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Current Capabilities of the Northern Korean Regime

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Summary:

This report assesses the capabilities of North Korea in reference to; the Soviet position, the current political, economic, and military situations, and the current operations against South Korea.

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CURRENT CAPABILITIES OF THE NORTHERN KOREAN REGIME

Estimate of Current Capabilities

The "Democratic People's Republic" of northern Korea is a firmly controlled Soviet Satellite that exercises no independent initiative and depends entirely on the support of the USSR for existence. At the present time there is no serious internal threat to the regime's stability, and, barring an outbreak of general hostilities, the Communists will continue to make progress toward their ultimate domestic goals. The Communist regime in northern Korea suffers from a shortage of skilled administrative personnel and from weaknesses in its economy and its official Party organizations. There is widespread, although passive, popular discontent with the Communist government. Despite these weaknesses, however, the regime has, with Soviet assistance, clearly demonstrated an ability to continue its control and development of northern Korea along predetermined political, economic, and social lines.

The northern Korean regime is also capable, in pursuit of its major external aim of extending control over southern Korea, of continuing and increasing its support of the present program of propaganda, infiltration, sabotage, subversion, and guerrilla operations against southern Korea. This program will not be sufficient in itself, however, to cause a collapse of the southern Korean regime and the extension of Communist control over the south so long as US economic and military aid to southern Korea is not substantially reduced or seriously dissipated.

At the same time the capability of the northern Korean armed forces for both short- and long-term overt military operations is being further developed. Although the northern and southern forces are nearly equal in terms of combat effectives, training, and leadership, the northern Koreans possess a superiority in armor, heavy artillery, and aircraft. Thus, northern Korea's armed forces, even as presently constituted and supported, have a capability for attaining limited objectives in short-term military operations against southern Korea, including the capture of Seoul.

Northern Korea's capability for long-term military operations is dependent upon increased logistical support from the USSR. If the foreign supporters of each faction were called upon for increased assistance, there is no reason to believe that Soviet support would be withheld and considerations of proximity and availability of such assistance would greatly favor the northern Korean regime. Soviet assistance to northern Korea, however, probably would not be in the form of direct participation of regular Soviet or Chinese Communist military units except as a last resort. The USSR would be restrained from using its troops by the fear of general war; and its suspected desire to restrict and control Chinese influence in northern Korea would militate against sanctioning the use of regular Chinese Communist units in Korea.

Despite the apparent military superiority of northern over southern Korea, it is not certain that the northern regime, lacking the active participation of Soviet and Chinese Communist military units, would be able to gain effective control over all of southern Korea. The key factors which would hinder Communist attempts to extend effective control under these circumstances are: (1) the anti-Communist attitude of the southern Koreans; (2) a continuing will to resist on the part of southern troops; (3) the Communist regime's lack of popular support; and (4) the regime's lack of trained administrators and technicians.

Note: The intelligence organizations of the Departments of State, Army, Navy, and the Air Force have concurred in this report. It contains information available to CIA as of 15 May 1950.

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ANNEX A

SOVIET POSITION IN NORTHERN KOREA

The USSR's fundamental strategic concern with Korea is positional. Northern Korea has a short common border with Soviet territory, flanks sea and land communication lines between Vladivostok and Port Arthur, and shares a long, common frontier with Manchuria. Control of northern Korea provides the USSR with an advance fringe of secondary air and naval bases beyond the boundaries of the Soviet Far East. In addition, northern Korea provides a base for eventual extension of Soviet control over southern Korea, which, if accomplished, would give the Soviet Union a further strategic advantage in its positional relationship with Japan and consequently enhance the position of the USSR vis-à-vis the US in the Far East. Of increasing importance at the present time is the area's economic potential, which, although limited, can make valuable contributions to the economy of the Soviet Far East.

To assure continued control and to protect and advance strategic and economic interests in northern Korea, the Soviet Union since 1945 has concentrated on the following objectives: (1) the establishment of a strong, effective, and obedient Communist government and society; (2) the exploitation of economic and human resources, with simultaneous development of a self-supporting, expanding economy within northern Korea; and (3) the exploitation of northern Korea as a base for the penetration and subversion of southern Korea.

Since the establishment of the "Democratic People's Republic" (September 1948) and the withdrawal of Soviet troops (December 1948), the Soviet Union has maintained the fiction of northern Korean independence and has exercised its control through the medium of the Communist-dominated Korean Government and associated political organizations. The Soviet Embassy at the "capital city" of Pyongyang is headquarters for the four- to five-thousand-man Soviet mission in northern Korea. The Soviet mission, infiltrated as advisers throughout the government, economy, and political organizations, serves as a guarantee of northern Korean subservience and a source of technical assistance.

