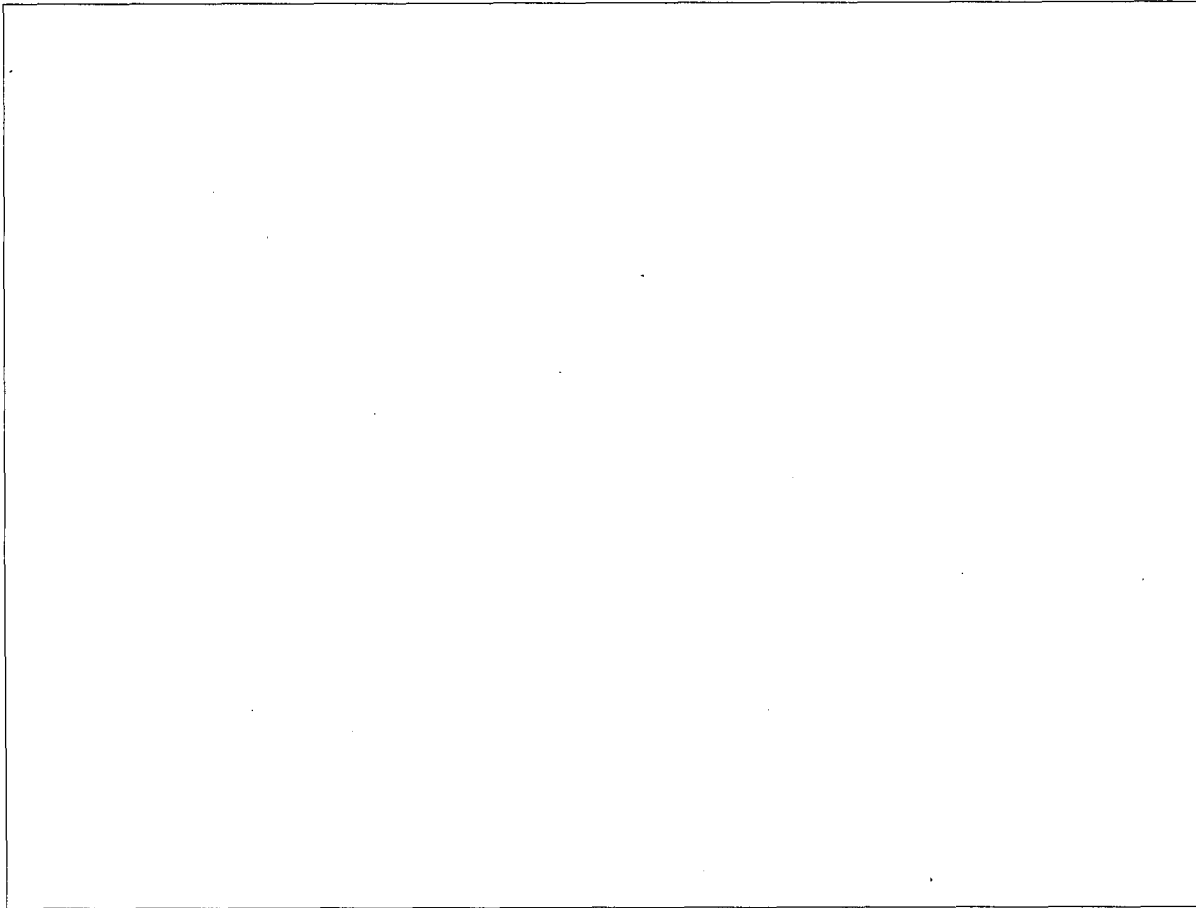


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25 Jul 51

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"B" Communist Official Confident of Korean Truce. [redacted]

[redacted] visiting Hong Kong that there will "definitely" be a truce in Korea. [redacted] added that political negotiations following the truce would "pave the way" for Communist China's admission to the UN, after which a "gradual withdrawal" of the US 7th Fleet from Formosan waters could be achieved. ([redacted] 23 Jul 51). COMMENT: Soviet officials outside Korea have also stated categorically that a truce will be reached in Korea. Such expressions of confidence obviously are not binding upon the Communist negotiators in Korea. Peiping's propaganda, in addition to insisting upon the withdrawal of all foreign forces from Korea, has implied that the questions of Chinese representation in the UN and title to Formosa will be brought up in any subsequent negotiations.

"C" Propaganda Exploitation of Kaesong Talks. [redacted] reports that the Chinese Communists are supporting with photographs their propaganda that UN forces in Korea are suing for peace. [redacted]

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[redacted] having come to the conclusion, after seeing pictures in a local paper of UN representatives in Jeonju flying white flags, that UN forces were surrendering. ([redacted] 23 Jul 51). **COMMENT:** Communist propaganda can be expected to exploit such features of the Kaesong talks as Communist military control of the city, the passage of UN representatives through armed Communist guards, and the presence of white flags on UN jeeps and the absence of such flags from Communist vehicles. However, [redacted] that Communist propaganda regarding a "US defeat" in Korea is not being generally accepted in China.

