

~~CONFIDENTIAL~~

FAR EAST SURVEY
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Negotiations Achieve Political, Economic Agreement: Peking on 23 November announced the conclusion of a Sino-Korean economic and cultural cooperation agreement to extend over an initial 10-year period and designed to "insure the consolidation and development of economic and cultural relations." Separate and specific agreements are to be concluded in the future between the respective economic, trade, communications, cultural and educational organs. A communique on the Sino-Korean negotiations, broadcast simultaneously with the text of the general agreement, reveals additional settlement of "relevant important political and economic questions," including: (1) consolidation of Sino-Korean friendship; (2) support for the armistice agreement, peaceful settlement of the Korean question, unification of Korea and convocation of the political conference; (3) cancellation of Korean war debts to China and grant of 8 trillion yuan for Korean economic rehabilitation; and (4) provision for exchange of technical information and personnel.

The terms outlined above envisage Chinese assistance to Korea through 1957 and mark a milestone in the Chinese assumption of responsibility in peacetime Asian Communist affairs. This agreement, which was concluded with the participation of the Soviet Charge in Peking, apparently complements the previously announced Soviet grant to the North Koreans, for Kim Il Sung asserts that Chinese aid is intended primarily for light and consumer goods industries while Soviet and Satellite aid is primarily for heavy industry. The propaganda evidence, therefore, provides no apparent grounds for inferring any conflict of interests in the two separate grants unless the failure of Communist broadcasts to rationalize China's apparently greater contribution were to be so construed.

Peking, Pyongyang Differ in Propaganda Treatment of Pact: Subsequent propaganda comment on the pact from Peking and Pyongyang (and Moscow) demonstrates a distinct awareness of the implications of the agreement for the respective home audiences. The variation in the treatment of the agreement is extreme and can be summed up briefly: Peking demonstrates a desire to deemphasize the scope and magnitude of the agreement in propaganda directed to its home audience; Pyongyang reacts in the opposite manner.

The disproportionately high attention afforded the event in the Home Service (Home Service 14%; International Service 11%) seems to clearly indicate that the propaganda is tailored for domestic consumption and that the parallel comment in broadcasts beamed abroad is not of immediate concern. The preponderant part of Peking's heavy attention to this event comprises generalized comment, factual-type reportage on receptions and the departure of the Korean delegation, and repetitions of vague expressions of Korean gratitude to the Chinese. Only 10 percent of attention to the negotiations in the Home Service (5 items) carry substantive detail, and this consists solely of the actual texts of the general agreement and the accompanying communique.

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PEOPLE'S DAILY Emphasizes the Contribution to Chinese Security:

Peking's studied deemphasis of the substance of the agreement characterizes the limited number of commentary discussions on the agreement and is best exemplified in a 24 November PEOPLE'S DAILY editorial. The editorial, in broad outline, places its emphasis on the interdependence and bonds of mutual security of China and Korea, particularly as a defense against American aggression, and devotes fulsome praise to the heroic Koreans, but all details of the Chinese economic assistance program are avoided.* This broad pattern of contrasting emphasis and avoidance is further borne out by a more detailed comparison of the PEOPLE'S DAILY editorial with the texts of the agreement and the elaborating communique.

(1) In elaborating on the subject of strengthened Sino-Korean unity, the communique merely states that such unity is essential "to protect the vital interests" of both peoples. The editorial however asserts that as a result of the Korean war, the Chinese people "realize more profoundly" that China and Korea "depend on each other." This dependence, the daily further asserts, requires the economic recovery of Korea which "represents an additional safeguard to the Chinese people's security." The emphasis on China's need for a rapid Korean recovery and the failure to mention China's contribution to that recovery is supplemented by reminders of the continued threat posed by American troops in Korea, against which the KPR serves as a buffer.

(2) The communique's treatment of Sino-Korean political agreement deals largely with the joint intention to effect the peaceful unification of Korea and expresses willingness to "cooperate with all countries concerned" to bring this about. The Chinese have "all along" supported Korean desires in this matter, the communique declares. PEOPLE'S DAILY, however, contents itself with the statement that agreement was reached on implementing the armistice and achieving peaceful settlement of the "Korean question." Only in the final paragraph of the editorial is unification mentioned, and then the paper but cautiously expresses confidence that the Koreans will be successful in "their fight" for unification. (The Communist agenda for the Korean political conference, proposed on 30 November, continues to avoid the subject of unification and does not reflect any change in tactics that could be ascribed to the Sino-Korean negotiations.)

(3) PEOPLE'S DAILY seemingly goes out of its way to note the fact that following the armistice the Soviet Union and People's Democracies "at once" provided assistance to Korea, making possible its postwar economic recovery. This praise could serve both to demonstrate continued Soviet concern in Korea as well as create the impression for the Chinese people that major Soviet assistance to Korea minimizes the amount of Chinese aid needed by the Koreans.