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ANNEX B

CURRENT POLITICAL SITUATION

1. Indigenous Leadership.

The "Democratic People's Republic" is under the immediate control of a small group of Korean Communist leaders whose primary qualification for high office is loyalty to the USSR and willingness to accept a subordinate role within the pattern of Soviet control. Thus, Koreans with a Soviet background appear to have been given positions superior to those held by either native-trained Communists or Koreans who received Communist indoctrination in Yenan and Manchuria, and this Soviet-trained leadership appears to be well knit. The intensity of Soviet control, the leaders' lack of strong personal followings among the Korean people, and the composition of the present southern Korean Government which makes it unpalatable to possible northern "nationalist deviationists" as an alternative prevents either significant deviations or disruptive factionalism.

Except for their loyalty and subservience to the USSR, northern Korea's leaders possess few qualifications for the responsibility of high government and party office. They have gained no popular support and despite four years in office they still lack requisite administrative and technical skills. Although these weaknesses lower the regime's efficiency and decrease its popular appeal, they do not materially affect the stability of the "People's Republic," since experienced Soviet advisers adequately maintain government efficiency at the top level and the police effectively control the populace.

2. Government Organization.

The Government of northern Korea closely resembles that of all other "people's democracies" and a democratic facade obscures its basic totalitarian pattern. Constitutional provisions for a popularly elected representative assembly, a responsible cabinet—actually the key organ in the government—civil liberties and other rights and institutions normally associated with democratic government, are intended to develop popular support for the "People's Republic" not only in northern Korea but in southern Korea as well. Changes gradually being made in the institutions established by the Constitution, however, point to the transformation of the "People's Democracy" into an "orthodox" socialist state of the Soviet type.

3. Party Organization.

The organization of the Communist Party (officially known as the North Korea Labor Party) (NKLP), which parallels the hierarchical government structure, is similar to the Party in the USSR. Top government positions are all held by NKLP members, and the Party's Politbureau is the regime's major policy-making body. Most of the government's bureaucrats are drawn from the Party ranks. The Party is intended to be the activist element among the politically passive northern Koreans, is responsible for political activities—including elections, demonstrations, and the dissemination of propaganda—and is the nucleus for what will eventually be a one-party system. In the interim, however, the fiction of a multi-party system is maintained. The Front and its organizations, manipulated and controlled by the NKLP leadership, and designed to include every segment of society, support and assist internal indoctrination and control programs and play an even more important role in operations against southern Korea.

Membership in the NKLP is estimated at between five and six hundred thousand, an unusually high percentage of the total population. The Party is controlled by a group of about a hundred, who provide the indige-

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nous leadership in the state apparatus and who subject the several thousand petty officials, intellectuals, and professional men in the middle bracket of the Party (generally less thoroughly indoctrinated Marxists) to the most stringent Party discipline.

The remainder of the Party's membership is four-fifths peasant and one-fifth urban and industrial workers. The support of this vast majority of the Party's members is maintained through preferential treatment and strict discipline. Devotion and loyalty to the Party's leadership, rather than intellectual adherence to Marxism, is required from this Party majority that serves fundamentally as a large base with a vested interest in perpetuation of the regime, rather than as a mature activist element.

4. Methods of Control.

Both the state organization and the regimentation of Korean society depend on firm control of the people and the maintenance of internal security. The police force is the instrument of primary control. Exclusive of the para-military border constabulary which is still under the Minister of Interior, there are some thirty to forty thousand police agents and uniformed police. The former maintain a constant check on public attitudes and seek out dissident elements. Groups such as former landlords, businessmen, property owners, intellectuals and Christians in the north Korean population are singled out by the police (as dissident or potentially dissident elements) and are subject to particularly rigid police controls.

As a long-range source of stability, Korea's Communist regime has sought popular support through the use of persuasive techniques, principally propaganda and the conferring of material benefits. Propaganda, disseminated through a wide variety of media, reaches every element of the Korean population. Its main effort is directed at concealing the dictatorial nature of the government, the extent of Soviet domination and similar aspects of Communism in Korea, while creating, on the other hand, the illusion of national independence, representative government, equality with the Soviet Union, and other favorable stereotypes. Material benefits designed to recruit mass support include: reforms purported to correct deep-seated inequities in the Korean social and economic system; the provision of social and public services on much larger scale than under the Japanese; and specific state actions—such as the release of extra consumer goods—timed to counteract public discontent over new economic regulations.

