing a short refit in France, began operations on 8 October. Approximately 130 sorties, mostly long range, have been flown to attack communications on Song-Cau and Route Coloniale 3, to assist military operations in the Van-Chan area and to attack Route Colonial 1 and miscellaneous targets near Than-Hoe in support of military operations. The French claim that these flying operations have been reasonably successful.

*Arromanches* returned from France with 15 Helldivers, 22 Hellcats and 2 Sikorsky helicopters. She will normally operate with 9 Helldivers, 12 Hellcats and one or both helicopters. The rest of the aircraft will be distributed in reserve at Tan Son Nhut (Saigon),

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Nhatrang, Tourane and Haiphong. The helicopters will, amongst other things, be employed to evacuate wounded from the battlefield. There are already a few shore-based helicopters in service in Tongking and these two new ones will be a welcome addition.

The Arromanches has yet to attain her normal standard of operational efficiency but the same enthusiastic and cheerful spirit shown by the last commission prevails and augers well for the future. The new Commanding Officer is Capitaine de Vaisseau Lahaye, a young officer for his seniority, who was in the Free French Forces during the war and has had a good deal of flying experience.

Reinforced Dinassaus 3 and 12 (flotillas of landing craft) are supporting a new large-scale operation to prevent fusion of two Viet Minh Regiments north and south of Song-Day; L.S.I (L)s are blockading the river mouth.

#### Japanese Rearmament and the Constitution

(CONFIDENTIAL)

The Police reserve with a published strength of 110,000 has been reorganized into a National Safety Corps.

Article 9 of the Constitution states that "land, sea and air forces, as well as other war potential, will never be maintained". Although the Corps is organized on Army lines, the Government has consistently argued that it does not represent war potential and hence is constitutional. In private, however, a former Minister in charge of the force told the Canadian Air Attache, Tokyo, that this development does represent rearmament but that the Government does not intend to seek a constitutional amendment for fear of public disapproval.

COMMENT: The occupation achieved much more of a legal revolution in Japan than a spiritual one, with the Constitution perhaps its crowning achievement. It is now generally known in Japan that the Constitution was drafted in its essentials by the U.S. With growing nationalism in Japan, the document may well fall into disrepute. Furthermore if the Government can explain away one article of the Constitution for its own convenience, other articles may meet a similar fate and there will be a return to authoritarian government.

#### Armour in the Chinese Communist Army

(SECRET)

There has been a gradual increase in armoured units in the Chinese Communist Army. The CCA is now thought to have five armoured divisions and four independent tank regiments, with a total estimated strength of 23,700 and approximately 560 tanks.

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Of these, there are in Korea three independent tank regiments with some 40 tanks each. The remainder are in Manchuria or North China, with at least three armoured divisions in Manchuria.

COMMENT: This increase is in keeping with the modernisation of the CCA. Korea is not regarded as tank country, and both sides are using tanks there in penny packets. The UN Command has not yet employed an armoured division in Korea and the Chinese are using their armoured force in Korea spread across the front in three independent regiments whose principal employment has been as direct fire artillery. The North Koreans, with some 495 additional tanks, have the bulk of enemy armour in Korea, but theirs have been kept mostly in rear areas.

In contrast to Korea, Manchuria offers much good tank country, and there the CCA armoured force has been trained and equipped by the Russians. Soviet tank units, which are believed to have gone into Manchuria with their equipment in substantial quantities, are now believed to have returned most of their personnel to Russia, leaving the equipment with the Chinese.

Chinese military potential has steadily increased throughout the Korean campaign not only for operations in Korea, but especially for defensive operations in Manchuria and China proper.

#### Effect of Enemy Artillery Fire in Korea

(SECRET)

A Chinese prisoner recently made unflattering comments on the value of our defence works in Korea. The prisoner was taken for interrogation to the Command Post of one of the Canadian Battalions which was located in what was considered to be the best dugout in the Commonwealth Division. Although the dugout was capable of taking three direct hits without serious damage, the PW described it as a poor effort compared to their own defence works.

COMMENT: The Chinese are scarcely satisfied unless their bunkers are 30 or 40 feet underground. Only some four days after this interrogation, the Chinese put up a heavy artillery bombardment on the Canadian positions. In the first three hours some 1500 rounds fell, causing only slight casualties. In the next half an hour, however, the Chinese sent 3000 rounds of mixed artillery and mortar fire into a single company area, completely destroying the defensive works, causing extensive casualties, and opening the way for the enemy capture of the position.

This pattern of selective bombardment followed by infantry assault has been common across the front in the last several weeks. The enemy infantry arrives on the objective virtually within his own

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artillery fire. One reason for the recent frequency of this tactic is thought to be to take prisoners, possibly with a view to improving their bargaining power at Panmunjom.

#### North Korean Motor Torpedo Boats

(SECRET)

Two reports of unknown reliability and one fairly reliable indicate that the North Koreans are being trained in the use of MTBs at Unggi Bay (Close to the Russian border in North East Korea).

COMMENT: This can only be regarded as possible until further collateral evidence is obtained.

#### North Korean Naval Training

(SECRET)

Interrogation of a North Korean officer indicates that training is now taking place at a Naval Institute in Najin in North East Korea 20 miles from the Russian border. This officer is believed to have done eight months of a twelve months Mine Warfare course.

- COMMENT:
- (a) The existence of such a course indicates Russian control and could signify a Russian long term training policy;
  - (b) Najin was originally a naval training centre before the Korean war.





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SOVIET UNION AND SATELLITES

Ship Construction at Leningrad

(SECRET)

The keel and frames of a ship under construction were observed on the battleship slip in the Baltic Yard at Leningrad in mid-October.

COMMENT: This slip remained empty for eight to ten weeks after Sverdlov VI (a heavy cruiser) was launched in mid-May. Previously, new cruisers were laid down within a few days and this time-lag may indicate the laying-down of a new type of vessel. The slip, which is the largest in Leningrad, can build the largest type of warships.

Activity at Ivanovskaya Bay

(SECRET)

A large number of small Soviet warships were seen in Ivanovskaya Bay (area of Cape Chorny) this month. The classes were not identified.

COMMENT: This is the first time that any naval activity has been reported in this bay. No development had taken place up to 1946 and no information is available as to what facilities now exist there. During the last war Lokanga was used as a base for destroyers and smaller ships, and now that the Northern Fleet has been expanded it is possible that Ivanovskaya Bay will be used by fleet minesweepers and smaller vessels during the spring, summer and autumn. It is not likely to be used during the winter months owing to the severe climatic conditions.

Expansion of the Kasernierte Volkspolizei

(TOP SECRET)

The total strength of the Kasernierte Polizei may now have reached 100,000 and the strength of the newly formed Corps is now estimated to be 35,000. It is probable that the Corps has now reached peace time establishment in personnel.

It is estimated that at least 350 AFVs, probably including some JS-2 heavy tanks, have been issued to units of the Corps.

It has been suggested that it will take at least one year to place this new formation in a state of training that is adequate for operations.

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COMMENT: The numbers of police defectors during the past few weeks have been 60,37,30 and 15 respectively. Eleven of the fifteen were from the new Corps; the high percentage is partly attributed to the very bad accommodation, which consists mostly of tented camps.

Call-up of 1932 Class in Poland

(SECRET)

The 1932 class and those deferred from the three preceding classes reported for compulsory military service during the period 1 - 30 September 1952.

COMMENT: It is considered that the Polish Air Force has a strength of 10,000, and comprises the classes of 1928,1929,1930,1931 and now, possibly, some of 1932. The size of a class has been estimated at between 60,000 and 70,000 effective men but the proportion called to the air force is not known and, therefore, the effect of this call up on the Polish Air Force cannot be assessed. Of the Satellites, only Rumania and Czechoslovakia have not so far called up the whole of their 1932 class.

Recall of Reservists in Bulgaria

(SECRET)

Bulgarian Air Force reservists, believed to be chiefly ground staff, have been recalled for service at Sofia/Vrazdebna Airfield.

COMMENT: Many reports have been received during the past 12 months of reservists being recalled for periods of from one to three months service but this is the first notification that air force reservists have been recalled. It is not known whether this recall in Bulgaria is part of normal reservists' training or whether it is in connection with special activity at the airfield or in the area. The extent of the recall is not known and its effect on the Bulgarian Air Force cannot yet be estimated.

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## WESTERN EUROPE

### The Saar

(SECRET)

Recently the French Foreign Minister rejected Dr. Adenauer's proposal to join in a declaration to the effect that until a German Peace Treaty is signed, the Saar would, under supervision of a European organization, enjoy political autonomy. The French Government is reported to have rejected this proposal on the grounds that, as it did not contain a specific reference to France's existing economic rights in the Saar, to accept it would have been political suicide.

COMMENT: The failure of French and West German authorities to reach agreement on this issue and in particular the inability of Dr. Adenauer to secure postponement of the Saar elections ( to be held on 30 November) and the exclusion from these elections of the pro-German parties, may have serious effects on the prospects of German ratification of the E.D.C. Treaty and the contractual arrangements.

## INDIA AND PAKISTAN

### Communism in India

(SECRET)

Communists in India have established themselves in Parliament and continue their activities in other fields. These include: conversion of members of the intelligentsia; spreading propaganda in literature and newspapers; exploitation of local grievances, sometimes with violence; exchanging delegations between India and Russia and between India and China; and proffering Russian and Chinese aid to people in distressed areas.

The Communists have certain advantages. Though small in numbers, they aggressively assume the role of defender of the underdog and chief opponent of the party in power. Their programme, though deceptive, is the only significant alternative now being offered. They can discredit western motives with relative impunity because Indians are suspicious of the west through experience but are ignorant and naive about Soviet communism. They are determined and are financed by the Soviet Union.

On the other hand, the merger between the Socialist party and the KMPP ( a middle-left party) has ruined any chance of the Communists becoming the official opposition in the Central Parliament, and it will probably mean the end of the United Democratic Front in Madras. Their parliamentary fruits have so far been meagre; their effectiveness in the field has been curtailed by concentration of leadership in Delhi; and they have had to forswear violence.

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On the other hand, Right-wing critics accuse the Government of being too soft toward communism. They cite the release of communist détenus before the elections; non-interference with and even encouragement of delegations to and from communist countries; the presence of fellow-travellers in some official or semi-official posts; the influence of communism in Kashmir; the Indian tendency to be critical of western policies while turning a blind eye to Communist offences in the international field.

It seems that Indian leaders are alive to the danger from Communist China and Russia but that, for overriding foreign policy reasons, they try to avoid offending these countries. Internally, they have become increasingly stern with Communists. They have fought them hard in Parliament, maintained the Preventive Detention Act as an anti-communist measure, cleared fellow-travellers out of the Foreign Service, and shown awareness of the connection between domestic communism and the Soviet Union.

#### Military Movements in the Kashmir Area

(TOP SECRET)

In October both India and Pakistan moved army formations in an effort to improve their respective tactical positions with regard to possible operations over Kashmir. India is believed to have moved an armoured division from Jullundur to the Armitsar area (closer to the Pakistan frontier), and to have explained the necessity for the move by reference to the replacement of the Pakistan army training centre at Lialkot by an active formation. The Pakistan Army by so doing, and by the forward deployment of other regular troops, is now in a better position for defence and attack in the Kashmir area than at any time since 1947. Open hostilities are not expected, but this deployment reflects Pakistan's realization that the present hostility with India is likely to continue for some time.

COMMENT: India has only one armoured division and one independent armoured brigade, both of which have been for a long time close to the Pakistan border and not far from Kashmir. The recent moves by India and Pakistan are of little tactical significance but, coming at this time, are probably of some propaganda value in an attempt to obtain popular support for the armed forces.

#### Troop Movements in East Bengal

(TOP SECRET)

Most of the Pakistan infantry division in East Bengal is dispersed over nearly 900 miles of the boundary with India and is engaged in anti-smuggling duties. As a consequence of this dispersion the only



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reliable military force in East Bengal is virtually reduced to gendarmerie duties with serious consequences to its effectiveness. The Indian government appears to regard these militant anti-smuggling measures as a further sign of Pakistani aggressiveness.

COMMENT: Pakistan keeps only one division in the isolated province of East Bengal, which is pocketed between Indian territory and the sea. The probable role of this division in the event of hostilities has been a matter of some conjecture. As a concerted striking force, it would appear to have small prospect of success against the Indian forces that could be brought against it. On the other hand, were it to be dispersed into small packets operating over a wide area as guerillas, it could effectively attack Indian lines of communication, especially into areas that lie East and North of East Bengal. It is not likely, but is possible, that the present anti-smuggling duties may be designed for guerilla training, and in this interpretation India may have some genuine cause for concern.

#### FAR EAST AND SOUTH-EAST ASIA

##### Operations in North-West Tongking

(SECRET)

Viet Minh operations in north-west Tongking have succeeded in forcing the Franco-Vietnamese forces from Nghia Lo in spite of air reinforcement by the French.

Elements from three Viet Minh divisions (308, 312 and 316), together with a Regional regiment, a total force which probably numbers 25,000, took part in the assault.

The French have fallen back from their outpost positions to a line along the Black River covering their main bases at Son La and Lai Chau. These bases are vital as they contain the only air strips and the troops, which now number 10,000 men, are dependent upon air supply. The line on the Black River lies some 60 to 100 miles west of the Tongking perimeter.

COMMENT: Nghia Lo, located approximately 85 miles northwest of Hanoi and north of the Black River, has little strategic importance, but its loss will serve to raise the morale of the Viet Minh forces, particularly as a year ago in a similar attempt French paratroops inflicted a crushing defeat on them. The Viet Minh victory over the air-reinforced garrison reflects the higher state of training and military efficiency gained during the past year under Chinese tutelage.

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French Reactions to Viet Minh Victory (see above item)

(CONFIDENTIAL)

The French Parliament recently called on Defence Minister Pleven for a statement on French losses outside the Delta Perimeter in north-west Tongking. Pleven's reply on 24 Oct 52 minimized the strategic importance of Viet Minh gains but pointed up the loss in French prestige and uncertainty over the 10,000 French Union troops who are still cut off from the bulk of the French forces in Tongking.

A Socialist Deputy, commenting, reflected a point of view lately emphasized in both Government and popular circles, "has not the moment come to make our Allies understand that, since France does not defend selfish interests in Indo-China but the free world itself, she is not capable of carrying this heavy burden alone". Similar statements have been advanced by some Radical Socialist leaders who said that the proposed European Army treaty could succeed only if a solution were found to the Indochina problem within the framework of the NATO alliance, and that the financial burden of the war in Indochina should be shared by France's allies.

Some French authorities have stated that only "one hundred soldiers from France" are involved in the north-west Tongking battle.

COMMENT: The statement that "only one hundred soldiers from France" are involved in the recent battles, is probably literally true. However, some 10,000 French Union soldiers are involved, including North African, Vietnamese and Foreign Legion troops. It is, therefore, a truly Franco-Vietnamese operation and not one involving only native Indo-Chinese forces.

Discipline in the Indonesian Army

(CONFIDENTIAL)

It is reported that a certain division of the Indonesian Army in west Java (known as the Silawangi division) has been guilty of many offences against the civil population, including extortion from the plantation owners, theft, rape, and banditry. The Indonesian General Staff is reported to be unwilling to remove this division partly because most of the troops have families with them so that the moving expenses would be high, and partly for fear of mutiny if the troops were deprived of their illegal sources of revenue.

COMMENT: Since achieving independence, Indonesia has been the scene of continuous armed insurrections on a large scale. It has long been apparent that among the insurgents are organised bands of deserters from the government forces, but this is the first report that indicates that any substantial number of the bandits are also in the government forces.

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Operations Against Insurgents in the Philippines

(SECRET)

Reports of a high-level meeting of insurgent Huks in Pampanga Province led to a special operation by the Philippine Army on 23 September 1952. The size of the anti-guerilla force is of interest as it included four batteries of artillery, four infantry companies of 12 Battalion Combat Team, three infantry companies from the local Area training centre, and three companies of 1 Airborne Battalion, all detailed to surround the suspected area while, at the same time, the enclosed area was being searched by fifteen ranger teams.

COMMENT: The results are described as meagre, and the top leaders were not found. The striking force was unusually large, possibly because the suspected area is only some 100 miles from Manila. The Huk insurgent movement, however, keeps most of twenty-five Philippine Battalion Combat Teams actively employed throughout the islands, while one more is with UN forces in Korea.

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Issued weekly under the authority of  
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National Defence Headquarters  
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SOVIET UNION AND SATELLITES

1. Increased Air Defence Capabilities

(TOP SECRET)

A steady improvement in Soviet radar capabilities and airfield defences has been noted in Eastern Europe. The most advanced type Soviet radar (CPS-6 type or V-Beam) has been appearing rapidly in the western part of the Soviet Union and Eastern Europe, with twenty installations now identified or strongly suspected. About nine of these are in Eastern Europe. In addition, considerable attention has been given to strengthening anti-aircraft defences and the effectiveness of this arm appears to be steadily increasing.

COMMENT: A year ago, the air defence of the Soviet Union was considered weak. Rapid progress has been made since that time, however, in developing and streamlining the Soviet air defence system. Recent exercises indicate that Moscow and other interested filter centres can, if necessary, receive warning of an air attack within four minutes.

2. New MIG-15 Regiments in Austria

(TOP SECRET)

Reports from usually reliable sources suggest that three MIG-15 regiments arrived in Austria during October to replace the three MIG-15 regiments which apparently departed from Austria during late September and early October. According to these reports, some 46 MIG-15s had appeared at Wiener/Neustadt Airfield on 17 October and approximately 50 were there on 27 October. In addition, some 16 MIG-15s are reliably reported to have appeared at Parndorf Airfield, Austria, by 22 October. Another indication that a replacement of MIG-15s is under way was the movement of 309 rail cars, including troop and kitchen cars, to Wiener/Neustadt from Hungary during the period 6 to 22 October, which approximately balances the departure from Wiener/Neustadt for Hungary of 374 cars during the period 30 September - 10 October.

COMMENT: The reasons for this exchange of fighter regiments in Austria and the destination of the aircraft which were withdrawn remain undetermined.

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### 3. Airfield Construction Programme

(TOP SECRET)

Recent reports of air activity and development in Eastern Europe indicate a steady improvement in Soviet-Satellite air capabilities in that area. Of particular significance are the numerous reports of unusual construction activity in the forest areas of East Germany which began in early 1952. Since that time, construction and clearing work have steadily increased and there are now nine cleared areas which vary in size from 9,800 to 12,000 feet in length and from 1,200 to 1,800 feet in width. Five of the cleared areas are oriented in an east-west direction, and all have access to road and rail facilities. The majority of these sites are located west of Berlin and seven are within or near the air corridors to Berlin. Local residents have been evacuated from a number of these areas, many of which have been restricted for security reasons. Thoroughly reliable information from one area indicates that the terrain has been graded and that the cleared area is being surfaced with what appears to be iron ore slag or cinders; the same type of work is apparently also under way at the other clearings. While present intelligence appears to indicate construction of some type of air facility in these areas, no information has been received so far which would indicate its exact purpose.

COMMENT: Even apart from these potential airfields, the airfield construction program in Eastern Europe has advanced well beyond the needs of the air units currently deployed in that area. The number of major airfields (those having a permanent runway 6,000 feet or longer) in Eastern Europe is now sixty-eight. In addition to these, thirty-one are under construction. The expansion of these facilities is apparent from the fact that, at the close of World War II, there were only eleven airfields in all Eastern Europe with runways 6,000 feet long or more.

### 4. Polish Development in Former German Territories

(CONFIDENTIAL)

Vice-Premier Jedrychowski, speaking at the Regained Territories Congress at Wroclaw, gave a summary of the development achieved in former German territories in the period 1945-52. According to his statement, there were about one million Poles living in these territories when they came under Polish control, while to-day seven million Poles are living and working in the Regained Territories. In 1947, industries in the Regained Territories accounted for nearly 22 per cent of the total value of industrial production in the whole country, and between 1947 and 1952, the value of industrial production has more than trebled and these territories now accounted for 24 per cent of Polish industrial production. These territories are also important as a source of agricultural surplus. In 1951-52, they supplied 37 per cent of the marketable grain and 34 per cent of the marketable potatoes.



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COMMENT: In pre-war years, the so-called Regained Territories supported a population of around 8.5 million, of whom about 1 million were Poles. When the Polish authorities took control of the former German territories, there were about one million Poles living in the area and about 1.5 million Germans, the rest of the German population having been repatriated or having fled to the West. By 1948, all but 125,000 Germans had been expelled and the Polish population numbered approximately 5.5 million, 1 million of whom remained from before the war, 1.8 million having come from the Eastern provinces ceded to the Soviet Union, and 2.5 million from the overpopulated areas of Poland. By June 1951, the number of Poles in these regions had increased to 6 millions and, if Jedrychowski's statement can be accepted as accurate, this has increased by another million within the last year to some 25 or 30 per cent of the total population of Poland. The movement of the Germans out and of the Poles into the Regained Territories represents one of the largest mass migrations in modern history.

Reports made at the Soviet 19th Party Congress by the delegates from Byelorussia and the Ukraine indicate that these two Republics have been active in establishing control over the new territories gained in the West from Poland.

Both Poland and the Soviet Union have been anxious to establish a situation where ethnic boundaries coincide with political frontiers. Under an agreement concluded between Poland and the Soviet Union in 1944-45, provision was made to exchange Poles and Jews from the Soviet Union for Ukrainians, Byelorussians and Lithuanians from Poland. The net result has been a westward shift of Poland with former German territories approaching their pre-war population which is now made up entirely of Poles. Similarly the western boundary of the Soviet Union has shifted to the west but through the exchange of peoples, the population is now made up almost entirely of nationals of Soviet Republics.

#### WESTERN EUROPE

##### 5. French Budget for 1953

(CONFIDENTIAL)

It is expected that the 1953 budget will total approximately 3800 billion francs (roughly \$11 billion U.S.). Already the French Ministers have agreed to reduce by 100 billion francs the original estimated budget of 4,000 billion francs and are now attempting to lop off another 100 billion.

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The Assembly has already approved most of the budgets of the civilian ministries with very few changes but it is unlikely that the military budget will receive the same favourable treatment. The first figure discussed was 1,464 billion francs to be divided as follows: 890 billion for national defence; 387 billion for Indochina; 40 billion for Overseas France; 7 billion for civil defence; 140 billion for expenditures of a civilian nature arising out of NATO.

Disagreement between Pinay and Pleven on the figure for the military budget resulted in a compromise whereby 44 billion francs worth of credits were blocked pending the creation of some new source of receipts such as a loan or further U.S. aid. M. Pleven, who supported the larger figure, based most of his arguments on the defence demands of Indochina.

COMMENT: In view of the increasing pressure on the Government to propose a more equitable distribution of the burden in Indochina, it may be hard for it to justify the large expenditures for the war. The course of developments in the area, however, may have an important effect in determining whether the Government is able to gain support for its military programme for 1953.

The figure of 44 billion francs represents the difference between the \$650 million of American aid which France is asking and the \$525 million which the American Ambassador recently promised. This strengthens the hypothesis that the French Government plans to use the creation of three new divisions it has promised as a lever in negotiating with the U.S.

#### 6. Economic Importance of the Saar to France

(SECRET)

France is intent on maintaining an iron and steel industry equal to that of Western Germany. In order to achieve this, it is necessary for France to control the Saar coalfields and steel industry. The following estimated figures for 1952 production emphasize this necessity:

<u>Commodity</u> <u>(thousands of metric tons)</u>	<u>France</u>	<u>France and</u> <u>the Saar</u>	<u>Western Germany</u>
Pig iron and ferro-alloys	9,400	11,900	12,000
Crude steel	10,400	13,100	15,200
Hard coal	55,600	71,200	120,000
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Germany is agitating to regain control of the Saar with its 950,000 people and high industrial potential. France feels that, should this occur, Germany, which now possesses the largest manufacturing potential in Europe, would again dominate the European theatre. The Saar has political autonomy at present but is economically united with France. France is willing to compromise and accept Europeanization of the Saar under the administration of the Schuman Plan Authority. Germany, however is demanding recognition of German parties in the Saar, a delay in the Saar elections, and suggesting a trade agreement only between France and the Saar. In this way she hopes that, given time, the Saarlanders will vote to go back to German administration.

The French fear the rise of Germany both as an industrial and military power and, unless some permanent agreement can be reached on the Saar, the lack of settlement may be a serious impediment to the ratification of the European Defence Community by the French Assembly.

#### 7. Italian Mountain Formations

(TOP SECRET)

It has been reported that the three existing and three projected Alpine brigades will be grouped in twos for certain administrative purposes and that these three groups are loosely referred to as Alpine divisions. There will, however, be no tactical Alpine formation larger than the brigade. Also, the Italians now consider three of their infantry divisions, the Friuli, Mantova and Cremona as mountain divisions, although their organization and equipment differ little from those of an ordinary infantry division. The only changes are an increase of the proportion of howitzers to guns and the substitution of mules in place of horses.

COMMENT: This information is in conflict with that given in issue No.20 (10 September 1952) of the Summary, in which it was stated that the three Alpine regiments were to form one mountain division. The Canadian Military Attache, Rome, agrees that it was never the Italians' intention to form their Alpine brigades into a tactical Alpine division. Our previous information on this subject was incorrect.

It appears from this that the Italian Army now has two categories of "Mountain" formations, the fully trained and specialized Alpine brigade and the Mountain division, which is merely an infantry division equipped to operate more efficiently in hilly or mountainous country.

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#### 8. US Negotiations with Spain

(TOP SECRET)

It has been reported from Madrid by a source described as reliable that agreement was reached on 1 November regarding the establishment of US naval and air bases in Spain in return for economic and military aid. Although the full terms of the agreement are not yet known, the source says that the US will rearm the Spanish forces to the extent considered necessary by the US and not the Spaniards. Naval and air bases for the use of the US will be developed by the Spaniards with US technical assistance. It is thought that a formal agreement will be signed by the end of November.

COMMENT: The US and Spain have been conducting negotiations on this subject since last March. These negotiations have, for some time, been held up over the question of Franco's excessive demands. Congress had voted a sum of between 100 and 125 million dollars for aid to Spain, but Franco asked for something like two billion. He also insisted that the Spanish Army be completely equipped with the most modern weapons. It would appear from this information that a compromise has been reached both in the sum to be expended by the US and on the degree of modernization of the Spanish Army at US expense.

On the other hand, another reliable source reports that, although the negotiations are proceeding in a friendly manner and some progress is being made, no agreement has yet been reached.

#### NEAR EAST

#### 9. Egyptian Relations with the UK

(SECRET)

Colonel Armin, considered to be an unofficial personal representative of General Neguib, has stated in London that General Neguib wished to be friendly with the UK but wishes to make it clear that Egypt expects complete British evacuation before any discussions of her entering the Middle East Defence Organization.

COMMENT: This statement implies a complete return to the line adopted by the Wafd government headed by Mustapha El Nahas. Nevertheless, it is considered that, in the light of recent developments over the Sudan, the prospects for Egyptian - UK amity in resolving their differences are brighter than they were under the previous Egyptian regime.

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## INDIA

### 10. Indian Army Appointments

(RESTRICTED)

General K.M. Cariappa, Commander-in-Chief of the Indian Army, is retiring as of 31 March 1953. He is to be succeeded as C-in-C by Lieut-General Rajendrasinhji who has been Chief of Southern Command. To fill the vacancy as Chief of Southern Command, Major-General K. S. Thimayya will be promoted to the rank of Lieut-General, thus passing over several officers who are senior to him. He has been Quartermaster-General.

Lieut-General Nathu Singh, who has been Army Commander, will also retire at the end of March 1953. He will be succeeded by Major-General Saut Singh, who has been Master-General of the Ordnance, and who also will be promoted to the rank of Lieut-General.

COMMENT: There are already rumours that Thimayya is being groomed eventually to become C-in-C, and his record appears to be in keeping with the suggestion. Thimayya went to Geneva for the recent talks on Kashmir as principal adviser to the Indian Minister of Defence. At the outset of the Kashmir dispute, when there was actual fighting, it was he who improvised the Indian supply system.

## FAR EAST AND SOUTH EAST ASIA

### 11. Operations in Indochina

(SECRET)

A strong French Union force has emerged from the North-west section of the Tongking Delta and has captured Phu Tho on the Red River, some 20 miles outside the Perimeter.

COMMENT: The Red River is a main Viet Minh north supply route, running roughly parallel to and some 40 miles on the north side of the Black River on which the French Union troops have established a line.

It is not considered to be a French intention or capability to inflict a decisive defeat on the Chinese trained and supported Viet Minh forces in north-west Tongking. It is presumably their intention to restrict large numbers of the enemy within the confines of the rugged Thai mountains, and thus lessen the probability of heavy Viet Minh assaults on the delta perimeter.

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If French Union troops are able to advance another 30 miles and capture Yen Bay (main base for the Viet Minh on the Red River), they will have driven a wedge between two major forces of the enemy, and will be in a position to threaten the flank of enemy forces disposed between the Red and the Black Rivers.

Of a total of six Viet Minh regular infantry divisions, it is estimated that something under half the strength of three of them (308, 312, and 316 divisions) plus elements of 351 Artillery Division are engaged in the Black River action. Two more divisions (320 and 304) are committed inside the Delta or against its southwestern perimeter, while the remaining division (325) is committed in the Hue-Tourane sector.

See map at Appendix "A".

#### 12. Training of the Indonesian Army

(SECRET)

The Netherlands Military Mission has completed an important part of its programme in Indonesia. It has finished the training of Indonesian instructors who in turn will be sent to the Territorial commands, where they will train one or more Depot Battalions in each Territory.

Regular battalions of the Indonesian Army will be rotated through the Training Depots and they will be followed by the Territorial Battalions until all existing battalions have been trained.

The Depot Battalions, twenty-five of which are to be established, will have a strength of about 100 each, all personnel being instructors and administrative troops. It is expected that these will begin functioning in 1953.

COMMENT: With this important task of the Netherlands Military Mission in Indonesia completed, it may have occurred to certain sections of senior Indonesian military opinion that the time is opportune for a shift in military orientation from the Netherlands to some other (Western) power. This body of opinion may have organized the mass demonstrations which occurred last month in Djakarta.

#### 13. Trade Between China and Ceylon

(CONFIDENTIAL)

The Chinese Government has agreed to send to Ceylon 80,000 metric tons of rice between October 1952 and January 1953 on the understanding that the proceeds may be used for the purchase of rubber. In addition, a general trade agreement, more on the lines of a protocol and subject to ratification by both governments, has been drawn up, covering a five year

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trade exchange. The most important commodities exchanged will be rice and rubber. The Chinese government is prepared to buy 50,000 tons of sheet rubber annually, at prices well above the prevailing rate, and to sell 200,000 tons of rice a year.

COMMENT: Since the U.K. instituted an embargo on exports of Malayan rubber to Communist China in August 1951, China's main and, so far as is known, only source of crude rubber has been Ceylon. In the year beginning August 1951, China imported upwards of 20,000 tons of rubber from Ceylon, paying more than the world market price to ensure supplies. With the decline of United States purchases in the latter half of 1951, China became in 1952 Ceylon's best market for rubber. The long-term agreement, if carried out, will mean the doubling of annual purchases by China from Ceylon. The amounts would be above estimated peacetime requirements.

While Ceylon has balance of payments difficulties in 1952 which make the sale of rubber to China important financially, the shortage of rice is a perennial problem. On the average, 500,000 tons of rice are imported per year or about 70% of domestic requirements. This year it was decided, if possible, to buy 600,000 tons to build up an emergency food reserve and, in these circumstances, the chance of purchasing additional rice at less than the world market price, while the traditional sources of supply were rather uncertain, was probably too good an opportunity to be missed by Ceylon. If the long-term agreement is ratified, Ceylon will receive 40% of her imported supplies of rice from China.

The political motives which Communist China may have in pursuing this trade on terms favourable to Ceylon, has not passed unnoticed in the Singhalese press.

#### 14. Philippine Defence Planning

(SECRET)

The government of the Philippines has been under attack by the opposition party (Nationalist) for Philippine exclusion both from the Anzus Council meeting at Honolulu in August 1952, and from the South East Asia Five-Power Conference recently held in Washington. The government itself is believed to be apprehensive that matters of defence concern to the Philippines are discussed without its own views being presented.

The Secretary for Foreign Affairs, Joaquin Elizalde, recently stated that President Quirino has approved discussions with the US of two problems of defence planning, namely, the action to be taken by the Philippines in case of further communist aggression in South East Asia



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and the changes required in military organisation to carry out that action.

Elizalde further indicated that the Philippine Cabinet would regard the danger of Communist control of South East Asia as serious enough to warrant a contribution of Philippine ground forces to South East Asia operations. This contribution would be dependent on US supplies.

COMMENT: The suggestion recorded in Item 15 of this issue that the Philippine Army revert to an organization based on regiments and divisions would be in keeping with possible integration into a composite force on the mainland. The change would also improve the army organization for defence of the Philippines against external attack; on the other hand, the present system is admirable for internal anti-guerilla action.

15. Increase in the Armed Forces of the Philippines

(SECRET)

The General Staff of the Armed Forces of the Philippines (AFP) has presented a proposal to the Council of State and the National Security Council to increase the AFP. The proposal is believed to include first an increase of 2,000 over the present armed strength of 54,000, and secondly, some reorganization within the Army. The Army is to return to an organization based on regiments rather than on battalion combat teams as at present; moreover, it will probably be called upon to organize six reserve divisions within the next five years.

COMMENT: The present organization shows almost the whole Philippine Army in battalion combat teams (BCT) engaged on active anti-guerilla operations. Each BCT includes, beside an infantry battalion, its own reconnaissance, artillery, and service units.

16. Political Situation in Japan

(CONFIDENTIAL)

The struggle between Mr. Yoshida and Mr. Hatoyama for the offices of Prime Minister and President of the Liberal Party has been resolved at least temporarily in favour of the former after both factions of the Party supported his election as Prime Minister by the House of Representatives. Mr. Yoshida, on 29 October 1952, choose sixteen men for his new Cabinet, only one of whom is a Hatoyama supporter.

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Among the important newcomers are: Mr. Inukai, a former adviser to the Japanese puppet Wang Ching-Wei, as Minister of Justice; Mr. Mukai, a former head of the Mitsui combine, as Minister of Finance; Mr. Totsuka, a former head of the Security Section of the ill-famed Interior Department, as Labour Minister; and Mr. Ogata as Chief Cabinet Secretary. The latter, a 'strong man' and veteran Minister, is considered a possible successor to Mr. Yoshida.

The new Government has promised to overhaul occupation programmes which "have become unfit for actual conditions", ensure "the perfect independence of the nation", improve living conditions, raise morals, preserve internal security and strengthen ties with the free democratic countries as an active contribution to world peace and prosperity.

COMMENT: Although the Cabinet has a somewhat stronger line-up than its predecessor, its position is precarious because of the slim Liberal majority in the House of Representatives (242 out of 466). As it is doubted that Mr. Yoshida will be able to keep the Hatoyama faction in line, another election is likely within a year's time. The Government is not expected to initiate any radical change in domestic and foreign policy.

### KOREA

#### 17. Relief of Chinese Communist Armies

(SECRET)

Since 1 November 1952, two Chinese Communist Armies, namely 68 and 12, have been replaced in the line by 60 and 67 Armies respectively. It is also confirmed that 39 Army has been relieved by 47 Army.

COMMENT: Each of these armies contains three divisions. 68 and 12 Armies were deployed in the East Central sector and participated in the Triangle Hill, Trigger Ridge and Heartbreak Hill battles in October. 39 Army has been in action on the West Central Front in the Little Gibraltar-White Horse Hill battles. The relief of these battle-weakened formations may be considered as a normal tactical move which would indicate Chinese intentions to continue pressure on the main line of resistance of the UN forces.

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8. Increased Enemy Fire Capability in Korea

(SECRET)

During October 1952, the enemy in Korea expended a total of some 650,000 mixed mortar and artillery rounds. This is six times the volume of this type of fire expended in May of this year. Furthermore, the Chinese gunner has improved his technique to a point where he has achieved local artillery superiority on several attack missions.

COMMENT: There is a possibility that the enemy is firing off stocks of Japanese ammunition handed over by the Russians, and of American ammunition acquired during the civil war in China, both of which would have become increasingly dangerous in storage. In any case, he must be confident of receiving new supplies and this increase in volume reflects his capability, in spite of UN sustained air attacks, of replacing heavy forward expenditures.

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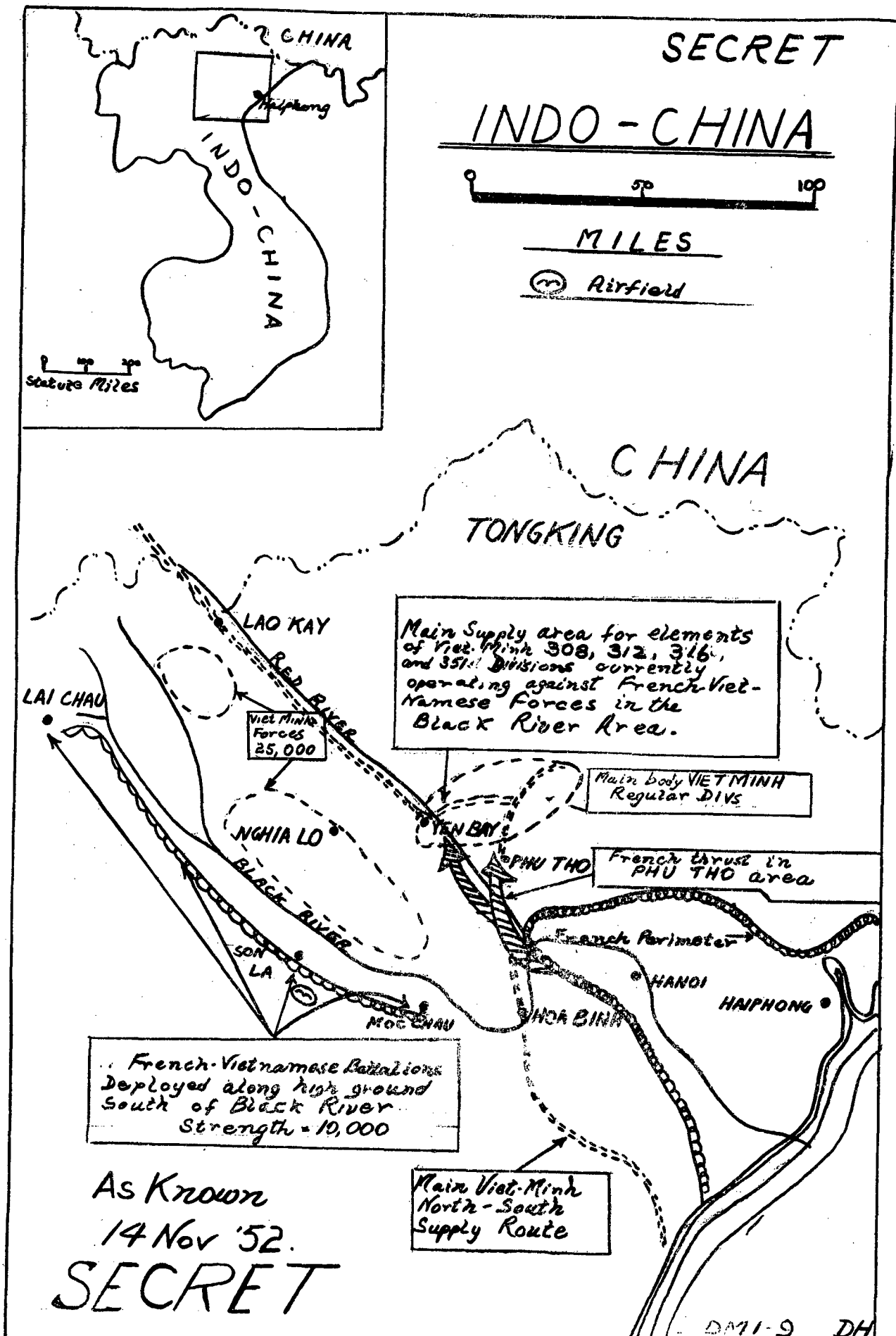
19. Disfiguration of Jane Russell

(UNCLASSIFIED)

Twin elevations on the Commonwealth Division front in Korea, lately known as the Jane Russell feature, have been so disfigured by artillery fire that they are now known as the Katherine Hepburn Hills.

