FAR EAST SURVEY 14 FEBRUARY 1952

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## NORTH KOREA

Although the frequent references to the "invincible power" of the armed forces and to the certainty of final victory are accompanied by warnings of difficulties, Pyongyang reveals greater self-confidence, in comment on the fourth anniversary of the People's Armed Forces, than was noticeable at the turn of the year. There are no direct indications of an all-out effort to bomb South Korea but the possibility is implied in references to the air force. Closer Sino-Korean and Soviet-Korean unity is stressed. Pyongyang continues to stress the need to overcome "complacency" and to increase production.

Army Day Is Occasion For Reaffirming that Victory Is Ahead: The fourth anniversary of the Korean People's Armed Forces, on 8 February, occasions reaffirmations that "final victory is assured" for the Korean People's Armed Forces, "an invincible power" that "can never be defeated." As evidence of this power, Pyongyang boastfully announces that 810,000 enemy troops have been either killed or wounded in the past 17 months. However, in what appears to be an attempt to dispel any overoptimism, the Koreans are reminded of "all sorts of difficulties and hardships" which can only be overcome by a "strenuous struggle."

Messages eulogizing the Korean Armed Forces dominate all broadcasts and these messages reveal an air of confidence that was not so marked during the New Year's celebrations. The highlight of the anniversary is a decree by Gen. Kim Il Sung lauding the forces for their "heroic struggle" and praising them for dealing a "series of heavy blows" to the American interventionists and "their jackals, the Syngman Rhee gang." Although assuring the troops that they are "drawing close to victory," Kim declares that the following conditions are prerequisites the victory in the "sacred" war: (1) further develop fighting capabilities; (2) further enhance the spirit of cooperation on all levels; (3) raise the level of thought of the troops; (4) intensify guerrilla activities behind the enemy lines; and (5) cooperate closely with the Chinese People's Volunteers.

There is increasing mention of the People's Air Force, which is described as a "strong power," capable of mounting more and more attacks. This growing power is said to have compelled the enemy to confine himself to night flying. There is no direct mention of an intention to continue attacks on U.N. held territories, but the possibility seems implicit in the references to the consternation of the enemy over the bombing of Kimpo Airfield and Inchon Marbor.

Also in connection with the anniversary, the Presidium of the Supreme Korean People's Assembly announced the awarding of medals to outstanding "heroes," such as Gen. Kim Il Sung, Gen. Nam Il, and other military and Government dignitaries.

Truce Talks Pushed from Limelight: The preparations for celebrating, and actual celebration of, the Army anniversary tend to overshadow the truce talks. Pyongyang continues to emphasize that the "vicious and \*ly" Americans are using delaying tactics to prevent agreement on agenda items, but the charges are not so belligerent as they were before. The charges of American atrocities decline sharply from the peak of mid-January.

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Increased Communist Solidarity Is Emphasized: There are an increasing number of references to the "consolidated and expanded" Sino-Korean unity, but no specific reason for the increase is apparent. Expressions of Korean gratitude for gifts from the Chinese accompany pledges to "redouble war efforts" because of the support and friendship of the Chinese people. The cordiality of Soviet-Korean relations is also emphasized, mostly in anniversary restatements of Korean gratitude for Soviet support and aid. Applauding the "new victory" achieved by the Soviet people in the fulfillment of the 1951 Economic Program, Pyongyang emphasizes that this will have a "significant" effect on the Soviet's world peace policy and that this already has "dealt a heavy blow" to the imperialists. The radio welcomes the coming Moscow Economic Conference, maintaining that the conference will "help to frustrate the ambitions" of the American and British capitalists who want to monopolize profits, and will also help to consolidate world peace.