5. Effectiveness of the Political System.

The "Democratic People's Republic" has established firm control over the northern Korean people. Despite weaknesses, the Communist regime is progressing toward its ultimate domestic objectives of establishing a stable, fully socialized state. Its strength and stability are mainly attributable to: (1) rigid direction exercised through Soviet advisers and loyal Korean Communists; (2) Soviet material aid and technical advice in all fields; (3) comprehensive and highly organized state regulation of political, economic, and social activity, maintained both through government controls and through the actions of Communist-controlled mass organizations; (4) effective police control, supplemented by techniques of persuasion and psychologically bolstered by the proximity of Soviet forces; (5) cohesiveness and loyalty to both the government and the Soviet Union on the part of northern Korea's indigenous leaders, the bureaucracy, the police, the North Korea Labor Party and the more skilled technicians and workers; and (6) the achievement, since 1946, of substantial increases in production, which have raised living standards in northern Korea to a minimum subsistence level.

Despite the strength and stability of the "People's Republic" the regime has a number of important weaknesses to overcome, major among them being: (1) a lack of experienced and competent leaders, administrators, technicians, and dynamic activist strength in the NKLP; (2) the regime's narrow base of popular support, which results from the relatively widespread popular discontent; (3) Soviet interference and exploitation, which offends Korean desires for complete independence and contributes to the low standard of living, which is a basic cause for popular discontent and a factor contributing to low labor productivity.

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The Communist system, itself inherently incompatible with traditional social, economic, and political forms in Korea, assures the existence of discontented groups under the northern regime. In the brief period of Communist control, nearly two million northern Korean refugees have moved to the south; the great mass of the northerners have not yet appeared receptive to a Communist, Soviet-oriented state, and indoctrination in Marxian ideology remains extremely limited. There is believed to be widespread discontent and dissatisfaction among farmers, for example, particularly among those who formerly owned large or medium-sized farms. The forced labor required on community projects, as well as the government's collection of large special crop taxes, moreover, has incurred the resentment of former landless tenant farmers, whose support was actively solicited by means of the 1946 "land reform." The 100,000 or more Christians are strongly anti-Communist, and considerable discontent also exists among the pre-liberation middle classes. This popular discontent appears to be largely passive, however, and in the few known attempts to organize the opposition for action, the groups were quickly broken up by the police.

The low standard of living, although primarily an economic problem, has its political ramifications. The problem is a difficult one because the low standard arises directly and indirectly from other weaknesses in the system and cannot be resolved completely so long as the Soviet Union continues the economic exploitation of northern Korea.

None of these problems, however, is sufficiently critical at present either to threaten the USSR's control over northern Korea or to challenge the northern Korean regime's ability to maintain itself. Northern Korean internal security forces are fully capable of maintaining the regime in power during the period required for the reduction of current weaknesses in administration, leadership and production, and the progressive development of more advanced Communist political forms. Barring a period of internal disorganization, or crises arising from external military pressures, the Communist regime's present lack of popular support does not represent a serious problem. In the long run, living standards probably will be somewhat improved, and the regime's persuasive tactics are likely to gain additional recruits among the younger generation. On the other hand, while these weaknesses do not seriously impair the Communists' ability to control and develop northern Korea, they do materially reduce that regime's current ability to extend and maintain control over southern Korea.

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ANNEX C

CURRENT ECONOMIC SITUATION

1. Organization of the Economy.

Koreans were almost completely excluded from ownership and management when Korea's economic system was under Japanese rule. As a consequence, the USSR's introduction of a socialized economy in northern Korea after 1945 proceeded with little internal opposition. The principal Soviet economic objective in northern Korea has been the gearing of the economy to the requirements of the Soviet Far East while developing northern Korean resources to provide the maximum of self-support. The USSR has fostered the development of those industries producing exports required by its economy and has also sought to overcome the existing shortages in consumer goods production and other items presently obtained from external sources. These plans, if successful, would ensure a viable, although low level, economy in northern Korea and would also insure increasing returns to the USSR in their exploitation of the northern Korean economy.

Effective Soviet direction of the northern Korean economy is insured through: (1) the placement of Soviet advisers and Koreans loyal to the USSR in all key positions controlling the economy; (2) the use of Soviet advisers and engineers in all key Korean installations; and (3) the existence of "joint" Soviet-Korean control over northern Korea's foreign trade.

All major economic undertakings in northern Korea are planned, financed, and directed by the responsible government ministries, which are under intensive Soviet supervision. Private ownership is confined to small commercial establishments and trading companies, some mining activities, and agriculture. Even in agriculture, legal title to the land distributed by the Communist regime in the Land Reform Program of 1946 still rests with the state, and there is a considerable degree of state control over agricultural production.