NOTE

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## SOVIET UNION AND SATELLITES

### 1. Night Firing by Soviet Warships

(SECRET)

On 17 and 18 September 1952, target practice by Soviet warships was reported off the Kola Inlet. The target, towed by a coastal craft, carried on its upper edge three square objects which were probably radar reflectors. The vessels concerned were: three "O" Type II destroyers, one of which carried out a daytime shoot of no apparent interest; and two cruisers, almost certainly Chapaev and Zhelezniakov, one of which carried out a night shoot.

The range was about 10,000 yards, eight to ten salvos were fired and, although the night was dark, no illumination was used until after the shoot, when the target was lit up by searchlight.

COMMENT: That fire was opened without illumination is evidence that a surface Blind Fire Control system is actually in operation in the Chapaev class cruisers.

### 2. Full Calibre Target Practice by Soviet Cruiser

(SECRET)

A main armament Full Calibre Target Practice by a Chapaev class cruiser has recently been carried out. Performance was approximately that of the British 6 inch, Mark 23 gun. The maximum rate of fire was between six and seven rounds per gun per minute, and the practice was carried out at a speed estimated to be over 25 knots.

COMMENT: If the comparison with the British gun is justified, a maximum surface range of about 25,000 yards may be expected. The report concerned one range only, and the accuracy of that range is not known, though it is believed to have been good.

### 3. Luftpolizei Training in East Germany

(TOP SECRET)

It is reported that initial flying training in fourteen YAK-11 single-engined trainers was carried out at Bautzen Litten (27 miles ENE of Dresden) on 15 October. It has also been reported that flying training by

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members of the Luftpolizei is taking place at Cottbus (58 miles SE of Berlin) in twelve single-engined trainers.

COMMENT: The flying training at Bautzen Litten is considered to have been Luftpolizei activity. Previous rumours and reports refer to the probability of such training taking place both here and at Cottbus. Many other reports, as yet unconfirmed, point to the commencement of flying training by the Luftpolizei, and, although the organization is still in process of formation, it is reasonable to assume that some flying training is now under way. Bautzen airfield has a grass surface and few other facilities. Cottbus, on the other hand, is an ex-bomber airfield with three intersecting runways and four hangars.

4. Pre-Military Flying Training in East Germany

(SECRET)

The Gesellschaft fur Sport und Technik (Society for Sport and Technical Training) was recently formed to encourage the participation of German youth in various sports including flying. Members of the Society will be recruited from the Frei Deutsche Jugend. Aircraft, gliders and instructors are being supplied by the Soviet Air Force.

COMMENT: In addition to the encouragement of air-mindedness among the East German population, it will probably be the task of this society to provide elementary flying and technical training to potential members of the Luftpolizei. Soviet Air Force instructors will probably be dispensed with when sufficient ex-Luftwaffe personnel have been recruited.

WESTERN EUROPE

5. National Congress of West German CDU Party

(RESTRICTED)

The national congress of Chancellor Adenauer's party (the CDU) was held in Berlin from 17 to 19 October. The Chancellor, speaking in defence of his domestic and foreign policies, made the following points:

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(a) Domestic Matters

- the law on the equalization of the burdens resulting from war damage and loss, and the law on labour participation in management, were notable achievements for which the CDU should take credit;
- the forty-hour week demanded by the German Federation of Trade Unions was impractical;
- nationalization of the coal and steel industry had been rendered unnecessary by co-management, decartelization and the establishment of the European Coal and Steel Organization.

(b) Foreign Affairs

- early ratification of the Bonn and Paris agreements was the duty of Germans acting through their Parliament since it would make clear before the world Germany's attitude, and end present uncertainty. Until this has been done, Russia would make every effort to prevent ratification, to create tensions between the Western Allies and thus to prevent the integration of Europe;
- there was only one way to achieve German unity in peace and freedom, and that was through negotiation with the Russians when the latter were finally convinced that the West was strong and united.

The concluding resolution of the Congress called for early ratification of the European Defence Community Treaty and contractual agreements and reaffirmed its approval of the Chancellor's foreign policy. Reservations on the Chancellor's policy included the treatment of refugees and the Saar question.

COMMENT: In general, the Congress enhanced Adenauer's position in his own party. The reservations of the Congress on the treatment of refugees may have a bearing on the 1953 election, while the reservation with respect to the Saar issue may endanger the progress of European integration.

SCANDINAVIA

6. New Swedish Jet Attack Aircraft

(UNCLASSIFIED)

A new Swedish military aircraft made its first test flight, which lasted half-an-hour, on 3 November 1952, at the SAAB plant in Linköping, Sweden. Designated the SAAB-32 (Air Force Designation A32), this new jet is primarily intended for attack operations against ground and sea targets, although extensive electronic equipment is installed permitting all-weather and night fighter operations. The aircraft is powered by a version of the British Rolls-Royce "Avon" axial-flow jet engine, with speed reported to be in the 700 mph class.

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COMMENT: This is the fourth jet aircraft manufactured by the SAAB Aircraft Company in Sweden. Compared with the SAAB-29 (J29) swept-wing fighter now in large-scale production and squadron service with the Swedish Air Force, the new SAAB-32 is considerably larger and in general has a more pronounced arrow shape.

There is some doubt concerning the role to be played by this new jet aircraft in the Swedish Air Force. Considering the armament and electronic equipment, it is possible that some may be used as all-weather and night fighters to augment the De Havilland Venoms on order from the United Kingdom.

## 7. Swedish Defence Expenditures

(UNCLASSIFIED)

Sweden's defence expenditures during the six year period from 1 July 1953 to 30 June 1959 will absorb five per cent of the national income according to General Nils Swedlund, Commander in Chief of the Swedish armed forces.

During the six year period, the average annual defence budget is estimated at about \$415 million. For the current fiscal year, 1 July 1952 to 30 June 1953, the defence budget is \$305 million. For 1953/54 General Swedlund has requested a total of about \$435 million. More than one third of the increase is said to be due to higher prices and wages. The balance would be used for stepping up purchases of material which General Swedlund deems justified because of "the probable development toward continued and perhaps even sharpened differences between the major power blocs".

A plan for air force procurement was approved by Parliament in 1950 and a seven year programme for naval procurement early in 1952. A six year plan for procurement of army material has been submitted to Parliament early this year.

COMMENT: The Swedish defence budget for 1952/53 represents 4 per cent of the current total national output. The budget proposed for 1953/54 would equal 6 per cent. Defence expenditures of this order are well within the capabilities of the country. Sweden is one of the wealthiest European countries with a per capita income of approximately \$1,000 a year. The government anticipates a revenue surplus in 1952/53.

Sweden can produce almost every category of weapons and equipment required by her armed forces including jet aircraft, naval vessels and artillery, but is probably not capable of producing them in sufficient quantities to be independant of outside supply.

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8. Vampires for the Finnish Air Force

(SECRET)

It is reported that the Finnish Ministry of Defence is expected to sign a contract for six Vampire aircraft.

COMMENT: The state of the present equipment in the Finnish Air Force is such that the Commander in Chief has stated that he is anxious for the safety of his aircrew each time any of his aircraft take the air.

FAR EAST

9. Enemy Strengths in Korea

(SECRET)

Enemy strengths in Korea, including Chinese and North Korean strengths, according to current estimates, are compared with figures as known on 11 July 1952:

	<u>As known 11 Jul 52</u>	<u>Current Estimates</u>	<u>Increase or decrease</u>
On the immediate front.....	398,000	353,000	-45,000
In the immediate rear.....	127,000	220,000	+93,000
In rear areas or unlocated...	384,000	472,000	+88,000
<hr/>			
TOTAL strengths (including unlocated) in Korea:			
North Korean	266,000	285,000	+19,000
Chinese	676,000	760,000	+84,000
	<hr/>	<hr/>	<hr/>
TOTAL ENEMY STRENGTH	942,000	1,045,000	+103,000

COMMENT: In the period from mid-July to date no new enemy infantry formations have been accepted in Korea and, for the most part, the increase represents strength increase in individual formations with the addition of some support units.

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10. Chinese Penetration of North Korea

(CONFIDENTIAL)

The Foreign Minister of South Korea recently made the surprising statement that only three million Koreans remained in North Korea and that the influx of Chinese would bring about in a short time "a racial fait accompli to the ruination of Korea economically and politically".

COMMENT: It is not possible to verify the figure given. However, because of the heavy, widespread and continuous bombings of North Korean installations including villages during the last two and a half years, it is a figure that can reasonably be believed. It is to be assumed that large numbers of other North Koreans have been absorbed into the industry and agriculture of Manchuria. On the other hand, some 760,000 Chinese troops are already in Korea and it is probable that they have, by Chinese custom, brought in a substantial number of followers. This is in keeping with indications over a year ago that the Chinese are promoting shifts in the population with the intention of removing the impression of a firm Manchuria-Korea boundary.

11. Soviet Violations of Japanese Territory

(TOP SECRET)

On several occasions recently, aircraft, thought to be Soviet, have violated Japanese sovereignty on Hokkaido, northern-most island of the Japanese chain. The latest of these incidents occurred on 4 November 1952, when on two separate flights LA-11 aircraft, bearing Russian markings or markings similar to those used by the Soviet Union, were sighted over Hokkaido. The first sighting of the day occurred when two F-84's flying cover sighted an LA-11 with Soviet markings and maintained contact over Japanese territory for five minutes. No shots were fired by either aircraft. Later in the day two unidentified MIG-type aircraft were sighted in the Nemuro area heading north-east. A few minutes later in the same area two F-84's sighted and made a close observation pass on two LA-11's. The insignia of the latter consisted of a red star inside a yellow circle.

COMMENT: The significance of these penetrations of Japanese territory is unknown, but it is thought that a desire to locate defences and to stir up apprehension amongst the Japanese population may account, at least in part, for this activity.

There are many variations in the insignia of Communist aircraft over North Korea and, in spite of the red star-yellow circle symbols on the LA-11 aircraft, there is little doubt that these aircraft were Soviet.

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12. Rail Links Between Manchuria and Rest of China

(SECRET)

Mukden radio announced on 9 October 1952 that the Chinchow - Chengteh railway line had been reconstructed. This line was built by the Japanese in 1938 as a second connection between Mukden and Peking. It was damaged and put out of service in 1945 during the civil war in China. It is considered likely that this line has only been restored to its original state, which was that of low capacity line, having one bad switch-back and a number of steep grades and bridges. It compares unfavourably with the main Mukden - Peking line which follows the coast and is double-tracked throughout.

COMMENT: The Chinese now have a second line joining Manchuria with the rest of China. While of lower capacity than the main coastal route, the new line is less vulnerable than the latter.

13. Possibility of Chinese Communist Invasion of Formosa

(SECRET)

In view of recent indications of an expansion of Chinese Communist marine and parachute forces, it is now appreciated that an attack on Formosa might be mounted by the Chinese Communists. It is thought that they might attempt to elude the United States 7th Fleet and the Chinese Nationalist Navy in their belief that, once ashore, they could quickly and finally defeat Chiang Kai Shek's remaining forces.

COMMENT: Apart from any political motives for or against an attempted invasion of Formosa, it is probable that the Chinese Communists' chances of success would warrant the attempt.

Their marine and paratroop strength is not known, but it is thought they have between 10,000 and 40,000 trained paratroopers, and improvements in the Chinese Communist Air Force since the beginning of the Korean incident very markedly increase their capabilities for attack on Formosa. The great majority of Formosans are Chinese. They have on many occasions shown their reluctance to accept Chinese Nationalist administration, and they are vulnerable to subversion against the Chiang Kai Shek regime. Until the Chinese Communists were satisfied they had subverted a substantial portion of the people, they would be unlikely to attack. It is likely, however, that a real or threatened airborne attack on Formosa would prove to be in the interests of the Chinese Communists in case of an extension of hostilities as a result of the Korean war.

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NOTE

The last issue of the Summary dated 18 Nov 52 bore the incorrect Issue No. 31. This number should be amended to 30.



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# **JOINT INTELLIGENCE SUMMARY**

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## SOVIET UNION

### 1. The Soviet Economy in 1952

(SECRET)

The final results of the 1952 State Plan for the Soviet Union will not be known until the end of January 1953, but enough information has been given in recent addresses to establish the main outline of economic development in 1952. The following appears to be the pattern for 1952:

Industrial production will increase more rapidly than was provided for under the fifth Five Year Plan. Labour productivity has increased at a slower rate than called for by the plan, but this has been more than offset by a larger growth of the industrial labour force than was foreseen by the plan.

Agricultural production has increased and the grain harvest is the largest in Soviet history, being some 8 or 9 per cent higher than that of the previous record year.

The production of consumer goods has risen. The standard of living of the Soviet worker is now back to pre-war level but remains very low. Compared to 1951 there has been a decline of 33 per cent in the construction of urban housing.

It is likely that there will be some failures to fulfil the plan. Some products of the engineering industry, such as metallurgical equipment and equipment for the oil industry will not be produced in sufficient quantities to satisfy the demand.

The estimated increase in national output for 1952 is such that, in addition to providing for some growth in the standard of living and a broader industrial base, it is likely that the planned increase of 20 to 25 per cent in resources allocated to defence will be achieved.

### 2. Military Parade of 7 November

(SECRET)

The Air Attache, Moscow, has reported that the air display of the 7 November military parade was cancelled owing to bad weather. Practices for the display were, however, carried out on 28 and 29 October. The practice on the morning of 28 October proved to be the most interesting and the following aircraft were observed:

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19 TU-4s - In six flights of three followed by one single TU-4.

30 IL-28s - In ten flights of three.

36 MIG-15s - In twelve flights of three.

A total of 85 aircraft took part in the practice, flying at altitudes varying from 1000 to 1200 feet. The practice lasted thirty-six minutes.

COMMENT: The numbers and types of aircraft taking part in this practice were much the same as those reported as taking part in the military parade in 1951. It is not usual for the Soviets to include their prototypes in these practices.

Weather conditions during the 1951 parade were much worse than those reported this year; on that occasion, light snow was falling during the parade and visibility was reduced by low cloud patches, resulting in a lower standard of formation flying than that which can usually be expected on these occasions.

### 3. Construction Details - Soviet Cruiser Kirov

(SECRET)

A reliable report shows that the main turbines of the Soviet cruiser Kirov are fitted on some form of shock absorber.

Although it has been previously surmised, this is believed to be the first reliable indication that the Soviet Navy now fits its main machinery turbines on some form of shock absorbing mounting.

## WESTERN EUROPE

### 4. Ratification of EDC Treaty by the Netherlands

(CONFIDENTIAL)

It has been reported that the Dutch Government is most anxious to obtain ratification by the Dutch parliament of the EDC treaties as early as possible. Both Mr. Staf, the Defence Minister, and Mr. Stikker, the Ambassador in London, have stated that early ratification (perhaps in two or three weeks) is both desirable and probable. Mr. Stikker added that he expects Holland to be the first EDC country to ratify the treaty.

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COMMENTS: Although, at the beginning, the Dutch were most reluctant to associate themselves with EDC, their government has for some time past shown itself very eager to obtain ratification. In spite of the fact that there certainly exists some opposition in various circles, the government appears confident that the treaty will be ratified by parliament. The Dutch Government is undoubtedly anxious to see the formation of a West German army, regardless of whether it comes about through EDC or through Germany's admission to NATO or through Germany's admission to NATO.

5. Organization of the Netherlands Army (RESTRICTED)

Mr. Staf, the Dutch Minister of Defence, recently announced that the Netherlands' contribution to European defence is to consist of one fully active infantry division and two reserve infantry divisions. He also stated that a proportion of the supporting units will be active and the remainder will be in reserve. This organization is expected to be completed by June 1953.

6. Centurion Tanks for Switzerland (SECRET)

It is reported that the Swiss are negotiating for and are expected to purchase two to four hundred Centurion tanks. Successful snow trials were held in Switzerland in mid-November. The United Kingdom will give guidance in the formation of the Swiss armoured forces.

COMMENT: It is known that the Swiss intended to purchase about 550 tanks before 1954 as part of their rearmament plan. It is believed that their intention is to have twelve tank battalions (about thirty-five tanks per battalion) and to distribute them on the basis of one to each of the nine divisions and one to each of the three light brigades.

7. West German Air Force (SECRET)

A recent interview by a reliable source with Colonel Heusser, the German officer in charge of planning for the West German

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Air Force, has revealed the following information. Colonel Heusser, who had a distinguished wartime career with the Luftwaffe, stated that the West Germans were planning a twenty wing tactical Air Force consisting of two all weather fighter wings, four interceptor wings, ten fighter bomber wings, two recon wings and two transport wings, with a total of 1,290 aircraft.

Colonel Heusser has a staff handling the detailed planning of personnel, intelligence, operations, equipment and communications for the new West German Air Force. He envisages no difficulty in finding the wing and squadron commanders for this Air Force, but the average pilot positions, he said, will take a little longer to fill. Wartime trained and experienced wing and squadron commanders can be trained to command jet aircraft units in four to five months, he stated, while to train jet aircraft pilots from scratch will take a minimum of eighteen months.

Colonel Heusser emphasized that the training of jet aircraft pilots must be done in the United States, Britain or possibly Canada, as he felt that European countries such as France and Italy were too inexperienced to provide adequate instruction in jet aircraft.

When asked how and by whom the new West German Air Force would be commanded, Colonel Heusser evaded the question and merely stated that possibly the force would be divided into two divisions, each commanded by a Major-General, one a German, the other presumably from some other European country. There would be no German Air Force Headquarters, and the plan was to control the force from SHAPE.

COMMENT. This is the first concrete information received on the trends and stage of development in the West German Air Force. Former Luftwaffe generals mentioned for posts in the new Air Force are Rudolf Meister, Hans Seidemann and Von Seidel, all of the old Luftwaffe Air Staff. Another strong possibility is Luftwaffe Engineer Colonel Eschenhauer, member of the German delegation to the North Atlantic Treaty Organization in Paris.

8. German Ratification of the EDC Treaty and  
the Contractual Agreements

(CONFIDENTIAL)

A government motion in the Bundestag to hold second and third readings of the two pacts during the week of 24 November was defeated by 179 to 166 votes.

The reasons given for the government's defeat were the absence of a substantial number of coalition members, the fact that the committee work on the treaties was far from complete and that the Federal Constitutional Court had specifically requested that Bundestag considera-

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tion of the treaties should not take place at that particular time since the Court had planned to hold hearings during the week in question on the constitutionality of a German defence contribution.

COMMENT: Because of Adenauer's defeat, the findings of the Federal Court may be crucial to the final debate on the conventions which will now probably not be held until the findings of the Court are made known. If the court decides that a two thirds majority is necessary in the Bundestag, there will be no prospect of ratification since the Government does not have such majority. If the Court rules that a simple majority is enough, ratification will go through.

9. Transfer of the Yugoslav Internal Security (SECRET)  
Troops to the Army

Reliable evidence indicates that the interior units of the KNOJ (Internal Security Troops) have been disbanded and their personnel transferred to the army; approximately 30,00 troops are involved. These were previously organized into four infantry divisions less artillery. They were responsible for maintaining control over subversive elements in Yugoslavia. It is suggested in one report that the personnel have been transferred to the KNOJ frontier brigades and not to the army. In any event, this move implies that the internal situation in Yugoslavia has become more stable and that a special internal security force is no longer necessary.

FAR EAST

10. Operations in Indo-China (SECRET)

In Northwest Tongking, the French sortie towards Phu To on the Red River is reported to have proceeded as far as Phu Hien, some 50 miles northwest of the Delta Perimeter, thus cutting the remaining supply lines linking the Viet Minh Black River Force with its main supply bases. Important dumps of ammunition and other material have been seized or destroyed by the French column which is now believed to consist of four mobile groups plus supporting arms.

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COMMENT: Each mobile group corresponds approximately to a brigade group. The Viet Minh Black River force is believed to have auxiliary supply dumps between the Red and the Black Rivers and therefore is not likely to be seriously checked in its anticipated assault on the French Lai Chau Son La line, south of the Black River. On the other hand, the Franco-Vietnamese have now committed five of their seven groups outside of the perimeter, in addition to over half their eight parachute battalions. During these fairly widespread operations, the French may find themselves in a difficult position if a determined assault is mounted on the Delta perimeter by the Viet Minh regular regiments not otherwise engaged in northwest Tongking. Already some 10,000 enemy troops are estimated to be operating inside the perimeter.

11. Franco-Vietnam Airborne Activity in Indo-China

(SECRET)

A further example of French training of the Vietnamese is seen in the organization and operation of the principal airborne installation of the Franco-Vietnam forces. This installation is located in the vicinity of Hanoi, inside the Tongking Delta. The whole group consists of approximately 10,000 men and is organized into eight airborne battalions as follows:

Two battalions of the Foreign Legion

Four battalions of colonial troops (mixed French, North African and Vietnamese)

One battalion of Vietnamese

One commando battalion

Because of the difficulty in obtaining French replacements, casualties in all battalions are replaced by Vietnamese trainees. For security reasons, however, all parachutes are packed by French personnel; some sixty women of the French forces are employed on this task.

Three air supply companies near Hanoi, with an aggregate strength of 1400 men, are responsible for logistical support on airborne operations and for the routine supply of units in isolated or difficult locations. During one peak month (January of this year), some 2500 long tons of supplies were delivered.

COMMENT: In addition to the eight parachutist battalions which are under command of the French, one native battalion operates under the Vietnamese National Army, and one under the Laotian command, making a total of ten paratroop battalions in Indo-China.

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During the recent fighting in Northwest Tongking, the French have relied heavily on airborne operations. One battalion was parachuted in the vicinity of Nghia Lo and two battalions were dropped ahead of the Phu Tho sortie. The French Black River line, now estimated to be manned by 14,000 troops, was built up by air and is supplied entirely by the same means.

So far, throughout the war, the Viet Minh has made no use of paratroops, and there is no evidence of enemy air training in Indo-China. There are, however, consistent reports of Chinese air strength near the Indo-China border.

12. Vietnam Native Forces

(SECRET)

Group Mobile Vietnamien (formerly GM2), which is reported to be operating in the Son-La sector of the French Black River line, is an example of the present attempt to improve native forces in Vietnam. Though this formation is commanded by a Frenchman, his deputy commander and the entire staff are reported to be Vietnamese aided by French advisers. Three battalions are stated to be under command, but no mention is made of supporting arms.

COMMENT: The redesignation of this formation and its presence on the Black River line reflect French progress in the training of native forces. Furthermore, the political value of this step in France and in Indo-China is considerable. It is too early, however, to assess the military value of its presence in battle.

13. Control of Strategic Exports to China

(SECRET)

The countries represented in the Paris Group (NATO countries, Western Germany and Japan) have agreed to place an embargo on the export to China of all items on International List III. Therefore, the members of the Paris Group now prohibit the export to China of any item on the International Lists.

International List I, which covers items of primary strategic significance such as arms and ammunition, implements of war, atomic energy materials, electronic equipment, metal-working machinery, certain chemical products and others, is subject to complete embargo for the whole of the Soviet Bloc, including China.

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Items on List II, which are considered to be of secondary strategic significance and which are subject to quantitative control as far as exports to the Soviet Block as a whole are concerned, have in effect been subject to embargo with respect to export to China since the application of the United Nations' ban by NATO countries in the summer of 1951.

International List III comprises items on which an exchange of information only was previously required before exports were made to China or other parts of the Soviet bloc. It is now agreed that many commodities normally destined for civilian purposes only may, in the circumstances prevailing in China at the present time, be turned to military account.

One result of this recent move is that embargoes enforced by the Paris Group are now more in keeping with the stricter controls originally exercised by the United States through SCAP, and later by the Japanese government, over Japanese exports to China.

Another result is that the member countries of the Paris Group, which include the chief industrial trading nations of the non-communist world, have now agreed to send only consumer and non-essential goods to China.

Most Asian countries, such as India, Pakistan and Indonesia, already observe the less stringent United Nations ban on the export of strategic items of any kind from outside the Soviet bloc, with the exception of rubber from Ceylon.

#### 14. Communist Naval Activity at Tsingtao

(SECRET)

It is reliably reported that on 20 October, nine escort vessels, described as corvette type and mounting a single three inch gun forward and aft, were sighted at No.3 Mole in Tsingtao. All ships exercised at sea nightly.

The corvette type craft sighted are considered to be mainly ex-Japanese Kaibokans.

Six MTBs in various stages of construction were also reported in Tsingtao Bay on 7 October.

COMMENT: This is in the Arkona Island area. It is possible that the MTBs were being assembled after arrival by rail. Up to twelve MTBs are reported in a delayed report to have been



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put on rail in the Tientsin area in August or September, and it is possible that some of these were sent to Tsingtao for assembly.

15. Destroyer Construction in Japan

(SECRET)

The Japanese Coastal Security Force has recently asked shipbuilders to submit tenders for contracts to build three destroyers varying between 800 and 2000 tons displacement.

COMMENT: This is the first definite indication of intended post-war warship construction other than construction of small craft.

16. Enemy Artillery in Korea

(SECRET)

Lately the enemy in Korea has considerably decreased his expenditure of artillery mortar rounds. For example, in the first two weeks of November, UN lines received 167,000 enemy rounds as compared with 291,000 rounds received in the last two weeks of October (42.5 per cent decrease). This lull is thought to indicate a period of major restocking; this is borne out by generally high vehicle sightings across the entire front.

Tactically, by massing his fire, the enemy has built his artillery into a weapon of destruction rather than of harassment as heretofore. He has achieved initial shock action and surprise and, owing to his concealment, very heavy counter-battery fire is required from UN forces to compel the enemy to cease fire.

COMMENT: It may be of interest to note that, whereas in his heaviest month to date (October) the enemy expended 650,000 rounds, the UN expended over 1,600,000 rounds during the same period.

17. Enemy Use of Flame-Throwers in Korea

(SECRET)

For the first time the enemy is reported to have used flame-throwers. This incident occurred on 10 November 52 in action against 2 US

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Friendly guerillas operating in North Korea have reported the destruction of at least 240 portable flame-throwers of Soviet model (ROKS-3). Furthermore, the South Korean Navy has captured one enemy flame-thrower under circumstances not yet known.

COMMENT: The ROKS-3 (Soviet) model flame-thrower consists of a flame gun and a fuel tank assembly and has a range of some 30 yards.

18. Enemy Guerillas in South Korea

(SECRET)

Enemy guerillas remain in South Korea and occasionally achieve substantial results. Their strength is estimated at some 1,400, of whom 850 are armed, and their principal concentration is in the mountains of the Chiri-San area in southwest Korea.

On Cheju-Do Island, where the Chinese prisoners of war are held by UN, the enemy guerillas have lately increased their activity considerably in a suspected attempt to disrupt security and aid the prisoners of war. On 31 October, a group of some 15 guerillas completely destroyed a hydro-electric plant on the island at Soowi-Ri. There is evidence from captured documents that the enemy maintains a guerilla school in North Korea from which penetrations are made behind UN lines.

COMMENT: The strength figures given above are thought to be conservative and to refer to hard-core guerillas only. There are several reports of other enemy agents penetrating behind UN lines in political and other subversive roles.



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SOVIET UNION AND SATELLITES

1. Soviet Amphibious Vehicles

(SECRET)

For several weeks before 21 November 1952, traffic of new DUKW-type amphibious vehicles was observed in the MOSCOW area. The direction of the traffic suggested that these vehicles were coming from the ZIS factory. The vehicles did not appear to be radically different from similar wartime allied vehicles. In addition, several amphibious jeeps have been seen in the Moscow area in the past few weeks.

COMMENT: This is the first indication of probable Soviet manufacture of DUKW-type amphibious vehicles, and the first time that amphibious jeeps have been reported in the Soviet Union. The Soviet Union has been lacking in these types of equipment.

2. Soviet Military Manpower

(CONFIDENTIAL)

A recent article in "Foreign Affairs" estimates that the peak year for Soviet military manpower in the 18-25 age group will come in 1960-61, when nearly 19,000,000 Russian boys will be in this group. In 1950 there were 16,000,000 in this group in the Soviet Union. After 1960-61 the number will decline due to the birth deficit of the Second World War and the article concludes from this that the latter part of the nineteen fifties may offer a time of great danger of Soviet aggression.

COMMENT: This estimate is of the right order of magnitude, and it is true that, if nothing unusual occurs, the male age class 18-25 will reach a maximum in 1960-61. After a decline in the early nineteen sixties, the total will rise again as the post war birth rate takes effect. It should be emphasized that the increase between 1950 and 1960 will only be of the order of 20 per cent and is hardly likely to play a very important role in determining Soviet strategy.

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WESTERN EUROPE

3. Ratification of European Defence Community Treaty (CONFIDENTIAL)  
by West Germany

Chancellor Adenauer has now recovered control of the Lower House after his defeat on a procedural matter on 18 November. The indications are that the treaty will be approved in the Lower House by 6 December.

COMMENT: The Upper House (Bundesrat) will not consider the treaty and the contractual agreements until the Federal Constitutional Court, which meets on 9 December, has ruled on their constitutionality. It is therefore not expected that there will be any final decision on ratification until the end of January at the earliest.

4. Ratification of European Defence Community Treaty (CONFIDENTIAL)  
by the Netherlands

It is reported that the opposition to the EDC Treaty in West Germany and France may have changed the original intention of the Netherlands Government to ratify it before either of these countries. The debate on the treaty is now likely to be delayed until late February or early March.

The statement by M. Stikker, the Netherlands Ambassador in London, that the Netherlands would be the first country to ratify, is said to be without foundation, and it is now considered that the Netherlands is unlikely to ratify the treaty until Germany has done so.

COMMENT: There is little doubt that the Netherlands government had, until a very short time ago, intended to press for an early ratification. The decision to adopt a "wait-and-see" policy must be a recent and sudden one.

5. Yugoslav Manpack Flame Throwers

(SECRET)

It has recently been reported that the Yugoslavs are producing the new manpack flame throwers locally in some numbers. Production at the Erva Petoljetka aircraft factory is thought to be at a rate of approximately 100 per month.

COMMENT: This flame thrower was displayed in the Parade held in Belgrade on 1 May 1952.

INDIA

6. India-Tibet Frontier - The "Inner Line"

(CONFIDENTIAL)

The Government of India has issued a note to the representatives of foreign governments which prohibits their respective citizens from crossing an Inner Line without prior specific permission in the form of a pass. In future, passes to cross this Inner Line will not be issued to foreign expeditions or foreign visitors, anywhere within the range of the India-Tibet frontier.

This Inner Line parallels the entire Indian frontier from the Punjab right through to the Assam-Burma border at a distance of about 70 miles from the present (largely undemarcated) frontier.

SOUTH-EAST ASIA

7. French Position in Tongking

(SECRET)

In the Black River sector of North-West Tongking, French Union troops have been forced by enemy pressure from their outpost line paralleling the Black River into two strongly defended positions on airstrips, one at Na San (with twelve battalions in defense) and the other at Lai Chau (with five battalions). These positions are under imminent threat of attack by Viet Minh forces outnumbering them by something like two to one.

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In the Phu Tho sector, north-west of the delta perimeter, a strong French force penetrated some 80 miles up the Claire River into the Viet Minh maintenance area destroying a considerable number of enemy dumps but failing to force an enemy attack under conditions favourable to the Franco-Vietnamese. On the contrary, the French column was ambushed and was able only with difficulty to withdraw into the immediate environs of Phu Tho.

COMMENT: It now appears that the Viet Minh intend to reduce the entire Thai country, which comprises North-West Tongking. This they are capable of doing. The importance of this is that the Thai people will be alienated from their former sympathy with the French. Furthermore, the French are in danger of losing a major part of their garrisons in the Black River area. Complete evacuation by air would not be possible from air strips under attack; the direct route to the Delta is through rugged terrain dominated by the enemy, leaving as the only alternative a withdrawal south into the Laos mountains.

Meanwhile Franco-Vietnamese reserves in the Tongking Delta have been seriously reduced in strength. Some estimates of Viet Minh infiltrated forces run as high as 10,000 regulars, with additional guerrillas numbering possibly another 37,000.

While the French forces in the Phu Tho area should have no further serious difficulty in re-entering the Delta, the Viet Minh are believed to have the capability of mounting heavy attacks on the French-held perimeter or increasing pressure inside the Delta by infiltration, while at the same time if necessary containing the French garrisons at Na San and Lai Chau.

The French are now in as serious a position as any they have been in since the start of the Indochina war.. It is unfortunate that some of the Vietnamese units newly under native command are in a position where they may suffer a defeat from which it may be impossible to recover morale.

#### 8. Military Unrest in Indonesia

(SECRET)

Military instability in Indonesia has now reached a stage where there is imminent danger of civil war. Three of the seven military divisional areas into which the Republic is divided have revolted against GHQ control (i.e. against the Sultan of Djogjakarta,



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who is Minister of Defence). At the same time some rebel commanders have declared their allegiance to President Sukarno, and the rebel commanders of East Java and the East Indonesian Islands have now, reportedly, issued an ultimatum to Army Headquarters stating that:

- (a) if GHQ attempts to drive into East Java beyond a designated boundary line, civil war will result;
- (b) if action is taken against the rebel leaders in the East Indonesian Islands, the 1st Division (in East Java) will secede from the Central Government and form an Islamic State.

COMENT: One serious feature of the second part of the ultimatum lies in the reported support of the defecting East Java Division by the powerful and fanatic Darul-Islam, a Muslim element of West and Central Java which operates its own independent forces against the Central Government. Darul-Islam's avowed aim is the establishment of Indonesia as a Muslim state.

The policies of the Minister of National Defence (the Sultan Buwono IX of Djogjakarta) and of GHQ are apparent causes for the outbreak of the army mutiny. Morale and discipline have been at a low ebb ever since Netherlands domination was removed from the Republic. The administration of pay has been bad and there has been evidence of malfeasance among higher army departments. At the same time, political rivalry has grown between President Sukarno and the Minister of National Defence.

Competent observers feel that only Sukarno, by a prompt reorganization of the army, has the capability of resolving this deterioration of security, but that unless he acts promptly, open civil war will result. Sukarno's hesitancy may be dictated by a wish to demonstrate the inability of the Minister of National Defence and of Army leader to control the army.

#### CENTRAL AMERICA

#### 9. Communism in Cuba

(CONFIDENTIAL)

There has been a steady decline in Communist activity in Cuba over the last eight months. This change may be attributed to the following

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reasons: Cuba's proximity to and close relations with the U.S.; its relatively high level of development and standard of living; its current economic prospects and the firmness of the present administration. It is considered that the break in diplomatic relations with the Soviet Union was not a factor affecting the situation.

Although Communist strength was at a relatively low ebb when the present Batista administration took over control last March, the Government has continued to take steps to reduce communist influence. A new electoral law which denies official recognition to any party which does not have the support of 6% of the electorate will be likely to prevent the Communist Party from running candidates in the next election.

COMMENT: Despite the decline of Communism in Cuba, the country is still considered to be a centre for the dissemination of propaganda both for internal consumption and to Central America.



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# **JOINT INTELLIGENCE SUMMARY**

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## SOVIET UNION AND SATELLITES

### 1. Winter Occupation of Training Areas in East Germany

(TOP SECRET)

About 6000 Soviet troops have remained in the Konigsbruck summer training area where construction, including the installation of heating apparatus, is taking place. Some 2000 are expected to remain in the Lossa training area.

COMMENT: The year-round occupation of summer training areas by Soviet troops was first reported in the winter of 1951-52. At the same time, the development of permanent accommodation in these areas was first reported. Some 35000 troops of the East German Kasernierte Volkspolizei have been under canvas since the summer of 1952. The Kasernierte Volkspolizei has recently taken over barracks previously used by the Soviet Army at Neubrandenburg, Pasewalk, Kamenz, and several other locations.

It may be that the Soviet Army is preparing to redeploy at least some of its formations in the training areas of East Germany in order to vacate permanent barracks for the Kasernierte Volkspolizei.

### 2. Soviet Army Airborne Training

(TOP SECRET)

Airborne training has been reported recently from Brandis, Bindersleben, Stendal and Nauen. At Dresden airfield, on two occasions during September, some 150 troops parachuted in a simulated attack on the airfield, while the remainder of the airfield garrison manned trenches and fire-positions.

COMMENT: Each year, reports are received concerning airborne training of Soviet forces in Germany. Field training in the summer of 1952 included glider and parachute exercises at Altenburg and Stendal. In no case, however, has it been possible to identify airborne formations or units. There has been no indication to suggest that an increase in training of airborne troops is taking place at present in East Germany.

