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THE SOVIET OFFENSIVE

Since the beginning of 1950, the USSR has gradually stepped up and expanded its diplomatic, political, and economic offensive against the West and the cold war has now reached another peak of aggressiveness and militancy.

Soviet objectives have not changed and the tactics now being used differ only in intensity and scope from those employed since the end of World War II. Although the USSR has improved its power position by announcing its possession of atomic secrets, increasing its military and industrial strength, consolidating its control of Eastern Europe, and making spectacular gains in the Far East, there is no indication that the USSR is yet willing to initiate armed conflict with the West. The strengthened Soviet power position, however, does permit the Soviet Union to apply greater pressures than it has in the past and on more fronts simultaneously.

As in the past, the present Soviet offensive is characterized by violence, subversion, unfounded accusations, and defiant, belligerent propaganda. Each time since the end of World War II that the Soviet Union has unleashed an intensive campaign of this kind, its effect has been to spur the Western Powers to greater defensive efforts.

Despite the results of these campaigns in the past, Communist doctrine and the very nature of the Soviet system tend to commit the Soviet leaders to achieve their ends through aggressive, militant means. Violence and subversion are an integral part of the Communist revolutionary technique and are naturally accompanied by a vigorous diplomatic offensive. Moreover, Soviet leaders consider it necessary to maintain the morale of

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Communists at home and abroad by demonstrating the power of the Soviet Union. Closely allied with this need, the Kremlin may feel that only by attacking and vilifying the West can it justify the rigid controls it maintains on the Soviet and Satellite people and prepare them psychologically for war. It seems likely, therefore, that the Soviet Union will continue its tactics of aggressive arrogance for some time, the intensity of the effort growing in proportion to increases in Soviet strength and concentrating on those issues and areas where Western strength is weakest.

Baltic Plane The current Soviet offensive reached its peak of militancy with the recent aircraft incident in the Baltic. In addition to attempting to prove to the world that the Soviet Union can be neither imposed upon nor intimidated, the USSR has sought to emphasize the military significance of the flight, thus playing upon popular war fears and lending weight to peace appeals. Moreover, in decorating the Soviet pilots who presumably participated, Moscow was, in effect, pointing with pride to the ability of Soviet defensive aviation to protect the homeland from US strategic air power. Finally, the plane incident has been used to convince the Soviet and Satellite peoples that Western aggression is not merely a figment of Kremlin imagination.

Other Aspects Soviet self-assurance is apparent in other East-West issues. Soviet defiance of the UN continues. Western missions are being subjected to increased insult and intimidation throughout the Soviet orbit. The tone of Soviet propaganda is growing steadily more provocative, and Communist parties outside the Soviet orbit show a mounting militancy. Concurrently with these aggressive moves, Moscow is probing the defenses of the opposition on a number of fronts. It is testing the degree of Western determination to remain in Berlin; it is agitating, through diplomacy and propaganda, the questions of Trieste and the Turkish Straits; and its support of the Communist movements of Asia is becoming more open and more direct.

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F A R E A S T

CHINA

Military Plans Although the capture of Hainan has placed the Chinese Communist Army in a position to invade Southeast Asia, there are no concrete indications that the Communists are ready to depart from previous international Communist strategy or to run the risk of precipitating general hostilities by taking such a step at this time. Moreover, the Communist troops available for such an invasion probably will be needed for more immediate and pressing problems confronting the Peiping regime. Many of the troops involved in the Hainan invasion will be occupied for some time in consolidating Communist control over that island; other troops in South China will be needed to strengthen Communist control over the many wide areas which remain in the hands of local authorities, brigands, or organized thieving bands. Moreover, a considerable number of Chinese troops probably will be employed to establish a strategic reserve for the coming invasion of Nationalist-held Taiwan. The Communists have already stated that they are planning to utilize a force of one million men for the invasion of this last Nationalist stronghold. There is also the possibility that the Chinese Communists may wish to augment their forces along the Hong Kong border in preparation for increasing their pressure against the British crown colony. Although the Communist conquest of Hainan probably will not result in organized military invasion of any Southeast Asian areas, the Chinese Communists, in addition to supplying advisers and technical personnel to the various Communist-led resistance groups in Southeast Asia and the Philippines, will be in a position to facilitate the shipment of material aid to these same areas.

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6 JUN 1950
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GENERAL

1. Possible Kremlin conference on Southeast Asia--US Embassy Bangkok expresses the opinion that the imminent departure for Moscow of the Soviet Minister and the former Charge, following the recent departure of other Soviet officials, may indicate that an important consultation or planning conference on Southeast Asia will soon take place in Moscow. According to the Embassy, the British representatives in Bangkok concur in the view that the USSR may be calling an urgent meeting in order to decide upon immediate steps to prevent or counter the strengthening of Southeast Asia by the Western Powers.

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(CIA Comment: The recall of Soviet representatives from Bangkok, combined with the recall for consultations of top diplomatic personnel from all the Soviet diplomatic posts (except China) in Eastern Asia, indicates that the Kremlin is probably reviewing its over-all policy for the Far East. The additional presence in Moscow of the Soviet Ambassador to the US, a Far Eastern expert familiar with US thinking, is further evidence that the USSR is formulating new tactics designed to counter Western attempts to strengthen anti-Communist efforts in the Far East, especially in Southeast Asia.)

