GENERAL

1. Reports on Chinese involvement in Korea - it was decided in early October at a conference in Peking attended by Chinese, Soviet and North Korean leaders that if UN troops crossed the 38th Parallel and North Korean forces were unable to hold them, the main part of the North Korean forces would be withdrawn to Manchuria for future use while the balance would carry on guerrilla warfare in Korea. the Chinese Communists and the USSR regard the Korean war as virtually ended and are not planning a counteroffensive. the bulk of the Chinese Communist units had been withdrawn from Korea, leaving only skeleton forces in order to create the impression that a large number of Chinese Communist forces were still present, thus deceiving US intelligence so that the maximum number of US troops would be committed in Korea for the longest possible time.

(CIA Comment: CIA concurs in general with these indications of over-all Soviet and Chinese Communist intentions regarding Korea. The presence of independent organized Chinese Communist units in Korea has not yet been confirmed; the above reports concerning skeleton Chinese forces, however, are consistent with reports thus far received on Chinese Communist participation in the Korean fighting.

EUROPE

2. YUGOSLAVIA: Tito requests French military aid -- US Ambassador Allen reports that Marshal Tito, in his first conversation with the newly arrived French Ambassador, spoke at some length concerning Yugoslavia’s need for military assistance, and requested

STATE review(s) completed.
French aid in obtaining defensive weapons. Tito expressed the view that receipt of military equipment through a third country would avoid Soviet allegations that Yugoslavia had become a spearhead for US aggression against the USSR. The French Ambassador informed Tito that although he thought his government might be sympathetic, France would take no action except in closest cooperation with its North Atlantic Pact allies, particularly the US.

FAR EAST

KOREA: Unsettled conditions in Southwest—US Embassy Seoul reports that local authorities in South Cholla province of southwestern Korea are experiencing considerable difficulty in establishing full control over the area. Provincial officials estimate that there are 8-10,000 armed guerrillas concentrated in the mountainous sections of the province; many of the guerrillas are local natives who openly joined the Communist invaders during the occupation.