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(unless otherwise classified)

### 3. Soviet Army Alert Exercises

(TOP SECRET)

At the Panzer Kaserne (Tank Barracks) at Doberitz, the location of 35 Mechanized Regiment, 1 Mechanized Division, the sirens sounded on a night in September and most of the regiment, headed by the commanding officer and complete with all vehicles and weapons, moved off in the direction of Potsdam. A rear party of 75 men was left in barracks and all roads in the neighbourhood were closed to civilian traffic. On 2 October the same regiment was again alerted when the sirens were sounded at 1000 hours. All troops hastily ran from their barrack block and fell in on the square with full equipment. They remained there until the "stand-down" was sounded at midnight.

COMMENT: Alert exercises have been known to take place in the past among various units of Soviet Armies in Germany. A recent defector confirmed a similar exercise in his division. So far, all know alerts except one have only been sounded in normal winter garrison stations. The exception was an alert sounded while the formation concerned was in its summer training area, and the formation returned to its winter station. On the whole, it is considered that these alerts indicate a defensive, rather than an offensive plan, and it is considered that this plan is based on the winter deployment in garrison stations.

### 4. Training of Soviet Army and Kasernierte Volkspolizei

(TOP SECRET)

It has been confirmed that a small training area has been set up in East Germany near Stadtforst Zeitz. This appears to be used by both the Soviet Army and the Kasernierte Volkspolizei. It is also reported that a medium tank regiment of the 6 Guards Training Division, located at Wittenberg, trained with the Kasernierte Volkspolizei in Letzlinger Heide during the summer of 1952. A further report states that Soviet and Kasernierte Volkspolizei troops have trained together at Rostock. Two night exercises were held in September.

COMMENT: The dimensions and purpose of the new training area have not been established. It is possibly small and suitable for no more than a regiment or a battalion. Simultaneous use of the same area by Soviet and Kasernierte Volkspolizei troops may have been confused for joint training.

Numerous reports of joint Soviet-Satellite military training have been received for several years. None has been confirmed. On the whole, it does not appear probable that the Soviet Command has yet accepted a programme for joint training.

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(unless otherwise classified)

5. Aircraft Industries of Poland, Hungary

(SECRET)

Roumania and Bulgaria

The aircraft industries of Poland, Hungary, Roumania and Bulgaria have been unimportant since the war, less than a total of 100 light aircraft having produced since 1945 in the four countries.

The small Roumanian and Bulgarian aircraft industries are largely used for aircraft repair or non-aircraft work and it would be a long time before aircraft could be produced in significant quantities owing to the time-lag required for re-tooling. There are no indications that activity is likely to increase in the near future. Recent reports have suggested that the Polish and Hungarian aircraft industries are to be given a more important role in the future. These reports have claimed that the airframe for the MIG-15 is to be assembled in Poland, and may also be produced in Hungary at two plants which together are estimated to have a peak capacity of 70 MIG-15s a month.

Tooling of MIG-15 airframe and engine production in Poland is said to have commenced in October 1951 and in February 1952 components for three MIG-15s were received from the Soviet Union for assembly by August 1952. Soviet engineers are expected to arrive in the near future and it is hoped to start series production in 1953. It is estimated that the total capacity of the Polish aircraft industry in 1955 will amount to 70 light aircraft and fighters monthly, with some engine and components supplied from abroad. Poland is second only to Czechoslovakia among the satellites as a potential producer of aircraft and it is likely that within the next few years, given adequate assistance, Poland could satisfy the demands of her own air force, at least in airframes, from her own factories.

WESTERN EUROPE

6. Ratification of European Defence Community Treaty

(SECRET)

It is reported that ratification by Belgium and Italy will probably await action by France and Germany. There is good reason to believe that French ratification will not materialize before several months have passed and it is possible that the French Assembly may not approve the Treaty in its present form. German ratification will not be completed until the end of January at the earliest. In the case of the Netherlands, it is now expected that ratification will be completed by February with or without prior ratification by Germany.

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7. East-West Trade in Germany

(RESTRICTED)

The present volume of Western Europe's imports from Eastern Europe and the Soviet Union has shrunk to one quarter of the pre-war volume. The corresponding decline of exports from Western Europe is much less marked. The decline in volume of the principal commodities exported by Eastern Europe is shown in the following table:

Eastern Bloc Exports to Western Europe

	Hard Coal (million tons)	Grain (million tons)	Sawn Soft Wood (million cubic metres)
Pre War average	11.6 (1937-8)	3.9 (1934-8)	7.0 (1935-8)
July 1951 to June 1952	7.0	2.1	0.8

The reasons given for the decline of the traditional exports of Eastern Europe - coal, grain, timber - are increased consumption in Eastern Europe, the policy of expanding trade within the bloc, a shortage of manpower in the coal-mining industry in Poland and Czechoslovakia, shortage of grain for export from the Danubian countries, and the lack of a surplus of timber for export from the Soviet Union. It is thought that the dollar requirements of Western Europe could be reduced by \$300 million a year if coal, timber and grain in larger quantities were supplied by Eastern Europe. This possibility is, however, unlikely, even if increased supplies of these commodities were readily available for export. The trend is for the Soviet Union to establish trading relations with South East Asia and Latin America (where it can secure raw materials for industry and, perhaps, political advantage) rather than to buy more manufactured goods from Western Europe, especially when the range of manufactured goods it can obtain there is restricted by Western controls.

FAR EAST AND SOUTH-EAST ASIA8. Reinforcement of French Airfield Positions

(SECRET)

in North-West Tongking

It is reported that the French have air-transported a battalion from Laos to Dien Bien Phu, an airfield located approximately 50 miles west of Na Sam. Previous reports have indicated that the Franco-Vietnamese have reinforced Sam Neua, an airfield 50 miles South of Na Sam.

COMMENT: Should Viet Minh pressure on the French garrison at Na Sam and Lai Chau increase to a point where an evacuation is necessary, the overland retreat would probably be South toward Laos through one or both of these newly reinforced strong points where airfield facilities could be used.



9. Troop Movements from China to Korea

(TOP SECRET)

A Chinese Army of three divisions has recently moved towards the north from South China. Elements of this army have already entered North Korea, thus suggesting that the whole Army may join the Chinese forces in North Korea.

COMMENT: If the main body of this Army enters North Korea, it will be the first Army to enter Korea as a formation since the summer of 1951.

10. Army of the Republic of Korea

(SECRET)

Two new Republic of Korea divisions (12 and 15) have been activated but are not yet operational. 12 ROK Division will become operational on 31 December 1952 and 15 ROK Division on 31 January 1953. The divisional headquarters staff of 12 ROK Division has been attached to 25 US Division for training. The artillery, engineer and infantry elements of 12 ROK Division are already operating with other ROK divisions for training.

COMMENT: This addition of two divisions will raise the strength of the ROK Army from ten to twelve divisions. The total combat troop strength of the ROK Army is 192,000: 15,000 attached to US or other forces and 177,000 in tactical units. The ROK Army is still short of heavy weapons. As far as is known, to date a ROK division only contains one battalion of eighteen 105 mm. howitzers. ROK corps artillery consists of four battalions of 155 mm. howitzers, with eighteen howitzers per battalion.

SOUTH AMERICA

11. Venezuelan Elections

(CONFIDENTIAL)

On 30 November 1952 elections were held in Venezuela for a Constituent Assembly which was to draft a new Constitution and provide for the election of a constitutional President. By 2 December it appeared that the opposition was securing unexpected success, a complete censorship was imposed and Colonel Marcos Perez Jimenez, Minister of Defence and the strong man of the former three-man Government junta, seized power as Provisional President.

Reports received indicate that Colonel Perez, backed by the Army, is in complete control. Caracas is outwardly calm but the situation is too obscure to determine whether opposition is likely to develop.



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*To Our Readers*

*The Editors  
of the  
Joint Intelligence Summary  
send  
Christmas Greetings  
and  
Best Wishes  
for a  
Prosperous and Promotional  
New Year*

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SOVIET UNION AND SATELLITES

1. Soviet Anti-Submarine Weapons (SECRET)

One of the recently built "O" class Soviet destroyers has had certain bridge structure modifications which would allow the fitting of an ahead-throwing anti-submarine weapon in a position comparable to the "B" gun in British ships. There is no confirmation that such a weapon is to be fitted, but the site appears suitable. Only the spigot type of weapon similar to the British "Hedgehog" is expected at present.

2. Russian Torpedo Recovered in Korea

A Soviet torpedo warhead and air vessel have been washed ashore on the east coast of South Korea. The only noticeable difference from the Soviet torpedoes already recovered in that theatre are:

- (a) the two impeller pistons fitted have two firing pins instead of one;
- (b) the after body appears to have been connected to the air vessel by means of a rivetted steel band.

It appears unlikely that this torpedo will prove of any great interest but a technical report is awaited.

3. Echo Sounding and Other Developments in Eastern Germany (SECRET)

Current naval research at Koepneick, Berlin, is believed to include:

- (a) development of an electric echo sounder for depths up to 1,200 meters: only one instrument is at present being made;
- (b) an echo sounder capable of operation to a minimum depth of 20 centimetres below the hull;

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- (c) a harbour entrance underwater sounding device consisting of a circular transmitter with a maximum horizontal arc scanning coverage of 60 degrees.

The Soviet Union appears to have shown particular interest in the harbour entrance sounding device project.

4. Problems of East European Satellite Trade (RESTRICTED)

The dismissal of the Minister of Foreign Trade in Czechoslovakia and in East Germany and the recent Prague trials have drawn attention to satellite trade policies and problems. Production to fill orders for the Soviet Union and the other satellites takes priority over trade with the West and domestic requirements.

Dr. Gregor, Minister of Foreign Trade of Czechoslovakia, was dismissed on 2 December, following the disclosures concerning foreign trade made at the Prague trial. Margolius (the former Deputy Minister of Foreign Trade under Gregor) and Slansky were accused of trying to keep the economy of Czechoslovakia dependent on Western countries, both for raw materials and for markets. At the same time, they had been unwilling to switch to the production of heavy engineering products which the Soviet Union needed. Furthermore, they had wanted too many raw materials in return for Czech exports to the Soviet Union.

The East German Foreign Trade Minister, Handke, was dismissed at the time of the Leipzig Fair in September, allegedly for not assuring to Poland immediate delivery of road-making machinery. The East German Cabinet ruled that domestic requirements should not be met until foreign trade orders had been filled.

COMMENT: There could not be a clearer demonstration of the emptiness of the East-West trade aspects of the Moscow Economic Conference than the above actions against Satellite leaders.

5. The Slansky Trial and Economic Conditions in Czechoslovakia. (RESTRICTED)

During the recent Slansky trial the following internal economic failures and difficulties were attributed either wholly or in part to Slansky and his associates:

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- (a) The shortage of food, the continuance of rationing and the two-price system in consumer markets;
- (b) the failure to develop Czech sources of iron ore and non-ferrous metals, and the lack of success in economizing the use of scarce metals by abolishing waste and providing substitutes;
- (c) the shortage of fuel and electric power;
- (d) the inadequate development of heavy industry;
- (e) a variety of planning and administrative errors which have involved losses to the Czech economy.

No doubt Slansky and his fellow defendants share responsibility for these failures and difficulties. They are the result of the economic policy and system of direction which they helped to impose on Czechoslovakia. If Slansky had been the prosecutor, however, the same list of economic difficulties would have served a similar purpose.

#### WESTERN EUROPE

##### 6. Western Europe's Dollar Deficit

(UNCLASSIFIED)

During the last half of 1952, Western Europe will have the lowest trade deficit with the United States since the end of the war, according to European trade experts. Exports to the United States are holding firm while American imports continue to decrease.

Europe's trade deficit with the United States averaged \$307 million a month in 1949, \$160 million a month in 1950 and \$217 million a month in 1951. During the first half of 1952, the deficit averaged \$255 million a month, but dropped sharply to \$107 million a month in the third quarter. Largely due to decreased imports of American coal and some reduction in grain imports, Europe's dollar deficit is expected to remain low through the last quarter of the year. Western Europe is thus likely to start off the year 1953 with the most favourable trade outlook in many years.

The improved trade situation is not wholly due to an increased European production of goods. While some improvement is due to a lessened requirement for American coal, grain and timber, thanks to increased European production of these commodities, some is due to the diversion of productive capacity from military equipment to goods for export.

Despite the improvement in the trade situation, Western Europe will have an overall trade deficit with the United States during 1952 of over \$2 billion. This is being financed partly through the transfer of gold and receipts from American tourists and partly through the earnings of Western Europe's overseas territories which have a trade surplus with the United States

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averaging \$60 million monthly. The balance of the deficit is financed through American economic aid which totalled \$1.5 billion in 1951/52 and will total \$1.3 billion in 1952/53.

During the United States fiscal year 1953/54, it is unlikely that Congress will appropriate funds of the same magnitude for economic aid to Europe. On the other hand, Europe can count on increasing dollar receipts from American offshore purchasing and from expenditures in Europe for the supply of American forces based there. Expanding dollar receipts from American military expenditures in Europe are now approaching \$75 million a month.

### SCANDINAVIA

#### 7. Danish-Swedish Military Cooperation (SECRET)

It was reported in September this year that a small Swedish-Norwegian defence planning group had been set up. The group was then reported to have been formed of officers not above the rank of major. Recent reports indicate that Swedish authorities are showing increased interest in the discussion of defence matters with Danish authorities. These reports seem to confirm that, in spite of her avowed neutralism, Sweden has approached neighbouring Scandinavian countries on the question of defence cooperation.

### MIDDLE EAST

#### 8. Jet Aircraft for Egypt. (CONFIDENTIAL)

The Egyptian Air Force is to get 15 new jet aircraft from the United Kingdom in a lessening of the embargo on arms to Egypt. These aircraft, which include 12 Meteor Mark 8 fighters and 3 Meteor Mark 7 trainers, are partial satisfaction of an order placed - and partly paid for - some two years ago for 65 jet aircraft.

COMMENT: This is in line with United Kingdom policy of releasing limited numbers of jet fighters to Middle East air forces, and represents the first such release to Egypt since the arms embargo was imposed some time ago.

Egypt is anxious to receive British equipment for her Air Force, and this latest gesture has definite morale and psychological value which should result in improved Anglo-Egyptian relations.

Furthermore, this gradual release of arms to Egypt is a powerful bargaining weapon in any talks with Egypt on Middle East defence and other related problems. There is little risk involved in handing over this equipment since the Egyptian Air Force is not considered a serious threat to security in that area.

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FAR EAST

9. Operations in North West Tongking

(SECRET)

Since the last report issued on operations in north-west Tongking, the airstrip position of Dien Bien Phu, located some 50 miles south of the Franco-Vietnamese Lai Chau garrison, has been captured by the Viet Minh. Furthermore, a Viet Minh force is reported to be enroute towards Luang Prabang, the capital of Laos.

COMMENT: The importance of Dien Bien Phu is derived from its airstrip location on what was expected to be the withdrawal route of the Lai Chau garrison. A Laotian battalion had been flown in for its defence. With practically the entire mountainous Thai region, which comprises north-west Tongking, in their hands, the next reasonable step for the Viet Minh would be the subjugation of Laos. Small pockets of Viet Minh have existed in Laos for some time and, with the capital in enemy hands, French Union forces could maintain their outlying garrison posts only with extreme difficulty.

10. French Air Forces in Indochina

(SECRET)

At present Franco-Vietnamese forces in Tongking outside the Delta are dependant on air supply. There are three tactical commands of the French Air Force in Indochina, North, Central and South, with half of the present operational strength of 327 aircraft based in the Tongking Delta. Included in the North Command are:

- four fighter bomber squadrons
- one light bomber squadron
- two Dakota squadrons
- one Junkers 52 flight
- fifty-eight light aircraft.

Fighter bombers from the aircraft carrier "Arromanches" are also available for operations.

As the French garrison at Na Sam and Lai Chau are entirely supplied by air, the major part of the French fighter-bomber strength as well as the bulk of the transport aircraft are committed in that sector.

COMMENT: It has since been reported that in addition to twenty Dakotas requisitioned from civilian sources in Indochina, twenty have been made available from the US Air Force in Tokio. A daily lift of 200 tons is delivered to Na Sam against a daily consumption of some 50 tons. The weather at present is favourable for air operations but should operations in north-west Tongking continue into middle January, the misty "Crachin" season will then make air maintenance extremely difficult if not impossible, and it is probably with this eventuality in mind that the French are making every effort to stockpile.

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TOP SECRET  
(Unless Otherwise Classified)

11. Indonesian National Police

(SECRET)

The "Mobile Brigade" of the Indonesian National Police is organized at present into seventy companies with a strength of some 16,000. A programme is under way to increase the total to one hundred and two companies, each with a strength of 230, or a total force of approximately 24,000.

Present dispositions are approximately as follows:

Area of Military Division	1 (North and Central Sumatra)	13 coys
" " "	2 (South Sumatra)	5 coys
" " "	3 (West Java and Djakarta Daja)	15 coys
" " "	4 (Central Java)	11 coys
" " "	5 (East Java)	9 coys
" " "	6 (Kalimentan)	2 coys
" " "	7 (Lesser Sundas, Celebes, Moluccas)	10 coys
" " "	National reserve	5 coys

COMMENT: The National Police is a force distinct from the Army and is not under control of the Ministry of National Defence.

It is fairly evenly distributed throughout Indonesia on a basis of population. It is organized on military lines and is planned to contain armour, heavy weapons and paratroop companies. Thus a force is being built which if unable to resist a large scale insurrection of the Army might well prove to be a deterrent to future insurrections by individual units or formations.

12. Disposition of Chinese Communist Field Forces

(SECRET)

The estimated strength of the Chinese Communist Field Forces remains at some 2.5 millions. Formations and units presently serving in Korea include approximately 760,000 men, while those in Manchuria include about 250,000. The remainder of the Field Forces is believed to be dispersed in the following areas; North China, 160,000; North West China, 135,000; East China, 400,000; South Central China, 340,000; South West China, 295,000; Tibet, 20,000.

COMMENT: Strengths on the southern frontiers are sufficient to overrun South East Asia in case of general war in the Far East. The proportion of veterans from Korea on the various frontiers is not known but a steady and considerable rotation of units and individuals has been taking place. The most significant use of the experience gained in Korea would be in the forward movement of supplies over road and rail lines subject to interdiction.

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TOP SECRET  
(Unless Otherwise Classified)

13. Japanese Coastal Security Force.

(CONFIDENTIAL)

Japan has had no naval force since its surrender. There is a small unarmed fleet of craft belonging to the Maritime Safety Agency which is designed primarily for harbour control, lighthouses, navigational aids, life-boat service, hydrographic surveys and such coast guard operations as the prevention of smuggling and illegal entry. The Agency has only patrol boats, harbour craft, survey ships, lighthouse supply ships and minesweepers. Under arrangements recently made with the United States, the Maritime Safety Agency, now renamed the Coastal Security Force, is to add 18 frigates and 50 Landing Ships, Support, Large (LSSL) which will, of course, be armed.

The terms under which these ships have been accepted are understood to be as follows:-

- (a) the 18 frigates and 50 LSSL's are to be leased to Japan under a charter;
- (b) the term of the charter will be five years but at the request of the Japanese Government this charter may be extended for a further five years;
- (c) the boats are to be returned to the United States at the end of the charter in substantially the same condition as they were received;
- (d) there is no stipulation for payment for the charter;
- (e) any vessel which is sunk or which becomes a total loss is to be paid for at a reasonable price to be agreed upon by the governments of the United States and Japan;
- (f) the agreement is to become effective when each government notifies the other that the domestic legal steps to implement the agreement have been completed.

The method by which these ships were obtained, i.e. by charter, is a very unusual form of military aid. It is, of course, not possible to judge from here whether this procedure will be continued in any further United States military assistance to Japan or whether a Republican administration and a Republican Congress will have other views. The Japanese appear to have accepted the arrangement quietly enough although the Left-Wing Socialists have, as was to be expected, voiced disapproval. They have fastened upon the inclusion of the LSSL's as contradicting the government's statements to the effect that it will not carry out "foreign aggression". We may expect to hear more of this charge when the agreement comes up for ratification in the Diet.

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(Unless Otherwise Classified)

14. Japanese Armour

(CONFIDENTIAL)

It is reported that a Japanese Armoured Force is to be formed. The Northern Regional Safety Force, on the northern island of Hokkaido, will constitute an armoured formation. The Northern Regional Safety Force at present consists of one tank battalion with artillery, engineer, ordnance, provost and signal units on a very small scale. It is planned to raise the number of tank battalions to three, and the artillery battalions to six, each consisting of eighteen 155 mm guns. Units are being moved from the main island of Honshu to Hokkaido to implement this plan.

COMMENT: A Regional Unit has roughly the status of a division.

Though 155mm guns are reported, it is thought that there is more likelihood of their being 155 mm howitzers. The 155mm gun is "heavy" artillery and its supply is limited. The American establishment for a 155 mm howitzer battalion is 18 howitzers, whereas for a 155mm gun battalion it is 12 guns.

Despite the recent developments within the National Safety Force, the Prime Minister continues to maintain that the National Safety Force is nothing but a police force and does not represent "war potential" as described in the Japanese constitution.

15. Korea - Possible Course of American Policy.

(CONFIDENTIAL)

Current American reports indicate that no drastic change in American policy in Korea is to be expected. It is considered unlikely that the President-elect will support any military action against Chinese Communist territory or that he will favour the use of Chinese Nationalist troops in Korea. It is also considered doubtful that the President-elect will approve plans reportedly drawn up by certain high American military officials for a military advance to the "waist" of Korea in view of the serious dangers of such an operation. Eisenhower is expected, however, to support the most rapid possible build-up of South Korean forces.

COMMENT: While the above reports reflect present official and unofficial opinion in Washington, there is as yet little firm basis for speculation on the conclusions reached by General Eisenhower after his visit to Korea.

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TOP SECRET  
(Unless Otherwise Classified)

16. Enemy Supply Depots in Korea

(SECRET)

The enemy in Korea is reorganizing his supply system and redeploying supply depots. Apparently major depots are being kept well back and supply points kept well forward without intermediate redistribution points.

As a result, the main supply depots now appear to be north of the Pyongyang-Wonsan line, while the enemy is keeping supplies in bunkers and tunnels immediately in rear of his front lines. The previously well stocked supply areas, which were 10,000 to 30,000 yards behind the front, now appear to have been abandoned or show far less activity than before.

COMMENT: Keeping his main supply depots well back lessens enemy vulnerability to air attack, and also seems to indicate a defensive attitude for the winter. This attitude necessitates a high supply level in forward areas.

This cannot be taken, however, to indicate that the enemy has lost the capability of launching a major offensive if he desires.



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# **JOINT INTELLIGENCE SUMMARY**

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WESTERN EUROPE

1. Supply of United States Aircraft

(SECRET)

Since the war, the United States has supplied 422 aircraft to the French Air Force. These aircraft include:

- 240 F-84 Thunderjets
- 45 T-33 jet trainers - mostly based at Meknes Advanced Flying Training School
- 77 AT-6 Harvard trainers
- 60 C-47 to replace the obsolete JU-52 transports at present flying with the French Military Air Transport Service.

COMMENT: These aircraft provided from United States sources have eased the shortage of aircraft in the French Air Force. With the supply of these aircraft the French Air Force will have more than six F-84 Thunderjet squadrons by the end of 1952.

2. Jet Trainers for the Portuguese Air Force

(SECRET)

In November, two Vampire jet trainers arrived from the United Kingdom for the Portuguese Air Force. The United States cannot supply jet aircraft to Portugal until sometime in 1953; hence the decision to purchase Vampires from the United Kingdom. It is unlikely that Portugal will buy further Vampires while there is still the possibility that the United States will provide jet aircraft under MDAP.

COMMENT: Although there are 250 pilots in the Portuguese Army and Navy Air Forces, together with some 250 potential operational aircraft of Second World War vintage, the combat value of the force is negligible due to poor leadership and organization, low morale, lack of operating funds, and shortage of spare parts. It is expected that the arrival of jet trainers will stimulate pilot interest and improve morale throughout the air forces.

SCANDINAVIA

3. Norwegian Opinion on NATO

(RESTRICTED)

The Norwegian Labour Party has been almost uninterruptedly in power since 1935. Recently in the left wing of the Labour Party and in the Norwegian liberal press, there has been a tendency to accuse NATO of having



extended its scope considerably beyond what was originally planned and of gradually undermining Norway's traditionally firm stand on a number of international questions. This group points out that the change in Norway's traditional foreign policy is due in great part to the dominating influence of the United States in NATO.

One writer in a Liberal paper suggested that Norway should seek her area of activities and her fellowship in the "Left Wing" of NATO which is described as "the more independent front among the Atlantic Powers". Later this same journalist called for the strengthening of the "European Peace front" within the U.N. and NATO. Another writer, while endorsing NATO, expressed the view that its basis was not properly prepared. He referred to the difficulty of accepting the "old-European colonial policy" and American support of the most reactionary elements in Germany.

COMMENT: It is difficult to say whether this discontent is likely to coalesce in any significant opposition to the Government, but it is clear that critics will be attentively listened to in an election year and that they may influence Norwegian policy at international conferences.

#### FAR EAST AND SOUTH-EAST ASIA

#### 4. Nursing Service for Japanese National Safety Force (RESTRICTED)

Women are joining the newly formed Nursing Service of the Japanese National Safety Force. All are graduate nurses, and they are enrolled in ranks from Cadet to Major. This is in contrast to the former Imperial Japanese Army where nurses ranked as NCOs. Some 800 applicants competed for the initial 62 vacancies.

Pay is good (the equivalent of \$25.00 a month, with all found), and attractive khaki uniforms are included. Though the nurses may marry and still remain in the service, all in this first contingent are unattached. The youngest is 23 and the average age is 27.

#### 5. New Campaigning Season in Burma (SECRET)

The new campaigning season in Burma has opened with two operations by Central Government troops. First, a force of five battalions is attempting to seal off and search a large area north of Pyenmana (about 140 miles north of Rangoon in the valley of the Irrawaddy), in an attempt to round-up insurgents of the Burmese Communist Party.

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Secondly, operations have been undertaken by government forces in unknown strength against Muslim insurgents in the Arkana area ( on the Pakistan frontier).

COMMENT: Seldom does a new campaigning season open with government forces taking the initiative. The Burmese army now has thirty-seven operational infantry battalions, and four others forming. Were the many insurgent groups to combine, the government troops would probably not survive. Fortunately, the insurgent groups so far have acted solely each in its own interest, apparently moved by fear of setting up some too-powerful group that would be more distasteful than a Central Government with limited powers. Even the Communist-inspired insurgents are split into two incompatible groups, namely, the Burmese Communist Party, which inclines to international communist sympathies, and the Communist Party of Burma, which is more nationalist in its doctrine and opposed to Chinese domination. The present operation may be designed to liquidate the Burmese Communist Party headquarters which is believed to be in the surrounded area, near Yamethin.

The Burmans are almost wholly Buddhists or Animists, and it is possible that the attack on the Muslim group may be a sop to public opinion, although the Muslims seem to have given less trouble than most groups in Burma.

6. Military Unrest in Indoesia

(SECRET)

It is reported that both the West and Central Java Commands have declared their support for President Sukarno and have denounced the Defence Minister ( The Sultan of Djogjakarta).

COMMENT: If true this would mean that five of the seven military territorial commands have declared against the Sultan and adhered to Sukarno. It is not possible to assess the effect of this on Indonesia as a whole, the government and people of which are sometimes credited with wishing to present a united front to the world in their anxiety not to compromise their new-found independence. However, on the military evidence available, it would appear to be a retrograde movement within the army which may well reduce its efficiency and add to the present internal insecurity.

The Sultan, as Minister of Defence, is planning to produce a non-political, well-disciplined army modelled on western lines. He has attempted to demobilize many unstable elements of the present army, including irregulars on the payroll and ex-guerillas of doubtful allegiance.

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7. Conditions Within the Tongking Perimeter

(SECRET)

The following report concerns conditions within the South Zone of the French perimeter in Tongking.

The South Zone of the Delta is the richest area agriculturally and the most heavily populated. The French control the large towns, but can move on the main country roads during daylight hours only. The Viet Minh, through terrorist teams of 8 to 10 men in most villages, control the largely apathetic population outside the large towns.

Franco-Vietnam regular troops in this Zone amount to some sixteen infantry battalions, three semi-static defence artillery groups (battalions) and two mobile artillery groups, two tank companies, an engineer battalion and other supporting troops including several Franco-Vietnam Commando units. There are also approximately thirty companies of "suppletifs", and the equivalent of five battalions of the Bao Chin Doan (National Guard of Northern Vietnam), who have a very low combat efficiency and are believed to have been infiltrated by the Viet Minh. Wholly native Vietnam battalions are inferior in all respects to French-cadred Vietnam troops.

Franco-Vietnam sector defence consists of one hundred and eighty posts of varied construction whose garrisons are from 35 men to two companies in strength. Positional artillery is sited near the large posts.

Viet Minh troops in the area are formidable. They include eleven regular battalions (from 304 and 320 Divisions) and three regional battalions, plus twenty-five district companies and an unknown number of "troupes populaires".

Operations are governed by the French superiority in air and artillery during daylight. Viet Minh attacks are invariably made at night on posts believed by them to be unsupported by artillery. If successful the post is occupied for a short while and destroyed, mines are laid, and the force withdraws. Roads are in very poor condition and have to be cleared of mines daily.

"Block house psychology" is the major morale problem facing the French Command. It is being tackled by reducing the strength of the post garrisons and increasing the number of mobile counter-attack groups held in reserve at certain specified centres.

COMMENT: The fact that the French do not use the Bao Chin Doan as part of mixed garrisons for the defence of their posts, indicates they are aware of possible treachery causing the fall of a post as happened recently in Cochin China. The grave weakness of the wholly Vietnamese units is disappointing though not surprising. The report, which is believed reliable, shows the difficulties of the French even inside what is supposed to be their most strongly held area. Franco-Vietnam regular troops in the South Zone of the Tongking perimeter are about one-fifth of the infantry, one-third of the armour and one-third of the artillery available in the whole perimeter.



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WESTERN HEMISPHERE

1. Unidentified Aircraft over Greenland (SECRET)

Recently, aircraft of unknown identity have been seen flying over the area of Blue West I. These aircraft fly at considerable altitude without reporting their presence, and in other ways act in a suspicious manner. Not only do they constitute a hazard to other aircraft in the area, but they also infringe upon the international control system of Blue West I. The last instance observed was on 12 December, some two hours after the departure of a number of F-84 and F-86 aircraft which were being ferried to the RAF.

When available, an aircraft will be sent to investigate these intruders. Pilots will be limited to reporting on the type, altitude, and nationality of the intruder.

COMMENT: There have been similar reports from USAF aircraft operating in Arctic regions of sightings of unidentified aircraft. To date there has been no identification of aircraft types or nationality. It is possible, however, that they are Soviet reconnaissance aircraft.

WESTERN EUROPE

2. Political Situation in France (RESTRICTED)

The resignation of M. Pinay, which was caused by the insistence of the M.R.P. on increased family allowance, has caused a governmental crisis which has not yet been resolved.

Public reaction to Pinay's resignation has not been strong but the franc has already declined to 425 frs to the dollar as against 408 frs two weeks ago. Prior to Pinay's resignation, the growing seriousness of France's economical position had fostered a belief that the Pinay cabinet was too unstable to take the strong measures necessary to remedy the situation.

COMMENT: It is expected that the present crisis will last from two to six weeks and whoever the next premier is the new government will contain most of the familiar members of the French political scene. It is possible that there is now beginning a series of governmental crisis similar to those of a year ago.

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MIDDLE EAST

3. Egyptian Navy

(SECRET)

Recent reports on the Egyptian Navy indicate a particularly low degree of morale and efficiency. Morale has reportedly sunk extremely low; maintenance of ships is most haphazard, and few ships are at present seaworthy. No ship could undertake a sustained action. Stocks of spares have dwindled away, and breakdowns in machinery and electrical gear are frequent.

SOVIET UNION

4. Volga-Baltic Waterway

(SECRET)

The Volga-Baltic waterway is to be rebuilt during the present Five Year Plan and some of the narrower and shallower sectors will be deepened to allow the new ships, built for the new Volga-Don canal, to navigate to the Baltic. This will involve the widening and deepening of the Mariinsky canal system between lake Omega and the Rybinsk Sea.

It has been announced that when this work is completed, seagoing ships will be able to circulate between Leningrad and Astrakhan (on the Caspian Sea).

COMMENT: Mention of Astrakhan and none of the Black Sea or Don River ports suggests the possibility that the Baltic-Caspian waterway may eventually be wider and deeper than the Volga-Don canal.

5. Speed of O Type II Destroyers

(SECRET)

A well placed source, of unproved reliability, has expressed the view that the latest Soviet O Type II destroyers are about 4 knots faster than the PROVORNY and PROCHNY (Ex German Z 33 and Z 20) whose top speeds are now reckoned to be about 35 knots. This estimate would give the O Type II destroyers a maximum speed of 38-39 knots. It will be remembered that an O Type II destroyer on a recent high speed run, timed by an A 1 observer, recorded a speed of the order of 36 knots.

COMMENT: This new report adds support to the view that these heavy post-war Soviet destroyers have a top speed of about 38 knots.

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6. Soviet Merchant Shipping

(SECRET)

The Russian refrigerator vessel No. 5, 1,676 G.R.T., launched at Copenhagen on 3 July, 1952, sailed through the Kiel Canal on her maiden voyage on 3 December, together with eight trawlers declaring for Novorossisk.

The refrigeration ship and trawlers entered the Straits of Gibraltar on 11 December, the refrigeration ship subsequently putting into Gibraltar for fuel and provisions.

SOUTH EAST ASIA

7. Situation in Indochina

(SECRET)

Franco-Vietnam forces are improving their defensive positions at Lai Chau and Na Sam, in North West Tongking. It is believed that there are still five battalions in Lai Chau and twelve in Na Sam, each garrison being supplied with some supporting arms.

Viet Minh pressure on Na Sam has decreased since early December, and the main enemy striking force is believed to be concentrating in the Yen Chau - Moc Chau area (approximately 30 miles south-east of Na Sam).

COMMENT: An attack on the French air-evacuation position at Sam Neua is a likely major enemy effort in north-west Tongking. Its loss would leave the Franco-Vietnamese Na Sam garrison without escape route should their present position become untenable. Sam Neua lies some 50 miles south of Na Sam and its airfield facilities have recently been improved.

8. Military Unrest in Indonesia

(TOP SECRET)

The real military issue in Indonesia now appears to be a feud between two groups in the Army. One group, containing the majority, is composed of ex-guerilla and resistance fighters who took a large part in the "struggle for independence" against the Dutch. The other is composed of former members of the NEI Armed Forces who joined the Indonesian National Army in 1949. Members of the latter group hold most of the responsible positions in the Army, owing to their experience and better training received in the Dutch Army. This group has antagonized the other by their impatience with



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the lack of discipline and general inefficiency of the irregulars. This group is supported by the General Staff and by the Defence Minister (the Sultan of Djogjakarta) who wishes to discharge many irregulars in an effort to establish a disciplined national army.

President Sukarno, on the other hand, is reluctant to take action against the irregulars who were his supporters in the fighting against the Dutch. This is thought to explain why the officers who ousted the commanders of the Divisional areas in Java, Sumatra and Macassar, have declared that they would not yield until the President himself confirmed the authority of his Defence Minister.

Although rumoured to have resigned, the Sultan is still Defence Minister and it seems likely that a solution will be found to enable him to retain his post.

COMMENT: Recent reports indicate that five out of the seven military commands have adhered to the President. The President's reluctance to take positive action to clean house in the Army will not only result in a deterioration in internal security but will delay the Defence Minister's plans for reorganization and training.

#### 9. Indonesia - New Chief of Staff

(SECRET)

Colonel Bambang Sugon, a protege of President Sukarno, has been appointed Chief of Staff of the Indonesian Army. He replace Colonel Nasution who was forced to resign at the outbreak of the present unrest within the Indonesian Army in mid-October 1952.

Colonel Sugon, who is not an ex-member of the Netherlands Indies Army, is an Indonesian Nationalist and a product of the revolution against the Dutch. He is popular, and his appointment should be welcome to the majority of the army, in particular to the ex-guerrillas and irregulars.

COMMENT: The new Chief of Staff is considered to be one of the three or four most able Indonesian officers. His appointment will strengthen Sukarno's hold over the Army and probably fore-shadows a weakening in military links with the Netherlands.

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10. Japan - Territorial Violations by Soviet Aircraft (SECRET)

On 29 December 1952, three unidentified aircraft presumed to be Russian flew a rectangular pattern over north-east Hokkaido Island at 20,000 feet at 300 mph.

USAF FEAF is deploying one flight of Sabre aircraft at Misawa (40 42N 141 22E) airdrome on north-east Honshu Island with operating facilities at Chitose (42 48N 141 40E) on Hokkaido Island.

Information available indicates that pilots have been instructed to intercept and destroy aircraft violating Japanese Territory.

COMMENT: This incident is just another in a long series of Soviet violations of Hokkaido. The significance of it is that in the past the USAF has carried out interceptions with earlier types of jet fighters and have confined their effort to interception and identification. It was understood that this policy was dictated by a shortage of F-86 aircraft in the theatre which made the USAF Joint Air Defence Command unwilling to risk a test of strength. It is felt that public opinion in Japan has forced this change in policy, even though the F-86 rearming programme in the theatre, is still believed to be far from complete.

11. Move of II North Korean Corps (SECRET)

Reports indicate that II North Korean Corps, formerly located in the immediate rear in the eastern sector of the Korean front, has been replaced by VII North Korean Corps. II North Korean Corps is believed to have taken a coastal defence role in the Wonson area.

COMMENT: This move of VII North Korean Corps is probably an intermediate step leading to the relief of III North Korean Corps, which has been in the line for the past eighteen months.

12. Moves of UN Formations in Korea (SECRET)

It is reported from Japan that 2 ROK Division has relieved 3 US Division in IX US Corps; 7 US Division is relieving 2 US Division in I US Corps, and 12 ROK Division is relieving 45 US Division in X US Corps.

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COMMENT: As a result of these changes, the UN frontline is manned by eleven ROK divisions, four US divisions and the British Commonwealth Division, with three US divisions in reserve positions. The eastern half of the front from Kumwha to the east coast is now almost entirely held by ROK troops, the only US formation left in this half of the line being 40 US Division. As the 15 ROK Division is scheduled to become operational on 31 January 1953, it is possible that it will replace 40 US Division, thus making the entire eastern half of the line a ROK responsibility.



