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1. According to HUANG Yen-p'ei, non-Communist Minister of Light Industry of the Chinese Communist Government, the Communists were discouraged with the progress of the fighting in Korea. The cease-fire proposal is a peace offensive in which the Communists hope to gain what they failed to gain by force, including entry into the United Nations and participation in the Japanese peace treaty, as well as possession of Taiwan.
2. HUANG also believes that in allowing the cease-fire negotiations to take place in Kaesong the United Nations provide the Communists with an excellent opportunity for propaganda. The Communists are basing their strategy of the peace offensive on conflicts between the United Kingdom and the United States and partisan conflicts in the United States, hoping that these conflicts will widen and rebound to their advantage. Should the Communist detect greater conflict between the United States and United Kingdom they will open a second war front. In general the non-Communists in the Government are disappointed in the acceptance by the United Nations of the Communist cease-fire proposal, and especially by negotiations taking place in Kaesong.
3. There has been instituted a large-scale propaganda campaign stating that the United Nations has been defeated and is crying for peace. This line is partly based on the United Nations agreeing to hold the negotiations at Kaesong. The Communists also plan to use the cease-fire talks to build up the prestige and political position of the North Korean Government.

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4. Medium-and low-level Chinese Communist Government employees hold the following views on the cease-fire proposal:
 - a. The United Nations was obviously discouraged in the fighting in Korea. Continued losses by the United States was sure to breed popular discontent and revolt against the Government. Because of the Iranian crisis the British were unable to handle their international commitments and maintain their own interests. Therefore, the United Nations is eager for peace.
 - b. President Truman and Secretary Marshall desire to capitalize on the cease-fire negotiations and proposed peace in Korea in order to discredit the views of those who hold with General MacArthur.
 - c. The United States, the United Kingdom, and France are unable to continue to cooperate in the war.
 - d. The cease-fire talks at Kaesong show both a victory for the Communist bloc and its generosity in seeking and attaining peace.
 - e. Even though the cease fire may be accepted China will not stop her efforts unless its glorious objectives are achieved.
5. High-level Chinese Communist military officials say that the Taiwan problem must be solved within 1951, either peacefully or by force.

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