1. **Chinese Communist endorsement of Malik's speech does not guarantee modification of original terms:**

An editorial in the official organ of the Chinese Communist Party, stating that the Chinese people "fully endorse" Malik's cease-fire suggestion, goes on to assert that if the US "is willing to stop the war, she should therefore fall in at once with the just and reasonable measures for peaceful settlement... repeatedly proposed" by the Peiping regime.

**Comment:** The editorial does not explicitly reaffirm Peiping's original terms for any settlement of the Korean conflict; namely: withdrawal of all UN forces from Korea, admission of Communist China to the UN and US abandonment of Taiwan. The reference to earlier proposals, however, leaves it open to Peiping to bring forward its original terms after a cease-fire is achieved. The Peiping regime appears prepared to continue its commitment in Korea indefinitely.

2. **Caution dominates Western European press reaction to Malik proposal:**

Leading non-Communist newspapers in West Germany, France and Italy received with caution the Malik proposal for a cease-fire in Korea, generally stressing that the statement should not be disregarded despite its obvious propaganda aspects.

Although West German press comments were on the whole pessimistic, ranging from caution and distrust to outright rejection of the proposal as a propaganda trick, Berlin newspapers reflected a hesitant optimism. French newspapers tended to show a slightly more favorable attitude, emphasizing that it would be
absurd to reject the Soviet suggestion just because of its origin, as long as there is a slight chance for a settlement of the Korean fighting. In general, non-Communist Italian press comment stressed that the move was not solely a propaganda expedient and that the door to peace should be left open. Several Western European publications saw in the proposal a Soviet recognition of military failure in Korea and a victory of the UN Korean policy. Paris newspapers generally agreed that the UN goal of discouraging aggression would be obtained by a settlement on the 38th Parallel.

FAR EAST

3. Impending Communist offensive may be scheduled for 8-10 July:

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The US Far Eastern Command forwards a North Korean intercept ordering a conference of divisional chief supply officers on 28-30 June, and notes that similar meetings have preceded each of the last two enemy offensives by seven to ten days. On the basis of these observations, the enemy may launch his next offensive around 8-10 July.

Comment: Department of the Army estimates of enemy capabilities have, for the past week, fixed the first week of July as the time at which the enemy will have massed sufficient personnel and materiel to launch the next attack.

4. Prisoners of war report on attitudes of Communist military personnel in Korea:

Interrogations of recently-captured prisoners of war indicate that the morale of the Chinese Communist forces prior to the last offensive was good, and that such surrenders as did occur were due to the hopelessness of local military situations and
to the lack of food. The prisoners revealed that during May a major source of troop discontent was the deterioration in the quality and quantity of rations—a factor indicating a serious strain on Chinese Communist Army transportation facilities. It was further revealed that the majority of Chinese Communist troops in Korea are ex-Chinese Nationalist troops who may now be regarded as thoroughly indoctrinated in Communism. The prisoners regarded Soviet aid as coming from an ally and did not consider themselves as Soviet puppets. The prisoner of war reports agree that some of the best Chinese Communist armies have been "destroyed," but they believe that the CCF can and will continue to fight with somewhat lower quality replacements.

5. **Possible Soviet anti-aircraft elements reported in Pyongyang:**

Recent prisoner of war interrogations lend credence to reports of the presence of substantial Soviet anti-aircraft artillery units in the Pyongyang area. An automatic weapons group of 40 guns was manned by youthful Soviet soldiers wearing uniforms similar to those worn by Soviet Naval personnel assigned to AAA coastal defense units. Moreover, air photos reveal a slight increase in both heavy and light anti-aircraft guns in the Pyongyang area, where increasingly intense, accurate and heavy fire has been encountered.