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SOVIET UNION AND SATELLITES

1. Penetration Performance of Soviet 85 mm. Armour Piercing Ammunition. (SECRET)

Recent firing trials with Russian 85 mm armour piercing shell against British armour plate have indicated remarkably good performance. The design of this round of ammunition has given a penetration performance that, for its calibre and muzzle velocity and especially at high angle attack, is well up to that obtained with experimental shot in the United Kingdom and superior to that which can be reliably expected from current British Service steel shot.

The Russian ammunition tested was manufactured in 1945 and 1948. No difference was apparent between the two lots.

The penetration performance was estimated to be as follows:

85-mm Tank Gun Model 44 (as used in T-34/85)	61-mm/55°/1000 yds
85-mm A/T Gun Model 45	75-mm/55°/1000 yds

COMMENT: Although it is difficult to relate exactly the results obtained during an experimental range trial with the results obtained in service, the following table shows the estimated minimum range at which protection can be assumed for the Centurion Mk 3.

	<u>Turret Front</u> <u>155-mm/0°</u>	<u>Turret Sides</u> <u>88-mm/10°</u>	<u>Glacis Plate</u> <u>76-mm/55°</u>	<u>Hull Sides</u> <u>51-mm/12°</u>
85-mm Gun Model 44 (as used in T-34/85)	0	over 2000 yds	400 yds	over 2000 yds
85-mm A/T Gun Model 45	300 yds	over 2000 yds	900 yds	over 2000 yds

NOTE: The figures for the Model 45 Gun are extrapolated from results obtained with the lower velocity Model 44 gun and should be treated with some reserve.

2. The Accuracy and Reliability of Soviet Statistics (RESTRICTED)

At a meeting of the American Statistical Association recently held in Chicago a number of experts on the Soviet economy presented papers

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on Soviet statistics. Most of the comments offered were along familiar lines, the most important being the following:

- (a) The Soviet Union does have a comprehensive statistic-gathering agency, although mechanical equipment and techniques are less advanced than in the West. There is a lack of adequately trained statisticians.
- (b) There are few, if any, known cases in which the Soviet government has directly altered the estimates of measurable quantities such as population, steel production, etc.
- (c) The problem of operating double book-keeping at the national level is such that it can fairly safely be ruled out.
- (d) There is evidence, however, that Soviet enterprises on occasion falsify their reports in order to show plan fulfilment or to hide reserves of capacity, manpower or materials.
- (e) The statistics released meet checks for consistency.

COMMENT: To the basic question, can Soviet statistics be trusted, there is no simple answer. While basic figures for coal, oil, steel, electric power, population etc. are not sheer invention, important information is often expressed and figures which are released are often presented in a misleading way.

### 3. Submersible Pontoon Bridging Equipment

(SECRET)

It is reported that the East German Kasernierte Volkspolizei are now training with Russian design Heavy Pontoon Bridge (TMP) bridging equipment made in East Germany. The TMP is the most recent standard heavy pontoon bridge used in the Russian Army and takes loads up to 100 tons.

It is also reported that the pontoons are submersible by means of valves, opened to admit water. Refloating is accomplished by pumping in compressed air from compressors on the bank.

COMMENT: This is the first definite, although unconfirmed, report of the TMP equipment being submersible. A submerged pontoon bridge cannot be used as an underwater bridge (unless it grounds). It can, however, be made submersible when not in use. This report confirms previous reports of Russian type bridging equipment being manufactured in Germany. The use by the Volkspolizei of Russian bridging equipment is in line with the gradual change over of the equipment of the Kasernierte Volkspolizei from ex-Wehrmacht to Russian types.

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(Unless Otherwise Classified)

4. Economic Reorganization in China

(RESTRICTED)

After three years of Communist administration in China the new economic organization providing for state control of industry and trade has already taken shape. In agriculture, land distribution is only the first step, leading, by stages, through the formation of mutual aid teams to producers co-operatives and to collective farms. Organization and production cannot be separated, the peasants are told. The model consciously followed in reorganizing production is the Soviet Union, with the slogan: "The Soviet Union of to-day is the China of to-morrow".

According to Communist spokesmen, restoration of production to pre-war levels in industry and agriculture has now been achieved along with basic reorganization. The stage is set for large-scale economic planning and industrialization to begin in 1953 with the introduction of a Five Year Plan and a new State Planning Commission has been set up for the purpose. The Soviet Union will supply technical aid and capital equipment at the production level as well as blueprints for the planners. This assistance will be paid for by exports of agricultural products and ferrous and non-ferrous metals.

However, the Communist leaders do not anticipate any slackening of the military effort. "Planned economic construction will begin in conditions where the movement to resist American aggression and aid Korea will be continued and national defence further strengthened".

5. Comparison of World Operational Aircraft

(TOP SECRET)

A recent comparison of world operational aircraft by type and number shows that operational aircraft strength of the Soviet Union and Satellite Air Forces is greater than that of NATO and the rest of the world. Equally important is the fact that the Soviet Union and Satellite Air Forces are now 36.9 per cent jet-equipped, while NATO and all other Air Forces are 30 per cent jet-equipped.

SUMMARY OF WORLD OPERATIONAL AIRCRAFT

<u>Countries</u>	<u>Total Number Jet Aircraft</u>	<u>Total Number of Operational Aircraft (Jets Included)</u>
Soviet Union and Satellites	8,395	22,780
NATO and All Others	<u>5,339</u>	<u>17,826</u>
TOTAL World Operational Aircraft	13,734	40,606

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Soviet Union and Staellite Air Forces are 36.9 per cent jet-equipped.  
NATO and all other Air Forces are 30 per cent jet-equipped.  
TOTAL World Air Forces are 33.8 per cent jet-equipped.

### MIDDLE EAST

#### 6. Egypt

(SECRET)

A number of recent developments are tending to undermine the stability of the present regime. In order of importance these are:

- (a) General Neguib is being opposed in his efforts to reach a settlement with U.K. by a faction led by his right-hand man, Colonel Gamal Abdel Nasr.
- (b) Discontent in the Army, particularly amongst officers of the armoured corps and artillery.
- (c) Many of the officers of the military movement now in administrative positions are disillusioned as a result of the difficulties they are meeting in putting their ideas into effect.
- (d) Widespread and increasing unpopularity of the regime.
- (e) Political opposition by the Wafd.
- (f) Discouragement amongst the police as a result of wholesale dismissals.
- (g) Increased influence and boldness of the Moslem Brotherhood who have strong supporters amongst highly placed officers.

#### 7. Iranian Oil Dispute

(SECRET)

It is reported that the recent discussions between Premier Mussadiq and the United States Ambassador at Teheran have been moderately encouraging. The Premier now seems prepared to refer the dispute to the International Court of Justice and shows some signs of being willing to agree to a compromise on the method of arbitration and the type of compensation claims to be considered. On the other hand conversations with Mussadiq on the joint United States - United Kingdom proposals for purchasing and marketing the oil were unfortunately less fruitful.

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KOREA

8. Capabilities of South Korean Divisions

(SECRET)

The capabilities of the Army of the Republic of Korea (ROKA) can be partially illustrated by a comparison between ROKA divisions and those of the United States:

- (a) The strength of a ROKA division is 12,620; that of a US division is approximately 17,000. (The Commonwealth Division is 18,745 strong).
- (b) ROKA divisional artillery consists of one battalion of eighteen 105 mm howitzers. A US division contains three such artillery battalions of eighteen 155 mm hows.
- (c) No armour exists in a ROKA division, and only 45 tanks exist in the ROKA, all of which are under General Headquarters. In each US division there is a tank battalion probably of some 70 tanks, and in addition there is armour with each Corps and more armour under Army Command.
- (d) Vehicle establishment is very low in a ROKA division by US standards.

COMMENT: Although on paper there are plans to increase the artillery and tanks with ROKA, there is no evidence that this has been carried out except on a minor scale. On the various divisional fronts of ROKA it is the artillery and tanks of US units that make any comparison possible with US divisional fronts, while ROKA Corps and Army support units offer no comparison with various US Corps and Eighth Army troops.

9. Reorganization of 1 Korean Marine Corps Regiment

(SECRET)

1 Korean Marine Corps Regiment has been reorganized as a Regimental Combat Team and is now designated as 1 Korean Marine Corps Regimental Combat Team (1KMC RCT). In addition to the three infantry battalions already existing, an artillery battalion has been added, together with one company each of tanks, engineers, medicals and motor transport. The remaining elements are in platoon strength, namely, ordnance repair, signal repair, motor transport repair, military police, reconnaissance, and amphibious transport.

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COMMENT: This reorganization which, theoretically, enables 1KMC RCT to fight as an independent unit, may also serve as a nucleus for an expanded Korean Marine Corps patterned on US lines. The latter development is to be expected under US sponsorship of the Korean Armed Forces as providing suitable experience for the US Marine Corps in training native oriental forces. The topography of Korea and its vicinity lends itself well to amphibious warfare.

Though the ROK Marine Corps is part of the ROK Navy, the 1KMC RCT is attached to 1 US Marine Division within I Corps and under command Eighth Army. Its strength, believed to be 5,000, is included in strength figures of Korean Attached Troops United States Army (KATUSA).

#### 10. Strength of ROK Armed Forces

(SECRET)

The army of the Republic of Korea (ROKA) consists of twelve divisions, (eleven in contact with the enemy and one expected to be operational by 1 February 1953); various Korean Attached Troops United States Army (KATUSA); thirteen security regiments; three replacement training units; and HQ and service troops. ROKA tactical units number some 210,000, and KATUSA, 15,000; a total of 225,000.

Of the ROKA tactical units, the twelve divisions have a strength of 12,620 each, the Replacement Training Regiments are each 4,000 strong and the Security Regiments, 1,000 each. 1 Korean Marine Corps Regimental Combat Team(1KMC RCT), which is included in KATUSA, has a strength of 5,000 .

In tabular form component strengths are as follows:

	KATUSA	15,000
	ROKA Divisions	151,000
	Security Regiments	13,000
	Replacement Training Regiments	12,000
★	HQ and Service Troops	<u>34,000</u>
		225,000

★ This figure appears low because HQ and particularly service facilities are provided by other troops of UN Command.

COMMENT: Two of the five UN corps in Korea are ROK Corps with the line of contact manned entirely by ROKA. In the remaining three, which are US Corps, each corps contains from one to three ROKA divisions. In addition, 1 KMC RCT is attached to 1 US Marine Division as a formation. The Security Regiments and the Replacement Training Regiments are employed on the lines of communication and in Prisoner of War Command.

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11. Fall in Population of North Korea

(SECRET)

The present population of North Korea is estimated at about 7.2 million, a reduction of nearly 2 million since the outbreak of war in 1950. This reduction is partly due to the influx of refugees into South Korea ( the population of which is estimated at some 20 million) and, to a smaller extent, to North Korean army and civilian dead and prisoners of war. In addition, it is most probable that, with the destruction of most of North Korean industry, large numbers of the more skilled workers have been drafted for work in Manchuria. Indeed, one report stated in January 1951 that the Mobilization Section of the North Korean Ministry of Industry had ordered the call-up and assembly of all registered technicians and that two groups of 100,000 men each were to move to areas in China by the end of March 1951. If families were included, some half a million may have been moved out, and this may well have occurred in view of the housing and food shortages. Reports that in addition some 2.5 million have been transferred to Soviet territory - which would mean that the North Korean population now totals no more than 4.7 million - are quite unsubstantiated.



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**COPY N° 139**

**ISSUE NO. 39**

**19 Jan 53.**

# **JOINT INTELLIGENCE SUMMARY**

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Issued weekly under the authority of  
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SOVIET UNION AND SATELLITES

1. Soviet Navy - Underwater Acoustics

(SECRET)

The development and production of echo-sounding equipment capable of recording depths of over 5,000 fathoms is reported from the Soviet Zone of Germany.

The equipment is unusual in that it uses a supersonic oscillator for depth finding up to 500 fathoms and an audio-frequency oscillator for depths from 500 to 5000 fathoms. Power input to the machine is in the region of 3 to 3.5 kilowatts.

COMMENT: The use of low audi-frequencies in underwater sound transmission is a very significant trend. Low frequencies together with high power input have been the major contributors to increased asdic ranges obtained in experimental United States and British equipment. If the Russians continue developments along these lines and adapt them for anti-submarine detection purposes, their capabilities in this field will be considerably increased.

2. Production of Diesel Engines for Russian Submarines

(SECRET)

The only plant at present producing diesels for submarine main engines is the "Krybyshev" Locomotive Works at Kolomna, near Moscow. There does not appear to be a shortage of such engines in the Soviet Union, and there is sufficient capacity at Kolomna to keep up with the highest rate of production of submarines in the Soviet Union at present foreseen. However, it seems likely that in wartime production would be dispersed among existing marine diesel plants or new establishments.

3. Airfield Revetments in Soviet Satellite Countries

(SECRET)

According to a recent report on Kothen Airfield in the Soviet Zone of Germany, the Russians are adding stabilizing material, probably cement-stabilized soil, to the portions of aircraft revetments adjoining the blast opening at the rear and the blast wall beyond.

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COMMENT: This is the first report of such activity and it indicates that the Russians intend these revetments for permanent use. Similar improvements probably will be made on revetments at other airfields in East Germany and in Austria as well. The stabilizing operation also may be extended eventually to the entire wall of each revetment. The improvement of revetments is in line with the increased attention which the Russians are giving to the construction and use of revetments in East Germany and Austria. Prior to 1952, the Soviets almost invariably parked their aircraft in the open. This year, however, they have commenced the use of some existing German revetments and have themselves constructed a large number of new ones. The total number of reported revetments in both areas, 422, is an increase of 21 revetments observed in the last 4 or 5 weeks -- indicating the Russians' continuing interest in developing ground protection for their aircraft.

4. East Germany - Airfield Construction

(TOP SECRET)

Item 3 of Issue No. 30 of the Joint Intelligence Summary reported the construction of an unusual type of airfield, 9800 to 12,000 feet long and 1200 to 1800 feet wide at nine locations in East Germany. Further evidence indicates that in the construction of at least two of these airfields, pierced steel planking has been laid over a base of slag and peat.

COMMENT: While it is still too early to determine the exact purpose of these airfields, the American view is that they are air heads to be used in launching airborne forces.

5. East German Air Police

(TOP SECRET)

Recent reports indicate that progress in the organization and training of the East German Air Police, now known as the Volkspolizei-Luft (VPL), has reached the point where air units have actually been formed. Although only one VPL air unit has been identified, the initial strength of this force appears to be one division (probably fighter), with three subordinate regiments. The unit is located in the southeastern portion of the Soviet Zone, with the divisional headquarters and one regiment at Kamens (near Dresden) and the other regiments at Cottbus and Bautzen. There have recently been reports that VPL personnel are receiving flight training, under Soviet supervision, in piston aircraft at Cottbus and Kamens airfields. Reports of the presence of MIG-15 aircraft at these two fields may indicate, however, that VPL personnel will make a transition to jet fighter aircraft. Earlier reports had indicated that

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the headquarters of the East German Air Police was established as early as mid-1951 at Berlin/Johannisthal airfield, but to date this headquarters appears to have been concerned largely with planning, recruiting and training.

COMMENT: The emergence of the VPL as a force with organized units provides the Soviet Union with another satellite air force in Eastern Europe. The establishment of this force and the gradual improvement which has taken place in other satellite air forces provides a basis upon which satellite operational air capabilities can be built to a significant level and could enhance considerably the air capabilities of the Soviet bloc in Eastern Europe.

6. Developments in The Kasernierte Volkspolizei

(TOP SECRET)

There still remain 18 Kasernierte Volkspolizei Dienststellen (formerly Bereitschaften) of an average strength of 1,900 in addition to Corps Nord, schools and miscellaneous units. The overall strength of the KVP is estimated to be at least 90,000. It is not yet possible to estimate what effect recent recruiting has had on this figure. The strength of Corps Nord is estimated to be 35,000 at least. According to reports, recruitment continues at a reduced rate as compared with the summer of 1952 and officially it remains voluntary.

It appears that a future Ministry of Defence is being formed within the Ministry of the Interior. It is also reported that three Military District Staffs (TVW) have been established at Dresden, Leipzig, and Dessau. These TVW are probably intended to act as intermediary headquarters between the KVP headquarters in Berlin and out-lying units, and may form the basis of further KVP corps.

The morale of the Corps Nord personnel who have moved into barracks elsewhere in the East Zone has improved due to more comfortable living conditions. Those units which have moved into new barracks in the Corps area are still living in extremely primitive conditions and their morale remains low. Most of these barracks consist of four unplastered walls and a roof only.

Starting on 1 September 52, KVP personnel have been excused payment of income tax. This results in an increase of 10% in the pay of an other rank. On 10 October 52, military ranks were substituted for frontier police ranks.

A further party of officers, reported to number 150, left for training in the Soviet Union in September 52. At the same time the 1951-52 course officers returned to East Germany.

The following table shows the estimated holdings of certain equipment in the KVP:-

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<u>Location</u>	<u>Tanks and Self-propelled Guns</u>	<u>Guns</u>	<u>Vehicles</u>
Corps Nord	350	300	1000
Remainder of KVP	347	716	1810
<u>TOTAL</u>	<u>697</u>	<u>1016</u>	<u>2810</u>

The three hundred and fifty tanks and self-propelled guns probably include fifty JS2 heavy tanks. The largest artillery piece appears to be a 122 mm gun. All equipment appears to be re-conditioned Soviet equipment received from the Soviet Union.

The majority of units in Corps Nord now have Soviet advisors down to company/battery level.

COMMENT: The re-deployment of Corps Nord units necessitated by the failure to provide winter accommodation will set back Corps training. The adverse effect on morale of the severe living conditions experienced by Corps Nord personnel, combined with almost complete lack of training to date will take some time to rectify. The value for war of Corps Nord and of the KVP as a whole at the moment remains negligible.

However, the equipping of Corps Nord with heavy weapons is almost complete; considerable progress has been made in the formation of a Ministry of Defence; the expansion of the KVP has taken an important step forward with the formation of three intermediary headquarters; and as a result the potential of the force must be considered to have increased appreciably.

7. East German Agriculture and Food Supplies

(CONFIDENTIAL)

Since last August well-to-do farmers from East Germany have been taking refuge in West Berlin at the rate of 2,000 per month, including their families. They are driven out by fear of government treatment of them as class enemies.

During the same period there has been a breakdown in the supply of food and the Minister of Supply has been suspended. There is a shortage of meat and fats and potatoes are again rationed.

COMMENT: Since the harvest the East German government and the Communist Party have been pressing forward with their programme of collectivisation. While small and medium farmers are given financial inducements to join the co-operatives, the larger farmers (owning from 50 to 250 acres of land) are penalized by sharply increasing delivery quotas, refusal of credit,

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the use of public machinery and of fuel for their own machinery and by the withdrawal of essential labour from their farms. Fearing they can no longer meet their obligations to the state and foreseeing the day when they will be tried as "saboteurs" and "enemies of the people", many decide to abandon their farms and leave the country.

This treatment of the more well-to-do farmers who own about 4,000,000 acres of land (the total area of arable land in East Germany is 15,000,000 acres) cannot fail to aggravate the already difficult supply position. Blame for food shortages has been put officially on the former Minister of Supply and hoarders from West Berlin. The latter are no longer permitted to buy food in East Berlin. The real reasons, however, are partly the effect of weather conditions and partly of government policy. The early winter has prevented much of the sugar-beet and potato harvest from being completed, a shortage of fodder has affected the livestock programme, and food imports from the other satellites, particularly Hungary, have been reduced. On the policy side, administrative changes in the Lander and shortcomings in transportation have added to the difficulties of distribution. A further cause of short supplies for the ordinary consumer is the priority given to maintaining stocks of food for the Soviet Occupation forces and the German para-military forces.

8. Possible IL-10 Production in Czechoslovakia

(SECRET)

It is reliably reported from Prague that as many as 35 IL-10 aircraft have recently been counted near the aircraft factory complex in Prague. These IL-10s are new, painted dark green on the upper surfaces and sky blue on the lower side. They bear Czechoslovak Air Force roundels but other than a rather temporary looking, indistinct white number stencilled on the fuselage no identification is visible. These numbers are believed to be factory serial production numbers but there is no evidence from the numbers to show any order of production. It has been suggested that these IL-10s are partially manufactured at the Aero factory in Prague-Viscony, then transported to the Avia factory at Prague-Cakowice for final assembly. They are then towed to Letnany airfield where a propellor is fitted and the aircraft test flown.

COMMENT: There have been many reports of intended IL-10 production in the Prague-Letnany-Cakowice factory complex, but this is the first actual evidence of production. From the above evidence however it is impossible to say whether these aircraft were produced or merely sent to these factories from Russia for assembly. We have received a considerable number of reports recently suggesting that these same factories were presently engaged in MIG-15 production. As the IL-10 has been run out

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of production in Russia for some time, and as we believe Russia to hold adequate reserves of these aircraft, it would seem to be more logical for the Czechs to be commencing production at this time on the MIG-15 rather than the IL-10.

9. Morale and Value for War of The Polish Army

(TOP SECRET)

A recent appreciation of the morale and value for war of the Polish Army indicates that a considerable improvement has been made during the last year.

Morale is on the upgrade and this combined with the issue of improved equipment and the standard of training noted at the end of the summer training season, means that the Polish Army must now be considered an army in its own right and not a satellite token force. Integrated with Soviet formations it could make a significant contribution to the war potential of the Eastern bloc.

COMMENT: The above appreciation appears to be fully justified in the light of current information on the Polish Army.

WESTERN EUROPE

10. France - Membership in the Communist-Dominated  
Confédération Générale du Travail

(RESTRICTED)

The following membership figures are quoted from a Paris weekly of recent dates:

Metallurgy:	200,000 (800,000 in 1936) of 1,200,000 workers
Auto Industry	
Paris region:	10,000 of 100,000 workers
Railroads:	200,000 (workers & Pensioned) of 480,000 workers
Mines:	10,000 of 230,000 workers
Dockers:	15,000 of 22,000/25,000 workers
Gas & Electricity:	50,000 of 105,000 workers

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Textile:	60,000 of 800,000 workers
Bridge Constructions:	50,000 of 500,000 workers
Chemical Products:	50,000 of 500,000/600,000 workers
<hr/>	
Total	645,000 members (15.9% of workers)

Paris-Match remarks that the other three trade unions are said to benefit little from CGT defections, as the present tendency among workers is to shy away from trade-unionism becoming too much involved in politics.

COMMENT: If accurate, the above figures represent a very sharp drop from the membership as estimated by the American Embassy in Paris in May 52, i.e. between 1,500,00 to 1,800,00. Any drop may well be attributed to the several set-backs suffered this year by the French Communist Party when workers failed to respond to the CGT calls for general strikes.

11. Yugoslav Contract for Jet Engines from Germany

(SECRET)

It is reported from Yugoslavia that about twelve months ago Yugoslavia approached Germany with the proposal that that country provide new jet engines for the expanding Yugoslav Air Force. Because of controls and restrictions on the German aircraft industry, negotiations were conducted under secrecy and made to appear like a diesel engine contract. The German firm involved was said to be the Heinkel Organization.

It would appear that an actual contract has been signed for 15 to 20 jet engines and to date \$800,000.00 has been guaranteed by Yugoslavia. Delivery is not expected until at least 1955. In order to give Yugoslav engineers and technicians first hand experience in production methods the Germans have agreed to accept an unspecified number to work with them through the development and production stages.

COMMENT: It is difficult to understand why the Yugoslavs are interested in only twenty engines. Possibly the Yugoslavs have in mind the formidable task of manufacturing their own jet engines and the German jets are necessary as models from which a copy could eventually be produced.

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12. American-British-Yugoslav Aircraft Negotiations

(SECRET)

Under the American Military Aid Programme, the Yugoslav Air Force will now receive 100 F-84s beginning in March 53. It is expected that this number will be in the country by mid-summer. It is also understood that the Yugoslavs have been assured that additional F-84s are available, sufficient in number to bring the total strength up to 219. In addition the Yugoslav Air Force will receive ten T-33s beginning in March 53 and twenty used Dakota aircraft sometime during the year.

To help prepare itself for the new jets and to speed up the conversion period, the Yugoslav Air Force has a number of its pilots at present undergoing flying and operational training with USAF F-84 squadrons in France and Germany.

Preliminary negotiations have been completed between Yugoslavia and the British DeHavilland aircraft company with the purpose of arranging for Yugoslavia to build Vampire and Venom aircraft under licence and the necessary assistance required until production is underway. The licence will cost Yugoslavia 150,000 pounds. It is reported that DeHavilland are most happy to dispose of the press, dies, tools, etc. for these virtually obsolete aircraft at an undisclosed sum. A request by Yugoslavia to build engines as well was turned down flatly but the company did undertake to supply the Goblin and Ghost engines that may be required.

The British Gloster aircraft company has offered to sell Yugoslavia three new dual trainer MK VII Meteors. While the Yugoslavs are definitely interested in getting these aircraft, no contract has been signed.

COMMENT: It appears that the Air Aid Programme is gathering momentum and that what was considered a year and a half ago to be unlikely, is now, with British and American help, becoming a significant reality. The new Yugoslav Air Force is beginning to take shape. When the question of radar and ground control has been attended to, we will be able to give the Yugoslav Air Force limited but nevertheless definite operational capabilities.

CENTRAL EUROPE

13. Overflights - Austria

(TOP SECRET)

The Soviet High Commissioner for Austria on 28 November repeated in the Allied Council the Soviet charge that flights to Vienna/Tulln Airfield by American and British military aircraft constitute a violation of basic occupation agreements.

COMMENT: Soviet occupation authorities have made this charge in the past but this is the first time since 1948 that it has been raised on the quadripartite level. The only new aspect of the charge is the Soviet

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"discovery" of a clause providing for reciprocal Soviet rights of overflight in the Western Zones. Soviet emphasis on this point may indicate an intention to test this right by overflights which could serve no purpose other than harassment and provocation, since there is no Soviet installation in the Western Zones which could provide the occasion for such flights.

#### MIDDLE EAST

##### 14. External Frontiers of Saudi Arabia

(SECRET)

The United Kingdom Government has found it necessary to send forces to the southeastern shores of the Persian Gulf where it is responsible for protecting the interests of the Trucial States. At the same time the United Kingdom has suggested to Saudi Arabia that conflicting territorial claims of the Trucial Sheikhs and the Sultan of Muscat on the one hand, and of Ibn Saud on the other, should be submitted to arbitration.

A Saudi agent, accompanied by armed retainers, arrived in the disputed area last September and since that time has been encouraging the inhabitants to transfer their allegiance to Ibn Saud. His activities have resulted in discussions between the United Kingdom and Saudi Arabian Governments. The situation which has now developed has led the United Kingdom Government to decide that it must enable its representatives on the spot to resist further encroachment. It wishes, however, to avoid any suggestion of provocation.

COMMENT: The area in question is important not only for its oil deposits, but because of its strategic location at the base of the peninsula which commands the exit from the Persian Gulf.

#### SOUTH ASIA

##### 15. Pakistan

(CONFIDENTIAL)

Debate will take place in the Constituent Assembly commencing 21 January on the question of having an elected Muslem Head of State.

COMMENT: It is believed that the Pakistan Government is in favour of Pakistan becoming a republic and that, at an early date, the Prime Minister will place before the Constituent Assembly a formal proposal to this end. Although there is a possibility that in doing so the Prime Minister will commit his Government to maintain Pakistani membership in the Commonwealth

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on the same basis as India, it may be that he will leave this issue in abeyance at this stage unless forced to do so.

16. Kashmir

(CONFIDENTIAL)

The Security Council has concluded its consideration of Dr. Graham's fourth report submitted last October.

On 23 December 52, the Council adopted a resolution which calls upon India and Pakistan to enter into further negotiations under Dr. Graham's auspices with the object of reaching agreement on the number of troops to remain on each side of the line at the end of the demilitarization period. The resolution specifies a maximum and minimum number of each side.

Though critical of some features of the resolution, Pakistan is prepared for further negotiations under its terms. India has rejected the resolution as a basis for further discussions because, by specifying a minimum number of Pakistani troops to remain, it directly challenges the Indian contention that Pakistan has the right to maintain only police forces in Kashmir. India's representative has said, however, that India would still cooperate in efforts to solve the dispute.

COMMENT: In view of the remarks of the Indian representative, there is still some hope that there may be further talks which would not be directly related to the resolution. If no talks take place or if they make little progress, Dr. Graham will probably make a final report to the Security Council. In this event, consideration may be given to the question of referring the case to the General Assembly.

17. Use of River Mines in Burma

(CONFIDENTIAL)

Burmese insurgents in the Irrawaddy Delta area are reported for the first time to be employing controlled mines in the inland waterways. Their method is to place logs on one side of a stream thereby forcing a vessel to proceed into an area where mines have been placed just above the water line on sticks. The mines are then detonated by pulling a wire leading from the mine to the shore. Although vessels have seldom been sunk by this type mine, holes as large as 5 feet in diameter have been blown in some naval craft. No information is available on the mines themselves other than that they are manufactured locally.

Since the start of the Burmese insurrection in 1948, Burma Navy craft have been patrolling the streams and providing the ground troops with logistic and gunfire support. Extended use of river mines could seriously impair operations of the navy, which has only a few craft and limited repair facilities.



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18. Korea-Use of Chinese Deserters as Political Agents

(SECRET)

Some recent officer deserters from the Chinese Communist Forces on close cross examination have been disclosed as being specially selected for infiltration. Three captured officers from 50 Chinese Army had previously been given a 90 day indoctrination course by the Political Section of their Military District, with particular instruction in methods of creating unrest in United Nations prisoners of war camps and inciting prisoners to escape. Forty-two others were undergoing similar training, and others were receiving 30 days lower level political training preparatory to desertion.

COMMENT: The enemy thus appears ready to embarrass the United Nations by supplying sources for further unfavourable propaganda in the prisoner of war compounds. Another principal use of these agents however, is likely to be in attempts to subvert various elements in South Korea as a whole.

19. Execution for Desertion in Chinese Communist Army

(SECRET)

The rate of desertions from both Chinese and North Korean Forces has declined recently. This decline may be attributed to the fact that the Chinese Communist Forces, according to a Chinese prisoner of war, have resorted to executions to discourage desertion, and reports indicate that the North Koreans have shot the relatives of deserters.

Executions have not been reported all along the front, and are apparently confined to two or three time offenders so far. The report came from the first deserter to be taken from 536 Regiment of the 60 CCF Corps since this formation came into the line in October 52. The same source has stated that compulsory attendance was ordered for at least one of these executions.

COMMENT: This is the first direct report of execution for desertion in the CCF. It is thought likely that this extreme measure will be ordered by local commands as a deterrent to political offenders.



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**COPY N° 139**

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# **JOINT INTELLIGENCE SUMMARY**

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WESTERN EUROPE

1. Nato Air Forces

(TOP SECRET)

On 30 September 1952, the North Atlantic Treaty Organization had a total operational strength of 2,009 aircraft. Even though this force is totally inadequate to defend Europe, it does represent an increase of more than 100 per cent from December 1951. The largest increase occurred in U.S. Air Force units which more than doubled their 1951 aircraft strengths from 246 aircraft in December 1951 to 576 aircraft in September 1952. Turkey, Greece and Canada had no aircraft assigned to NATO during 1951, but were well-represented in 1952. So far, Denmark and Norway have not assigned any aircraft to NATO control. British figures do not include "Home Command" assignments to NATO, i.e., those aircraft assigned to NATO but physically located in the U.K. for home defence.

2. Political Situation in France

(CONFIDENTIAL)

Although the new French Government has promised to seek changes in the European Defence Community Treaty in order to safeguard the independence of the French National Army, M. Mayer has promised to submit the Treaty to the Assembly without delay. The plan is to embody the proposed changes in protocols which could be negotiated with Germany while the Treaty is being considered by the Assembly. It is reported that what France hopes to obtain in these protocols is a provision enabling it to send its forces without delay to other parts of the Empire, and a provision for some measure of United Kingdom participation.

COMMENT: At the present time there is some doubt as to whether the new Government will survive to negotiate these protocols.

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### MIDDLE EAST

#### 3. United Kingdom - Iran Oil Dispute

(SECRET)

There are indications that the present negotiations being conducted between Mr. Henderson, the U.S. Ambassador to Iran, and Prime Minister Mossadegh with a view to settlement of the twenty months old U.K. - Iran oil dispute, will be successful.

The basic issue is now the settlement of claims and counter claims. It is understood that Prime Minister Mossadegh has agreed that all claims and counter-claims by either side be submitted to the International Court on condition of receiving immediate financial assistance and the removal of the U.K. ban on the sale of Iranian oil.

With reference to the problem of moving Iranian oil, the major oil companies will have to make alterations in their marketing arrangements and tanker routings. The U.S. is prepared to purchase 2 million tons of refined petroleum stored at Abadan for the sum of \$40 million in advance. The Anglo-Iranian Oil Company is prepared to purchase 8 to 10 million tons of crude oil in 1953 at a price of \$18 a ton.

Financial aid to Iran is to be extended by the U.K. and U.S. governments and will take the form of advances against the future sale of oil.

### FAR EAST AND SOUTH-EAST ASIA

#### 4. Arrest of Suspected Chinese Communists in the Philippines

(SECRET)

More than three hundred suspected Chinese Communists are reported to have been arrested in the Philippines. Those arrested include Chi Sen, who is believed to be the Secretary General of the Philippine Chinese Communist Board. This board, known also as the "Chinese Bureau", allegedly operates under Huk leadership and is believed to have supplied the Huks with money, arms and equipment.

COMMENT: Although Magsaysay, the Philippine Defence Secretary, is reported to have announced that the arrests had broken the back of the Chinese Communist Party in the Philippines, it is in fact unlikely that those arrested are of great significance to the Chinese Communist Party there. The Chinese Communist Party is active among the 500,000 Chinese residents of the Philippines and the financing of the Huks is only a small part of their activities.

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5. Amphibious Training by Chinese Communist Forces

(TOP SECRET)

It has been reported that amphibious training is being carried on by 31 Chinese Army, with 50 tanks attached, at Amoy (opposite Formosa). This tends to confirm an earlier report of the presence in Amoy harbour of motorized junks, each with a capacity of fifty to sixty troops, and in sufficient numbers to lift possibly one Chinese Army. The training of officers above the rank of major is specifically mentioned.

COMMENT: When trained, such a force will materially improve Chinese capabilities in the Hongkong area and possibly in South East Asia generally. There can no longer be any serious doubt that the Chinese Communists, if they wished, could easily displace the pockets of Nationalist troops on small islands adjacent to the mainland of China, one of which, Quemoy, is inside Greater Amoy harbour. The reference to training officers above major's rank is of interest because, prior to operations in Korea, one of the greatest weaknesses of the Chinese Communist forces lay in the lack of trained officers at intermediate levels between the very efficient High Command and the guerilla companies. Operations in Korea have provided the much needed opportunities for formation training.

6. Enemy Vehicle Traffic in Korea

(SECRET)

Sightings of enemy vehicles in Korea reached a record high figure on the night of 13-14 January 1953, with a total of 8,300 reported, of which 6,300 were southbound.

COMMENT: The previous record was on 29-30 November 1951, when a total of 7,900 vehicles were reported, with 5,000 southbound. Soon after this previous record, additional enemy formations were accepted as present in Korea. In this case (since the daily average is about 3,000 sightings) it once more seems probable that substantially more enemy troops have arrived in Korea. This thesis is borne out by various unconfirmed reports, though the formations involved are not yet accepted in the enemy order of battle. Another possibility, however, is that UN air strikes on rail lines and marshalling yards have forced the enemy to attempt more road traffic.

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7. Motorized Battalions for Japanese  
National Rural Police

(SECRET)

The Japanese National Safety Force has an auxiliary in the National Rural Police (NRP). The NRP intends to increase its motorized strength by 2400 men during the 1953 fiscal year providing it can get the necessary appropriation. The organization calls for a motorized company of 108 officers and men, and for a "battalion" of 220 men. It is believed that equipment will consist of trucks and wireless cars and in addition to light weapons. Personnel will be equipped with gas guns and gas masks. At present there are motorized units in 29 prefectures.

COMMENT: Although Communist subversive incidents have steadily decreased since August of last year, more than 2000 policemen were injured in 1952 in Communist-inspired riots.



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**COPY N° 139**

ISSUE NO. 41

3 Feb 53

# JOINT INTELLIGENCE SUMMARY

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SOVIET UNION AND SATELLITES

1. Airfield at Gryazi

(SECRET)

It is reliably reported from Moscow that eight MIG 15s were sighted at Gryazi airfield (52° 30'N - 39° 57'E) between 1 and 11 October 1952.

COMMENT: It would appear from this information that the above airfield has been rehabilitated and extended in recent years. Gryazi airfield was apparently used between 1939 and 1945 but no information has been received on it since then.

2. Soviet Union - British Fishing Rights

(SECRET)

The Soviet Union gave notice, in a note of 5 January 1953 of its intention to curtail the 1930 fishing agreement under which British trawlers fish off northern Russia. The agreement remains in force for six months after its denunciation.

COMMENT: One aim of the Soviet action may be to secure recognition of a 12-mile instead of a 3-mile limit to territorial waters. Removal of British ships by a further nine miles from the coast would be a considerable gain in security for the Soviet Union, especially now that the Northern Fleet is being strengthened. This is a further example of the Soviet Government's forward sea policy, and is the first official action of its kind since Russian lawyers declared last year that the Soviet Union possesses sovereign rights over Arctic waters east of a line drawn from the Norwegian frontier to the North Pole.

3. The Standard of Living of Soviet Workers 1913-1950

(CONFIDENTIAL)

During the last two months some further estimates of the standard of living in the Soviet Union have been published. The first, contained in a recently published booklet by the United States Department of State, maintains that in 1950 the average worker could buy with what he earned about two thirds as much as the average worker in St. Petersburg in 1913.

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Comparisons of this type bridging long historical periods have limited meaning, and sufficient allowance may not have been made for the shortening of hours and improved health, educational and social sciences of Soviet workers. If wages and prices alone are taken into account, however, the State Department estimate is probably of the right order of magnitude.