"B" **KOREA. Communists May Launch Local Attacks During Negotiations.** [redacted]

[redacted] the enemy might launch one or more strong local attacks prior to the completion of armistice negotiations. The advantages of such local successes would be physical possession of a desirable objective, such as a key terrain feature of offensive or defensive significance, and a boost of troop morale. [redacted] the high ground south of the Pysanggang-Kumhwa-Chorwon triangle is of sufficient importance to warrant a limited attack. ([redacted] 25 Jul 51). **COMMENT:** The "Iron Triangle" with its important rear and forward supply positions was utilized by the Communists as a base of operations in spring offensives. Recent eastward displacement of CCF forces and the relief of front line units in the central sector have provided a mass of fresh forces in position to undertake such a limited attack.

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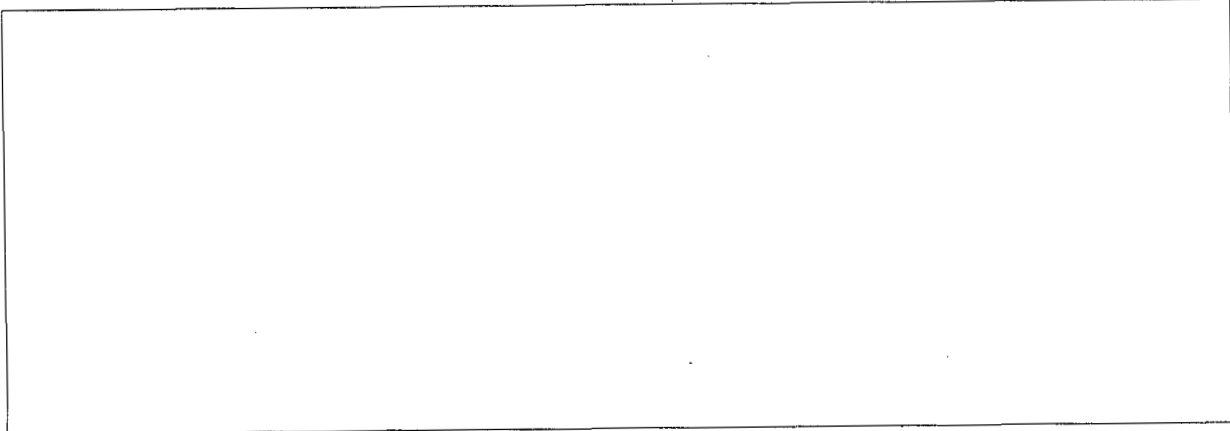
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CENTRAL INTELLIGENCE AGENCY

OFFICE OF CURRENT INTELLIGENCE
DAILY DIGEST OF SIGNIFICANT S/S CABLES

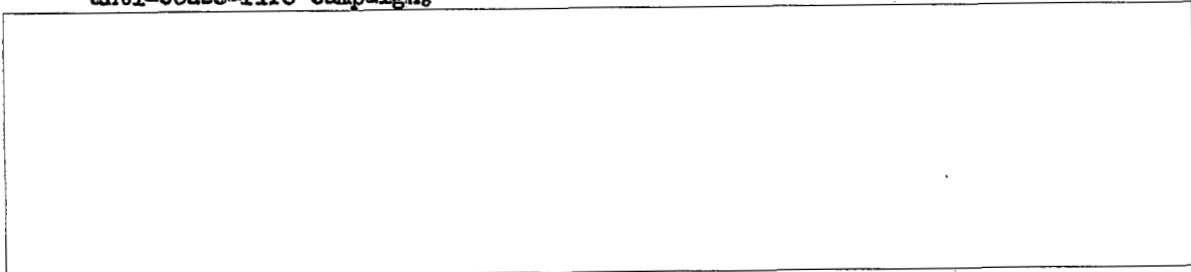
25 July 1951

SECTION 2 (EASTERN)



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"C" KOREA. South Koreans Welcome Acheson's 19 July Statement. Ambassador Muccio reports that Secretary Acheson's statement could not have been better timed with respect to local reaction. Rhee remarked that the Secretary's speech had eased everyone's mind while the Prime Minister commented: "very reassuring, just what we wanted." The National Assembly unanimously approved a message of gratitude. ([redacted] 24 July 51). COMMENT: Acheson indicated that despite Communist demands at the Kaesong Conference the US will not withdraw troops from Korea. This assurance of security by the Secretary could provide a graceful way for South Korean officialdom to stop the present anti-cease-fire campaign.



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