SECTION 1 (SOVIET)

"B" USSR. Soviet Propaganda Reaction to MacArthur's Dismissal.

Moscow Radio maintained a cautious approach to MacArthur's dismissal, and its broadcasts, in only a limited number of languages, continued to inform listeners that "the reason for MacArthur's removal has not been made public" and that "it is supposed that he has been removed for his inability to cope with the situation in Korea."

Moscow's LITERARY GAZETTE, also obscuring the fact that a clash over high policies - not military conduct - led to MacArthur's ouster, commented that the General's recall is "convincing evidence of confusion in the camp of American instigators of war."

Satellite media hailed the affair as a defeat for Truman and a success for the world "peace" movement, predicted failure for Ridgeway, and asserted that behind the affair lies rivalry of two US factions - one of which wants to "start a war" in the Far East and the other "in Europe."

The Chinese Communist press also hailed the "great victory...forced chiefly by the military strength of the Chinese Communists and North Koreans," promised that the Chinese people "will exert even greater energy in resisting the US and aiding Korea. and added that "if the enemy does not surrender we will crush him."

COMMENT: Soviet comment has followed the regular party line which has been applied to the Korean situation since the outbreak of hostilities in that area and especially since the entry of the Chinese Communist "volunteers" into the fracas.
POW Camps in Manchuria.

That officers of UN forces captured in Korea by the Chinese Communists are now interned in a former army prison in Mukden, while enlisted personnel are confined in camps near T'unghua. The daily routine of the prisons is said to include "political training in Marxism and Leninism" and analysis of the Korean war by Communist political officers.

While the Communists have released about 400 US POWs for propaganda purposes, several thousand US soldiers are believed to be in Communist hands. There has been speculation that the Communists will attempt to train for later use those prisoners who appear susceptible to indoctrination.

-TOP-SECRET

6
KOREA. Communist Intentions in Korea.

(1) In early March, LIN Piao, having been relieved as overall commander in Korea by P'ENG Teh-huai, stated that a Communist counter-offensive would soon be launched in Korea; (2) subsequently, the "Sino-Soviet commission" (in Peiping) decided to request aircraft (presumably from the USSR) and to commit additional forces to Korea; but (3) the "latest decision" is that Communist forces in Korea will avoid engaging UN forces until additional materiel is provided, will withdraw to the Yalu if necessary, and will not undertake a large-scale counter-offensive until air support is increased.

The USSR has informed Peiping of its inability to meet Communist requirements for materiel in Korea until the end of June, and that Communist forces in Korea are therefore attempting to hold a line at the 39th Parallel until the promised material arrives. Such a withdrawal would shorten Communist supply lines during the May-August period of adverse weather and would increase the effectiveness of the Communist air arm operating from Manchurian fields.

Prisoners Taken from Chinese Communist 63rd Army. Two CCF PW's taken east of Munsan on the Imjin River on 12 Apr revealed they were members of the 187th Division of the Chinese Communist 63rd Army. The prisoners stated that their unit had entered Korea a month ago and had been in the forward area for 6 days. Although this is the first ground contact with the 63rd Army of the 19th Army Group, both prisoners displayed extreme security consciousness. Although the significance of the appearance on the line of this new, and possibly Soviet-equipped, Chinese Communist army is not immediately apparent, the possibility exists that forward deployment of this unit signifies Communist intentions to hold at all cost on the present line despite the compromise of the unit's location.

President Rhee Concerned Over Belief that ECA Appropriation for the ROK Will Lapse. Ambassador Muccio reports that President Rhee, on being informed that procurement authorisations had been issued for $25 million to finance importation of sustaining imports by the Department...
of the Army, expressed concern as to the future disposition of the $45 million remaining of the $70 million appropriated by the US Congress for ECA activities in Korea. **COMMENT:** The recent cessation of ECA activities in Korea, before an adequate ROK or UN agency had taken over, will continue to complicate the already seriously deficient ROK economy.

"C" **North Korean Reaction to General MacArthur's Relief.** A North Korean propaganda broadcast of 12 April attributes the relief of General MacArthur as Commander of UN Forces in Korea to his being a "failure in the war of aggression in Korea". Radio Pyongyang further notes that "bickering" between the Americans and British "armed aggressors" over the defeat in Korea and nonconfidence in General MacArthur were other factors in his relief. **COMMENT:** Radio Pyongyang's comment follow the standard Communist "line" on the MacArthur dismissal. If this broadcast may be taken as a criterion for judgement, there is no current disposition to negotiate.