

NSC BRIEFING

3 December 1953

NORTH KOREAN INTEGRATION
INTO THE BLOC

- I. Moscow and Peiping integrating North Korea into the Orbit, indicating no unification of Korea; also practical demonstration of Communists' achievement.
- II. On 8 August USSR offered North Korea a \$250,000,000 grant "for the restoration of Korea's national economy."
 - (a) This aid largely goes to Yalu Power Plant
 - (b) Songjin steel works
 - (c) The Nampo coal mine
 - (d) The Hungnam chemical works

(e) Montrose Shipping Co.

*(f) Wonsan refinery
Tied in to USSR + Manchuria*

D. In view of the virtual destruction of North Korean heavy industry, there is no justification for rebuilding it in the prewar pattern except to make certain it continues to feed into some Communist industrial complex in Manchuria or the Soviet Far East.

III. North Korea ~~has also~~ signed technical and economic agreements ^(Oct + Nov) with ~~several of the~~ Eastern European satellites. *ie*

A. Bulgaria, Rumania, Czechoslovakia, and Poland ~~have concluded such agreements with Pyongyang during October and November.~~

IV. Communist China ~~has~~ ^{*put*} furthered ~~the~~ integration of North Korea ~~into the Orbit.~~

~~SECRET~~
SECURITY INFORMATION

for North Korea

- a*
- A. On 23 November, ~~the~~ Sino-Soviet economic and cultural pact was signed at Peiping providing \$350,000,000 in aid through 1957 and writing off the entire North Korean war debt.
 - B. Under the pact, China will send coal, clothes, cotton, food, construction materials, fishing vessels, transportation equipment, metal products, farm implements, paper, and stationery to North Korea.
 - C. China also promised to help repair the North Korean rail net, which Peiping controls and operates through a joint CCF-NKA railroad bureau, and to supply Pyongyang with railroad rolling stock.

~~SECRET~~

- V. The Chinese ~~have apparently~~ send ^{ing} large ~~number of~~ construction workers into North Korea since the truce to ~~alleviate~~ ^{meet} the ~~latter's critical~~ manpower shortage.
- A. ~~As many as~~ 40,000 Chinese railway workers ~~have been reported in North Korea in recent months.~~
- B. About 1 August, 54,000 construction workers arrived from Manchuria and the Pyongyang press said this number would eventually reach 100,000.
- C. ~~In addition to restoring such vital installations as railroads and air-~~
~~fields,~~ ^T this influx of Chinese will enable North Korea to carry out any army buildup, which is apparently under way.