2. Production and Trade.

By the end of 1946, a combination of Japan's wartime abuses of Korea's arable land and industrial plant, and subsequent Soviet looting and Korean neglect, had reduced northern Korea's economy to a state of near chaos. Recovery has been slow, but by 1949 the industrial plant had achieved a significant level of activity. Today, to judge by the northern Korean regime's published two-year production plan (1949-1950) and by scattered intelligence reports, heavy industrial plant production, while it has increased significantly over 1946, it is still 15-30 percent below the peak 1944 level.

Postwar production plans have reflected a reduction in the production of some finished heavy industrial items, such as pig iron and aluminum, which formerly was geared to Japanese rather than to domestic absorption capacity. Emphasis has been shifted, instead, to the construction and expansion of plants producing basic and end-use equipment and consumer goods.

The current production of iron and steel, non-ferrous metals, fertilizers, industrial chemicals, and cement is still in excess of the Korean economy's capacity to process and absorb. The resultant surplus is exported both to meet Soviet demands and to obtain needed imports of basic equipment and consumer goods. Although only spotty information is available concerning the degree of recovery in the fields of agriculture, forestry, and fisheries, these too have apparently revived to such an extent that selected exports are practicable. As a result of the possession of some industrial and agricultural surplus, and the need for basic and end-use equipment, a relatively large volume of foreign trade is

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both possible and necessary for the maintenance of the northern Korean economy. Additionally, the area's lack of petroleum and bituminous coal forces the importation of both.

It is believed that northern Korea's balance of payments is unfavorable. This unfavorable balance probably arises largely from Soviet pricing policies which underprice Korean exports and overprice Soviet exports. Exports to the USSR, northern Korea's principal postwar trading partner, are, for the most part, iron and steel, non-ferrous metals and ores, chemicals, lumber, marine products, and grain. Imports are machinery, armaments, coal, and petroleum.

Hong Kong is northern Korea's principal non-Communist trading partner, and a wide variety of imports are sought on that market. Chief among these are textiles, basic machinery, pharmaceuticals, and selected industrial chemicals. Korean exports to Hong Kong consist of cattle fodder, marine products, grains, fats and oils, and chemicals. Less important trade relations are conducted directly with Manchuria, North China, Southeast Asia, and—clandestinely—with Japan and southern Korea.

3. Standards of Living.

The living standard of the great majority of northern Koreans has shown a significant increase from the below-subsistence level which immediately followed World War II. Rationing of all foods and basic necessities, which has ensured the meeting of the population's minimum requirements, has been a factor in preventing development of the widespread discontent into active resistance.

The shortage of housing in urban areas, harsh working conditions, low wages, the high cost of consumer goods, and the high taxes on agricultural production are all major problems which remain to be overcome before the present subsistence level of living can be raised. Attempts to this end are evident in the Communist regime's current plans for expansion of consumer goods industries, as well as in the volume of consumer goods imported from Hong Kong in 1949. While Soviet exploitation of the northern Korean economy continues, however, any substantial improvement in living standards will be inhibited.

4. Limitations on the Economy.

Several problems will continue to hamper the Communist regime's progress toward self-support. The most important among these arises from the fact that the USSR will continue to support and assist the development of the northern Korean economy only to the ultimate benefit of the Soviet economy. So long as the importation of bituminous coal and petroleum and the operation of the northern Korean merchant marine is under Soviet control, the operation of Korea's economy will remain almost completely dependent on the USSR. A further major problem faced by the northern Korean regime is the internal one of the Korean people's low level of productivity. Since there is a shortage of both skilled and unskilled manpower in the north, low productivity can be expected to continue despite the Communist regime's efforts to improve the situation.

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ANNEX D

CURRENT MILITARY SITUATION

Northern Korea's military forces are still being expanded. So far as the ground forces are concerned, this process involves the integration into the "People's Army" of local recruits and of Korean troops that have seen service under the Chinese Communists in Manchuria, as well as the equipping of this force with small arms, artillery, vehicles, aircraft, and armor from the USSR.

Trained and equipped units of the Communist "People's Army" are being deployed southward in the area of the 38th Parallel. "People's Army" and Border Constabulary units there equal or surpass the strength of southern Korean army units similarly deployed. Tanks and heavy artillery have also been moved close to the Parallel in recent months.

1. Army.

Current estimates place the strength of the "People's Army" (PA) at 66,000 men (including 16,000 ex-Manchurian troops) organized into at least three infantry divisions and an independent brigade. The PA's critical arms include: (1) an armored unit, estimated to possess 65 Soviet T-34 tanks; (2) divisional artillery units equipped with 76 mm guns and 122 mm howitzers; and (3) anti-aircraft units in the border regions. The 20,500-man Border Constabulary (BC), which is also being expanded with ex-Manchurian levies, is nominally a paramilitary police force and was previously armed with Japanese weapons. The BC has been trained to infantry standards, however, and has now been re-equipped with Soviet weapons.

