Czechoslovakian Volunteers Reported in Korea.

Soviet troops purporting to be Czechoslovakian volunteers have been moving recently with their supplies from Antung to Sinuiju. According to the same source, there are approximately 20 MIG type planes stationed at the Sinuiju airfield, with an undisclosed number of Soviet planes concealed nearby. Civilians are said to have been evacuated from Ch'aryongwan and their houses requisitioned by Soviet and Chinese Communist troops. About 300 Soviets are reported to be stationed in the Ch'aryongwan public school whence they supposedly conduct daily pistol and rifle practice. (20 Jul 51) COMMENT: There is no available evidence indicating the presence of Czechoslovak volunteers in Manchuria or Korea. It is possible, however, that some Czechoslovak nationals may be attached to Soviet units reported recently to have crossed the Yalu River into Korea. The presence of an unknown number of Soviet troops on duty in Korea as technicians, advisors, and anti-aircraft operators is now generally accepted.
Korea. Enemy Strength May be Much Greater Than Now Accepted. In addition to enemy units currently accepted in Korea:

- the 20th Chinese Communist Army Group, composed of 5-4 armies with a strength of 105-140,000 troops, "probably" is also in Korea. "Possibly" in Korea are at least five additional Chinese Communist armies, totaling 175,000, and three new North Korean Corps of at least 30,000 men. (21 July 51). COMMENT: The strength of enemy units currently accepted in Korea totals 143,000, of which 265,000 are Chinese Communists. A recent report of theenemy logistically could now support a 5-7 day 72 division offensive presumably based on consideration that these units "probably" or "possibly" in Korea might participate.

South Korea Makes Progress in Balancing Economy. Ambassador Muccio reports that the ROK has made marked progress in balancing income and expenditures and in controlling bank credit. In the past two months, expenditures of UN forces, which far exceed the meager collections from the sale of imported goods, have constituted the sole inflationary pressure of any significance. Pointing out that the impoverished and disrupted Korean economy cannot be expected to absorb the local currency costs of carrying on an extended war, Muccio again urges corrective action to increase the supply of imported goods. (20 July 51).