A second estimate has been made by the Oxford Institute of Statistics, which involves a comparison of British and Russian living standards. As might have been expected, this study indicates that the standard of life of the average Soviet worker's family is much lower than that of his opposite number in Britain. It is often said that the main reason for the low standard of life in the Soviet Union is the high percentage of the national product which is devoted to investment and defence. This is of course an important factor, but it is worth emphasizing that even if the Soviet people consumed 100 per cent of their production and did not spend a rouble on investment or defence, the standard of living in the Soviet Union would probably be no higher than that of Britain at the present time. As a rough estimate, the standard of living of the average Russian worker to-day is one fourth that of the average Canadian worker.

4. Czechoslovakia - Production of Soviet IL-10 Aircraft (SECRET)

Recent information indicates that serial production in Czechoslovakia of the Russian IL-10 piston-engined ground attack aircraft is now well under way. The first aircraft was probably completed in August, 1951, and a production of 10 to 15 a month reached in November, 1952. Production of the IL-10 is mainly done in the Jiriho Dimitrova factory at Prague/Cakovice but the tail units are thought to be manufactured at the Kunovice aircraft factory and the engines probably come from the Soviet Union.

It has been estimated that the planned peak output for the IL-10 is 15 a month, but it is doubtful if any firm figure can be estimated with the information presently available.

Since the IL-10 has not been produced in quantity for some years, it would be more reasonable to expect the Czechs to be assembling IL-10s drawn from Soviet stocks. There is evidence, however, that in spite of the obsolescence of the aircraft, the Czechs are producing rather than merely assembling the IL-10.

5. Mongolian's People's Republic - Aid to Korea (RESTRICTED)

Pyongyang Radio has announced that aid on a very large scale has been received in North Korea from the Mongolian Peoples' Republic. Quantities of fur clothing and food, including over 100,000 head of Mongolian cattle, have been sent to Korea since 1951.

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COMMENT: There may be some connection between this and the Sino-Soviet-Mongolian talks in Moscow in August and September 1952.

6. West German Air Force

(SECRET)

A senior German Officer, who is connected with the organization of the new West German Air Force, has recently offered comments on the future prospects of that force.

This German staff officer envisaged that aircraft, spares and all the major equipment connected with actual flying would come from Britain and the United States, while other supplies would come from various EDC countries, including Germany itself.

Concerning training, he felt that basic flying training would not take place in Germany initially, since there are at present no properly equipped airfields for such training. However, he felt that this training could be undertaken in Germany within a year following ratification of the treaty. The West German Air Force, he said, is to be separate from their army, and wholly integrated within the European Defence Community air forces.

It has also been suggested that two ex-Luftwaffe officers, Rudolf Meister and Hans Seidmann, both personal friends and consultants of Chancellor Adenauer, would most likely hold the "top" positions in the proposed West German Air Force.

INDOCHINA

7. Enemy Activity in the Plateau Area - Vietnam

(SECRET)

Viet Minh battalions are reported to have been conducting offensive operations in Southern Annam on the Moi Plateau. Posts 10 kilometers north-east and 15 kilometers north of An Khe have been taken by strong enemy night attacks, presumably by part of a reported Viet Minh force, equivalent to two regiments, totalling some 4,000 troops, advancing along the An Khe - Pleik axis. To counter these threats the French have reinforced their units in this area by shifting two parachute battalions from Tongking. Franco-Vietnamese forces, which are now positioned in depth from An Khe to Kontum and Pleik, consist of eight battalions, about 6,000 men, plus about 1,800 local troops.

COMMENT: This Franco-Vietnamese force supported by air power, is considered adequate to meet any immediate Viet Minh assault in the area. The seasonal weather in the Delta restricts use of paratroops there and the French appreciate that troops in the Delta can be diverted as there is little chance of a Viet Minh offensive in Tongking before

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These factors have permitted the French to release the two para-battalions, one of which was last reported in the Na Sam area, for employment in the Moi Plateau without weakening their overall position. The centre of the Plateau area of Vietnam lies some 200 kilometers south of Tourane and 400 kilometers north of Saigon. The possible opening of a new front in the Plateau area was first reported in June 1952, the significance being that here the Viet Minh may be able to operate on a divisional basis in an attempt to extend control in Southern Indochina.

8. Morale of Native Vietnam Forces

(SECRET)

French officers consider that, during the first six weeks of the present Viet Minh campaign in Tonkin and viewing the situation as a whole, the staunchness of the native troops has surpassed expectations. There have been instances of great courage and tenacity, for example, during operations at Phat Diem in the southern extremity of the Delta.

There have been, however, defections from the Vietnam forces inside the Delta, and there is concern over the security of a Vietnamese autonomous zone established around Hung Yen, some 50 kilometers south-east of Hanoi.

COMMENT: There is reason to believe that morale is higher among native troops operating under or in close association with French troops than when left entirely to themselves.

9. Viet Minh Food Supplies

(CONFIDENTIAL)

Viet Minh efforts to smuggle food supplies out of French-held territory and to obtain stocks by raiding French dumps have apparently largely failed. There is evidence to show that hunger and deficiency diseases are widespread in Viet Minh held territories.

Viet Minh prospects for improved food supply in 1953 are likely to be even worse than in the recent past, owing to French air action against irrigation works and the shortage of agricultural labour. Furthermore, there has been a comparative failure of the recent rice harvest in Than Hoa an important Viet Minh rice producing area, northwest of the Tongking Delta.

The Viet Minh Council of Ministers have stressed the importance, in their programme for 1953, of increased production, new irrigation projects and efforts to improve living conditions.

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COMMENT: French air action can be expected to reduce still further rice harvesting in 1953 as it will not be possible for the Viet Minh to maintain all the necessary water levels, even in the areas cultivated at present.

In addition, the diversion of considerable effort by the Viet Minh from military to economic improvement may mean that their offensive action in the first half of 1953 may be limited, unless China is prepared to deliver rice into selected military channels.

These efforts on the part of the French, may cause them trouble in the propaganda field and is fairly certain to make them unpopular with the population of the Viet Minh held territories.

#### FAR EAST

#### 10. Trade Between China and Ceylon (RESTRICTED)

The Five-Year Trade Agreement outlined in para 13 of Issue No 30 between the Communist Chinese government and the non-Communist government of Ceylon has been signed in Peking and ratified by both governments. The agreement is a government contract at both ends, the Singhalese government "contracting to sell" rubber in the quantities stipulated rather than allowing the export of rubber as before. The export of rubber is 'tied' to the import of rice. The accounts will be adjusted in sterling every three months, but should nearly balance if each side fulfils its deliveries on time.

The Chinese government has agreed to export 270,000 metric tons of rice, instead of the 200,000 mentioned earlier in the draft, in exchange for 50,000 tons of sheet rubber annually.

Not only are the Chinese paying more than the prevailing market price f.o.b. Singapore for rubber, they are also selling their rice at a discount, compared with Far Eastern prices. The discount on the price of rice is about 30% and the price paid for rubber is about 30% higher than the world price at the end of November. This price has since risen slightly.

COMMENT: The Singhalese government refused to sell this rubber to the United States at world prices. It is also reported that Ceylon had requested a \$50 million aid economic programme from the United States for the next five years as part of the condition for selling rubber to them. Ceylon also complained that the United States charged too much for rice. In any case the United States has only allocated 32,850 tons of rice to Ceylon for the 8 month period, August 1952 to March 1953, which is small in comparison with what China will supply.

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It is assumed that Polish ships will continue to carry the rubber to China but ships from countries outside the Soviet bloc will probably be chartered to carry the rice which is about six times as bulky as the rubber.

It is reported from Colombo that negotiations are taking place between China and Indonesia concerning an exchange of rubber for rice.

#### KOREA

#### 11. Friendly Guerrillas in North Korea

(SECRET)

The organization of the friendly guerrilla forces operating in North Korea is slowly improving. Up to December, 1952, these forces were alluded to as "friendly guerrillas". Since that date, reports refer to activities of specified battalions of 1 and 2 Partisan Infantry Regiments. To date, elements of ten battalions of 1 Partisan Infantry Regiment and of eight battalions of 2 Partisan Infantry Regiments, have been reported as taking part in operations in enemy territory.

COMMENT: All forays into enemy territory so far reported have occurred in Hwanghae Province and for the most part are carried by sea, though one parachute party was recently dropped. Little information exists as to the strength of the individual battalions as detachments only have been involved.

Based on the United Nations held islands, Sokto, Chodo and Sunwido, the partisans are reported in some instances to have United States officers in charge of organization.

Hwanghae Province is on the West Coast and includes the Ongjin Peninsula which, because it dips south of the 38th Parallel, was the scene of many incidents during the occupation. Part of the "North Korean Farmers Army" is believed to have been assigned to the defence of the province.

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12. Increase in Chinese Communist Forces in Korea (SECRET)

The 46 Chinese Communist Army is now accepted in Korea with an approximate strength of 36,000. This army is considered to be subordinate to 13 CCF Army Group, but no firm location has been accepted.

COMMENT: The total number of CCF Armies in Korea, with the addition of 46 Army is now raised to eighteen, with a total of some fifty-four infantry divisions. 13 CCF Army Group contains, in addition to 46 Army, 40, 47 and 38 CCF Armies which already are in contact on the West Central front; 39 CCF Army, in rear in the vicinity of Pyongyang; 50 CCF Army in the rear near Chonju. 42 CCF Army may now be in the vicinity of Singye, which is located in the immediate rear of the West Central front.

The recently reported increase in traffic on the western rail supply route is a further indication of considerable CCF regrouping.

13. Animal Transport in North Korea (SECRET)

The enemy in Korea is increasing his horse-drawn transport. it is reported that approximately 400,000 horses are being imported into North Korea from Mongolia, Manchuria, and Russia, and that horse training establishments are being operated by the North Korean Peoples Army.

COMMENTS: Though there are constant sightings of motor vehicles, on a fairly large scale, what is known of enemy war establishment tables indicates a lack of motor transport. The enemy in Korea is therefore forced to turn to animal transport including horses and oxen. In many locations the terrain favours the use of horses over trucks. The enemy will probably continue and even increase the use of horses in maintenance roles.



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## SOVIET UNION AND SATELLITES

### 1. IL-28 Production at Voronezh - USSR (TOP SECRET)

A number of aircraft were recently observed on the airfield at Voronezh West. The aircraft were standing on the tarmac in front of the factory area at a distance of about two miles from point of observation. Although it was difficult to see the fuselage shape at that distance, the shape, and pronounced sweep-back of the fins and rudders was that of the IL-28. This was confirmed by viewing from several different positions. One other item of interest, associated with the sighting of these aircraft, was the new, long runway, estimated to be between 1700 and 1800 yards in length.

COMMENT: On very tentative evidence it has previously been estimated that the Soviets were producing IL-28's at Voronezh and Omsk (at rate of 25 aircraft per month at Voronezh, and 20 aircraft per month at Omsk). The above report would seem to confirm this estimate.

### 2. Soviet Rail Gauges - The Third Rail System (SECRET)

Information obtained from a Russian railwayman of some standing and wide experience may confirm rumors that a third rail system has been developed to enable standard gauge (4'8½") and Russian broad gauge (5'0") trains to use the same trackage.

Apparently two light rails were fastened together with just enough space for a wheel flange being left between them. This arrangement provides two gauges, one 2 mm (.078 inches) less than standard gauge, the other 9 mm (.354 inches) more than Russian gauge.

The disadvantages of this system are:

- (a) The light rail restricts the permissible axle load.
- (b) Speed has to be reduced to 15 mph to avoid derailments.
- (c) Rail fastenings require almost continuous inspection to ensure they are secure.
- (d) Owing to the constant contact between the side of the wheel flange and the inner rail lubrication is necessary.
- (e) Rails wear more rapidly than usual.

Because of the excessive maintenance required and the lack of safety in train movement, the system is normally used only at installations such as workshops, round houses, turn tables, coaling stages, etc. It is not normally used on running lines as when it has been tried the results have been unsatisfactory.

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COMMENT: While useful for special purposes, the third rail system does not eliminate the necessity of transshipping goods moving between the Soviet Union and Eastern or Western Europe. In an emergency, the system could be used to move East-West traffic relatively short distances without transshipment.

In war, the most important advantage would probably be that transshipment points could be dispersed and made less vulnerable to air attacks.

In connection with the problem of different railway gauges the current American experiments with a variable gauge locomotive are of interest. These are taking place on the Hudson Bay Railway with a locomotive which can be adjusted to run on 5'0", 5'3" and 5'6" gauge as well as standard gauge tracks.

3. Volkspolizei - Luft Order of Battle

(SECRET)

From evidence available it is accepted that the order of battle of the East German Air Force (VPL) is as follows:-

- (a) Headquarters of VPL at Berlin/Johannistal.
- (b) Headquarters 1st Air Fighter Division at present based at Cottbus (50 miles NE of Dresden). This headquarters is reported as due to move shortly to Bautzen (35 miles ENE of Dresden).
- (c) The 1st Air Regiment at Cottbus.  
The 2nd Air Regiment at Kamewz (25 miles NE of Dresden).  
The 3rd Air Regiment at Bautzen.

Equipment in each case comprises Yak 18s and some Yak 11s.

In addition, it is reported that two proposed Bomber Regiments will be based at Drewitz (65 miles NNE of Dresden) when airfield construction is completed.

COMMENT: Flying training on Yak 18s has been in progress at the above airfields since August/September 1952. Drewitz is at present being reconstructed and enlarged.

SOUTH AMERICA

4. Argentine - New Chief of Naval Operations

(SECRET)

Vice Admiral Ramon A. Brunet relieved Admiral Ernesto R. Villanueva on 8 January. He is fifty-one. He is regarded as capable and popular

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despite his quiet manner. He is believed to be politically detached and if anything to have little sympathy for the regime.

5. Argentine Antarctic Expedition

(SECRET)

The Argentine Antarctic expedition stationed at the base of General San Martin has claimed sovereignty over Mobilori Bay in the Weddell Sea - 40 days march from their base - and renamed the bay "Eva Peron".

There is no news of the movements of the Argentine Antarctic Naval Task Force which presumably will visit the Argentine bases in turn. The patrol based at General San Martin is generally visited about February or March. On 15 January, a press report stated that an Argentine lighthouse had been set up on Harmony Point Nelson Island, South Shetlands.

The Argentine Antarctic Air Task Force is confining its activities to gaining experience in difficult weather conditions and operating from the Ventisquero Moreno glaciers in the extreme south of the Argentine mainland.

6. Brazil - Development of Naval Bases

(SECRET)

Reviewing the Navy's activities in 1952 and its plans for the future, the Brazilian Chief of Naval Staff, Admiral Raul San Thiago Dantas, said that work was progressing in the naval bases of Val de Cans, Natal, Recife, Aratu and Ladario. A start had also been made in the building of the installations for the naval forces entrusted with the task of protecting the waterways bordering on the Republics of the Plata basin. Plans were being prepared for building a naval arms factory.

7. Chilean Antarctic Operations

(SECRET)

The relief of the three Chilean bases in the Antarctic is being carried out. The relief of the military garrison at the Bernardo O'Higgins base (Cap Leguipil), the work of re-stocking the base with supplies and repairing buildings is in progress.

The Gonzalez Videla base in Paradise Bay (69 degrees, 55 mins, South 62 degrees, 50 mins East) is so far inaccessible due to ice. There is no information of the third base on Greenwich Island.

The composition of the Chilean Antarctic Task Force has been changed by replacing the transport Presidente Pinto by the oil tanker Maipo. Apart from this, the Task Force is identical with the 1951-52 Task Force.

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WESTERN EUROPE

8. Yugoslav Food Situation

(CONFIDENTIAL)

Food shortages resulting from the serious draught last summer are causing grave concern to the Yugoslav Government which so far has been unable to arrange for adequate supplementary supplies to meet minimum needs.

An F.A.O. mission has confirmed the gravity of the situation and its report indicates that there will be famine in certain areas. The United States has responded to a Yugoslav appeal with a special grant of \$20 million in addition to the \$78 million grant given in tripartite aid.

SCANDINAVIA

9. Norwegian Foreign Policy

(UNCLASSIFIED)

On 10 January the Norwegian Foreign Minister gave a review of Norwegian foreign policy. The following were the main points covered:

- (a) Korea: There was a desire in the United States for either an honourable negotiated peace, or a greater military effort which would secure a full victory. Presumably Churchill had made it clear to Eisenhower that Britain was firmly opposed to the dangers of this latter policy. The positional war would probably continue in Korea, as Eisenhower was hardly likely to agree to the concessions which Stalin would demand in any Great-Power negotiations.
- (b) Tunisia and Morocco: The national movements there could not be halted, and the time of colonial empires was past.
- (c) Spain: Norway had been opposed to the admission of Spain to UNESCO, and would not be alone in refusing Spanish membership of NATO.
- (d) U.N. Employees: Member countries must insist that the deciding authority on this subject should be with the U.N.
- (e) European Economic Situation: A concretely framed working plan was needed to define the obligations in economic objectives to be undertaken by OEEC members.
- (f) Defence: Norway would have to make some exceptions to the NATO demand that she raise the quality of her forces. Norway's policy of refusing foreign bases on her soil is unchanged.
- (g) Indochina: The three states there would be granted self-government as soon as possible, and there should be social and economic reforms. The NATO resolution did not imply any fresh obligations for Norway.
- (h) E.D.C.: It might be necessary for Norway to consider whether she could cooperate more closely in the matter.

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In conclusion Mr. Lange expressed the opinion that as the Soviet Union does not have superiority in atomic weapons, it does not desire a full scale war at the present time. He said that Norway's foreign policy must be concentrated on cooperation with Atlantic countries but these nations must increase their aid to underdeveloped areas.

10. Criticism of NATO in Norway

(RESTRICTED)

Until a couple of months ago uneasiness about the Governments's NATO policy was somewhat vague and inarticulate. Recently, however, this policy has become a subject of heated debate in both the press and radio and at the present time the opponents of NATO seem to have the advantage.

In many cases the emotional basis of this criticism is a fear and suspicion of German militarism. In general this criticism is directed at: the increasing dominance of military and strategic considerations in NATO; the intention to rearm West Germany and admit it to membership in NATO; the approach to the inclusion of Spain; the endorsement of imperialism in Tunisia, Morocco and Indochina; and the domination of an unpredictable and inexperienced Great Power.

COMMENT: The critics of Norway's NATO policy are non-communists and highly articulate. In addition, as the Government well knows, they are not unimportant.

11. Finland - Building of Icebreakers for the Soviet Union (SECRET)

Recent reports show that the following icebreakers are being constructed in Finland for delivery to the Soviet Union: three large icebreakers of over 85 metres in length, powered by six Diesel motors giving a total of 12,000 H.P. which are being built at the Mitalahti shipyard of Helsingfors, and twelve small icebreakers of 1,200 tons similar to the 'Vilppu' which are being built at the S.W. Hollming shipyards.

COMMENT: These new orders are of interest for the following reasons:-

- (i) They tend to confirm the view that the Soviet Union intends to continue to build up the use of the Northern Sea Route, and
- (ii) They contribute to the Soviet policy of having their new merchant ships built abroad whilst their own major shipyards are devoted solely to the construction of warships.

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MIDDLE EAST

12. Turkey's Use of American Mutual Security Aid (SECRET)

Turkey provides a concrete example of how United States economic aid can increase the military strength of an under-developed country. By investing in civilian fields, rather than military, Turkey has succeeded in expanding its economy in order to support increasing military costs.

From the commencement of the Turkish aid program in 1947 until the end of the United States fiscal year on 30 June 1953, it is estimated that Turkey will have received \$400 million in the form of economic aid in addition to approximately \$700 million worth of military equipment.

A large part of American economic aid has been utilized for the import of food and raw materials, but nearly half the total is represented by imports of machinery and industrial equipment. In addition, the Turkish government has been required to provide local funds equal to 95 per cent of the value of U.S. economic aid for various projects approved by the Mutual Security Agency. This counterpart expenditure has been almost equally divided between military expenditure, largely for roads, airfields and barracks and civilian investment, principally in the promotion of production in basic industries.

The effect of this stimulation of the Turkish economy is seen in the fact that total national output rose 23 per cent over three years from the equivalent of \$3,165 million 1948 to \$3,910 million in 1951 and is estimated to have increased a further 7 per cent in 1952. The value of this addition to the national output has, over the three year period, amounted to nearly four times the total value of American economic aid. Per capita income has increased from the equivalent of \$157 a year in 1948 to \$177 a year in 1951, despite a population increase of two per cent a year.

In 1948 defence expenditure, at the equivalent of \$185 million, represented 6 per cent of total national output. In each year since 1950 defence expenditure has been an almost constant 8 per cent of total national output, but due to the increase in output has risen from \$276 million in fiscal year 1950/51 (March 1950 to Feb. 1951) to \$324 million in the 1952/53 fiscal year.

Expenditure on military equipment represents only a small proportion of Turkish military budgets (7 per cent in fiscal years 1952/53 and 53/54 comprising about \$7 million on equipment and parts and \$11.4 million on ammunition). The existing defence industries, which are capable of producing only light equipment, are currently operating at only 25 per cent of capacity due to the decision of the government to apply the major portion of available funds to personnel costs operating expenditure and military construction. Almost all the military equipment required to fulfill the defence program is projected to be received through American M.D.A.P. aid.



SOUTH ASIA

13. Burma - Operations by Government Forces (SECRET)

Operations by Burmese Central Government troops against the Burmese Communist Party in the area of Yamethin begun in mid-December 1952, appear to have ended. The Burma War Office has reported the area to be cleared, by have given no figures on surrender nor casualties.

The secondary operation against the Moslem insurgents (Mujahids) in the Akyab area has apparently led to the capture of their stronghold but the insurgent leader Cassim escaped.

COMMENT: Both these operations, first reported in our issue No. 36 of 30 December 52 which were launched with great publicity, have petered out. An unconfirmed report states that the Burmese Communists received advance warning and were able to get out of the area before the Government troops arrived.

SOUTH EAST ASIA

14. Indochina - Refit of French Carrier Arromanches (SECRET)

It is understood that the French carrier Arromanches is due to leave Indochina on 1 March for a long refit in France, almost certainly at Toulon. This is a routine refit and not on account of any special defects.

15. Soviet Equipment in Viet-Minh (SECRET)

During French operations in Indochina in December 1952, four Soviet manufactured trucks were captured. These trucks have been identified from photographs as GAZ 63, four-wheeled drive, 2 ton vehicles.

COMMENT: The equipment situation of the Viet-Minh forces has been improving since February 1950 when Communist China began to assist in this regard. Until recently, the small arms, artillery and vehicles in use have been a miscellaneous collection of American, French, British and Japanese. The possession of unspecified types of armour has been rumoured but not confirmed. During recent months it has also been reported but not confirmed that Soviet small arms, artillery and transport are being supplied. The recent capture of trucks, however, is the first confirmed evidence.

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16. Submarine Sightings in South Celebes

(SECRET)

The naval commander of the South Celebes Marine area has recently stated that the reports of the presence of submarines in the waters of South Celebes could not be confirmed because there was no conclusive evidence. Naval patrols would be continued but he expressed the hope (no doubt for the benefit of the Army through which submarine sightings are continually reported) that the utmost care should be exercised in reporting the presence of submarines because of the adverse effect of such reports on the population. The harbour master of Makassar pointed out that he considered that the presence of patrol boats, torpedo boats and Higgins boats in Makassar waters often confused people into "seeing" submarines.

COMMENT: It is noteworthy that the Indonesian Navy displays a greater responsibility and calmer approach to the problem than the Army which is only too ready to find indications of outside help to the rebels it cannot subdue through its own inefficiency.

17. South Celebes Minister of Defence

(SECRET)

No new Minister of Defence has been appointed in the South Celebes and the cabinet has refused to accept the resignation of the new Chief of Staff. Meanwhile the usurping Army Commander in the South Celebes remains in control.

18. Republic of Korea Divisions

(TOP SECRET)

There are at present twelve ROK infantry divisions of which eleven are in the front line. In addition, there are in training six infantry regiments which can be expected to form two more divisions, plus one Marine regiment which may be expanded to one division.

COMMENT: The twenty United Nations divisions are now disposed as follows: The UN front line has, besides the eleven ROK divisions, four American infantry divisions and one American Marine division. In immediate reserve there are two American infantry divisions, one British Commonwealth division, and one ROK division. The Commonwealth division less artillery is in reserve some ten miles behind the front line, while its artillery remains in action. The Commonwealth division has been in the line as a formation since its organization on 28 Jul 51.

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(unless otherwise classified)

19. South Korea Military Economy

(TOP SECRET)

President Syngmann Rhee and high Republic of Korea officials are seriously concerned over the effect on the Korean economy of the increasing ROK military effort.

Finance Minister Paik Tu Chin, in presenting the local currency budget for the fiscal year beginning 1 April 53, declared that projected expenditures will exceed anticipated revenues by over five trillion won (over \$220 million). Paik indicated that over seventy per cent of the budget was for the ROK forces and advanced the statement that ROK allies should therefore substantially increase their financial aid.

The proposed local-currency military budget for the next fiscal year (which provides for greatly expanded ROK forces and salary increases for the ROK armed service personnel) is over four times larger than ROK military expenditures in the current fiscal year.

COMMENT: There is no possibility of South Korea financing its own military forces. Outside assistance is necessary to sustain the whole economy on a working basis and it seems probable that increased assistance will be forthcoming. Nevertheless, there is the immediate danger that delay will cause disruption of essential military logistic services now being performed by ROKA behind the lines, with the consequent danger of collapse of morale in ROK forward formations. These dangers are likely to increase in direct proportion to any increase in ROK responsibility for its own defence.

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SOVIET UNION AND SATELLITES

1. The Soviet Economy in 1952

(SECRET)

According to published statements, the State Plan for 1952 was generally fulfilled, although several ministries failed to meet their targets. The report on the plan claims that national income, industrial production and capital construction each increased by 11 per cent as compared with 1951, while the standard of living rose by 7-8 per cent.

These claimed increases are lower than for the previous year, reflecting lower increases in the labour force and productivity. The non-agricultural labour force increased by only 900,000 in 1952 compared with 1.6 million in 1951 and an average of 2 million during the Fourth Five Year Plan. This lower increase is partly due to the expansion of secondary education.

All major industrial commodities, such as coal, steel and oil achieved their planned growth and, with the exception of oil, appear to be favourably placed to reach the goals set by the Five-Year Plan. The rise in the production of oil equipment in 1952 may point to a higher rate of growth next year.

The transportation plan was fulfilled by the railways and ocean shipping but underfulfilled by river shipping. In 1952, railway freight turnover increased by 9 per cent, river-borne cargo by 12 per cent, sea-borne cargo by 9 per cent and road transport by 15 per cent.

COMMENT: The first two years of the new Five-Year Plan have now been completed, and in each of these years the budget called for an increase in the defence effort of the order of 20-25 per cent. It is difficult to uncover the impact of this increased defence effort in the outline of the plan results, but it appears that around half of the total increase in production achieved in 1952 may have been taken up by the expansion of the defence effort.

2. Overhaul of Soviet Icebreaker "Ernak" at Antwerp

(SECRET)

The fifty-four year old 5,000 ton Soviet icebreaker Ernak completed a fifteen month major overhaul at Antwerp a short time ago. During this refit, one thousand tons of structural steelwork, all main engine crankshafts and condenser tubes, as well as hundreds of boiler tubes were renewed; many other important repairs and alterations were also carried out.

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COMMENT: The extensive repair and modernisation refit carried out on this vessel, which was built for the Russians by Armstrong Whitworths, Newcastle Yard, and completed in 1899, demonstrates the Soviet practice and ability in operating ships long after their normal life would have expired. When, in March 1949 this vessel's 50th anniversary was celebrated, her crew were reported to have declared that 'the ship was in full working order and ready for new expeditions'.

### SOUTH AMERICA

#### 3. Argentine and Chilean Activity in the Antarctic (SECRET)

On 14 January, the Argentine naval party from the Argentine task force at present in the Antarctic, established a hut and hoisted the Argentine flag on the football pitch on Deception Island. The commander of the Argentine base on the island assured the British base commander that he was not concerned in this act.

It is reported that the Chileans have established a base on Deception Island which would now bring the total number of Chilean bases in the Falkland Island dependencies up to four.

HMS "Snipe" visited Deception Island from 17 to 22 January.

The present disposition of the Argentine and Chilean Antarctic task forces are unknown. However, they are known to consist of the following: -

Argentine Task Force	2 transports
	1 oil tanker
	3 hydrographic tugs
Chilean Task Force	1 frigate
	1 tanker
	2 patrol ships.

#### 4. The John Biscoe

The Falkland Islands Dependencies Survey Ship, John Biscoe whose activities are sponsored by the Colonial Office for the maintenance of British sovereignty in the area and the relief of the seven bases located there, sailed from Port Stanley to Montevideo on 23 January for repairs to rudder and steering gear. She is unlikely to return to the area before the last week in February.

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EUROPE

5. NATO Bases in Norway

(SECRET)

According to the Norwegian Foreign Minister, no change in the Norwegian attitude on bases can be expected in the near future. Norwegian public opinion is not prepared to go further at this time.

In the view of the Minister, as bases are constructed and it becomes obvious that the Norwegians themselves are not able to equip them, public opinion might change gradually.

6. France - Naval Construction

(SECRET)

The 1st Class Escorts *Surcouf*, *Kersaint* and *Bouvet* will be launched at Lorient on 1 July next. After the launching, *Maille Breze* and *Vauquelin* will be laid down at the same yard.

NEAR EAST

7. Israel - Jordan Border Incident

(SECRET)

Border incidents between Israel and Jordan continue, and on two recent occasions attacking Israel forces have been supported by tanks and armoured cars.

A vigorous Israel press campaign has accompanied these incidents in which the Jordan government has been accused of encouraging large-scale marauding forays into Israeli territory.

After investigation, the Israel-Jordan United Armistice Commission condemned Israel for breach of the 1948 Armistices Agreement.

COMMENT: Israel's motives for staging such provocative attacks are not clear, and their continuation is disquieting.

Despite Israeli attacks on areas in which detachments of the Arab Legion were located, the legion has carefully refrained from taking any action, as part of the government's policy of not providing Israel with any pretext for enlarging the present area of conflict.

It is possible that the Israelis may wish to provoke the Arabs into retaliatory attacks, with the intention of citing such attacks to demonstrate to the Western world the inadvisability of furnishing further arms aid to the Arab States.



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8. France-Vietnamese Operations in the Central Sector (SECRET)

A Franco-Vietnamese force of several battalions was landed at the small port of Qui Nhon on 29 Jan 53. The area was held by elements of two Viet Minh regiments (not by divisions, as reported in the press.) Primary intention of the attack is to relieve pressure on the French and Vietnamese forces in the An Khe area, some 40 miles inland.

COMMENT: The occupation of Qui Nhon means that Viet Minh communications north and south by road and rail have been cut and a force inserted behind their main drive down the An Khe - Pleiku axis. This should cause considerable dislocation of their plans.

9. Dutch Military Mission in Indochina (SECRET)

Negotiations with the Dutch on the future position of the Dutch Military Mission (which contains the Naval Element) in Indonesia will begin in March. The Indonesian statement on the subject is that the talks would be conducted through regular diplomatic channels.

10. Anti-Smuggling Measures in Indonesia (SECRET)

The Maritime Police patrol boat, Antung, made a trial run in Macassar Straits on 15 January.

When formerly in service in the Riouw Archipelago, the Antung captured 19 smuggling vessels with contraband rubber for Singapore.

Indonesia now has nine patrol boats on inter-insular service, and five more motor boats will arrive shortly.

KOREA

11. New Republic of Korea Formations (TOP SECRET)

Two additional Republic of Korea divisions are now in the process of forming, authorization having been received on 6 February 1953. One division will be composed of three out of six training regiments now organized in Korea.

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COMMENT: The addition of two new Republic of Korea divisions to the United Nations order of battle would raise the total number of United Nations divisions to twenty-two, of which fourteen will be South Korean divisions. No information is available as to when the new formations will be sufficiently trained for operations, but if the bulk of the second new division is made up of recruits it will be some months before it emerges as an effective fighting formation.

## 12. North Korean Propaganda Campaign

(SECRET)

A new propaganda campaign with the apparent aim of promoting defection of United Nations personnel, particularly Republic of Korea troops, is being developed by the North Korean radio.

This propaganda makes the following appeals:

- (a) South Korean deserters will not be questioned on their past and will be made citizens of the "Democratic People's Republic".
- (b) Rewards are promised to those who bring their weapons and inflict casualties upon United Nations personnel in deserting.
- (c) Positions are promised in the North Korean People's Army in the same rank or higher, as well as employment, land and education ( or a combination of these) with similar benefits to dependents.
- (d) Similar benefits are promised for ex-North Korean People's Army and civilian defectors from North Korea.
- (e) Special favours are offered to United Nation deserters other than Republic of Korea army personnel.

COMMENT: In following this propaganda line the Communists, although rejecting the United Nations principle of no-forced repatriation of prisoners of war, are in fact promising no-forced repatriation to deserters from the United Nations Command.

The Communists may also use these offers in the future to support propaganda claims that certain United Nations prisoners of war in Communist hands prefer residence in North Korea to repatriation to their homelands.

Republic of Korea troops captured earlier in the war are known to have been impressed in the North Korean People's Army.

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13. Enemy Field Works in Korea

(SECRET)

Extensive coastal and field fortifications and reports of the existence of numerous minefields in the vicinity of Tong Chon indicate that the enemy is making extensive preparations for the defense of the area against possible invasion from the sea by United Nations forces.

COMMENT: Tong Chon is located close to the sea coast some forty miles north of the eastern end of the United Nations main line of resistance. Strengthening the defenses in this area is in line with the enemy's growing sensitivity toward the possibility of United Nations seaborne assaults north of the present line of contact.

14. Increase of Chinese Communist Forces in Korea

(SECRET)

Acceptance in Korea of the 67 Division of the 23 CCF Army and of the 24 CCF Army has raised enemy strengths by 46,000. Chinese Communist Forces in Korea now number 840,000, an all-time high.

67 Division is tentatively accepted in contact opposite 7 US Division on the West Central Front. 24 CCF Army has relieved 15 CCF Army opposite 3 US Division on the Central Front.

46 CCF Division (previously carried unlocated) is now accepted opposite 2 US Division on the Western Front.

COMMENT: Total enemy strength in Korea, including 289,000 North Korean People's Army and the 840,000 Chinese, has now risen to 1,129,000, an increase of 84,000 since November 1952.



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SOVIET UNION AND SATELLITES

1. Soviet Cruisers

(SECRET)

A modern large cruiser with the name Shcherbakov was recently sighted in the western end of the Gulf of Finland. This is considered to be Sverdlov No. 5 which is the latest to be doing trails in that area. The names of the other Sverdlov Class cruisers are thought to be:

No. 1 Sverdlov;

2 One of the following: Ordzhonikidze, Dzerzhinski, Vorovskoi;

3 Zhdanov;

4 Aleksandra Kolontai.

2. Most Economical Speeds of Modern Soviet Major Warships

(SECRET)

A recent report of fair reliability speaks of Russian "O" Type II Destroyers entering the Kola Inlet at a speed estimated to be between 18 and 20 knots. Several other reports have also indicated that modern Soviet cruisers and destroyers have proceeded on passage to and from exercise areas at similar speeds.

COMMENT: It is known from official Russian documents that the most economical speeds of the pre-war cruiser Kirov and Gnevny Class destroyers are 18 and 20 knots respectively. The recent reports mentioned above seem to indicate that Soviet cruisers and destroyers of post-war construction are also designed for similar, comparatively high, most economical speeds.

3. Production of Amphibious Vehicles and  
Assault Boats in East Germany

(TOP SECRET)

A reliable report has been received stating that the Soviets have ordered East German officials to give priority during 1953 to the development for the Soviet Army of two types of amphibious vehicles. This report is the first to provide any information on

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efforts to produce amphibious vehicles in East Germany. There have been previous reports that the Russians were producing in the Soviet Union their own version of the DUKW and possibly an amphibious jeep. A recent photograph taken in Russia of a DUKW, somewhat different to the Lend Lease model, would tend to confirm the previous reports. In addition, a recent defector has given added weight to previous intelligence that East German firms have received an order from the Soviet Control Commission for 66 powered assault boats, 26 feet in length, with 8 ft beam and 20 in draft. These boats were to be flat bottomed and designed for beaching.

COMMENT: In view of the emphasis on river crossing during Soviet Army training exercises in recent years, it is not surprising that efforts are being made to initiate production of both amphibious vehicles and shallow-draft assault craft. The offensive capabilities of the Soviet Army would be increased by the acquisition of such equipment in quantity.

#### 4. Trade of the East European Satellites

(RESTRICTED)

The occasion of the fourth anniversary of the founding of the Council for Mutual Economic Assistance was marked by the publication of articles in the Soviet and Satellite press on foreign trade and economic co-operation between the members of the Soviet Bloc.

Before the war the East European states had only a small part of their trade with the Soviet Union and with each other. In 1951 this share had risen to 65% (from 12% in 1937) and was still higher in 1952. Most closely linked in trade with the bloc are Bulgaria, Roumania and Hungary. Poland and Czechoslovakia still have 25% or more of their trade with the non-Communist world.

While the Satellites must still import many industrial raw materials and industrial equipment mainly from within the bloc, they now export many lines of industrial products as well as foodstuffs and certain raw materials. Poland, for example, exports railway rolling stock as well as coal, and Roumania exports oil equipment and chemical products as well as oil and oil products. Czechoslovakia now exports many products from her reconstructed heavy industry. East Germany is an important supplier of chemicals, machine tools, products of the electrical engineering industry and optical and precision instruments.

The Soviet Union itself now claims to have 80% of its trade with the East European satellites and the Chinese People's Republic.

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Foreign trade is the most important means for bringing about the planned co-ordination of the Soviet economy with the economy of the countries of Eastern Europe. In fact, fulfilling export orders has become an important part of plan fulfilment in each Satellite.

COMMENT: While the Soviet Union still professes to desire trade with non-Communist countries, it also urges the East European Satellites to make themselves "independent of capitalists countries" by producing their own raw materials and buying the equipment they need from within the bloc. Its progress in this direction was aided by the export controls policy of NATO countries and by the embargoes against the Chinese People's Republic. Chinese trade is now 70% with the Soviet Bloc.

