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AGENCY CENTRAL TELLIGENCE OFFICE OF NATIONAL ESTIMATES

25 June 1951

MEMORANDUM FOR THE DIRECTOR OF CENTRAL INTELLIGENCE SUBJECT: Evaluation of Malik's Speech of 23 June 1951

1. The portion of the Malik speech on the "Price of Peace" relating to a cease-fire in Korea is as follows:

"The Soviet peoples further believe that the most acute problem of the present day - the problem of the armed conflict in Korea could also be settled.

"This would require the readiness of the parties to enter on the path of a peaceful settlement of the Korean question. The Soviet peoples believe that as a first step discussions should be started between the belligerents for a cease-fire and an armistice providing for the mutual withdrawal of forces from the Thirty-eight Parallel.

"Can such a step be taken? I think it can, provided there is a sincere desire to put an end to the bloody fighting on Korea."

2. Technically, Malik's statement is a suggestion, not a proposal, and does not associate the USSR with the war in Korea or with any potential truce negotiations. The use of the term "belligerents" might also be intended to exclude the Chinese Communists, who do not admit direct intervention. Thus Malik

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may have been discussing a conference between UN governments with military forces in Korea and the North Korean regime.

3. Superficially, at least, Malik's statement represents a move away from the January 1951 truce terms of the Chinese Communists and towards views expressed by US officials and Trygve Lie, Secretary General of the UN. Malik's speech sets no conditions for the cease-fire, thus appearing to set aside, at least for the moment, Communist China's demands for the withdrawal of "foreign" troops from Korea and Formosa and "definite affirmation" of the Pelping regime's right to be represented in the UN. On the other hand, the statement gives no indication of Soviet willingness to accept or to have the North Koreans and Chinese accept UN inspection of North Korea during the cease-fire period — a basic condition laid down in all formal US expressions of views on a Korean cease-fire.

4. The Malik statement follows two months of rumors and vague hints from Communist sources that the USSR was prepared for a Korean settlement on the basis of a return to the status quo ante bellum. At the same time heavy Chinese Communist losses in Korea and increasing UN combat effectiveness have made unlikely a Communist military victory so long as Soviet forces do not participate on a large scale. Although the Chinese Communists have the military capability to continue

large-scale military operations in Korea, the Kremlin cannot be certain that UN forces will not be able eventually to defeat available Chinese Communist forces.

- 5. It is impossible to determine from the very vague Soviet statement concerning a cease-fire in Korea whether the Kremlin intends merely to have the Communists start discussions of the terms for a cease-fire without expecting to come to an agreement, or whether the Kremlin would be willing to have the Communists accept the previously announced UN conditions for a cease-fire and proceed directly with negotiations for a final termination of hostilities. It is quite possible that the Kremlin suggested that "discussions should be started between the belligerents" without any intention of submitting to the UN conditions for a cease-fire.
- 6. Whether or not the Kremlin intends to pursue its suggestion for discussions to the point of having the Communists actually conclude a truce on terms acceptable to the UN, the move taken by the Kremlin in calling for a cease-fire has many advantages for the Communist position throughout the world:
 - (a) The mere announcement of a Soviet "desire" to take steps to bring about a cease-fire in Korsa is a potent propaganda weapon in the Soviet "peace" campaign:

- (b) The Soviet cease-fire statement will bring to
 the fore divergent views on the precise conditions for a
 Korean settlement, with divisive effects within and among
 the UN countries;
- (c) Cease-fire discussions, like the prolonged

 Deputy Foreign Ministers' meetings in Paris, might further
 slow the rate of rearmament and mobilization among the
 non-Communist countries in general and the NATO countries
 in particular;
- (d) The discussions could serve to interrupt successful UN military action in Korea at a point where important Communist military positions are about to be overrun, and during a season of the year particularly favorable to the use of UN machanized ground equipment and naval and air powers.
- 7. We believe that the Kremlin probably is encouraging the opening of cease-fire discussions with a view to gaining the above political and military advantages rather than because of military need to end the Korean war. To date the Korean conflict apparently has not critically impaired the political, military, or economic position of the Chinese Communist regime. On the other hand, the Kremlin probably estimates that in the

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long run the continuation of large-scale military operations by the Communist forces in Korea would require either large amounts of Soviet material or the commitment of Soviet forces. The USSR may be unwilling to bear the cost of supplying such quantitites of material and is probably unwilling to run the risk of war with the US involved in commitment of Soviet forces. For these reasons, the possibility cannot be excluded that the Malik statement was made in an attempt to salvage by a local diplomatic settlement the Communist position in Korea. Even if this were true, the main Soviet objective in negotiating for a cease-fire would be to achieve compensating political (and possibly military) gains elsewhere in the world.

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