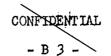
Pyongyang Follows Moscow's Lead in Comment About Japanese: There are indications that Pyongyang-which usually lags behind Peking in comment-is closely following Moscow's lead in its treatment of Japan. During the past few months three parallel steps have been noticeable in Soviet-Korean radio references to Japan: (1) sharp criticism of the Japanese, particularly with regard to the peace treaty; (2) apparent wocing of support from the Japanese masses; and (3) open sympathy for the Japanese people's "growing struggles" for freedom and independence from the American imperialists. Pyongyang continues its recently inaugurated attack on Anglo-American imperialism throughout the world, and particularly in colonial countries, and this, too, is strikingly similar to Moscow's treatment of the subject.

Production, Complacency Remain Major Obstacles: The need to overcome popular complacency and to increase production continues to dominate Pyongyang's attention to internal affairs. Achievements of different industries during 1951 are summarized and plans for the coming year are outlined—always with a plea for increased production. Consumers' cooperatives and unions are singled out for specific attention.

Martial Law in South Korea Reveals American Incompetence: Pyongyang quickly characterizes the American-RCK proclamation of martial law in North and South Kyongsang Provinces as a "betrayal of their own incompetence." Noting the rapid intensification of guerrilla activities, Pyongyang declares that this has compelled General Van Fleet to conduct a "frenzied campaign," in an attempt to "massacre the Korean people in the same manner as he did the Greeks." But no matter what the enemy does, Pyongyang contends, "he can never suppress the movement of the people's guerrillas," as they will never stop until the day of independence and unification.

Runaway Inflation Is Ruining South Korea: Characterizing the "astronomical" deficit spending of the ROK Government as Syngman Rhee's payment for selling South Korea to his American masters, Pyongyang says this exposes the "true character of the country-ruining financial policy" of the puppet gang, which is driving the people further into the depths of misery and privation.

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## SOUTH KOREA

The Korean problem can only be solved by unification, Pusan contends. It argues that the Communists do not intend to conclude an armistice at Panmunjom, but are preparing to continue their invasion. Economic difficulties, particularly inflation, are obviously causing the ROK Government considerable concern. References to the imposition of martial law emphasize that the mopping-up operations are successful.

Unification Is the Only Way to Settle the Korean Issue: Pusan continues to declare that the Korean issue can only be settled by unification. It maintains that it is almost impossible to expect any settlement at Panmunjom because the Communists do not intend to conclude an armistice. They are only playing for time, Pusan says, while building up an air force in Manchuria. Pusan adds that thousands of airplanes are being imported "from the Kremlin" in preparation for a large-scale air offensive and a resumption of the invasion.

Growing Inflation Is Causing Utmost Concern: There are numerous indications that the mounting inflation is becoming a major problem, despite Governmental measures to check it. Various causes are cited, including manipulations by rice profiteers and a lack of consumer goods. To offset the rice price manipulations, Pusan announces, Government rice has been dumped on the open market. Measures are being considered to increase production of consumer goods. Evasion of taxes is also said to contribute to the unsettled economic situation.

Martial Law Declared in South. North Kyongsang: Although continuing to maintain that the operations against the guerrillas are being carried out successfully, Pusan explains that martial law was reimposed in some districts because of the "military necessity" to wipe out remnant Communist bandits. In other districts martial law was lifted temporarily to permit "a free atmosphere" while the by-elections for the National Assembly were being held.

Other Topics: Pusan continues to speculate on the Government's return to Seoul, but emphasizes that the military situation is still the main deterrent. President Rhee's proclamation of sovereignty over the seas surrounding Korea is said to be intended to maintain "peace and friend-ship" between Japan and Korea by establishing fair demarcation lines to protect marine resources and fisheries. (Pusan has not yet acknowledged Japanese opposition to the proclamation.) The by-elections for National Assemblymen, in which 85 percent of the 289,496 eligible voters were said to have participated, were reportedly conducted in an "atmosphere of great freedom." Election of members of municipal, town, and township assemblies, according to a Presidential order, will be held on 25 April, except in areas which are not yet normal. Problems concerning transportation, rehabilitation, and relief of refugees continue to be of primary concern.