North Korean and Chinese Communist comment during each of the past two weeks has shown great consistency in relating widely divergent elements to substantiation of three basically related contentions: (a) that an American offensive of undetermined scope and power is imminent; (b) that the Americans are determined to destroy the last possible chance for a truce; and (c) that the Communists can cope with any threat resulting from a U.N. drive. The emphasis on these related and convergent claims and the nature of the accompanying comment suggest that:

a. The Communists are concerned about the course of action to be pursued by the new administration, and fear that these actions may involve areas outside of Korea.

b. Although anxious to present a facade of strength, they are concerned with questions of morale, and with their ability to maintain logistic support in the event of expanded hostilities.

c. There is home front concern about the ability of the fighting forces to withstand a massive U.N. assault which may include the use of new weapons.

d. They are unwilling to commit their airforces to an indefinite capacity to cope with U.N. aerial operations.

e. They are convinced that the U.N. will not accept a truce unless conditioned upon a major Communist concession on the prisoner issue, and that in the absence of a forum such as the United Nations sessions, no purpose can now be served by continuing to stress the repatriation question.

Imminent Aggressive Action Threatens All of Asia: North Korean and Chinese Communist comment during each of the past weeks has shown great consistency in deriving a single interpretation from a variety of events: the imminence of an American offensive in Korea and perhaps in areas beyond Korea. The bulk of comment on the Presidential inauguration and on the character of the President's cabinet revolves around the aggressive nature of the new regime and its commitment to militant action in widely separated areas in Asia. The destruction of a B-29 over China ostensibly engaged in "strategic reconnaissance" is exploited largely within the context of the over-all plan to wage aggressive warfare against China as Eisenhower's solution to the present impasse in Korea. Chou En-lai's protest describes the flight as only one part of the preparation to enlarge the war, and links it to the Indian resolution, the massacre of POWs, BW, the indiscriminate bombing of residential areas in Korea and the newly imposed curtailment of the safe-conduct of truce delegation convoys. Chou also relates the aerial violation to aggressive designs on the CPR, charging that such violations were connected with the organization of sabotage within China.

Both Pyongyang and Peking have resurrected a wide variety of Western statements concerning the need for decisive action to stem the tide of Communism in Asia
and have interpreted such statements as indicative of future official policy. They have noted recent claims that American forces could advance to and beyond the Yalu, and the demands that Manchuria be bombed and that Nationalist forces be unleashed on the mainland. In a similar vein, the recent meeting of the British, French and American military leaders in Hong Kong is specifically interpreted as a harbinger of aggressive action against China from the South, and against Indochina and Malaya. The almost solitary concentration on these apparent indices of a forthcoming offensive not specifically restricted to Korea, to the virtual exclusion of elements which have been staple in Communist propaganda throughout the war—atrocities, the moral position of the Communists, profiteering, American irrationality—suggests that the Communists really expect some sort of decisive action and that they think it possible these actions may concern areas outside of Korea.

Problems of Morale. Supply Plague Koreans: There are continuing indications that the desire to present a facade of strength and preparedness is being countered by the existence of morale and supply problems which have assumed sizable proportions, and which may seriously affect Communist capabilities in the event of expanded military operations. North Korean transmitters continue to call for united action to forestall enemy plans, and to note the need for better indoctrination of all elements of the population, while noting evidences of a slackening effort. There has been considerable emphasis upon the depraved conditions prevailing in the South as the results of American occupation, compared with which conditions in North Korea are described as vastly superior. The recent unusual emphasis upon the military contribution already made by the Chinese, which includes the promise that China will devote all her efforts to ensure a victory in Korea, also seems intended to buttress flagging spirits, and the failure to predicate similar intentions on the part of the USSR, while consistent with the general avoidance of the subject of Soviet aid other than moral, indicates some sensitivity to Soviet failure to ensure a quicker resolution of present problems. Other efforts designed to strengthen morale seem indicated by the wide attention accorded the reports of American military desertions and the studied failure to stress that these desertions occurred largely in the United States rather than in Korea. Pyongyang and Peking interpret these actions as evidence that the American soldiers are beginning to realize the unjust nature of the war and the strength of the Communists. The desertions are given a precise context related to a possible offensive by the stress upon the virtually miraculous results attained by frontline propaganda units in inciting surrenders among U.N. troops, and the point is made that any attacking forces will be seriously depleted by an expansion of such effective propaganda operations.