5. Increase in the Production of Armoured Fighting Vehicles in Czechoslovakia

(SECRET)

There are indications that since 1950 the output of Armoured Fighting Vehicles in Czechoslovakia has expanded to a significant level and that production is standardized on the Soviet type T-34/85 medium tank. Between 1945-50 only 250 light self-propelled guns and 20 light Czechoslovakia type tanks were produced. Actual output figures for 1951/52 cannot be assessed but it is reported that between August and September 1952 fifteen new tanks were delivered by one factory at Turckiansky Svaty Martin. This new factory, which was originally intended for the production of cranes and locomotives, is reported to have turned over to the production of tank hulls in May, 1951, and by now may be doing complete assembly. Reports on two additional Armoured Fighting Vehicle plants at Detva and Hrinova state that efforts are being made to get them into production this year. While there is no direct evidence, it is probable that the Skoda Works at Plzen and the C.K.D. plant at Prague-Liben, which were responsible for the assembly of all Armoured Fighting Vehicles produced in Czechoslovakia during the Second World War, are producing tank engines. In addition, tank hulls, turrets and castings are reported at various other plants.

COMMENT: It is impossible on our present evidence to attempt an estimate of total Armoured Fighting Vehicles production in Czechoslovakia, or to break down production by types.

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Production of Armoured Fighting Vehicles in the postwar period to the end of 1950 was negligible, but such reports as we have since that time suggest that increasing emphasis is being placed on Armoured Fighting Vehicles production for which Czechoslovakia has the largest capacity of any Satellite.

#### WESTERN EUROPE

##### 6. Attitude of the Netherlands to European Integration (SECRET)

The opinion of Dutch authorities is that economic integration must accompany the creation of a European Political authority and that, in a specified number of years, a complete Tariff Community or customs union to include as many countries of Europe as possible must be established. In the meantime they believe that a start should be made in removing trade barriers and in doing so the central community could administer "safeguard clauses" designed to protect national interests.

It is the hope of the Netherlands that economic integration will be the main topic at the forthcoming Rome meeting (February 24) of ministers of the E.D.C. countries. The Dutch are hoping for support for their proposals from the Italians and possibly the Germans.

##### 7. Communist Discipline in Yugoslavia (UNCLASSIFIED)

Dr. Blagoje Neskovic and Ljubodrag Djuric, two prominent members of the Government and the Communist Party, have been found guilty of anti-government activities.

At the VI Congress of the Communist Party an investigating committee found that Dr. Naskovic, Vice-President of the Federal Government and member of the Politbureau was guilty of cominform sympathies. Dr. Neskovic persisted in his attitude and was expelled from the Party. At his own request he has now been put on the medical staff of the Institute of Foreign Medicine of the Faculty of Medicine of the University of Belgrade.

Djuric has been expelled from the Party and from his position as Secretary General of the Federal Government because of a verbal attack he made on the venerable and highly respected Premier of Serbia at the same congress. Djuric accused the Premier of alienating the affections of his wife. He has now been appointed to the post of manager of a State Agriculture Farm.

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COMMENT: It is interesting to contrast the treatment accorded these men with the more extreme punishment meted out for similar offences in the Soviet Union and the satellites.

8. Visit of Mr. Dulles to Germany

(CONFIDENTIAL)

In conversation with S.P.D. leaders, Mr. Dulles rebutted their arguments in favour of a coalition of national armies. He emphasized that there could be no progress towards German reunification so long as the Soviet Government was in a position to exert blackmail through its control of the East Zone.

In his talks with Chancellor Adenauer, Mr. Dulles urged the need to show Congress before it decided in April on future aid to Europe that real progress was being made on the ratification of the Bonn and Paris Treaties. In reply Dr. Adenauer said he was not sure whether the Federal Constitutional Court would entertain the coalition parties' petition. If the Court refused to admit the petition then the Federal Government would go ahead on the third reading which could be through early in March. Even if the Court admitted the petition, the Chancellor thought he could get the third reading through the Bundestag by March 15.

COMMENT: As the Court began hearings on the admissibility of the petition on February 19, even if it admits the petition it is unlikely to give a final ruling before mid-March at the earliest. The Chancellor's forecast thus appears overly optimistic.

AFRICA

9. The Sudan Question

(RESTRICTED)

The self-government statute for the Sudan prepared by the British will be revised on the basis of an agreement reached on 12 February which represents a genuine compromise between the original British and Egyptian positions. Sovereignty will be reserved for the Sudanese while they prepare to exercise the right of self-determination within a period of three years. A Sudanization Commission will arrange for the progressive replacement of foreign officials. Should any remain in the Sudan three years hence, an international body will decide whether their presence is likely to

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interfere with the freedom of choice of the Sudanese people. Its decision will be binding on Egypt and the United Kingdom.

General Naguib carried his point that there should be no differential treatment for the Southern Sudan, but the United Kingdom succeeded in securing for the Governor General special responsibility for protecting the welfare of all inhabitants of the country, subject to the advice of his Commission. It also succeeded in establishing the Governor General's authority to declare at his sole discretion an emergency for a period of thirty days. The only point on which agreement was not reached is covered by a unilateral declaration by the United Kingdom that if the Sudanese Parliament wishes to discuss the terms of the Anglo-Egyptian Agreement, the United Kingdom will give full consideration to the views expressed. Egypt opposed any debate by the Sudanese Parliament of the terms of the agreement, and is not expected to make a similar declaration.

COMMENT: The signing of the agreement on the Sudan brings to a close a controversy which has troubled Anglo-Egyptian relations ever since British authorities insisted in 1923 on the elimination from the draft Constitution of Egypt of a proposed article stating that control of the Sudan should be vested in Egypt. The controversy came to a head in November 1951 when Egypt abrogated unilaterally the condominium agreement of 1899 and asserted the principle of the unity of the Nile Valley under the Egyptian Crown. General Naguib allowed this claim to lapse when he came to power, and has now agreed to the orderly liquidation of the condominium.

#### FAR EAST

##### 10. Philippines

(SECRET)

A joint civilian-army team representing the Philippine Government is currently negotiating with Huk field commanders for surrender of the Huk leaders with hopes of ending the dissident armed activity. The Government's terms are reported to include unconditional surrender and trial for crimes committed followed by presidential parole, granted on merits of each case, and a re-settlement scheme in Luzon.

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Huk leaders have countered with the following demands:

- (a) cease fire during negotiations
- (b) recall of all Army field units
- (c) permission to retain arms and to collect taxes in the areas under Huk control.

These terms are completely unacceptable to the Philippine Government but negotiations have not been broken off. There are thought to be some 5000 to 6000 hard-core Huks, plus a large number of the "Buklod" organisation which acts as their logistic support.

The nature of the Huk demands suggests that they are not prepared to surrender at this time though they have been hard pressed by Government patrols and are believed to be short of supplies. If Huk leaders were able to develop protracted peace negotiations they would meanwhile be able to consolidate and improve their supply position for future offensive action.

However, the Government's offer of resettlement may induce the surrender of some of the lower-echelon personnel.

#### 11. Enemy Offensive Capabilities in Korea

(SECRET)

The move into Korea of two (and possibly three) Chinese Communist Armies and the gradual identification of their divisions is causing some uneasiness in the United Nations Command. Two Chinese armies are now astride one of the direct road routes to Seoul each with their divisions disposed in column.

An enemy attack is not however, believed imminent because formations so new to the area are not likely to take over front line positions if the enemy was planning an early attack.

COMMENT: Prior to the Chinese 5th phase attack of April-May 1951 there were six indications of imminent offensive action, which were as follows:

1. Troop build-up in forward areas
2. PW and agents' reports of an early offensive
3. Increased vehicle sightings
4. Increased armour sightings
5. Supply build-up
6. Use of smoke screen in forward area.

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Three of these indications, namely (1), (3) and (5) are present in current appreciations, although evidence of supply build-up is not present in so marked a degree as in April 1951.

Though few prisoners are being taken at present, their interrogation reports, plus reports of agents indicate a continued defensive attitude. However, there has been some evidence from prisoners' reports that limited objective attacks may be mounted in the near future, possibly between the middle and the latter part of February 1953.

Mortar and artillery fire for the week ending 11 February 1953 was the lightest since August 1952. This could indicate stockpiling prior to an offensive or perhaps that transport priority for that week had been given to troop movements..

On balance the enemy's capabilities for offensive action have been increased by the arrival of the fresh formations on the Korean battle front, but present indications do not point to more than limited offensive action aimed at blunting a possible UN offensive.

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SOVIET UNION AND SATELLITES

1. New Soviet Helicopter

(SECRET)

Five new type helicopters, larger than the Type 32, were observed parked on Tepliistan airfield near Moscow on 26 January, 1953.

COMMENT: From the description given it would appear that this new helicopter is capable of carrying 5 to 6 passengers. It resembles in appearance the Sikorsky S-55 which has an all-up weight of 8,120 lbs, as compared to the Type 32 with an estimated all-up weight of 5000 lbs.

2. Poland-Production of Tank Landing Craft at Glogau

(SECRET)

Reports indicate that the shipyard at Glogau was taken over by the Army authorities in 1951 and is now producing tank landing craft some 30 to 40 metres long, apparently similar to the ex-German LCM. Other reports suggest that the Polish shipyards at Stettin and Wroclaw may be producing similar vessels.

COMMENT: These reports are of interest as they are the first firm indications of the construction of tank landing craft anywhere behind the Iron Curtain for some years past.

SOUTH AMERICA

3. Canberra Jet Bombers for Venezuela

(SECRET)

It has been reported recently that the Venezuelan Government has ordered twelve Canberra jet bombers for the Venezuelan Air Force.

COMMENT: The purchase of fast modern jet bombers seems and unusual step for a small South American republic such as Venezuela. The traditional hostility and jealousy between neighboring republics in this area of the world, plus the



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impressive display of the recent Canberra good-will flight to South America, possibly has induced the Venezuelans to replace their obsolete B-25 Mitchells with modern jet bombers.

4. Deception Island-United Kingdom Dispute with Chile and Argentina (SECRET)

On 15 February the United Kingdom authorities arrested and deported two members of the new Argentine base which was established on Deception Island in January, 1953, immediately adjacent to the United Kingdom base. The Argentine installations were dismantled as was an unoccupied Chilean hut which had also been erected in January in the same area. Deception Island, one of the South Shetland Islands and part of the Falkland Islands Dependencies, is within the sector of the Antarctic in which the United Kingdom, Argentina and Chile have conflicting claims.

When informed by the United Kingdom of the action taken, both the Chilean and Argentine authorities agreed to avoid publicity, and undertaking they apparently honoured. Due to an unfortunate leakage in the United States, the Foreign Office felt compelled to issue a brief statement to the press and the Argentine authorities thereupon publicized their note of protest, which is in strong terms and says the matter may be raised with the Organization of American States.

It was recently reported that when the Chilean Foreign Minister was informed by the United Kingdom Ambassador of the action taken, the former seemed mainly interested in making certain the Argentine installations had also been removed so that the Chilean claim to sovereignty over Deception Island would remain equal to that of Argentina.

EUROPE

5. Visit of Italian Defence Minister to Egypt (CONFIDENTIAL)

The Italian Defence Minister, Signor Pacciardi, accompanied by a team of military and civilian experts, paid a visit to Cairo during the early part of this month, at the invitation of General Naguib.

United Kingdom officials in Rome think that Egypt may be interested in securing small arms from Italy. A press report from Cairo has stated that this question, as well as the question of exchanging military missions and training army officers, was the subject of

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discussion between Pacciardi and Naguib. Pacciardi has stated publicly that Italy is willing to assist Egypt in programmes for the establishment of greater social justice in that country. In particular, Italy would place at Egypt's disposal the experience she has acquired in the field of land reform.

The Pacciardi mission would appear to have been given an unusually warm welcome in Cairo. The Italian press has made much of the fact that Naguib chose Italy as the first western country from which to invite a goodwill mission. It has also been claimed in the Italian press that Naguib assured Pacciardi that Egypt intended to ask that Italy, along with Central and Eastern Mediterranean countries, be admitted to any Middle Eastern Defence Pact.

COMMENT: It is reliably reported that the Italian Minister's visit had no specific objective other than the strengthening of the traditional friendship between Italy and Egypt.

#### SOUTH EAST ASIA

##### 6. Future Operations by Viet Minh

(SECRET)

It is reported that the Viet Minh are holding an important meeting at Thai Nguyen, where officers from the 304, 308 and 312 Infantry Divisions and the 351 Artillery Division are believed to be studying the lessons of the Viet Minh offensive into the Thai country last November and December. There are indications that this conference is due to end on 10 March 1953.

COMMENT: The French had originally appreciated that the Viet Minh 304, 308 and 312 Infantry Divisions would not be ready for action until early February. In view of this recent information they now believe that future operations are unlikely before 10 March 1953.

It would appear that the Viet Minh were overconfident in their ability to capture strongly held French positions. Until the opening of their winter offensive in October 1952, the majority of their successes had involved smaller posts or ambushes and attacks on French forces on the move. It is also possible that the Viet Minh leaders are endeavouring to solve the agricultural labour shortage in the

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face of the failure of their rice harvest and the grave damage to their irrigation system and the discussions may accordingly include plans for the use of their armed forces as an additional labour force.

7. Relations Between Japan and the Republic of Korea (CONFIDENTIAL)

In the spring of 1952 the Japanese and Koreans broke off the talks which they had initiated in Tokyo with a view to resolving outstanding issues and bringing about an exchange of diplomatic representatives, because both sides disagreed over the disposition of former Japanese property in Korea. Relations between the two countries remained strained until the President of Korea visited Tokyo in January of this year and met the Japanese Prime Minister. Little seems to have been accomplished by this meeting. However, on 27 January, Japanese and Korean officials agreed to a resumption of negotiations leading towards the establishment of diplomatic relations. Three days later, Korean patrol boats tried to capture two Japanese fishing vessels operating in waters which Korea had unilaterally declared to be territorial. The skipper of one boat was killed and two boats were eventually escorted to Japan by a United States warship.

There are three main points in dispute between Japan and Korea.

- (a) One is the Korean minority in Japan, which consists of some 600,000 to 700,000 Koreans. These are unpopular in Japan for a number of reasons. The Korean Government maintains that those who were brought to Japan by the Japanese ought not to be repatriated penniless, while the Japanese contend that these people ought to return home as quickly as possible and earn their own keep.
- (b) The second problem concerns Japanese property in Korea. A compromise might be reached on this issue if the Japanese relinquished their claims to property in Korea in return for the Koreans relinquishing their claims to property in Japan.
- (c) The "Rhee Line" represents a unilateral extension of Korean territorial waters by President Rhee in January 1952. The Japanese have used patrol ships to warn their fishing boats that they are entering a danger zone if they transgress the Rhee Line. These patrol boats have not resorted to force to prevent the capture of Japanese fishing boats by Koreans in any circumstances.

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COMMENT: As of 19 February, the Japanese and Koreans had not yet renewed their proposed talks. If the talks are renewed, it would seem that there is little hope that they will be successful.

8. Korea-Communist Air Activity

(SECRET)

The enemy has recently taken an increased interest in aircraft operating from the United Nations carriers off the West Coast of Korea. On 4 February four MIG 15's attacked four Corsairs operating south east of Chodo Island from the USS Badoeng Strait. Three days later two MIG 15's attacked four Sea Furies operating north-west of Chinnampo from HMS Glory. No damage was suffered by our aircraft on either occasion.

9. Migration of North Korean Civilians

(SECRET)

Numerous reports indicate that a major shift in population from the areas in rear of the front to the northern provinces of North Korea occurred between October and December 1952. The move has been from the general area between the 39th parallel and the battle line.

Possible reasons for this movement are as follows:

- (a) Clear the immediate rear areas of civilians in order to facilitate either offensive action or defensive action on a large scale in the event of a major thrust by United Nations forces;
- (b) Clear the area of lukewarm Communist sympathizers in order to facilitate anti-guerilla operations in the area;
- (c) Alleviate food shortage near the front lines and provide additional troop accommodation;
- (d) Reduce the possibility of civilian flight to South Korea;
- (e) Secure manpower for North Korean war industry in the northern areas.

In addition, the possibility of a long term political programme is suggested, namely that the Chinese may intend to make the northern part of North Korea an autonomous (Korean) region of China with its industrial and natural resources integrated into those of Manchuria.

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The Communists could then, at an appropriate time, announce that the northern provinces of North Korea had held a plebiscite in favour of joining China. It might then be decreed that the new China border was a general line along the Chong Chon River to Hungnam.

COMMENT: Though this last suggestion is not based on specific evidence, it fits with previous reports of an attempt by China to blur the impression of a firm boundary between Manchuria and Korea. It would also fit with the long-term interests of China especially if the Chinese are fearful of future Soviet attempts to develop antipathy in North Korea to the Chinese regime.

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**COPY N° 139**

**ISSUE NO. 46**

**10 Mar 53**

# **JOINT INTELLIGENCE SUMMARY**

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## SOVIET UNION

### 1. Civil Defence in the Soviet Union

(SECRET)

A recent survey of civil defence in the Soviet Union has led to the following conclusions:

- a) there is no evidence of a comprehensive national scheme of civil defence being implemented, but it should not be assumed that none exists;
- b) the framework exists of a well-organized and comprehensive system of defence of individual towns and other targets by local organizations, but it is not known how far planned defence measures have been implemented. There is clearly public apathy which the authorities are attempting to counter by appeals to patriotism rather than coercion;
- c) there is no evidence of Civil Defence measures against atomic attack.

## SCANDINAVIA

### 2. Swedish Foreign Policy

(SECRET)

A prominent member of the Swedish Cabinet recently expounded an interesting outline of the basis of Sweden's policy of freedom from alliances.

The general public accept this policy because of their old-fashioned isolationism. The Government, however, in following this policy is motivated by other considerations. It is felt that, although Sweden would ultimately be involved in any war between Russia and the West, if she were not a member of NATO she might be skipped over in the first offensive and would later be able to put up stronger resistance since considerable destruction would have been caused in Russia at the start of hostilities. This argument, however, is difficult to use publicly and consequently the line they take is that if there were NATO bases in Sweden the Russians would establish bases along the western Finnish boundary.

COMMENT: Although most Swedes are opposed to alliances, the reasons advanced for this policy are often not genuine. Occasionally in private conversation the impression is gained that the Swedes doubt the soundness of their own arguments.

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### 3. Strengthening of Swedish Armour

(SECRET)

The Swedes have long recognized that the armoured element of their army was weak, and also that national road communications and topography did not lend itself to the adoption of a heavy tank for overall use.

In considering the problem they concluded that an all-purpose light tank would leave their armour in the same relatively weak position in which it is today. The answer therefore was the use of two types of tanks: a heavy model for use in the South, and a light highly mobile one for other parts of the nation. Those selected were the Centurion and the AMX (Fr Tk - 12 ton - 75 mm gun).

A factor which was possibly considered in reaching this decision was the fact that at least one of their major equipments will be standardized with that of their Scandinavian neighbours who are NATO members.

The Centurion contract calls for eighty tanks and eight armoured recovery vehicles with spares, and has an open option clause permitting further orders up to 120.

Sweden's requirement for the AMX is said to be 200-300. Knowing that French production would not be underway by the time they wished delivery of these tanks, the Swedes opened negotiations for the procurement of a manufacturing license. It is not known how this matter stands.

They are also negotiating with the United Kingdom for the purchase of 5,000 feet of heavy Bailey bridging. The quoted price is said to be in the neighbourhood of £1,500,000 and is causing the Swedes a little thought. However, as the bridging is necessary it will probably be purchased.

Six Swedish officers will receive special training on the Centurion tank in British schools during the next few months.

### 4. Swedish Rockets

(SECRET)

Sweden is actively engaged in research and development of rockets and guided missiles. She takes great interest in similar development abroad, and has acquired certain prototypes from Switzerland. Rockets are being produced by Bofors, and possibly others, for use both from the air and from the ground. Little is known of the guided missile programme, but it is certain that a production line exists at the SAAB aircraft factory for flying bombs of the German V-1 Type. A testing-range has also been reported off the northern coast of Gotland. The type and origin of the missiles tested are not known.

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COMMENT: With the technical ability and industrial "know-how" that Sweden possesses as evidenced from weapons produced in the past, it is logical that Sweden will devote considerable effort to keep abreast of modern ideas and development in the field of rockets and guided missiles.

### CENTRAL EUROPE

#### 5. Austrian Oil Industry

(SECRET)

Prior to the Second World War the oil industry in Austria was very small with an annual production of 57,000 tons in 1938. Under intensive exploitation by the Germans, some 1.2 million tons were produced in 1944, but in 1945 production dropped to 446,000 tons.

In the succeeding years the Russians restored production and through extensive exploration were successful in exploiting new fields. Production rose rapidly to 1.6 million tons in 1950, 2.7 million tons in 1951, and over 3 million tons in 1952. It has been estimated that in 1953 Austria may attain a production rate of 4 million tons per year.

The oil fields are all located in the Soviet Zone. On the basis of present estimates of crude reserves, Austria would not be able to maintain a production of 3 million tons for longer than 7 years.

Over 90 per cent of the Austrian oil industry is controlled by the Russians. At present some 40 per cent of production is sold to the Austrians. The remaining 60 per cent is used by the Russians for their forces in Europe, or for export to other Satellites and Russia.

COMMENT: Of the economic benefits which the Russians derive from the continuance of the present situation in Austria, control of the bulk of the oil industry is by far the greatest.

The continued exploitation of Austrian oil to the benefit of the bloc is possibly one of the important factors influencing Russia's attitude to a Four-Power Treaty with Austria.

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6. Jet Fighters for West German Air Force

(SECRET)

A previous report published in this Summary drew attention to the proposed formation of a West German Air Force of twenty Wings with a total of 1,290 aircraft. It has now been revealed by one of the senior members of the German Air Planning staff that arrangements have been completed through SHAPE whereby the West German Air Force will be issued with F84-F Thunderstreak jets. The West German air plans chief apparently expected to obtain an aircraft along the lines of the F86 Sabre and is reported to have expressed disappointment to learn of the decision to issue the F84-F Thunderstreak jets to West Germany.

COMMENT: Dienstelle Blank, the West German defence planning agency, is setting out the blueprint for Germany's contribution to West European defence to go into effect immediately upon ratification of the EDC treaty.

The disappointment of the West German planners over the assignment of Thunderstreak jet aircraft rather than the Sabre is difficult to understand since the Thunderstreak compares favourably in performance with the Sabre, is a swept-wing fighter of modern design and, as a matter of fact, is only just beginning to roll off production lines in the United States.

MIDDLE EAST

7. Iraq Views on Middle East Defences

(SECRET)

The Iraq Minister of Defence, Nuri Said, is reported to have recently expressed the following views concerning Middle East defence plans:

- a) Middle East defence should be based on the Arab Collective Security Pact.
- b) Previous Middle East defence plan sponsored by the Western Powers had two defects, namely a "command" implied a purely military arrangement without covering political agreement; and secondly the Arab States, except for Egypt, would have had an inferior position.

COMMENT: Nuri Said's views, which are shared by most of the Arab leaders, reflect the Arabs' deep-seated aversion to being treated as other than "equals" in any organization established for the defence of their homelands.

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The Arab Collective Security Pact has conceived in October 1949 because of a widespread Arab fear that the Israelis would attempt to expand their territory and thus would renew the Arab-Israeli war. Later, in 1952, the required number of Arab Nations ratified this pact, bringing it into effect in the fall of that year.

Although its measures providing for joint command and joint defence planning have not yet been implemented, it is believed that any Western proposals for the Middle East Defence Organization must make appropriate reference to the Arab Collective Security Pact to elicit favourable Arab consideration.

#### FAR EAST

#### 8. Chinese and Viet Minh Lines of Communications (SECRET)

The Viet Minh have been able to develop improved alternative motor transport routes from the vicinity of the China border southwards, both into the Tonkin Delta area and also farther west so as to improve communications into the Thai area. This has been partly brought about by French air interdiction on the main north-south route. So far no difference is known in the volume of supplies.

Motor transport carrying Communist Chinese supplies to the Viet Minh on Route Coloniale No. 3, the main line of communications used for this purpose, from Cao Bang to Thai Nguyen, has decreased recently, and an increase has been noticed on the hitherto subsidiary routes from Lao Kay along the Red River Valley to Yen Bay, and on Route Coloniale No. 1 from Langson to Thai Nguyen.

The Viet Minh are also reported as having made the track from Yen Bay to the Na San area capable of taking motor transport.

A report dated November 1952 stated that the road southwest from Kunming can be used by motor transport as far as Cheli, some 30 to 40 miles from the border of Burma and Indo-China. It is believed that this road is intended to continue as far as Luang Prabang, one of the principal towns of Laos.

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COMMENT: Strong French air interdiction on the Cao Bang - Thai Nguyen line of communication is believed to be the reason for the decrease in traffic on this route. There is no doubt that the road from Lao Kay down the Red River Valley to Yen Bay and then to Na San and Son La would assist the Viet Minh in any future campaign in the Thai country and Laos. The report of the new Chinese road directed towards Luang Prabang points perhaps to the creation of a new and direct line of communication from China to Northern Laos.

9. Chinese Communist Forces in Korea

(SECRET)

It is now accepted as previously suggested that three fresh Chinese Communist armies, namely 46, 24 and 23 are in the line on the Central and Western front. Counterbalancing these new entries, 42 Chinese Communist Army has been withdrawn from Korea.

There are now therefore nineteen Chinese Communist armies in Korea (an increase of two since September 1952). Communist ground forces in Korea now number 1,121,000 an increase of approximately 120,000 since September 1952. Of these 831,000 are Chinese and 290,000 are North Koreans.

COMMENT: There is increasing evidence of a rotation programme of considerable scope being in progress and the increase in Chinese strength is therefore regarded as probably of a temporary nature only. Further reliefs are likely to occur.

10. Japanese Budget

(RESTRICTED)

The Government has presented its draft budget for the 1953-54 fiscal year to the Diet for approval.

The taxes which are foreseen in the new budget are higher than last year. Defence expenditures appear lower but Japanese peculiarities in accounting indicate that the amount actually available for defence will exceed the appropriations listed (145 million yen). It has been estimated that 15 per cent of the budget or 2.6 per cent of the estimated national income will be spent on defence.

There is nothing in the budget indicating that the Japanese are planning to do much serious spending either to pay reparations to countries like the Philippines and Indonesia or to pay back to the United States much

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of the money borrowed to revive the economy. However, such payments might be included in a supplementary budget which is expected to be brought down towards the end of the year. Provision is made for an appropriation for veterans' pensions and for the issue of domestic bonds to cover deficit financing.

COMMENT: The decision to provide for deficit financing and thus depart from the occupation-sponsored policy of sound finance is inflationary in spirit, although the amount of the bonds to be issued (30,000 million yen) is small. Whether in the final analysis the budget proves to be inflationary will depend upon the ability of the government to manipulate the money market so as to absorb surplus cash freed by nonproductive expenditures such as defence.



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# **JOINT INTELLIGENCE SUMMARY**

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SOVIET UNION AND SATELLITES

1. Reorganization Following Stalin's Death (CONFIDENTIAL)

On Friday, 6 March, it was announced that Malenkov, who has been assumed to have effective control of the Party, had also become head of the Government, Chairman of the Council of Ministers, in which Molotov had been thought to rank second only to Stalin. At the same time, Beria, Molotov and Bulganin were appointed to the three key ministries of internal affairs, foreign affairs and war respectively. The position of nominal head of the Soviet State - Chairman of the Praesidium of the Supreme Soviet of the USSR - went to Marshal Voroshilov. This initial announcement was followed by the release of a long and detailed decree setting forth a number of changes in the economic ministries as follows:

- (a) the merging of the Ministries of External and Internal Trade under Mikoyan;
- (b) the merging under the Ministry of Machine Building (Saburov) of the former Ministries of Automobiles and Tractors, Agricultural Machine Building, Machine and Instrument Building, and Machine Tool Building;
- (c) the merging under the Ministry of Transport and Heavy Machine Building (Malyshev) of the former Ministries of Transport Machine Building, Shipbuilding, Heavy Machine Building, and Construction and Road Machine Building;
- (d) the merging under the Ministry of Electric Power Stations and Electrical Industry (Pervukhin) of the former Ministries of Electric Power Stations, Electric Industry, and Communications Equipment.

**COMMENT:** The appointment of Beria, Molotov and Bulganin represents a return of the system dropped after the last war of having top Party officials in direct control of specific ministries. The general effect of the decree dealing with reorganization seems to be to centralize and tighten control over the country and Party. Malenkov does not appear to have hesitated to put his own ideas into force e.g. in abolishing the large and unwieldy Praesidium of the Party Central Committee established only last fall, and returning to something scarcely distinguishable from the old Politbureau. At the same time he has retained important positions all of Stalin's principal lieutenants.

As regards the Machine Building Ministries; while some of them failed to achieve their goal in 1952, it is believed that the changes announced were motivated by the desire to strengthen control by leading Party members rather than by shortcomings in the ministries concerned. As Deputy Chairman of the Council of Ministers, Pervukhin, Mikoyan and Malyshev may have been carrying out many of the duties of the positions which they are now formally assuming. Malyshev, who organized Soviet tank production in World War II, will now be formally responsible for

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the production of tanks and ships. The very important Aviation ministry has however not figured in the reorganization.

In general, the most striking feature of the events following Stalin's illness and death is the speed and efficiency with which Malenkov appears to have established his control over the governing apparatus of the Soviet Union.

## 2. New Soviet Anti-Aircraft Gun

(SECRET)

A battery of new anti-aircraft guns was observed recently in Moscow. The observer estimated the bore of these guns to be about 60 mm. The tube reportedly resembled a sawed-off 57 mm anti-tank tube, having a flash hider instead of a muzzle brake. The mount apparently was of the same type as that used with other anti-aircraft artillery guns. The carriage and breech were covered, but the pedestal was visible. No control motors were seen.

COMMENT: On the basis of numerous reports from various sources, the existence of a new Soviet automatic anti-aircraft gun has been suspected for more than a year. The calibre most frequently quoted for the new weapons has been 57 mm. The foregoing report, however, is the first eyewitness account of the new automatic gun. This report adds confirmation to the belief that this gun is 57 mm in calibre.

The apparent absence of control motors for electrical traversing and elevating is surprising since it has previously been reported that this gun could be controlled by an off-carriage director. It is possible that motors were fitted but that they were not visible since part of the gun was covered. If control motors were actually absent, they possibly will eventually be fitted since they would permit use of a much more efficient fire-control system.

This report is also the first indication that the Russians have included automatic weapons in their anti-aircraft defence of Moscow.

## 3. Improvements to the Volga River System

(SECRET)

The Russians have a long-term policy to improve the capacity of the Volga River system. A number of important projects designed to regulate the river level and obliterate shallow stretches have been and continue to be undertaken to implement this policy. The object is to improve the rivers as transport arteries and to provide hydro-electric power and irrigation canals.

By 1941, with the completion of the Moscow-Volga Canal, a through navigable depth of 8 feet was provided from Astrakhan to Moscow. In 1952 the Volga-Don (Lenin) Canal connected the Volga and Don Rivers.

Now dams and locks are approaching completion near Corkiy on the Volga and Molotov on the Kama, while dams at Kuybyshev and Stalingrad on the Volga are due for completion by 1955 and 1956 respectively. Additional dams are planned near Cheboksari and Balokovo on the Volga. A canal, some 600 kilometers long, to connect the Volga and Ural rivers is also under construction (see attached map).

New vessels suited to lake conditions have been built and more are under construction, while many existing vessels have been adapted for such conditions. Plans have also been made to reconstruct and equip lake ports.

COMMENT: Completion of these projects and the maintenance of a constant navigable depth will transform the Volga into a chain of lakes with an enormous traffic carrying capacity and strategic value.

It is estimated that the Volga system now carries about two-thirds of the total inland water traffic of the Soviet Union including vital oil and timber products, while also permitting the movement of light naval vessels between the White Sea and the Black and Caspian Seas. The speed with which the expansion of waterway traffic is effected will depend upon the provision of a river fleet of adequate size and suitable type, and the reconstruction of the river ports.

It should also be realized that the greater the artificial development of a river system the more vulnerable to attack does it become. Destruction of bridges will impede and damage to locks will stop through traffic, while inland seas created by dams will cause extensive flooding of possibly vital areas if the dams are broken.

#### 4. European Conference on East-West Trade

(CONFIDENTIAL)

The Soviet Union has finally agreed to attend a meeting with other members of the United Nations Economic Commission for Europe to discuss possibilities of expanding trade between Eastern and Western Europe. The 13th of April is the date tentatively set for the meeting.

COMMENT: The first invitation of the Executive Secretary of ECE, sent to all member governments on 4th July, 1952, to attend a meeting on 9th September before the opening of the General Assembly of the United Nations was left unanswered by the Soviet Union and the East-European countries.

A second note, sent out unofficially to the Soviet Union, was answered in January and the Soviet Government indicated its willingness to attend a meeting before the Commission's session on 25th February. However this date was not agreed to by Western member governments and the trade consultations will not be held until after the close of the regular ECE session.

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The Soviet Union will probably use this meeting as a forum for expressing its views on international cooperation and trade, reiterated by Malenkov since Stalin's death. These views were also put forward by the Soviet Union at the recent trade conference held in Manila, under the auspices of the United Nations Economic Commission for Asia and the Far East.

5. Use of MIG 15s by Polish Air Force for Bombing Practices (TOP SECRET)

In August 1952, aircraft described as "arrow shaped, very fast, and making a loud howling noise, with a fuselage 10-14 metres long, and wings swept back at an angle of 40°", were seen to drop bombs on a range north of Königsberg-Neumark on the German/Polish Border. The aircraft were based at Stargard.

COMMENT: The description given seems to indicate that these aircraft were Mig-15s, numbers of which are based at Stargard. This is the first occasion on which Mig-15s have been reported bombing in this area, although there have been several unconfirmed reports of similar activity elsewhere.

It is considered that the above report, together with similar previous ones, adds credence to the view held that the Mig-15 will ultimately be employed in the ground attack role.

FAR EAST

6. The Chinese Five-Year Plan (SECRET)

The planned industrial goals for 1953, the first year of the first Chinese Five-Year Plan, have been announced. If the 1953 targets are reached, the Chinese will likely produce in that year:

Steel:	under 2½ million tons
Coal:	about 45 million tons
Petroleum:	300,000 tons
Electric Power:	probably under 6 billion Kwh.

By way of comparison, Canada produced in 1952:

Steel:	3.4 million tons
Coal:	15 million tons
Petroleum:	7.7 million tons
Electric Power:	61 billion Kwh.

China will require many years to become an industrial power of any significance. Although the industrialization of the country was given priority second only to "resistance to American aggression in Korea" in the list of

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tasks for 1953 outlined by Chou En-lai, the rate of industrialization will be affected by a number of factors including the degree of resource development, training of skills, capital accumulation, foreign aid and ability to trade raw materials for industrial equipment.

On the record of the past three years, there is little indication that the Soviet Union is prepared to grant any substantial assistance to China. The economic relationship at the moment is basically 'trade, not aid'.

# 7. Increase of Viet Nam National Army

(SECRET)

At the end of January 1953, the French Government received a letter from Emperor Bao Dai by the hand of General Nguyen Van Hinh, Chief of Staff of the Viet Nam Army, proposing an increase of the Viet Nam National Army by fifty battalions in 1953. The increase was to be over and above the current French programme for 1953.

The "Haut Comité Militaire" presided over by Emperor Bao Dai and M Letourneau, decided on 25th February 1953 that fifty-four Commando battalions, that is light battalions, fourteen supporting companies armed with machine guns and mortars, and three maintenance ( or holding) battalions of exclusively Vietnamese troops will be raised during 1953, a total strength of 40,000.

The normal 1953 programme for the formation of Viet Nam National Army infantry units is as follows:

<u>Serial Number of New Battalion</u>	<u>Date of Formation</u>	<u>How Formed</u>
72	February	Transfer from 1/23 Colonial Infantry Regiment.
73	March	Transfer from the BN of the Cotiere Force.
74	April	Former 1 Indo-Chinese "March" battalion.
75	May	IV/5 Foreign Legion Regiment.
76	June	IV/3 Foreign Legion Regiment.
77	July	V/3 Foreign Legion Regiment.
78	August	1 Muong Unit.
79	September	2 Muong Unit.

COMMENT: The light battalions will operate on a commando basis, on harassing and anti-guerilla tasks, with the object of relieving regular units for operations against Viet Minh regulars. Manpower

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will be found for these units by calling up new classes. It has also been agreed that the Vietnam share of the budget will be raised from 30 milliards of francs to 50 milliards in 1953 and that the Vietnam National army should assume more operational and territorial responsibilities. The whole programme is subject to constant amendment and it is not possible to confirm that the plans outlined above will not be changed from month to month.

8. Anti-Huk Operations in the Philippines

(SECRET)

The Philippine Government's peace negotiations with Huk field commanders (Item 10 of Intelligence Summary of 24 Feb refers) were terminated after Huk leaders countered the Government's demand for unconditional surrender and a proposal for settlement with a series of exorbitant demands.

The Government reportedly has been concentrating forces in the Candaba area of Central Luzon where the Huks are now believed to be concentrated. Following the collapse of negotiations the army launched a drive in this area with the object of liquidating Huk dissidence and capturing Huk leaders by June 1953.

