HR70-14

NR

8F=651

CD

TOY SECRET ACOR

CHINA - KOREA

1. North Koreans have difficulties in negotiations with Chinese:

North Korean A North Korean military message of 1 February reports Military ACORN that "Lee Sang-Jo has had difficulties in his negotiations

and other relations with the Chinese Government." Earlier it was reported that the same official was having difficulty negotiating a transfer from China to Korea of locomotives needed for moving the North Korean VI, VII and VIII Corps.

<u>Comment</u>: This is the first clear North Korean statement of difficulties in negotiations "and other relations" with the Chinese. The question of allowing locomotives to be moved into Korean target areas has probably been a most sensitive one for the Chinese. There are other indications of the maintenance of formalities; in mid-January, for example, ferrying of aircraft was delayed because it was "impossible to arrange border passage permits between Manchuria and Korea."

- 3 -

TOP SECRET ACORN

APPROVED FOR RELEASE DATE: 22-Mar-2010