That questions of supply now or in the future present a serious problem seems reflected in Pyongyang's recent emphasis that superiority of morale, leadership, decisive action, resoluteness and technical proficiency are superior to purely material weapons in determining the final outcome of a war. This stress seems inconsistent with previous Chinese and Korean insistence that the Communists are now provided with all the weapons of modern warfare and that their possessions of these weapons ensures them victory against the enemy. This shift suggests that the U.N. air offensive against supply operations has been quite effective or that the Communists are concerned about their ability to maintain logistic support for the troops in the event of a full-scale resumption of hostilities.
Tunnels Make Communists Impregnable to Any Attack: In an unusual revelation, Peking has widely reported that a complex series of tunnels has been erected along the defense perimeter and that Communists troops sheltered within the tunnels are immune to any assault. Peking has noted specifically that a barrage of 100,000 shells did no damage to defense installations and that no casualties resulted. Although no reference is made to atomic or other special weapons, the repeated assurances that the tunnels provide an immunity unprecedented in history seems intended as specific reassurance to Chinese audiences.

No Commitment on Abilities of Communist Air Forces: At a time when the Sino-Koreans forces have been challenging UN air supremacy over Northern Korea in the greatest display of strength since last April, neither Peking nor Pyongyang has stressed the ability of the air forces to cope with American air power, and each has continued to note the tremendous achievements of antiaircraft batteries. This reluctance to exploit an apparent propaganda asset, with its morale implications for Communist and enemy audiences, suggests that the Communists are concerned over their ability to keep sufficient forces in the air should full-scale military operations be resumed.

Americans Wish to Destroy Last Chance for a Truce: At the same time that the North Korean and Chinese radios have been predicting an offensive, they have delineated in detail the evidence which proves that the Americans do not want a truce in Korea and that they are making every effort to destroy the last possible avenue for agreement. The "unilateral" restriction on the movement of convoys moving from Panmunjom to Pyongyang is assailed as part of the provocative pattern of truce obstruction exemplified recently by the refusal to accept responsibility for violations of the truce area, attacks on convoys, and the infiltration of spies into the neutral zone. The vituperative nature of the comment related to American distaste for peace, which comes at a time when Moscow, Peking and Pyongyang have almost totally omitted allusions to the repatriation question, suggests that the Communists are convinced that the Americans are not interested in a truce which does not involve a major concession on the part of the Communists, and that further discussion of the troop repatriation question, in the absence of a forum such as the U.N. sessions, can serve no purpose.
NORTH KOREA

Tokyo Meetings Precede Aggressive Moves: Pyongyang continues to assail Rhee's recent trip to Tokyo, repeating charges that the visit, prompted by the Eisenhower war policy, succeeded in selling Korean rights in return for Japanese military assistance in the Korean conflict. Taking its cue from Moscow, however, Pyongyang comment also lays heavy stress on the threat to all of Asia created by America's attempt to form an anti-Communist front in the Pacific, demonstrated by Rhee's trip, as well as by the visits of high officials charged with implementing decisions aimed at extending the conflict throughout the Far East. This comment is accompanied by increasingly vitriolic denunciations of Eisenhower as the instigator of these plots. At the same time, the United States is warned that reliance on "hydrogen" terror will be no more effective than was reliance on atomic threats. Pyongyang and Moscow have specifically mentioned atomic or hydrogen warfare since Eisenhower's visit to Korea, although in the past this subject was generally avoided.

Continued concern with the increasing effectiveness of South Korean forces is revealed in recent Pyongyang efforts to encourage disaffection in South Korean ranks. These efforts reach their culmination in a 9 January decree of the North Korean Military Committee setting forth privileges and rewards for individuals and units who "patriotically" come over to the North. Citizenship, prizes, status and employment are promised to all.

Support of Other Peoples Hailed: The presence of a Mongolian delegation in North Korea has occasioned a spate of Pyongyang comment depicting the widespread support rendered the North Korean cause by all peace-loving peoples and nations. The Mongolians are specifically thanked for their contributions of furs, clothing, firewood and particularly for the donations of cattle which made possible the recovery of the shattered livestock industry in North Korea. Broadcasts reveal that the Mongolians have donated 100,000 head of cattle since the start of the struggle. Vice Premier Surunjab, chief of the delegation, pledges continued material and spiritual aid, announcing that all peace-loving people regard this as a duty.

Income Tax to Finance New State Operations: North Korea has announced a People's Income Tax Decree to be levied on all workers, clerical workers, artists, cooperatives, industrialists and merchants. The tax is to be effective 1 January 1953, but no announcement of rates has been made. Announcement of the tax follows closely promulgation of various Government relief measures as well as the provision of free medical service and may be aimed at providing the additional revenue to support these increased Government obligations.