2. Air Force.

According to current accepted estimates, the "People's Army Air Force" (PAAF) consists of an air regiment of 1,500 men, including 150 pilots, equipped with 35 YAK-9 and/or IL-10 fighters, 3 twin-engine bombers, 2 twin-engine transports, and 35 Japanese or Soviet training planes. This estimate may be subject to an upward revision in the near future.

3. Navy.

The northern Korean navy performs mainly as a coast guard force. Present navy strength is estimated at 5,100 men. A marine unit, whose exact functions are as yet undetermined, numbers approximately 5,400 men. Northern Korean navy shore installations and ships are of little consequence.

4. Logistics and Manpower.

The northern Korean armed forces depend almost wholly on the USSR for logistic support. Recent reports have indicated, however, that limited quantities of Soviet-type small arms, munitions, and uniforms are being locally manufactured.

A large segment of the domestic economy is as yet uncommitted to the logistic support of the armed forces and could provide further manpower for expansion of the military machine. However, the Communist regime's military machine already constitutes a drain on the undermanned northern Korean economy. An additional sixty to seventy thousand Koreans who have seen service with the Chinese Communists, furthermore, are believed to be available in Manchuria if needed for integration in or loan to the "People's Army."

5. Training.

The northern Korean military forces are entirely the product of Soviet planning, and depend heavily on the large Soviet military mission for training at higher command levels and for tactical advice down to the battalion level. The PA's state of training is comparable to that of the southern Korean Army. Air training is probably still in a basic stage, however, and there is no indication that the

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Air Regiment has attained operational status. The navy has received less Soviet attention.

There is evidence of a continuing program of sending small numbers of ground and air officers to the USSR for advanced training. Soviet advisers to the PA are believed to number at least 2,000; to the PAAF, 70; and to the Navy, 33. An additional 2,000 Soviet naval personnel are reported to be stationed in major northern Korean ports, to service Soviet naval units and to control port facilities.

6. Morale.

The morale of the northern Korean military forces generally appears to be good, and, although factions exist, factionalism is not a significant problem. Troops are subject to continuous indoctrination and surveillance, and their loyalty is further induced by above-average food rations, good wages, and special privileges. At the present time, the northern Korean armed forces are probably psychologically prepared to fight wholeheartedly against southern Korean troops. Their loyalty to the Communist regime and their fighting spirit, however, would vary inversely with the strength of the opposition and the duration of the struggle. In contrast, the ex-Manchurian Koreans, whose loyalty was indicated by the fact of their transfer to the PA, now form a significant percentage of that force. These troops possibly have less feeling of kinship for southern Koreans and therefore may provide a firm backbone for the PA in the event of military operations.

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ANNEX E

CURRENT OPERATIONS AGAINST SOUTHERN KOREA

The ultimate local objective of the Soviet Union and of the northern Korean regime is the elimination of the southern Republic of Korea and the unification of the Korean peninsula under Communist domination. To this end, an open invasion of the Republic by northern Korean military forces has thus far been delayed in favor of a coordinated campaign involving political pressure within southern Korea, subversion, propaganda, intimidation, economic pressure, and military actions by infiltration of guerrilla forces.

To date, this campaign has succeeded in damaging south Korea's economy to a serious extent. The withholding of northern Korean power, fertilizer, coal, iron, and steel from the southern Republic has been offset only in part by large-scale US economic aid. In turn, the Communist-trained guerrillas operating in south Korea, while they have not been successful in developing large concentrations or seriously threatening the Republic's internal stability, have forced the Republic to expend large sums of money in "suppression campaigns," and thus have contributed materially to the dangerous inflationary situation in south Korea. Anti-guerrilla activity, moreover, has prevented the deployment of some Republican Army units along the strategic corridors adjacent to the 38th Parallel.

Communist propaganda, especially that which reiterates the theme of unification, probably has little present appeal to the southern Korean people, since they are basically anti-Communist. The Republic's anti-Communist program has also materially reduced the Communists' ability to infiltrate southern Korean governmental and political organizations.

Although Communist operations against the southern Republic of Korea have not thus far produced decisive results, the Republic has been forced to make serious political and economic sacrifices in order to counter the ever-present Communist threat. At the same time, the cost to the Communists has been relatively slight, and their ability to continue the campaign far exceeds the Republic's capability to continue effective resistance without US aid.