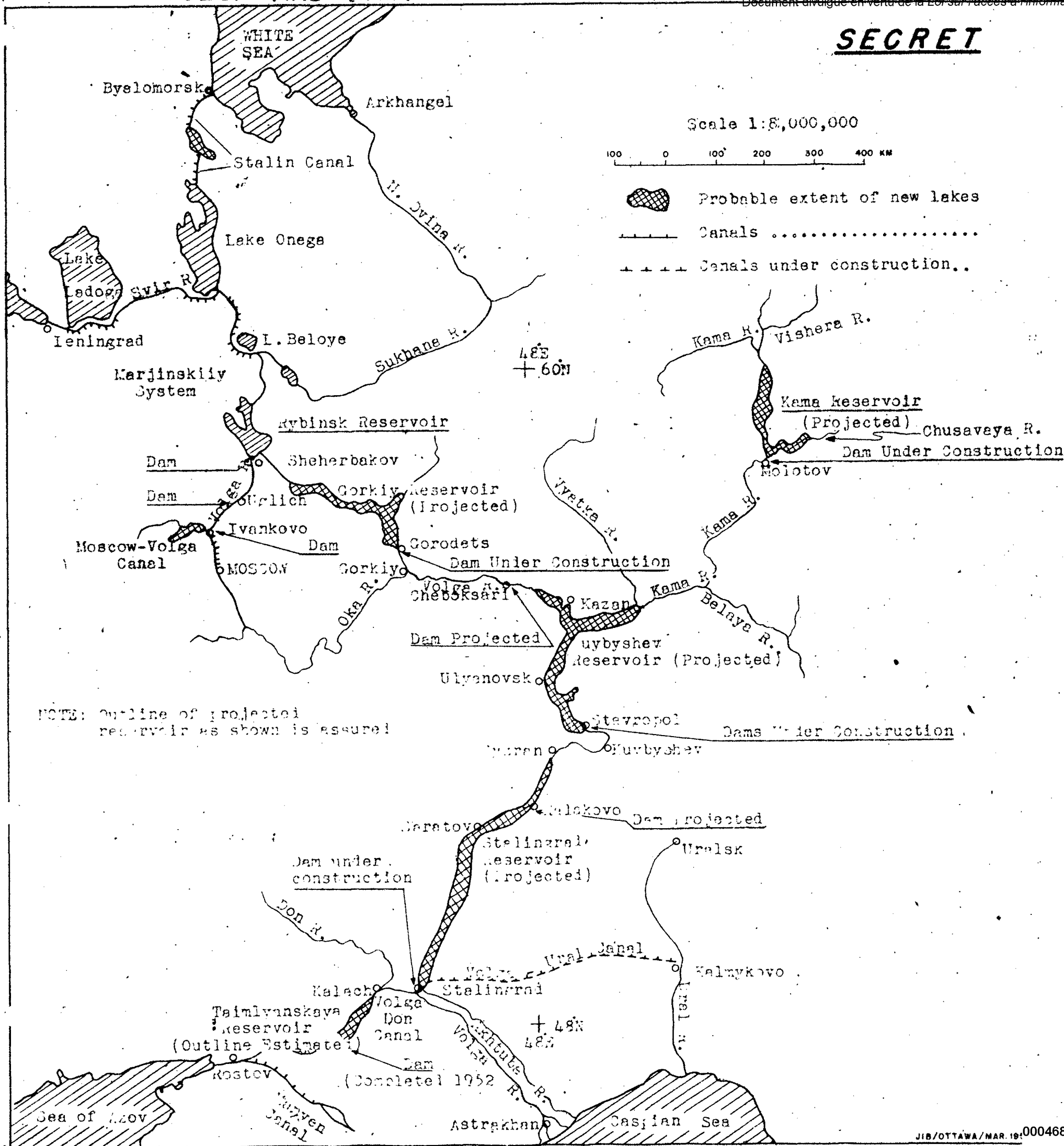
COMMENT: Generally speaking, army operations during the past year have not produced spectacular results, especially since the breaking up of the larger Huk concentrations has resulted in a policy of dispersion and infiltration on the part of the rebels. The Huk movement now probably carries a greater potential threat to stability in the Philippines as they are now in more intimate contact with the masses of the Philippine population.

9. Enemy Strength Increase in Korea

(SECRET)

The latest estimate of Enemy strength in Korea is 872,550 Communist Chinese and 294,100 North Koreans or a total of 1,166,650.

COMMENT: The main increase, that in the Chinese Communist Forces, is mainly due to the presence of additional non-organic anti-aircraft battalions subordinate to the Chinese Communist GHQ. The North Korean increase reflects the acceptance of a Signal Section GHQ and two Signal Regiments in the North Korean order of battle. Also, 42 Chinese Communist Forces Army which was previously reported as having returned to China, is now carried unlocated in Korea, and consequently its strength is still included in the total.

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# **JOINT INTELLIGENCE SUMMARY**

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SOVIET UNION AND SATELLITES

1. Party and State Reorganization in the Soviet Union (SECRET)

The recent reorganization of state and party machinery following Stalin's death is based on a government decree of 6 March. Perhaps the most interesting feature of the decree of 6 March is the decision -- "in order to ensure more operative leadership" -- to scrap the 25-member Praesidium of the Central Committee of the Party, established amid great fanfare at the 19th Party Congress last fall, and establish a smaller Praesidium which is scarcely distinguishable from the old Politburo. The ten members of the Praesidium are, in this order: Malenkov, Beria, Molotov, Voroshilov, Khrushchev, Bulganin, Kaganovich, Mikoyan, Saburov, Pervukhin. The last two were not in the Politburo. There are four alternate members of the Praesidium, corresponding to the candidate members of the Politburo: Shvernik, Ponomarenko, Melnikov, Bagirov. The first two were candidate members in the Politburo; the last two are new rising stars in the hierarchy.

Malenkov has now assumed leadership of the Government while Molotov has slipped down the governmental ladder, coming after Beria but before Bulganin and Kaganovich among the Deputy Chairmen of the Council of Ministers. The post of Secretary of the Central Committee, which was formerly held by Stalin, is now held by N. Khrushchev.

In the Supreme Soviet - nominally the parliament of the Soviet Union -- Marshal Voroshilov, and old revolutionary Comrade-in-arms of Stalin, has been appointed Chairman of the Praesidium of the Supreme Soviet, the position of nominal Head of State.

There is at least a possibility that the Praesidium of the Supreme Soviet is to assume greater importance in the trilogy of top Councils: the Praesidium of the Party, the Praesidium of the Council of Ministers (consisting of the Chairman and the First Deputy Chairmen), and the Praesidium of the Supreme Soviet -- roughly representing the Party, the Government and parliament. Voroshilov's appointment suggests this, as does the transfer of the Secretary of the Party Central Committee, Pegov, to the post of Secretary of the Praesidium of the Supreme Soviet.

The appointments in the Ministries, particularly in the key Ministries of Internal Affairs, Foreign Affairs, and War, appear designed to consolidate and tighten administrative control. During the war, top members of the Politburo held specific portfolios. Later, subordinates were moved up to take their places, and they themselves were left without specific administrative jobs, although it was assumed that they retained responsibility for the Ministries they had previously directed. Now the wartime system is re-established. The Deputies who became Ministers have moved down once more. To the extent that the order of precedence within the Ministries remains unchanged, however, it probably should not be assumed that these appointments represent demotions.

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The merging of the two security organizations, the Ministry of State Security (M.G.B.) and the Ministry of Internal Affairs (M.V.D.) would appear to be a logical piece of administrative rationalization. In recent years evidence of the precise functions of these two Ministries has been confused and it has appeared likely that there was a good deal of interlocking and, perhaps, overlapping. It is not unreasonable to suppose that two separate security organizations were useful from the point of view of checks and balances. It may be a measure of Malenkov's self-confidence, of his confidence in Beria, or of Beria's importance in the new scheme of things, that he has been made sole head of all security forces. No Deputy Ministers of Internal Affairs have been named. This may indicate a purging of top security personnel.

In assuming the portfolio of Foreign Affairs, Molotov returns to his old job. Vyshinsky is the senior one of the two First Deputies, Malik being the other. There may have been some demotions among the other previous Deputy Ministers, such as Gromyko, who are not included in the list. It is interesting to note that the United Nations rates a First Deputy Minister, and China a Deputy Minister (Kuznetsov, moved across from All-Union Central Council of Trade Unions to replace Panyushkin). If the list is complete, London and Washington no longer appear to rate Deputy Ministers.

Bulganin's appointment as War Minister is no surprise, and Vasilievsky has moved down to senior First Deputy in the same way as Vyshinsky has done in Foreign Affairs. Marshal Zhukov has re-emerged from relative obscurity to become the other First Deputy.

COMMENT: Apart from the obvious endeavour to consolidate and tighten administrative control, two features of the decree may be tentatively noted:

- (a) That extensive changes have been made in Party and Government organization;
- (b) that there have been few major changes in the senior personnel of the Party and Government.

Malenkov has ostentatiously changed the existing administrative order. He has equally obviously refrained from doing violence to any of the Stalinist "old guard". The third important point is ideology, and this he has left strictly alone so far. It is probably too early in any case for him to have established any new ideological lines. It may be expected, however, that he will continue to be cautious and not venture very far into this field for a considerable time.

## 2. Changes in Soviet Economic Organization

(SECRET)

Changes in the organization of four economic ministries were reported last week. A further series of sweeping changes was announced at the recent meeting of the Supreme Soviet. The net result is that the number of economic ministries is reduced by roughly half to some twenty-five. This consolidation is also carried to the First Deputy Premier level, where

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it would appear that Kaganovich will answer on all questions affecting the economy.

The more interesting changes from the defence point of view appear to be:

- (a) The creation of a Ministry of Defence Industry. According to the published announcement this ministry is to cover aircraft production. As it is headed by the former minister of armaments, it likely combines the functions of the former ministries of armaments (guns, ammunition etc.) and aircraft production. It may have other functions, but nothing is known of these at present. It does not cover AFV production or naval shipbuilding, both of which come under the new Ministry of Transport and Heavy Machine Building. Likewise, it does not cover the manufacture of vehicles and tractors, both of which come under the new Ministry of Machine Building. It may cover guided missiles, but is unlikely to cover the atomic programme which has been under Beria.
- (b) Enlargement of the functions of the Ministry of Transport. The most important change in the control of transportation is the apparently increased importance given to trucking which will now come under the control of the Ministry of Transport (MPS) under Beshchev. Previously trucking has been the responsibility of the Union Republics and various directorates of industrial ministries. This resulted in inefficient use of motor transport comparable with the situation which would result if all Army motor transport were assigned to divisions. The new organization should result in the more economic use of motor transport and it reflects the increased emphasis on highway development in the current Five Year Plan. It is believed that the Chief Directorate of Highways which is responsible for road construction will remain under the MVD. Water transport, including the Northern Sea Route, is to be placed under the control of the new joint Ministry of Sea and River Transport. This is in line with the overall changes and will confer the usual advantages of centralization of the control of transport, particularly in times of national emergency.

### 3. Report of Soviet Homing Magnetic Torpedo

(SECRET)

A recent report from the Far East suggests that a Soviet homing torpedo with a magnetic pistol is in service.

This report supports previous evidence that the Soviet Navy has a passive-acoustic homing torpedo and this might well be fitted with a magnetic pistol. The speed of 60 knots reported is clearly impracticable for a weapon of this kind as homing at high speeds is adversely affected by self-noise. It is thought more likely that the torpedo is electrically propelled to eliminate track and has a performance similar to the German "Gnat".

The torpedo is reported to have a running depth of six to seven metres and a homing range of 120 metres. It has also been stated that the

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warhead can be set to detonate automatically after a pre-set period up to 12 hours or after running a range up to six miles. This is presumably a self-destruction device or might possibly be intended for use against harbours.

The normal running range is reported to be two to three miles - if a 6 mile setting is used the speed would presumably be low.

Pending further investigation it is not considered that this torpedo possesses any new or striking features.

### WESTERN EUROPE

#### 4. Soviet Trade with Austria (CONFIDENTIAL)

The value of Austrian exports to Eastern Europe and the Soviet Union in 1952 was \$72 million, or about 14% of total Austrian exports.

COMMENTS These trade figures exclude the so-called "unrequited" exports which the Soviet Union obtains from Austria in the form of petroleum, two-thirds of the production of the Austrian oil-wells in the Soviet Zone in 1952, and the output of the USIA enterprises (former German-owned properties under direct Soviet administration), amounting to an estimated 30% of Soviet Zone industrial production. Besides about 2,000,000 tons of petroleum taken in 1952, other items include iron and steel goods, transformers, electric motors, cable, etc.

In the post-war years it is estimated that the Soviet Union has drained off from the Austrian economy almost as much as the United States has put in - nearly \$1,000 million.

Vienna is also one of the main centres for carrying on illicit trade in strategic materials.

### SOUTHEAST ASIA

#### 5. Possible Viet Minh Operations (SECRET)

The Viet Minh have had time to reorganize their regular formations and must now be considered capable of further operations before the campaigning season ends in April or May. Although no preliminary enemy moves have taken place, it is reported that the French General Staff in

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Indo-China are convinced that the next phase of the Viet Minh offensive will be widespread in the area of Sam Neua. 304,308 and 316 Viet Minh Divisions are expected to take part in the offensive with a fourth Division, 312 Division, guarding the lines of communication. It is believed that this operation may begin on a date between 15 and 30 March 1953.

COMMENT: This report tends to confirm the conclusions drawn from previous evidence of intensive Viet Minh reconnaissance in the Sam Neua area, defensive mine laying both to the North West and South of the Delta, and improvement of Viet Minh Ls of C through Yen Bay via the Nghia Lo track to the Na San area. There have also been low grade reports concerning Chinese communist activity on the Sino-Laotian border, but it is not considered that these imply any Chinese intervention in aid of the forthcoming offensive.

6. Conditions in the Centre Zone, North West of Saigon (SECRET)

The Centre Zone includes Saigon and Tay Ninh (some 60 miles to the north-west of the capital city and centre of the Cao Dai religion).

Franco Vietnam troops in the area amount to seven regular infantry battalions, 30 companies of Franco Viet Nam commandos, one regiment and twenty companies of Viet Nam National Guards and approximately one hundred companies of 'supplétifs,' including Cao Daists. There is also an artillery battery and an armoured reconnaissance squadron. The remaining two batteries are available for special operations. In addition there are some 20 individual 75 mm, 3.7 inch and 25 pounder pieces used as position artillery in the posts.

Defence of the area is based on approximately 800 towers and fortified posts. The standard of these defences is much lower than anywhere else in Indo-China. The posts, which are being rebuilt by the French, are each garrisoned by twenty to one hundred men.

The Viet Minh have two regular infantry battalions north of Tay Ninh and another regular battalion in the Cholon-Saigon area. There is also a regional battalion and an unknown number of units of the Peoples' Militia in the area. The Command Post of "Nambo", the Viet Minh command for Cochin China, is also situated here. The Viet Minh regulars are less active than in the east and west Zones, but regional troops and militia are constantly involved in mining operations on the main roads, especially north and east of Tay Ninh. 100 kilogram Japanese aerial bombs with a special fuse are often used for this purpose.

The French have progressed very slowly in their efforts to pacify the zone, for example road opening and control of Route Provinciale 13, east of Tay Ninh, has progressed by five kilometres in eight months.

COMMENT: Saigon is the principal port of Indo-China, and centre of a rice-producing region almost as rich as the Delta of Tonkin. The area may be assumed to be a Viet Minh objective, but operations

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against it must wait on improvement in communications with China and on consolidation of a firm base in which to train and from which to despatch guerrillas and regular forces in due course. The plateau region of Central Annam is significant because it may provide the insurgents with such a base.

7. The Cao Dai in Southern Indo-China

(SECRET)

The Cao Dai, a religious body of some 1,000,000 adherents, is one of the semi autonomous groups allied to the Franco Vietnamese forces in Indo-China. The headquarters of the movement is at Tay Ninh, some 60 miles north-west of Saigon.

The Cao Dai have a militant arm 7,000 strong, organised into 46 company-size units and a guard unit of 600 which is used to protect the Cao Dai Pope and their general headquarters in Tay Ninh. There are a number of 'supplétifs' also, all compulsory "volunteers".

This militant arm is controlled by a General Staff consisting of two generals, four colonels, eight lieutenant-colonels and some fifteen other officers. A French Military Mission is attached to this staff.

There is also a dissident Cao Dai body of some 500 men under a General. The located in the jungle north of Tay Ninh but they have little combat potential and are inactive. General Thé is known to be in close touch with the Commander-in-Chief of the Cao Dai forces.

COMMENT: The Cao Dai are not good soldiers and according to the French are prone to make arrangements with the Viet Minh. Theoretically the French must apply through their mission to the Cao Dai General Staff for permission to move Cao Dai troops. It is considered that they are not worth the effort expended on them, they are touchy of their prerogatives and flatly refuse to allow themselves to be incorporated in the Viet Nam National Army. They present a growing problem to the French and Viet Nameese who, while willing to accept any help at the beginning of hostilities, now find their situation improved, and may be compelled to deal with the Cao Dai by force unless they are prepared to cooperate with the Viet-Nam.

8. Location of 20th Chinese Communist Army

(SECRET)

It is reported that the 20th Chinese Communist Army has moved to East China and has relieved the 21st Army in the coastal areas of Chekiang Province during January 1953. Pending further confirmation however, the 20th Army will continue to be held as in the Singo San area of Korea (near Womsan), where it was last reported to have been relieved by the

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23rd Chinese Communist Army in October - December 1952.

COMMENT: Evidence points to the rotation of the 20th, 26th and 27th Chinese Communist Armies of the 9th Army Group to China and replacement by the 23rd and 24th Chinese Communist Armies, though as yet this evidence is not enough for acceptance. It is conceivable that a third army has entered Korea undetected. Reports of the movement of the 21st and 25th Chinese Communist Armies suggest the possibility that one of these two armies, the 21st, or 25th, may be the new third army in Korea. As the 42nd Army is still carried in Korea, the total number of Chinese Communist armies held there is twenty.

9. Nationalist Operations

(SECRET)

A Nationalist report believed to be substantially accurate states that a guerilla raid was carried out on the mainland coast near Jui An about twenty miles south of Wenchow on 8 February. The raiders are reported to have remained ashore for four hours and claimed to have killed thirty-nine communists and captured forty-seven prisoners. One junk was captured and two were destroyed.

10. Ramon Magsaysay, former Secretary of Defence, Philippines (RESTRICTED)

Ramon Magsaysay, who resigned on 28 February 1953 from the post of Defence Secretary in the Liberal Party Government of the Philippines, has apparently every chance of winning the Nationalist Party Presidential nomination at the Party's convention in mid-April. Magsaysay was accepted into the Nationalist Party on 9 March 1953. He has stated that, in his opinion, the insurgent Huk problem was to a large extent brought about by the depressed condition of tenant farmers. In consequence, his chief platform would be land reform.

COMMENT: Magsaysay, as Defence Secretary, evolved an efficient military method of attempting to resolve the Huk problem, and under him was completed the present system of independent self-contained battalion combat teams (one of which, with 4 x 105 mm Hows within the battalion, is in Korea). Should he be successful as a candidate for the Presidency, it can be expected that more determined efforts will be made to resolve finally the Huk problem.

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11. Enemy Use of Explosive Small Arms Ammunition  
in Korea

(CONFIDENTIAL)

Recent reports confirm the use of Soviet 7.62 mm "ZP" incendiary ammunition in ground fire from machine guns against United Nations troops in Korea. Reports that small arms fire produces an unusual loud noise upon impact have been frequent in recent months. Metallic link belts for the Soviet 7.62 mm M1943 Goryunov machine gun, loaded with ball, tracer and irregularly spaced "ZP" incendiary rounds have now been captured. Both the place of capture and the manner of loading these belts indicate that the ammunition was being employed in ground weapons for use against United Nations troops.

COMMENT: The Soviet "ZP" round is designed to ignite the unarmoured fuel tanks of aircraft and vehicles. Incendiary composition is ignited upon impact by means of a rudimentary fuze and a small explosion takes place. A bullet of this type hitting personnel has the same effect as an explosive bullet. Explosive-type incendiary rounds were employed against German personnel by Soviet troops during the last war.



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# **JOINT INTELLIGENCE SUMMARY**

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SOVIET UNION AND SATELLITES

1. The Turkmen Canal Project

(SECRET)

In September 1950 the U.S.S.R. resolved to build the Turkmen Canal (1000 km. long) from Takhia Tash on the river Amu Dar'Ya to Krasnovodsk on the Caspian Sea. The canal, fed by the Amu Dar'Ya, will traverse the Kara Kum desert and link Central Asia by waterway with the Caspian Sea and Volga River; its waters will also supply 1,200km. of branch irrigation canals and provide hydro-electric power for the regions brought under development. Preparatory work began in 1951 and the planned date for completion of the project is 1957.

The course of the canal (see map at end of Summary) at its eastern and western ends appears to have been decided, but alternative plans are still being considered for the middle section. There will be a dam, locks and a hydro-electric power station at Takhia Tash and two similar units on the canal; total electricity generating capacity will be 100,000 kw. There will also be a lock near Krasnovodsk. Dimensions of the canal and installations are not available, but it is stated that the largest Volga ships will be able to use the waterway.

It is claimed that excavation at the eastern end of the canal was proceeding during 1952, and the foundation pit for the Takhia Tash dam power station was completed in January 1953.

COMMENT: It would appear that this vast developmental project is designed more to create a new agricultural area than to extend internal lines of transportation. The irrigation canals will enable agricultural production to be undertaken and the planting of tree-belts. However, the new waterway will also provide cheap transportation for raw cotton destined for the textile mills of the central industrial region; grain, agricultural machinery and industrial equipment will travel eastward, and exploitation of Turkmen oil and coal resources will become possible.

The new waterway has no immediate strategic significance but on completion will be an important extension of the systems connecting the Baltic and White Seas in the north with the Caspian and Black Seas in the south.

In view of the length of the canal and the physical difficulties of the enterprise, completion by 1957 appears ambitious, but not impossible in the light of Russian experience and performance.

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## WESTERN EUROPE

### 2. The European Defence Community

(SECRET)

Reports from Western Germany, Italy, Belgium and The Netherlands indicate that there is no dissatisfaction with the United Kingdom proposals for closer association with the E.D.C. However, French comment on the proposals is reported to be not enthusiastic.

As far as ratification is concerned, with the exception of Western Germany, there is a tendency for the other countries to wait and see what France will do.

## PAKISTAN

### 3. Political and Economic Situation in Pakistan

(RESTRICTED)

Pakistan at the moment is faced with an acute food shortage and a difficult financial situation caused by heavy grain purchases abroad and a fall in the price of exports of raw material. From a political point of view, provincial jealousies, reactionary religious forces and unsettled disputes with India trouble a central government which is divided and lacking in confidence.

COMMENT: Despite the present difficulties which the countries are facing, it would be unwise to take an alarmist view of the situation. Pakistan has fundamental sources of strength; economically it is more mature than most Middle Eastern countries; there is a significantly large educated and westernized element in the population; and in spite of reactionary forces there is a strong disposition towards friendship with the West.

## KOREA

### 4. Soviet Units in Korea

(SECRET)

Nine Soviet AA gun regiments and three automatic weapon regiments, with a total strength of 6,000 personnel, are now believed to be present in the Sinuiju and Antung areas of Korea.

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COMMENT: The presence of Soviet technicians and instructional cadres in Korea has been accepted for some time, but this is the first news of Soviet formations in the enemy order of battle in Korea. It is not yet clear whether these formations are on the Korea side of the Yalu River, or remain on the Manchurian side whence they could come into action on UN aircraft still on the Korean side.

5. Enemy Anti-Aircraft Artillery in Korea

(SECRET)

The present totals of Chinese and North Korean anti-aircraft artillery strengths in Korea (not an integral part of divisional formations) are estimated at 1320 automatic weapons (AW) in 110 AW battalions, and 648 anti-aircraft (AA) guns in 54 AA battalions. Far East Air Force reports, however, indicate higher figures, based on photographs. Though these figures fluctuate, they have indicated up to 800 AA guns in North Korea and in Manchuria, immediately adjacent to the Yalu.

COMMENT: Enemy AA positions are frequently shifted and the units redeployed, so that identification is difficult. The total accepted strengths, which are probably below actual strengths, are summarized as follows; (the battalion totals including those accepted as being within regiments).

Chinese AA gun battalions: 44, with a total of 528x76/85 mm AA guns.  
North Korean AA gun battalions: 10, with a total of 120x76/85mm AA guns.  
Chinese AW battalions: 74, with a total of 888x37 mm AW.  
North Korean AW battalions: 36, with a total of 432x37 mm AW.

These are in addition to various Russian units in the Sinuiju-Antung area mentioned in the preceeding item.

6. Enemy Defence in Depth in Korea

(SECRET)

It appears that the enemy in Korea is at present teaching a defensive, rather than an offensive, doctrine. Prisoners speak of a "second line" of defence, and considerable defence in depth exists, but there is little reason to suppose the enemy has adopted linear defence anywhere but in the immediate front area.

The present line of enemy defences extends in depth 25 miles from the line of contact. This band is heavily fortified and well organised defensively. Communication trenches link strong points, and

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points are mutually supporting with interlocking fire. Defensive construction is not segregated into linear bands but conforms to the terrain.

In rear areas there are no known bands or lines of defence. However, the enemy has constructed many strong points for the perimeter defence of such places as troop locations, main supply routes, road junctions and supply installations; There has been no apparent attempt to link these points except, perhaps, in the short line of defence positions running South West of Wonsan.

Coastal defences are well sited to meet beach conditions, tides, and areas accessible to an invader. Many sections of the coast are heavily fortified, notably in the areas of Hungnam and Wonsan on the East Coast and at the mouths of the principal rivers on the West Coast.

COMMENT: There is evidence that although the enemy is prepared to make a strong and sacrificial defence of his front line, he is also prepared for a breakthrough. His reserve armies are so situated that they could defend major features with little or no redistribution of forces. In coastal defence, it is apparent that the enemy has decided against attempting to fortify the entire coast, and has put his main effort at points which he believes would be United Nations targets.

7. Fifth Anniversary of the Formation  
of the North Korean People's Army

(SECRET)

Kim IL Sung, Prime Minister and Supreme Commander of the North Korean People's Armed Forces, and Choe Yong Gun, Minister of National Defence, were awarded the title of Marshal and Vice Marshal, respectively, of the "Democratic People's Republic of Korea" on 8 February 1953. The occasion for the awards was the fifth anniversary of the North Korean Army. These titles appear to be similar to that of "Marshal of the Soviet Union".

COMMENT: Immediately following VJ Day, Soviet authorities in North Korea began the organisation of a North Korean military force. The government set up under Soviet auspices had no Ministry of National Defence. Nevertheless, a number of security units were created and began a form of military training. At the same time some 60,000 Koreans, who had been fighting with the Chinese Communists in Manchuria, crossed into North Korea in 1946 and formed the nucleus of the army. This work of organisation continued for some two years until on 8 February 1948, Kim IL Sung announced the creation of the North Korean People's Army. Lt-Gen Choe Yung Gun, a Yenan trained Communist, was appointed Commander of the army,

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but in the spring of 1949, when its general headquarters was redesignated the Ministry of Defence, Choe became Minister and thus assumed control of all three services. The army (which was then believed to consist of about three divisions, an independent mixed brigade and service units) is now thought to have eighteen infantry divisions, seven infantry brigades, six to ten small armoured units, five AA regiments, two mortar regiments, a heavy artillery regiment, an artillery regiment and three battalions of artillery.

### SOUTH AMERICA

#### 8. New Commander in Chief of the Chilean Army (RESTRICTED)

Brigadier-General Carlos Mezzano Camino has replaced Major-General Santiago Danus Pena as Commander-in-Chief of the Chilean Army. In addition, all officers senior to General Mezzano have been retired, except Brigadier General Abdon Farra, Minister of National Defense.

COMMENT: It is likely that some of the general officers, including Danus, were retired by reason of length of service, while others probably were retired because they were senior to Mezzano.

It is a Chilean custom that general officers normally will not serve under officers junior to them.

#### 9. Deception Island (CONFIDENTIAL)

It is reported that on 8 March 1953 Chile asked the United Kingdom when it might expect a reply to its note of protest of 20 February concerning the United Kingdom action in dismantling Chilean and Argentine installations on Deception Island. The reply indicated that the United Kingdom had nothing to add to its previous note, but would reply formally to Chile's note.

Reports indicate that public opinion in Latin America other than in Argentina and Chile has shown very little interest in the "incident" although it was prominently reported in the press.

COMMENT: It seems likely that the "incident" will be quickly allowed to drop. The Chileans appear to be seeking a convenient way to disengage themselves but they cannot afford to appear less patriotic than the Argentines; their future action will therefore probably be tempered by the course followed by Argentina.



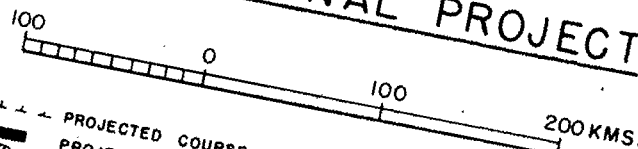
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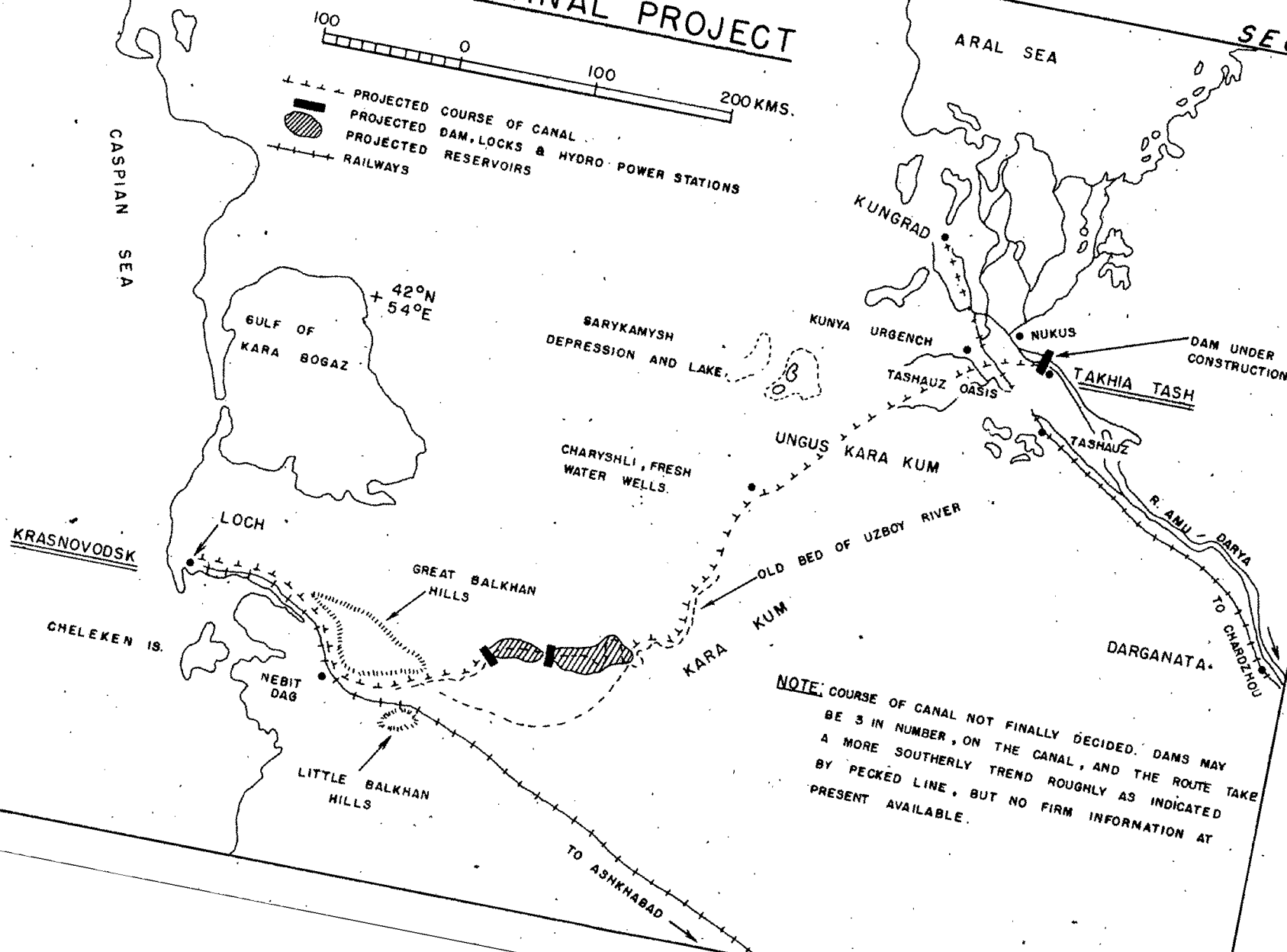
Although the matter has created little interest in other parts of Latin America, should the matter be raised in the Organization of American States, the other eighteen countries following the traditional principle of Latin American solidarity will probably support Chile and Argentina.

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# TURKMEN CANAL PROJECT



- PROJECTED COURSE OF CANAL
- PROJECTED DAM, LOCKS & HYDRO POWER STATIONS
- PROJECTED RESERVOIRS
- RAILWAYS



NOTE: COURSE OF CANAL NOT FINALLY DECIDED. DAMS MAY BE 3 IN NUMBER, ON THE CANAL, AND THE ROUTE TAKE A MORE SOUTHERLY TREND ROUGHLY AS INDICATED BY PECKED LINE, BUT NO FIRM INFORMATION AT PRESENT AVAILABLE.



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## SOVIET UNION AND SATELLITES

### 1. Sino-Soviet Trade Protocol

(CONFIDENTIAL)

A new trade protocol to the basic Sino-Soviet Trade and Credit Agreements of 1950 was signed recently in Moscow. Under this new agreement the Soviet Union will send equipment for China's metallurgical, mining, machine construction, chemical, transport and other industries as well as agricultural machinery, pedigree cattle and seeds. The Soviet Union also agreed to expand existing electric power stations and to construct new ones in China.

In addition to the protocol in trade and the agreement on power stations, the Soviet Union and China also signed a new protocol to the agreement of 1950 on credit. No details were given. Under the new protocol, China will supply to the Soviet Union non-ferrous metals, rice, vegetable oil, oil seeds, tobacco, tea, jute, silk and other goods.

COMMENT: Aside from the statement last November about Port Arthur, the above is all that has been published to date on talks between the Chinese and the Russians which have been going on since last August.

Under the 1950 agreement on credit, the Soviet Union agreed to provide China with a credit of only \$300 million over a five-year period at the rate of sixty million dollars a year.

Pending the receipt of further information it may be tentatively concluded that after bargaining the Soviet Union has agreed to provide China with the machinery needed for the achievement of the modest goals of the first year of the Chinese five-year plan and that the bulk of what China receives will be paid for by the export of raw materials and other products.

## WESTERN EUROPE

### 2. Effect of Flood Damage on Netherlands Economy

UNCLASSIFIED)

On the 2 March 1953, the Netherlands government issued an official survey summarizing the effects of the February flood disaster. Total damage included 1,500 deaths, destruction or irreparable damage of 9,000 houses and farms and extensive loss of livestock. The chief loss, however, is represented by the flooding of 400,000 acres including 5.7 percent of all agricultural land. The autumn sown crops on these

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lands are destroyed, but in some areas the land will be restored in time for spring planting of wheat. It is estimated that a full harvest cannot be expected from the area until 1955. The overall economic loss is estimated at a thousand million guilders (U.S. \$263 million) or over 5 percent of the total national output.

No definite plan for financing reconstruction has been announced, but as far as possible the government will obtain funds from taxation (projected tax cuts are to be cancelled). The industrial investment programme may have to be reduced. A fund of \$385 million from the sale of goods supplied under U.S. economic aid is available to the government, but will only be used in the last resort, since its use would be highly inflationary.

The government has not proposed to reduce defence expenditure, set at \$472 million for 1953 but has made it clear that the flood has altered the economic premises upon which the defence programme was based. Having announced in January that the country no longer required U.S. economic aid, the government, in view of the flood damage, has now informed the U.S. that aid will be required in 1953.

The government estimates a budget deficit of \$316 million in 1953, double that anticipated before the flood. This cannot avoid producing some inflationary effect on the economy. The flooded areas produced about \$85 million worth of crops annually largely for export and this source of foreign exchange will be lost for some time. Reconstruction will involve the import of some materials and this will increase the requirements for foreign exchange. As a result, the balance of foreign payments which was in surplus in 1952 is likely to produce a considerable deficit in 1953.

#### MIDDLE EAST

### 3. Lebanese Support for the West

(SECRET)

President Camille Chamoun, who came into office in Lebanon following the popular revolution in September 1952, has indicated that so long as he was President, and provided certain conditions were fulfilled, Lebanon would be on the side of the Western allies and would be at their disposal in the event of war. The conditions which he specified as necessary to ensure full cooperation are

- (i) settlement of the Palestine question to ensure good relations between the Arabs and the West;
- (ii) the supply of equipment adequate to enable the Lebanese to take an active part in common defence

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In addition the President made one other important reservation. He stated that neither French or Turkish troops would be acceptable in the Lebanon.

COMMENT: The problem involved under the second condition is that it will be difficult for the West to send military supplies and equipment to the Lebanese without inviting demands for similar concessions from other Arab states.

#### 4. Anglo-Iranian Oil Dispute

(CONFIDENTIAL)

In a broadcast to the nation on 20 March, Dr. Mussadiq reviewed the two-year dispute with the Anglo-Iranian Oil Company. He characterized the policy of the United Kingdom and the United States as being determined by the interest of "some of the great oil companies in the Middle East" and the continuing ambition of the United Kingdom to re-establish its former position of influence in Iran. At the close of his address he offered to submit the Company's compensation claims and Iran's own counter-claims to the International Court of Justice, provided the Company would either state in advance the maximum amount of its claim or else agree with the Iranian Government to an "acceptable principle for the assessment of the amount of compensation to be paid." As an alternative Dr. Mussadiq, said his Government would be prepared to enter into negotiations with a fully authorized representative of the Company and the United Kingdom Government to "settle the claims of both sides in a friendly manner".

COMMENT: The implication of these offers is that Mr. Mussadiq still denies the principle that the Company may justly claim compensation for the loss of its enterprise - i.e., its future profits - as well as the loss of its actual installations and property in Iran.

### FAR EAST

#### 5. Nationalist Attaches against the Chinese Mainland

(SECRET)

Subsequent to the "deneutralization" of Formosa, there have been many sensational reports in the newspapers of Far Eastern countries of raids on the mainland, bombing attacks, etc. The following account of such incidents is believed to be reasonably accurate.

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On 8 February three Communist junks off Julian (near Wenchow) were attacked by one Nationalist minesweeper and three armed junks based on Ta Chen. This operation resulted in the sinking of two of the Communist junks. No landing was made.

On 13 February, a small raid was made by Nationalist irregulars on Meichow Island (75 miles NE of Amoy). The raiding party landed without opposition and withdrew the next day.

Reports of air raids by Nationalist aircraft against the mainland are believed to be untrue, although it is quite possible that such aircraft have been carrying out reconnaissance and leaflet dropping sorties.

#### 6. Licensing of Voyages of British Ships to China

(SECRET)

An order was laid before the British Parliament on 16 March to institute a form of licensing for voyages of British ships to China. A licence for a voyage to China or North Korea, or from one port in China to another port in China, will be granted on condition that there shall not be on board any ship covered by the licence (when on a voyage to which the licence applies) any cargo specified in the schedule. The schedule lists items of arms, ammunitions, electrical equipment, machinery, metals, oil, rubber, chemicals and transport equipment, and will be issued by the Ministry of Transport for ships normally based in the United Kingdom or by the appropriate department in Hong Kong, Singapore or Malaya for ships normally operating from those areas. The intended measures will prohibit the carriage of strategic goods in British ships to China from overseas. Three British ships carried objectionable cargoes from European ports during 1952. The carriage of strategic goods in British ships between ports in China and Korea will also be prevented. Few British ships however are believed to be engaged in such trade.

