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SITUATION SUMMARY
3 August 1950
(Summary of Current Indications
Based on All Available Sources)
1. **Far North - Alaska**

   The military potential of the USSR in the Chukotka-Kamchatka area continues to increase.

2. **Korea - North China - Japan**

   Large shipments continue to move from the Soviet Union into Korea. The ultimate destination of this material is unknown. The possibility of large-scale air operations somewhere in the Far East is suggested.

   The volume of Soviet shipments of various supplies to North Korea has decreased somewhat since 25 June, but there is evidence that substantial trade will continue throughout August as per previous plan.

   The North Koreans are preparing to organize an anti-aircraft artillery brigade composed of five battalions---possibly a reflection of successful American Air operations.

3. **Formosa - Philippine Islands - Southeast Asia**

   There is continuing evidence that the Chinese Communists are attempting to (1) increase their water-lift capabilities along the China coast and (2) build up their stocks of supplies and improve land transport facilities in South China.

   Continued Chinese Communist determination to "liberate" Formosa is indicated by Peiping's propaganda and
by a recent statement by Chou En-lai, prominent military leader. On the other hand, Chou En-lai, Communist Prime Minister, has allegedly let the Indian Ambassador in Peking understand that there is no intention of embarking "for the moment" on such an undertaking.

In Indo-China the capabilities of the Ho Chi Minh forces for a late summer or fall offensive are being increased by the training of troops in Chinese territory, possibly with the aid of Soviet advisers, and increased deliveries of arms and equipment. It is probable, however, that limited operations to improve the Viet Minh military position will precede any large scale offensive.

4. *Tibet*

Nothing new to report.

5. *Iran -- The Caspian -- Afghanistan*

Iranian leaders described conditions on the border as calm, although Tehran is rife with rumors of Soviet troop concentrations and Iranian border commanders have expressed concern. Although martial law has been abolished in Northern Iranian cities, the military have been alerted to possible Pahlavi-inspired disruption.

6. *Yugoslavia -- The Balkans -- Turkey -- Greece*

The supply build-up in Bulgaria -- particularly of medicines and medical instruments -- has been steadily increasing, with June shipments being the greatest noted thus far. Aviation gasoline shipments to Bulgaria have also been increasing.
Petroleum shortages reported in Rumania indicate stockpiling for military use. There were sizeable deliveries of Soviet road-building equipment suitable for airfield construction to Hungary and Rumania in late June and early July. It is reported that airfield construction in this area is being rushed with deadlines of 1 September.

Increased military activity is apparent but there is no confirmed evidence of large-scale troop movements toward the Yugoslav, Greek or Turkish borders. There are indications in Bulgaria that (1) reserve troops are being called up, (2) plans have been perfected for evacuating official services of the government to more secure areas, and (3) the registration of children has occurred (as a prelude to evacuation).

In Albania there are indications of extensive mobilization of manpower and of defensive measures along the Albanian-Yugoslav border.

Several thousand Greek guerrillas in Bulgaria and several hundred in Albania are believed located near the Greek border where they could be used for quick small-scale raids.

Security measures continue in the Satellites.

7.  Poland - Czechoslovakia - Eastern Germany - Western Europe

Airfield construction in Soviet Zone of Germany has apparently been speeded up, with reported completion deadlines as late as 1 October. There are indications of reorganization of military units in Soviet Germany which could result in the formation of a task-force of organization.
S. Finland - Scandinavia

Nothing new to report.

9. USA

10. General

Soviet assumption of the Presidency of the Security Council and the continuation of Chinese Communist-Indian discussions suggest that the Soviets are leaving open the door to settlement of the crisis through negotiation. Soviet Cominform representative Suslov, however, has reportedly stated that victory in Korea is indispensable to Soviet diplomacy in Asia.

On the propaganda front (1) Stalin has reemphasized...
the danger of "capitalist encirclement", (2) Cominform organs have intensified their charges that Yugoslavia is plotting aggression against the "People's Democracies", (3) communist parties outside the Soviet orbit have been warned that the time for violence and sabotage may not be far off, and (4) communists in West Germany and France were publicly called upon during the Berlin SED Congress to sabotage US military efforts in the West.