

3. The Communists have made an important concession in no longer insisting that the prisoners who do not wish to be returned home should be physically removed from Korea to a "neutral state".

4. In view of the above, I think the way is now open for the conclusion of an armistice, if the United States administration is seriously determined to obtain one, as I believe it is. Moreover, I am not too surprised that the counter-proposal of the Communist Chinese and North Koreans does not include any mention of reference back to the United Nations, for the simple reason that neither Government is a member of that body. In my view, it may be necessary for the United Nations Command to be prepared to consider a compromise on this point in the interest of obtaining an early armistice.

5. I also believe that the main thing at present is not so much to concern ourselves with future points of method and procedure - though the Communists as we know can exploit these - as to recognize that there is already adequate agreement by both sides on the principles which should govern a solution of the prisoners-of-war question to provide a reasonable basis for an armistice. The problem of disposing of the remaining prisoners-of-war will remain a problem, no matter what methods and procedures are devised. However, once the exchange of prisoners has actually started, the problem of the "hard-core" prisoners should become more manageable and less acute than it is in the prevailing atmosphere of the present discussions. It should also be noted that there is now agreement on both sides on:

a) the setting up of a Repatriation Commission composed of neutral states; and

b) as a second resort, the reference of this problem to the political conference to be called following the armistice. This area of agreement is, in my judgement, sufficient for our immediate purposes of obtaining an armistice.

6. Please convey these views to the Acting Secretary of State [Smith].