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GENERAL

1. Views on Bevin's "proposal" for Korean settlement--US
Ambassador Kirk in Moscow expresses the opinion that British Foreign Secretary Bevin's proposal to establish a demilitarized zone along the Manchurian border will be "unpalatable" to the Kremlin. In support of this view, Kirk points out that the continuance of hostilities in North Korea and the engagement of UN forces there in a protracted struggle would seem to be of considerable importance to the Kremlin in terms of present Soviet world strategy. Kirk also points to the record indicating that, in general, the USSR is not inclined to negotiate losses in the international arena. Kirk acknowledges the desirability of a negotiated settlement at this time, but expresses the opinion that Bevin's idea of a compromise falls short of accomplishing the objectives of the UN in Korea. In connection with recent reports that the Chinese Communists genuinely fear US invasion from Korea, Kirk points out that, to the contrary, Chinese Communist officials may be convinced that the US will not invade China, and, if given stronger assurances that the Manchurian frontier will be held inviolate, may be encouraged in their aggressive actions.
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2. Estimate of Communist China's intent in Korea--US Embassy
Seoul, after reviewing recent defensive tactics of Chinese Communist forces in Korea, expresses the opinion that the Chinese Communists may now be fighting a delaying action and may not be committed to all-out intervention. According to the Embassy, present Communist delaying action could be interpreted as: (a) a test of UN determination in the face of a threat of all-out war with the Chinese Communists; (b) a move to gain time for the removal of electrical installations on the Yalu; or (c) a move to
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Document No. 42
NO CHANGE in Class.
 DECLASSIFIED
Class. CHANGED TO: TS S 25X1
Auth: DDA Memo, 4 Apr 77
Date: 23 MAR 1978

STATE review(s) completed.

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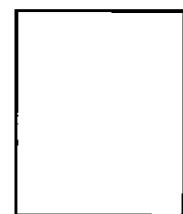
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gain more time to prepare for decisive military intervention, possibly after the freezing of the Yalu and Tumen Rivers. The Embassy believes that although no one can be certain the Chinese will not intervene decisively in the future, available information to date favors the conclusion that Chinese intervention will in the end "fall short of all-out war."

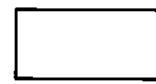
(CIA Comment: Although Chinese Communist intervention in Korea to date has been on a limited scale, military and psychological preparations for full-scale war continue within China. The present mission of the Chinese Communist forces appears to be: (a) to prevent consolidation of the UN position in Korea and to contain UN forces in Korea through the winter, at a minimum cost; and (b) to keep the People's Republic of China in a position sufficiently flexible for either withdrawal or full-scale commitment at a later date.)

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3. Views on Communist China's relation to USSR--US Consul Wilkinson in Hong Kong transmits the conviction of the former French Consul in Chungking, who has just reached Hong Kong after four months of house arrest, that the Chinese Communists are resolutely committed to Soviet foreign policy. The former Consul also expressed the opinion that any hopes the US and Great Britain may have of weaning the Peiping regime away from the Kremlin are doomed to failure.

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4. Greece designates Minister to Yugoslavia--US Ambassador Peurifoy in Athens has been informed by Greek Premier Venizelos that Yugoslavia is being asked to agree to the appointment of Spyros Capetanides, Chief of the Foreign

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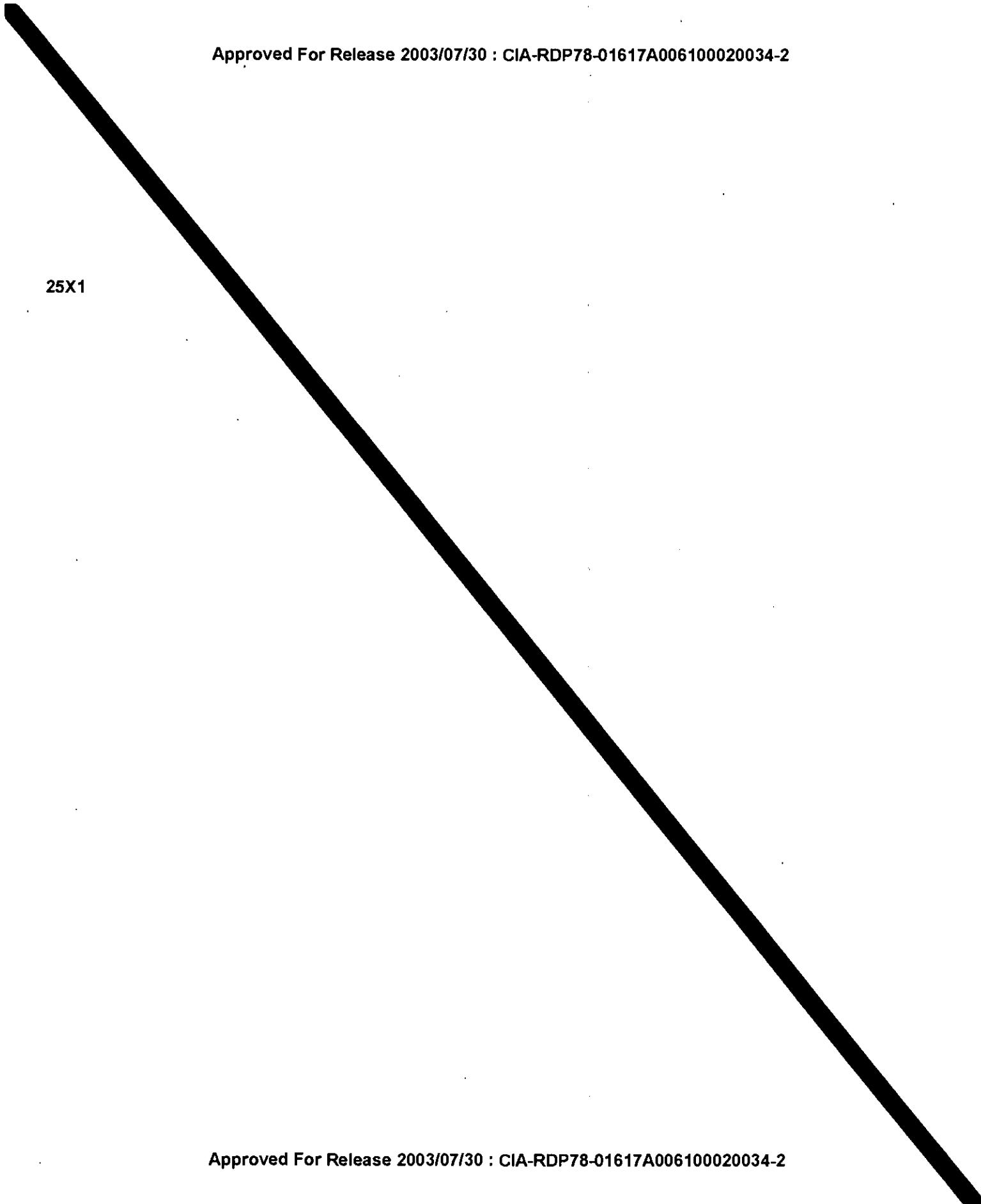
Office American Section, as Greek Minister to Yugoslavia. Pointing out that the Yugoslav Minister to Greece had already been formally designated, Venizelos stated that if Capetanides were acceptable to Yugoslavia, a simultaneous announcement regarding the exchange of Ministers might be made on 27 November, when the opening of the secondary rail line from Salonika to the Greek-Yugoslav border at Florina is scheduled to take place.

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