COMMENT: The institution of voyage licensing for British ships is unlikely to have much effect on China's military capability.

#### 7. Viet Minh Offensive

(SECRET)

The French expect that the next phase of the Viet Minh campaign will start with an attack on Sam Neua between the 5 and 10 April 1953. They have appreciated that the attack will be made from the north and northwest by the 308 Viet Minh Division and 98 Regt, a total of twelve



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battalions. At the same time they expect an attack from the southeast by the 304 Viet Minh Division, using Route Coloniale No 7 as an axis for advance. The 174 Viet Minh Regt, now northwest of Moc Chau and 165 Viet Minh Rgt, moving from a position north of Moc Chau will also take part. This will mean a total force of twenty seven Viet Minh battalions.

COMMENTS: Various reports of the imminence of the Sam Neua operation have indicated respectively that it would start in February, in early March, and then the latter half of March. However, there is still no positive information that large-scale movement of Viet Minh regular troops has begun. The last reported strength of the French garrison of Sam Neua was three Laotian battalions.

8. Conditions in the Na San - Co Noi Sector - Indo-China (SECRET)

A recent report on conditions in the Na San area states that an average of 30 Dakota aircraft per day landed at Na San during the two weeks prior to the observer's visit, despite low cloud and the fact that the runway becomes slippery after a little rain.

There are five batteries of 105 mm M2 howitzers, one battery of 105 M3 howitzers, one battery of 120 mm mortars and one battery of 75 mm recoilless rifles in the Na San - Co Noi area. An average daily total of 200 rounds is fired by the six 105 mm batteries. The French artillery commander stated that the Viet Minh stay just out of range; to counter this, batteries are sent on roving missions along Route Provinciale 41 (Son La - Lai Chau) and lateral routes two or three times a week. Infantry protection is provided and an OP flight attempts to find targets in likely areas as indicated by Intelligence. It is estimated that this procedure has accounted for an average of 15 Viet Minh daily for the past month (Jan - Feb 53) but the French artillery commander is of the opinion that anything found dead "including women, children and buffaloes" are counted as Viet Minh regulars.

Morale of troops is hard to maintain and the officer commanding the Groupe Mobile 1 considers that either major offensive operations or rotation with troops in the Delta is necessary.

Viet Minh activity in the area is confined to surveillance, infrequent ambushes and some mining of RP 41. Secondary roads and tracks in the area are not mined, probably because the Viet Minh use them at night.

COMMENT: Na San was responsible in large part for the halting of a victorious Viet Minh winter campaign. It is possible that the Viet Minh may try to by pass it in any future advance they may make on Sam Neua and the Lastran territory. In view of the reported road construction to improve Viet Minh communications into the Na San area from Yen Bay and Nghia Lo, it seems probable that at least

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containing attacks may be expected on the position, if the Viet Minh should move on Sam Neua as expected.

9. Thai Autonomous Regional Government in Yunnan

(SECRET)

Peking's creation of a Thai Autonomous Regional Government at Cheli in Yunnan Province in Southwest China has worried military and political leaders in Bangkok, who consider that it constitutes a threat to Siam and that it may become a centre for operations by disaffected Siamese leaders such as Pridi and Tiang Sirkhand. The creation of the Region was announced in a broadcast from Peking at the end of January in terms that suggested that it was simply a matter of internal Chinese administration in line with the usual Chinese minority's policy.

This development may indicate the beginning of an attempt to set up a rebel Communist Government based on the support of the peoples of the Thai race in Laos, Burma (The Shans) and Siam as well as in Yunnan. Such a move might fit in strategically with the recent Viet Minh offensives in the Thai country southwest of Tonkin..

COMMENT: There appears to be no reason as yet to believe that the fears expressed in Bangkok are justified, and the Autonomous Region probably has no more than internal Chinese significance. Its potential aggressive significance however, is considerable and the situation must be watched closely for developments. A motor road from Kunming to Cheli was reported under construction and almost ready for use in December 1952. It was thought then that this road would be continued to Luang Prabang in Laos and might possibly be used as a further line of communication for Chinese aid to the Viet Minh when campaigning in this area.

10. Chinese Order of Battle in Korea and China

(SECRET)

The possible rotation of the 20th, 26th and 27th Chinese Communist Armies of the 9th Army Group to China, reported on in CCOS Brief (Item 434) of the 20th March 1953 has now been accepted.

The 20th Army will be carried in the Lin Hai - Ning Hai area of Chekiang Province in East China, some 300 miles North along the coast from Amoy. The 26th and 27th Chinese Communist Armies are accepted as having returned to China but are as yet unlocated.

The 25th Chinese Communist Army, formerly located in Amoy is now accepted in Korea, but the designation is unconfirmed and unlocated.

COMMENT: The new location of the 20th CC Army is the previous location of the 21st CC Army, Lin Hai. The tentative acceptance of the 25th CC Army in Korea would seem to complete the relief of 20th, 26th and 27th CC Armies by the 23rd, 24th and 25th CC Armies as was reported in Item 434 of the 20th Mar 1953. 42nd CC Army is still carried unlocated in Korea and there is no reported change in the overall strength.

11. Appointment of New Provost Marshal in Chief of Korean Forces (SECRET)

Major General Won, Yung Duk (ROK) has been appointed to the newly created position of "Provost Marshal in Chief", which is equivalent to Provost Marshal for all three branches of the ROK Armed Services.

The newly appointed "Provost Marshal in Chief" apparently will take control over all ROK Military Police from the respective Chiefs of Staff of the three services and will be under the direct supervision of the Minister of National Defence.

It is possible that this move may (1) constitute a step toward establishment of a political police agency for use within the armed services, and (2) facilitate the administration's utilization of military police for political purposes, as it did during the political struggle between President Syngman Rhee and his assembly opposition in May-July 1952.

COMMENT: During the political upheaval of May - July 1952, President Rhee appointed Major General Won as martial law commander of the Pusan area. In this position, General Won by-passed established army command channels in his utilization of military police in Pusan to exert pressure upon Rhee's political opposition. Creation of a new Provost Marshal-in-Chief at the Department of National Defence level appears to be an attempt by the Rhee administration to obtain direct control of the Military Police without reference to the service Chiefs, who are under the direction and influence of the United Nations Command.

General Won, who long has aspired to become either ROK Army Chief of Staff or Minister of National Defence, reportedly is held in low esteem by the top-level leaders of the ROK armed services. This transfer of powers out of established military channels, coupled with the appointment as the new Provost Marshal-in-Chief of an officer who has a record of attempting to involve the armed forces in domestic politics, undoubtedly will become a source of friction and dissention within the ROK armed forces, which in its turn, may cause trouble for the UN High Command.

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**14 Apr 53**

# **JOINT INTELLIGENCE SUMMARY**

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## SOVIET UNION AND SATELLITES

### 1. The New Soviet Ministry of Defence

(TOP SECRET)

It has now been confirmed that, on 14 Mar 53, the Soviet government amalgamated the Ministries of War and of the Navy into the Ministry of Defence. Marshal Bulganin is Minister, and Marshals Vassilievskiy and Zhukov are First Deputy Ministers.

COMMENT: This change is consistent with changes made in about twenty other ministries. It has good precedent, in that a Commissariat of Defence existed at the outset of the Second World War, and a Ministry of the Armed Forces existed from 1946 to 1950. Through the resumption by Bulganin of this portfolio, which he relinquished to his First Deputy (Vassilievskiy) in 1949, the control of all the armed forces has again been directly centralized under an expert on defence policy. The new nomenclature will help to emphasize the non-belligerence of Soviet intentions.

Increased centralization of control may entirely explain this change, and there would appear to be no reason to conclude that it heralds a reduction of the naval or air programmes.

The situation as regards the Deputy Ministers remains extremely obscure. It is not yet known whether the inspector-general and the heads of the air, naval and rear services have been named deputy ministers.

As reported earlier, Marshal Sokolovskiy is believed to have replaced general Shtemenko as CGS of the Soviet Army. It is not yet known whether this appointment is to carry with it the office of Deputy Minister, and whether Sokolovskiy is to become CGS of the armed forces.

### 2. The 1953 Reduction of Retail Prices in the Soviet Union (CONFIDENTIAL)

In the spring of every year since 1948 the Soviet government has announced a reduction in retail prices. In 1951 and 1952 the reductions were mainly limited to changes in food prices, but the decline this year includes food, clothing, vodka and a number of household goods.

According to calculations made by JIB the price reductions of the last few years have led to the following declines in consumer goods prices as a whole.

1949.... 5%	1951.... 7%
1950... 17%	1952.... 7%

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Preliminary calculations indicate that the 1953 reduction may lead to a further decline of 8-9 per cent. These estimates are not very reliable but they indicate in a broad way the changes which have taken place.

Although the above figures indicate a rise in the standard of living of the average urban worker of around 50 per cent since 1948, the present standard of living in the Soviet Union is still extremely low, possibly one quarter of that of the average Canadian urban worker.

The Soviet Union is unique among the countries of the world in using a continuous fall in consumer goods prices rather than a rise in money wages as the means of passing along increases in the standard of living. It may be thought that, given the long history of inflation in the Soviet Union, a price decline will have a more favourable effect upon internal morale than a rise in pay.

### 3. Volga-Ural Canal Project

(SECRET)

In May 1952 excavation work began at Osadnaya on the Volga-Ural (Stalingrad) Canal Project and it is planned to complete the project in 1956 when the Stalingrad reservoir will be formed.

The exact course of the canal is not yet clear, but it appears that it will run roughly east-west between Stalingrad and Kalmykovo. Salt marches will, as far as possible, be avoided but east of lake Aral Sor, over a distance at present undetermined, the canal will be raised on a 20 foot high embankment to preserve the freshness of the water.

This canal connecting the Volga and Ural rivers will be about 370 miles long. It will be gravity fed from the Stalingrad reservoir and will provide water for some 1,200 miles of arterial irrigation canals and a great network of irrigation canals. There will be a shipping lock near the western end of the canal and, it is believed, a hydro-electric power station near the Ural.

COMMENT: The new canal will serve the purposes of navigation, irrigation and possibly hydro-electric power. It will shorten considerably the present distance (via the Caspian) between the Volga and Ural rivers, and improve the navigability of the latter by the water fed into it.

It would seem, however, that the new waterway is of economic rather than strategic importance. As a result of irrigation it is anticipated that desert pasture and saline soil will be transformed into fertile arable and pasture land with an adequate supply of drinking water for increased herds of sheep and cattle.

Some 2,000 sq. miles will become suitable for cultivation of grain, fruit and vegetable crops and a much greater area of, at present, saline pasture improved beyond recognition.

WESTERN EUROPE

4. Royal Netherlands Navy Submarines

(CONFIDENTIAL)

It is reported that following the arrival on loan to the Royal Netherlands Navy of the two United States Navy Balao class submarines, the Hawkhill and the Icefish, one of the two submarines at present on loan from the Royal Navy will be returned to the United Kingdom.

5. Naval Construction - Netherlands

(CONFIDENTIAL)

Cruisers. The first new cruiser Hr.Ms. de Ruyter, commanded by Captain Propper, will commence her trials about the end of March 1953. Her trials will be in two parts; first she will proceed far north to test equipment and clothing in the Arctic, and next she will proceed to the tropical waters. It is anticipated that she will be commissioned in September and be operational in December 1953.

The second new cruiser Hr.Ms. "Zeven Provinciën", commanded by Captain van Erkel, will undergo exactly the same type of trials commencing about the end of April and will be commissioned in November 1953.

Submarines. New submarines are to be constructed in the Netherlands in the near future. However, it would appear that difficulties encountered in the three-drum type hull design of these submarines are likely to cause considerable delay in their construction. The prefabricated hull section of one of the new submarines was recently seen at the Rotterdam Drydock Shipyards but the yard's top engineers have indicated that it is very doubtful that construction will begin this year.

SCANDINAVIA

6. The Defence of Denmark

(SECRET)

The bill to prolong for one year, from 1 May 1953, the stationing of Danish troops in South Sleswig was passed by the Danish parliament on 26 March 1953. Those who opposed it argued that the small Danish force could not provide adequate cover for the southern frontier of the country and should be removed to Denmark. The Minister of Defence stated that General Ridgway had twice refused to allow other allied troops to replace the Danish and Norwegian forces and he expected

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negotiations to continue. He added that it would be most unfortunate if Denmark were instrumental in making the North German area a military backwater, by refusing to cooperate adequately in its defence.

COMMENT: The importance of Scandinavia to Western Defence has many times been stressed by SHAPE. Also the fact that Denmark is the key to Scandinavia. Therefore General Ridgway's refusal to replace the Danish troops in South Sleswig (which is the direct approach to Denmark) is no doubt designed to force the Danes into making a more effective contribution to their own defence.

The Norwegian Brigade Group is due to leave Sleswig for Norway in May and SHAPE had requested the Danes to replace it with a similar force of their own (at present they have a battalion group of 1700 men in Sleswig). This they said they were unable to do. They also stalled over increasing their period of conscription from 12 to 18 months, giving as a reason an insufficiency of barrack accommodation in Denmark. An increase of the force in Sleswig would in fact have relieved this situation somewhat.

When the conscription period was finally increased it resulted in a rather ineffectual mutiny.

All in all, the Danish defence effort cannot be regarded as a very satisfactory one.

7. Exchange of Officers - RCAF and Swedish Air Force (UNCLASSIFIED)

Approval has been given by the Swedish Defence Department to a proposal made by the RAF for an exchange of officers between the RAF and RSAF. The number of officers involved from each service will be three, and these will probably be employed in both staff appointments and operational units.

COMMENT: This projected exchange programme is another interesting indication of the strong feeling existing between the RSAF and the RAF.

MIDDLE EAST

8. Turkish Views on Spanish Admission to NATO (CONFIDENTIAL)

It is reported that the Turkish Government is prepared to support the admission of Spain to NATO provided the would-be member was prepared to cooperate fully with the present members of the organization.

opposing participation in the Pacific Alliance because he does not like collective security in company with New Zealand, Australia, the Philippines and Formosa, or because he attaches too much importance to relations with Southeast Asia?"

Prime Minister Yoshida is reported to have replied to the effect that Japan's willingness to participate in a Pacific pact might adversely affect relations between Japan and other countries concerned since some of them might oppose Japanese participation. He said his government would try to improve relations with those countries.

COMMENT: Within Japan, the principal objection to a Pacific pact is that participation would undoubtedly mean overt rearmament and rearmament on a larger and more expensive scale. At the moment the government wishes to avoid both an admission of rearmament and the imposition of higher taxes to finance rearmament.

## 12. Present Situation in Korea

(SECRET)

Despite the rapid and apparently smooth progression of the Panmunjom talks on the exchange of sick and wounded prisoners of war, ground activities in Korea continue much as before.

The 2US Infantry Division which held the sector on the right of the 1 US Marine Division was relieved by 1 Commonwealth Division on the night of the 7 - 8 April 1953.

The 1 US Marine Divisional front, some nine miles to the northeast of Panmunjom, continues to be fairly lively. Two enemy companies supported by heavy artillery and mortar fire attacked an outpost in this area at 0348 hr. on the morning of 9 April 1953. Action ceased by 1000 hr.; 60 enemy dead were counted and it is estimated that a further 90 were killed and 70 wounded. The Marines lost 14 killed, 66 wounded and 4 missing in the action.

## 13. Enemy Logistics in Korea

(SECRET)

In spite of UN air efforts to destroy his supply system and under adverse terrain and weather conditions, both the Chinese and North Koreans have adequately supplied their ground forces.

Transport. It is estimated that the enemy has some 350 locomotives; 7,000 freight cars, and 21,000 vehicles in North Korea. Replacement capabilities are unknown. The principal weakness of the transport system is the lack of lateral lines and the convergence of the

responsible for a subsector, which have French commanding officers and a small French cadre. The 10th Bn was due to become completely Vietnamese later in February 1953 with the 20th and 54th to follow suit in March or April.

In addition there is an armed reconnaissance platoon of five MBs (French cadre) and two batteries of 105mm M2 howitzers (all Vietnamese). The artillery consists of two gun platoons and is used in a static role. There are also in the sector eight companies of supplétifs (960 men), 650 Militia and one Supplétif Commando Company.

Viet Minh forces in the area include two battalions of the 42nd Regt, one regional battalion, seven regional companies and an unknown number of "troupes populaires". In the opinion of the French, the regional battalion is excellent and as efficient as the regular units. The Viet Minh, being aware that the sector is under Vietnam control, make every effort to embarrass them, realising that their success would have an adverse propaganda effect. The Viet Minh, by means of terrorist teams and a close check on the movements of the locals, control 500 of the 554 villages in the sector. Strangers or suspected Vietnam agents are treated with extreme suspicion and, if caught, are dealt with summarily.

Static defence in the sector is based on thirty-two fortified posts, not including Bao Chin Doan and militia posts. Movement between and the supply of these posts is extremely difficult as all roads are mined and ambushes frequent. The main road runs on a dike and is invariably blocked when a mine is detonated under the lead vehicle as there is no turn round. The Vietnam commander of the sector believes that the populace are not "pro" anything, but merely interested in living.

COMMENT: It is believed that the Hung Yen sector is the "show piece" of the Perimeter but that little or no improvement in the situation can be expected until more troops are provided and clearing operations conducted by 'groupes mobiles'. Viet Minh control of villages exists in a similarly large proportion throughout the Delta and until their lines of communication from the north can be cut, it is doubtful if even the suggested solutions above would have any effect.

#### FAR EAST

#### 11. Japanese Views on a Pacific Pact

(CONFIDENTIAL)

On 9 March the Japanese Prime Minister was asked the following question by a Right Wing Socialist member of the Upper House:

"The Prime Minister opposed the Pacific alliance on the ground that Japan is not going to rearm. However, defenceless Iceland is a member of the North Atlantic Pact. Is P.M. Yoshida

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opposing participation in the Pacific Alliance because he does not like collective security in company with New Zealand, Australia, the Philippines and Formosa, or because he attaches too much importance to relations with Southeast Asia?"

Prime Minister Yoshida is reported to have replied to the effect that Japan's willingness to participate in a Pacific pact might adversely affect relations between Japan and other countries concerned since some of them might oppose Japanese participation. He said his government would try to improve relations with those countries.

COMMENT: Within Japan, the principal objection to a Pacific pact is that participation would undoubtedly mean overt rearmament and rearmament on a larger and more expensive scale. At the moment the government wishes to avoid both an admission of rearmament and the imposition of higher taxes to finance rearmament.

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North-South routes in the Sinanju and Hamhung areas. Under present circumstances the enemy is thought to be capable of maintaining approximately 70% of his transport operational.

Rations. Stockpiling has been continuous since November 1952. The present level is estimated to be 30 to 45 days in the forward areas. Daily consumption is about 2000 tons.

Clothing. The Chinese and North Koreans both issue troops with a padded uniform each winter, a padded overcoat each two years, and one or two summer uniforms. Very little replacement stocks are required.

POL. The estimated daily consumption is 400 tons. (This is a small figure, but a great deal of supplies are horse and man-packed).

Weapons. During the past year there has been a substantial increase in weapon supply, including small arms, heavy AA guns, field artillery, and mortars, and there is no apparent shortage. Standardisation has steadily progressed in both the Chinese and North Korean armies, though it is by no means complete. Supply of engineer and ordnance spare parts appears to be the principal weakness.

Ammunition. There is no apparent shortage of small arms, artillery, or AA ammunition. Front line areas have about 3 to 8 days supply at hand. (This estimate is thought to be based on a maximum day of fire of 200 tons per front line division in initial attack).

COMMENT: The Chinese supply system is based on a static Rear Service HQ with each of the five (possibly six) Field Armies. The Chinese have made good use of their opportunities for improvisation, and are certain to have acquired a confidence in their ability to sustain forces at or beyond their southern frontiers in spite of any likely opposition. The North Korean government, through its Ministry of National Defence, assumed responsibility for supply and distribution to its armed forces shortly after the outbreak of the Korean incident. Its function is chiefly to coordinate with the Soviet Union and China.

14. Republic of Korea Naval Representation at the Coronation. (CONFIDENTIAL)

The Commander-in-Chief of the ROK Navy, Vice-Admiral Sohn Won-Il will represent the ROK Navy at the Coronation and Naval Review. It is believed that it will be his first visit to the United Kingdom.

COMMENT: Vice-Admiral Sohn Won-Il was born in Pyongyang in 1909. He was educated in China where he qualified as a master mariner. From 1927-1944 he was engaged in shipping business in China. In 1945 he was appointed by the American Military Government in Korea to organise a Korean Coast Guard Corps. In 1949 he was made a Rear Admiral and appointed as Chief of Naval Operations of the ROK Navy. He was promoted to his present rank in January 1952.

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SOVIET UNION AND SATELLITES

1. Sea Training by Soviet and Polish Submarines (TOP SECRET)

Submarine activity was reported several times in March off the north coast of Hel Peninsula (Bay of Danzig). Five submarines were apparently engaged independently in elementary single ship exercises. The submarines were believed to include Soviet "M" and "B" types, and three Polish boats; all were based on Gdynia.

COMMENT: This is the first report to suggest that the Soviet Navy uses Gdynia as a base. Although the three Polish submarines are believed to be in poor condition, they could be used for training purposes.

2. Seepolizei Submarine Training in East Germany (TOP SECRET)

A submarine school has been established at Dwarsieden (Rugen); it has only shore training facilities at present, but is expected to receive submarines for sea training during the next three months. Fifty-five Seepolizei officers from Stralsund and Weimar were sent to Leningrad to attend submarine specialization courses in January.

About six hundred officers and ratings are reported to have started the first eighteen months' course at the submarine school at Sassnitz-Dwarsieden on 5 January. Practical training afloat will not be carried out until the last six months of the course, after which some officers and ratings may go to the USSR for further training. Submarines (probably ex-German Type VIIC (snort-fitted) and Soviet "M" Class) were to be transferred to the Seepolizei in March; four of the "M" class were reported ready for hand-over at Sassnitz.

3. Soviet Army Activity in East Germany (TOP SECRET)

During the period 11-21 February 1953 the Soviet Army in Germany engaged in a series of command exercises. All armies were

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exercised on a divisional level except third Shock Army which trained on the corps level. The exercises were carried out under very unfavourable winter conditions of heavy frost and considerable snow.

Since 22 February and at least until early April normal training activity continued in winter quarters, and it now appears that the move to summer training areas began in early April.

No important order of battle changes have been indicated.

COMMENT: It would appear that Headquarters Group of Occupation Forces in Germany decided to carry out the series of exercises in February with the object of training headquarters at corps and divisional level in:

- (a) large scale movement by day and especially by night, with emphasis on traffic control;
- (b) air liaison and protection from air attacks, especially when stationary;
- (c) occupation of defensive positions and camouflage;
- (d) lay-out of headquarters and staff procedure at all levels.

It is of interest to note that several things which appear to have been stressed were judged weaknesses in Soviet Army training during the fall manoeuvres in 1952. These are particularly large scale movement, in which some improvement was noted; air liaison and protection against air attack (camouflage from the air was good); and protection against gas warfare (respirators were carried by some troops).

The opportunity to train in an unusually hard winter may have provided an additional reason for holding exercises at the time.

#### KOREA

#### 6. Enemy Offensive Capabilities in Korea

(SECRET)

There is reason to believe that the enemy in Korea, on account of his stock-piling and improved communications in the forward areas, may now be capable of sustaining up to 28 divisions in a full scale offensive for 17 - 24 days.

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COMMENT: An offensive of this scale and duration, though possible, would probably be one of intensity rather than depth because enemy transport, though improving, is not capable of allowing for a prolonged advance. The times of 17 - 24 days are in contrast to estimates made a year ago of 10 - 14 days and estimates made at the beginning of the Korean war of 3 - 5 days.

5. Enemy Armour in Korea

(SECRET)

Enemy armoured strength in Korea is now accepted as 463 tanks and 152 self-propelled (SP) guns. Of this total in Korea 120 tanks and 12 self-propelled guns are Chinese and the remainder North Korean. Of the total there are believed to be in the forward areas 120 tanks (all Chinese, organised in three regiments), and 48 SP guns (all North Korean).

COMMENT: There has been so little use of tanks in Korea in any but an SP role that an appreciation of enemy offensive tank capabilities based on experience is not possible. The Chinese, however, have gained in Korea the capability of moving, concealing, and serving the guns of armoured vehicles under heavy air attack and they have thus very greatly improved their defensive capabilities. Within China, it is believed the Chinese have at present three (possibly five) armoured divisions each of two tank regiments one motorized artillery regiment and one motorized infantry regiment. In addition, there may be in China two independent tank regiments.

6. Philippine Expeditionary Force in Korea

(SECRET)

Another rotation of the Philippine contingent in Korea took place early in April. The 19th Battalion Combat Team (BCT) of Philippine Expeditionary Force to Korea (PEFTOK) has gone home, having been relieved by the 14th Battalion Combat Teams.

COMMENT: The organization of battalion combat teams of the Philippine Expeditionary Force is of interest, as each battalion in Korea has been motorized, and each has been a self-contained battalion "group", including four 105 mm howitzers. The three battalions of PEFTOK that have returned to the Philippines.

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will be a useful nucleus around which an efficient division could be formed. In addition to the three BCTs which have served in Korea, the Philippine Army includes a further twenty-two BCTs. These are not motorized. There have been recent reports that the Philippine Army might be willing to send a division to Southeast Asia if necessary.

### INDOCHINA

#### 7. Operational Situation in Laos

(SECRET)

Sam Neua, recently evacuated by the French, has been occupied by Viet Minh troops believed to be part of the two-pronged advance from the North and North East. The total force consists of some 9,000 men from the 312 Viet Minh Division and a regiment of 316 Viet Minh Division. The 304 Viet Minh Division, last reported at Cua Rao, is believed to have entered Xieng Khouang from the East on the heels of the withdrawing French garrison, but this report is so far unconfirmed.

COMMENT: With the surrender of both Sam Neua and Xieng Khouang, the Viet Minh have control of the Tranh Ninh Plateau in Central Laos and are now, presumably, in a position to advance on Luang Prabang (the capital of Laos) from any of four directions: Dien Bien Phu, Xieng Khouang, Sam Neua or from the South. No information concerning French intentions or the withdrawal routes of their garrisons is available, but it would appear that the Viet Minh are well on their way to achieve their objective in overrunning Northern Laos solely by manoeuvre and, once again, are firmly in possession of the initiative.



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COMMENT: This is the first report to suggest that the Soviet Navy uses Gdynia as a base. Although the three Polish submarines are believed to be in poor condition, they could be used for training purposes.

2. Seepolizei Submarine Training in East Germany (TOP SECRET)

A submarine school has been established at Dwarsieden (Rugen); it has only shore training facilities at present, but is expected to receive submarines for sea training during the next three months. Fifty-five Seepolizei officers from Stralsund and Weimar were sent to Leningrad to attend submarine specialization courses in January.

About six hundred officers and ratings are reported to have started the first eighteen months' course at the submarine school at Sassnitz-Dwarsieden on 5 January. Practical training afloat will not be carried out until the last six months of the course, after which some officers and ratings may go to the USSR for further training. Submarines (probably ex-German Type VIIC (snort-fitted) and Soviet "M" Class) were to be transferred to the Seepolizei in March; four of the "M" class were reported ready for hand-over at Sassnitz.

3. Soviet Army Activity in East Germany (TOP SECRET)

During the period 11-21 February 1953 the Soviet Army in Germany engaged in a series of command exercises. All armies were

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exercised on a divisional level except third Shock Army which trained on the corps level. The exercises were carried out under very unfavourable winter conditions of heavy frost and considerable snow.

Since 22 February and at least until early April normal training activity continued in winter quarters, and it now appears that the move to summer training areas began in early April.

No important order of battle changes have been indicated.

COMMENT: It would appear that Headquarters Group of Occupation Forces in Germany decided to carry out the series of exercises in February with the object of training headquarters at corps and divisional level in:

- (a) large scale movement by day and especially by night, with emphasis on traffic control;
- (b) air liaison and protection from air attacks, especially when stationary;
- (c) occupation of defensive positions and camouflage;
- (d) lay-out of headquarters and staff procedure at all levels.

It is of interest to note that several things which appear to have been stressed were judged weaknesses in Soviet Army training during the fall manoeuvres in 1952. These are particularly large scale movement, in which some improvement was noted; air liaison and protection against air attack (camouflage from the air was good); and protection against gas warfare (respirators were carried by some troops).

The opportunity to train in an unusually hard winter may have provided an additional reason for holding exercises at the time.

### KOREA

#### 6. Enemy Offensive Capabilities in Korea

(SECRET)

There is reason to believe that the enemy in Korea, on account of his stock-piling and improved communications in the forward areas, may now be capable of sustaining up to 28 divisions in a full scale offensive for 17 - 24 days.

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COMMENT: An offensive of this scale and duration, though possible, would probably be one of intensity rather than depth because enemy transport, though improving, is not capable of allowing for a prolonged advance. The times of 17 - 24 days are in contrast to estimates made a year ago of 10 - 14 days and estimates made at the beginning of the Korean war of 3 - 5 days.

5. Enemy Armour in Korea

(SECRET)

Enemy armoured strength in Korea is now accepted as 463 tanks and 152 self-propelled (SP) guns. Of this total in Korea 120 tanks and 12 self-propelled guns are Chinese and the remainder North Korean. Of the total there are believed to be in the forward areas 120 tanks (all Chinese, organised in three regiments), and 48 SP guns (all North Korean).

COMMENT: There has been so little use of tanks in Korea in any but an SP role that an appreciation of enemy offensive tank capabilities based on experience is not possible. The Chinese, however, have gained in Korea the capability of moving, concealing, and serving the guns of armoured vehicles under heavy air attack and they have thus very greatly improved their defensive capabilities. Within China, it is believed the Chinese have at present three (possibly five) armoured divisions each of two tank regiments one motorized artillery regiment and one motorized infantry regiment. In addition, there may be in China two independent tank regiments.

6. Philippine Expeditionary Force in Korea

(SECRET)

Another rotation of the Philippine contingent in Korea took place early in April. The 19th Battalion Combat Team (BCT) of Philippine Expeditionary Force to Korea (PEFTOK) has gone home, having been relieved by the 14th Battalion Combat Teams.

COMMENT: The organization of battalion combat teams of the Philippine Expeditionary Force is of interest, as each battalion in Korea has been motorized, and each has been a self-contained battalion "group", including four 105 mm howitzers. The three battalions of PEFTOK that have returned to the Philippines.

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will be a useful nucleus around which an efficient division could be formed. In addition to the three BCTs which have served in Korea, the Philippine Army includes a further twenty-two BCTs. These are not motorized. There have been recent reports that the Philippine Army might be willing to send a division to Southeast Asia if necessary.

### INDOCHINA

#### 7. Operational Situation in Laos

(SECRET)

Sam Neua, recently evacuated by the French, has been occupied by Viet Minh troops believed to be part of the two-pronged advance from the North and North East. The total force consists of some 9,000 men from the 312 Viet Minh Division and a regiment of 316 Viet Minh Division. The 304 Viet Minh Division, last reported at Cua Rao, is believed to have entered Xieng Khouang from the East on the heels of the withdrawing French garrison, but this report is so far unconfirmed.

COMMENT: With the surrender of both Sam Neua and Xieng Khouang, the Viet Minh have control of the Tranh Ninh Plateau in Central Laos and are now, presumably, in a position to advance on Luang Prabang (the capital of Laos) from any of four directions: Dien Bien Phu, Xieng Khouang, Sam Neua or from the South. No information concerning French intentions or the withdrawal routes of their garrisons is available, but it would appear that the Viet Minh are well on their way to achieve their objective in overrunning Northern Laos solely by manoeuvre and, once again, are firmly in possession of the initiative.

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# **JOINT INTELLIGENCE SUMMARY**

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SOVIET UNION AND SATELLITES

1. Limited Angle of Depression of Soviet  
Armoured Fighting Vehicles

(SECRET)

A recent trial attempted to determine the minimum tactical requirements for elevation and depression of tank guns. Five tank battalions, equipped with four different types of tanks, were used in this trial. Each unit chose 100 typical combat firing positions and noted the angle of depression or elevation required to engage the selected target.

The conclusions were that the minimum requirement for depression and elevation of tank guns is minus 10° depression and plus 20° elevation in relation to the turret ring in the horizontal position. Using a 5° angle of depression, only 65 per cent of targets could be fired on.

The following table lists the angles of depression and elevation of Soviet AFVs:

	<u>Elevation</u>	<u>Depression</u>
T 34/76	plus 30°	minus 30°
T 34/85	plus 20	minus 5
JS 1, 2 and 3	plus 20	minus 3
SU 76	plus 25	minus 5
SU 100	plus 17	minus 2
JSU 122	plus 15	minus 4
JSU 152	plus 20	minus 3

Comment: From this table it is noted that Soviet AFVs in general meet the elevation requirements.

However, the depression requirements are far from being met by Soviet AFVs. This deficiency would probably have a marked effect on their ability to choose good fire positions, particularly "hull down", and hence would impose a certain restriction on Soviet tank tactics, particularly in defence. In hasty defence, in order to get the necessary depression to provide adequate arcs and fields of fire, these vehicles will have to be sited well forward on slopes, thus sacrificing concealment and the possibility of moving undetected to alternative fire positions.

In deliberate defence, in order for these vehicles to fulfill the anti-tank role without being sited in exposed forward positions, it would be necessary for each vehicle to have prepared positions. This procedure is costly in time and man hours and makes concealment much more difficult.

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2. Shadowing of Brixmis Cars in East Germany (SECRET)

Since 26 March 1953, none of the official cars belonging to Brixmis (the British Mission to the Commander-in-Chief of the Soviet Zone of Germany) has been shadowed.

Comment: For the past two years, all Brixmis Cars have been shadowed as closely as possible by Soviet vehicles.

3. Reported Production of Military Vehicles in Eastern Germany (SECRET)

The Eisenach Motor Works, the largest motor vehicle factory in Eastern Germany, is reported to have largely gone over to the production of military type vehicles. The first mention of a change in production was in June 1952 with a proposal to manufacture a motorcycle-sidecar combination and in addition to adapt the type 340 motor car chassis to a military vehicle of the jeep type. In July 1952, "armoured infantry trucks" were said to be in production and planned production was said to include amphibious vehicles. An alleged plan for 1953 reduces the production of the type 340 motor car from 1,000 a month to 1,000 to 2,500 per year with the surplus capacity devoted to manufacture of the jeep. It is likely that the Eisenach plant will become one of the largest producers of military vehicles outside the USSR.

4. Czech Air Intercept Training (TOP SECRET)

Observations in the vicinity of the Czechoslovak-US Zone border reveal that there was unusual Czechoslovak air activity over a two-hour period on 3 April. This activity included two border violations by jet aircraft, probably MIG-15s. Seven separate flights were observed, all of which involved MIG-15s making firing passes on a C-47 type aircraft which flew directly up to the border a number of times. In each of the instances, the C-47 type aircraft

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maintained the same flight path and a constant speed and altitude. Although firing was heard when MIG-15s made diving runs, the C-47 types apparently were not hit at any time.

COMMENT: The regularity of the flight paths of the C-47 type aircraft and the fact that it did not cross the border indicates that the activity constituted a practice interception exercise for the MIG-15s, rather than the prevention of an escape attempt.

### KOREA AND SOUTH-EAST ASIA

#### 5. Enemy Order of Battle in Korea

(SECRET)

The expected large-scale relief of Chinese formations in Korea has taken place. Four Chinese Communist armies (each of three divisions) have recently returned to China, and four have come in from China as replacements. Those outgoing are 20, 26, 27 and 42. Those incoming are 1, 23, 24 and 25, of which all but 25 are in the immediate front.

COMMENT: The enemy in Korea is now believed to have 69 divisions, of which 51 are Chinese and 18 are North Korean. In the immediate front there are 21 Chinese divisions and 6 North Korean; in the immediate rear there are 15 Chinese divisions and 3 North Korean; and in rear areas and unlocated there are 24 Chinese divisions and 9 North Korean.

Total enemy strength in Korea is estimated to be 800,000 Chinese troops, and 294,000 North Korean Peoples Army. The sudden and unexpected appearance of 1 Chinese Army at the front is of interest as this army (of three divisions) is believed to have come from Sinkiang.

#### 6. Guerrilla Activity in Korea

(SECRET)

Guerrilla activity by organized bands continues on

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both sides in Korea. Friendly guerrilla operations were carried out particularly in Hwanghae Province (on the West Coast in the vicinity of the 38th parallel) by South Koreans. Friendly guerrillas, mostly those belonging to 1st Partisan Infantry Regiment of ROKA, are using Chodo Island as a raiding base, while others, including small teams from 1st Partisan Airborne Regiment, have been air-dropped into various positions, notably along the Pyongyang - Wonsan "waist" of North Korea. Reported results include 603 enemy killed.

Enemy guerrilla activity within and behind UN lines in South Korea has lately shown a slight increase. In the week of 6-12 April 1953, fifty-one incidents were reported involving 1056 bandits, most of these occurring in South-West Korea in the vicinity of Chonju.

COMMENT: Guerrilla activity on both sides depends to a large extent on agents and underground partisans. Enemy guerrillas operating within South Korea were reported some six months ago to have switched from a general plan of overt violence to covert penetration of South Korean labour groups and political factions. In case of a cease fire followed by prolonged peace negotiations, this policy of subversion in South Korea would probably be enlarged to include penetration of ROKA.

7. Current Operational Strength in  
French Indochina

(SECRET)

Unconfirmed reports suggest that the French garrison (of three battalions) in Sam Neua has withdrawn southward to Xieng Khouang, which will now have a strength of two Foreign Legion battalions, four Laotian battalions and artillery and recoilless rifles. French engineers are improving the road link from Xieng Khouang to Paksane, which is on Route Coloniale 13 joining Vientiane to Saigon.

The Viet Minh 304 Division was last reported at Cua Rao, midway between Vinh on the coast and Xieng Khouang.

COMMENT: The rainy season, which is due to start at the end of April, is expected to curtail French air operations. Xieng Khouang has a fairweather strip. A combination of these factors may be influencing the apparent delay in the opening of the Viet Minh offensive.