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THE UNSETTLED PROBLEMS IN THE FAR EAST*

Even if the Communists agree to sit down for substantive discussions on outstanding Far Eastern problems, the evidence at hand offers little prospect of a solution. These problems include a Korean settlement, the Indochina war, and the fate of Formosa.

In the negotiations at Panmunjom, the Communists have shown no willingness to compromise on their stand calling for a round-table conference of the belligerents and certain "Asian neutrals," including the USSR. Many UN members favor this concept, and the Communists are trying to split the United States from its allies or force an eventual accommodation to their position. A round-table conference with the "neutral" participation demanded by the Communists would place them in a better tactical spot to exploit Western differences than would a two-sided meeting.

Despite the recent concession on procedural matters at Panmunjom, the Communists may continue to block substantive discussions in the hope that further delays will promote friction among South Korea, India, and the United States, and incite the unrepatriated prisoners to violence.

Whether the Communists actually intend to have a conference on Korea must be viewed in the light of the Soviet regime's current global strategy. The Soviet response to recent non-Communist overtures for negotiations has not been encouraging. Soviet propaganda no longer stresses the possibility of a negotiated settlement but is concentrating on the charge that the Western powers do not really desire an easing of international tension and that Western maneuvering is creating impossible conditions for negotiations or making their prospects almost hopeless.

If a Korean conference does take place, agreement on one of the two main questions -- the withdrawal of foreign troops -- may be reached. Withdrawal of Western forces from the Far East

* A National Intelligence Estimate, NIE 98, "Communist Courses of Action in Asia," is in the course of preparation.

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has been a major objective of the Communists since World War II. They may estimate that North Korea's superiority in the air and in tank and artillery strength, as well as its more favorable logistical position and the presence of Chinese and Soviet forces across the Yalu, would protect their military interests if both sides withdrew.

On the other important question -- Korean unification -- there seems to be little hope of reconciling President Rhee's stand with the probable Communist position. Continued division and a long period of armed truce seem much more likely.

Rhee insists that unification should not result in the dissolution of his government, which, as he continually points out, is the only Korean government recognized by the United Nations. He will not accept a trusteeship arrangement, regarding it as a form of "collective colonialism," nor does he want a neutralization scheme if it involves disarmament.

Rhee's plan for unification is to hold free elections in the north, under UN auspices, to fill the 100 vacant seats in the South Korean National Assembly which he has held open for this purpose. He is confident that if free elections were held, an all-Korean legislature would result which would be almost entirely devoid of Communists.

The Communists for their part have been consistent in their plans for unification. In the Soviet-American joint Korean Commission meetings in 1946 and 1947, and in proposals just prior to the invasion in 1950, the pattern has been the same. They then called for the establishment of a provisional government composed of representatives of both sides, with the broad participation of "democratic" organizations, to formulate plans for an election. This formula, always opposed by the West in Korea as in Germany, may well again be put forward by the Communists.

Their recent emphasis on troop withdrawal as the "main task of the conference" suggests that they may demand its completion as a prerequisite to any discussion on unification. There are a number of indications, moreover, that the Communists are not seriously planning for unification. Last August, they replaced with Soviet-Koreans virtually the entire South Korean Communist element in the North Korean government and party, thus eliminating the only group in the north which had connections and some support in the south.

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The Soviet one billion ruble aid program also suggests that the USSR is planning to continue its control over North Korea. The aid is directed primarily at the rehabilitation of heavy industry which serves Soviet and Manchurian rather than Korean needs. The visit of a delegation of leading North Korean officials to Peiping on 12 November, following a trip to Pyongyang by Chinese dignitaries, suggests that China also intends to make long-range commitments.

On the war in Indochina, there has been a good deal of inconsistency in Communist statements and propaganda on the prospect for a negotiated settlement. Moscow's reply to President Eisenhower's speech of 16 April stated that such "liberation" movements in Southeast Asia, as those in Indochina and Malaya, were not subject to negotiation. In September, however, Chou En-lai told a Western diplomat that China wished to discuss Indochina in the Korean political conference. Soviet and Chinese Communist propaganda has been similarly contradictory, on the one hand, holding out the prospect of a negotiated settlement in what appears to be an effort to exploit public pressures in France; and on the other hand, stressing to the Viet Minh the necessity of continuing the struggle. Ho Chi-minh denies the possibility of a negotiated settlement.

Of the three alternatives open to the Communists in Indochina, an all-out offensive with large-scale Chinese participation, negotiations toward a settlement, or a continued war of attrition, the last would appear for the foreseeable future to be the most likely choice. No Communist movement in the Far East has yet been willing to negotiate while winning, and the Viet Minh still has the initiative. Moreover, the war in Indochina does not affect the success of Soviet global strategy or the security of Soviet territory. Unlike the Korean war, it is geographically remote from the Soviet Union and it has not been "internationalized" by UN participation. At the moment the advantages to the Communists of continuing the war seem to outweigh those of ending it.

The French on the other hand would prefer not to face the expense in money and men required for a long war aimed at annihilation of the Viet Minh. They are hoping that negotiations will be possible, either at the Korean political conference or at a five-power conference including Communist China. Recent public statements by Premier Laniel and other French officials, as well as French press comment, have encouraged the public to believe that the \$385,000,000 American aid program and the Navarre plan are intended to improve France's negotiating position rather than to achieve military victory.



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  Until such time as a military defeat of the Viet Minh or American armed intervention is imminent, however, it is probable that the Communists have no serious intention of negotiating for peace in Indochina.

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As for the status of Formosa, Communist plans for a military operation against the island were frustrated by the American neutralization declaration of June 1950. Following its intervention in Korea, Peiping stated that its eventual control of Formosa would be one of the prerequisites for ending the Korean war. During the truce talks, Peiping relegated the question to the postarmistice political conference, and an "et cetera" in the armistice agreement will enable the Communists to bring up this question, among others, at the conference.

The 16 nations which fought on the UN side have agreed informally that substantive progress at the conference must be made on Korean questions before any Chinese issues can be discussed. Should the Communists take a conciliatory line in the conference, proposals to resolve the status of Formosa may be welcomed or even initiated by some Western nations to resolve the problem by neutralization, by trusteeship, or by outright cession to Communist China.

The Communists, at best, might be willing to go along with a neutralization or trusteeship formula under the auspices of the UN, provided Formosa is eventually restored to China as called for in the Cairo and Potsdam agreements.

* A forthcoming National Intelligence Estimate, NIE 63/1, "Probable Developments in French Policy in Relation to U.S. Interests," will deal with this subject in more detail.

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