(4) Praises of the "unswerving spirit" of the Korean people and confidence in the leadership of the "glorious Korean Nodong Dang" support the editorial's contention that Korea will successfully accomplish its goals and will be an "added force" to Communist strength.

* As is often the case in Peking broadcasts of PEOPLE'S DAILY editorials, the full text of the original 24 November editorial is not broadcast. Such practice enables Communist propagandists to transmit full discussions of a subject to the very circumscribed literate audience, while according highly specialized interpretations and emphases to the mass radio audience.

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The PEOPLE'S DAILY editorial's distorted representation of the officially reported results of the Sino-Korean negotiations--including the complete avoidance of the economic terms agreed on--suggests a Chinese desire: (1) to justify the agreement with Korea on the basis of China's self-interest, (2) to create the impression of Korean reliability; and (3) to deemphasize China's contribution, substituting instead the contributions of the Soviet Union and the People's Democracies. This may well reflect Chinese elite consideration that news of large-scale Chinese economic assistance to Korea at a time when the Peking regime is actively promoting austerity at home, would have an adverse effect on the Chinese public.

Kim Boasts of Chinese Guarantees: Principal Korean reaction to the Peking negotiations is provided by Kim Il Sung in a 27 November speech before a Pyongyang rally welcoming his return to the capital. Kim, in contrast to Peking, devoted the bulk of his address to a discussion of the promised Chinese assistance--including that for unification--and takes the opportunity to praise China for the "quantities of supplies" and "enormous sums" contributed during the war. References to this aid were not common during the war.

The "chief characteristic" of Chinese aid, Kim declares, lies in the fact that it will be used for the rehabilitation and development of "traffic,, transportation, light industry and agriculture, as well as for the direct improvement and raising of the people's living standards." Kim points boastfully to the "balanced and normal rehabilitation" of North Korea which is thus assured, since the Soviet Union and the Satellites are providing complementary aid intended primarily for heavy industrial investment.

The significance of the Sino-Korean negotiations and agreement lies, according to Kim, in the Chinese "assurance" of the material and spiritual results of our victory "even in the post-armistice period." The Korean Premier adds that this assurance should serve as encouragement and inspiration for the peoples of colonial and dependent countries in Asia.

A specific instance of Korean sensitivity in the realm of Sino-Korean relations may be indicated in the failure of Korean comment--including Kim's speech--to mention the assistance rendered the Chinese liberation struggle by "Korean patriots." Both Peking and Moscow in their comment on the Sino-Korean agreement make special mention of this factor in the development of Sino-Korean relations. While the subject is unusual, Peking made such a reference in its comment at the time of Chinese intervention in Korea, declaring that the Chinese Volunteers were repaying the blood debt incurred through Korean participation in China's anti-Japanese struggle.

Moscow Reaffirms New Chinese Prestige: Moscow's reaction to the Sino-Korean pact, keynoted by an unusually detailed Shestyuk commentary on 25 November which is broadcast twice to the home audience, is in effect an amalgam of the Peking and Pyongyang comment. The Soviet commentator, like Peking, stresses the security aspects of the Sino-Korean agreement, and, like Pyongyang, gives a detailed breakdown of the promised Chinese assistance. Moscow also takes the occasion to reiterate its praise of China as a "mighty stabilizing factor of peace" and a "new great power," a line established in September by Malenkov.

Shestyuk, however, adds remarks made by neither of its Asian allies, attributing to them a desire to settle the Korean question at a "round-table conference." This line is out of tune with actual developments since a 17 November Communist proposal at Panmunjom calls for a political conference of "two equal sides." Moscow has yet to comment either on the 17 November proposal or on the later Communist proposal of 30 November.

Soviet and Chinese Technicians Arrive in Korea: Broadcasts from Pyongyang now confirm the presence of both Soviet and Chinese technicians in North Korea and their participation in rehabilitation projects. According to Pyongyang broadcasts of 19 and 20 November, Soviet experts are directing activities at Pyongyang schools, teaching mechanized farming techniques, and directing the repairs of power plants. The participation of Soviet technicians in Korean reconstruction was anticipated by Kim Il Sung in August, but was not an explicit part of the September Soviet-Korean agreement. The arrival of Chinese engineers in Pyongyang on 13 November to participate in the rehabilitation of Pyongyang is reported in a 20 November broadcast.

Recent Peking broadcasts of 28-30 November also confirm the presence of Korean workers and students in China for specialized training. Agreement on this provision was included in the recent Sino-Korean negotiations. Korean workers arrived in Northeast China in the winter of 1952-53, according to the broadcasts, and are being trained in new techniques by Chinese cadres. Workers from the Korean Kim Chaik iron and steel mill, one of the major projects being rehabilitated with Soviet funds, are included in this group. Another group is reported to have arrived in Chungking in the spring of 1953 and is said to be receiving special training at local mills in the rehabilitation of wrecked plants. Peking points out that many Chinese mills were devastated by the Kuomintang and that Chinese workers therefore have practical experience to offer the Korean trainees.