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Document No. 56
 NO CHANGE in Class.
 DECLASSIFIED
 Class. CHANGED TO: TS S C
 LDA Memo, 4 Apr 77
 Auth: DDA REG. 77/1763
 Date: 29 MAR 1978 By: 023

171. Weekly Summary Excerpt, 9 June 1950, Soviet Union: New SEA Policy

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SOVIET UNION

New SEA Policy The recall to Moscow of leading Soviet diplomats from Far Eastern posts and from the US indicates that the Kremlin may be reviewing its entire Far Eastern policy in order to plan for more aggressive action to counter Western anti-Communist efforts in the Far East, especially in Southeast Asia. Such a conference of Soviet representatives from Japan, India, Thailand, and possibly North Korea, together with the recall of the Soviet Ambassador to the US, who is a Far Eastern expert, emphasizes the importance of the area to the USSR at this time.

In Japan, the Kremlin might decide to shift from "legitimate" activities to concentrate on a subversive program as the most effective means of obstructing Western progress in Japan. The issuance of a second Soviet note demanding trial of Hirohito and the intensification of Communist activity in the face of a proposal to outlaw the Party indicate that the USSR is willing to risk having the Japanese Communist Party driven underground.

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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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173. Daily Summary Excerpt, 26 June 1950, Embassy Moscow's Views on Korean Conflict

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26 JUN 1950

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GENERAL

1. Embassy Moscow's views on Korean conflict--US Embassy Moscow, in assessing the implications of the present Korean conflict, expresses the opinion that the North Korean offensive against the Republic of Korea constitutes a clear-cut Soviet challenge to the United States which should be answered firmly and swiftly because it constitutes a direct threat to US leadership of the free world against Soviet-Communist imperialism. The Embassy points out that the defeat of the Republic of Korea would have grave and unfavorable repercussions for the US position in Japan, Southeast Asia, and in other areas as well, and expresses the view that the US is obligated to make clear to the world without delay that the US is prepared to assist the Republic of Korea maintain its independence by all means at US disposal, including military assistance and vigorous action in the UN Security Council. The Embassy believes that any delay on the part of the US "could suggest" to the USSR the possibility of precipitating with impunity immediate action against Indochina and other points along the boundary of the Soviet sphere. The Embassy also believes that the USSR probably calculated that the US will be inclined to accept "neutralization" of the Korean civil war which would lead to eventual victory by North Korea, thus expanding the Soviet empire without the use of Soviet military forces. The Embassy reiterates its belief that the USSR is not yet ready to risk full-scale war with the West, and comments that the present Korean situation thus offers the US an opportunity to show firmness and determination and, at the same time, to unmask important Soviet weaknesses to the eyes of the world and particularly in Asia, where popular ideas of Soviet power have been grossly exaggerated as a result of recent Soviet political and propaganda successes.

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Document No. 73
 NO CHANGE in Class.
 DECLASSIFIED
 Class. CHANGED TO: TS S 0
 DDA Memo, 4 Apr 77
 Auth: DDA REG. 77/1763
 Date: 29 MAR 1978 By: 023

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(CIA Comment: CIA concurs in general with Embassy Moscow's estimate of Soviet intent in precipitating civil war in Korea, and further agrees that successful aggression in Korea will encourage the USSR to launch similar ventures elsewhere in the Far East. In sponsoring the aggression in Korea, the Kremlin probably calculated that no firm or effective countermeasures would be taken by the West. However, the Kremlin is not willing to undertake a global war at this time, and firm and effective countermeasures by the West would probably lead the Kremlin to permit a settlement to be negotiated between the North and South Koreans. If the venture in Korea is successful, the Kremlin will fully exploit the "western failure" in Korea in an effort to undermine the western position throughout the world. Effective action by the UN to control the Korean situation is possible only through military sanctions involving the immediate conclusion of "interim agreements" providing for armed contingents from member nations to enforce the UN cease fire order.)

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174. Daily Summary Excerpt, 27 June 1950, Soviet Troop Movement Toward Yugoslavia Reported

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3. Soviet troop movement against Yugoslavia reported--

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A [] source [] transmits reports from fairly reliable informants that a considerable number of troops are being moved through Rumania toward Bulgaria and Yugoslavia. According to source, seven military trains composed of fifteen to twenty cars which are completely blacked-out are transporting tanks, artillery, and munitions to the south.

(CIA Comment: CIA believes that a buildup of Soviet military equipment and strategic transport facilities in the Balkans has been under way for some time. There is little evidence, however, that Soviet military personnel in the Balkans have been increased sufficiently to enable the USSR to undertake military action in the area at this time.)

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175. Daily Summary Excerpt, 28 June 1950, No Soviet Military Preparations in Germany and Austria

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4. No Soviet military preparations in Germany and Austria--
General Handy, Commander in Chief of US Forces in Europe, reports that there are no indications of aggressive Communist military action in Germany. Handy states that the bulk of the Soviet occupation armies seem to be engaged in normal maneuvers and that the German Democratic Republic has manifested no warlike intentions.

ARMY/S
ARMY/S

General Keyes, Commander of US forces in Austria, reports that there are no indications of a change in the present situation in Austria at this time.

(CIA Comment: No evidence is available indicating Soviet preparations for military operations in the West European theater, but Soviet military capabilities in Europe make it possible for the USSR to take aggressive action with a minimum of preparation or advance notice.)

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THE KOREAN SITUATION

The Soviet-inspired invasion of South Korea and the prompt and vigorous US reaction have overnight changed the complexion of the cold war and will lead to the development of new and critical problems for the US in nearly every quarter of the globe. It is not believed that the USSR desires a global war at this time. It is probable, however, that a concerted attempt will be made to make the US effort in Korea as difficult and costly as possible. (The USSR has sizeable forces of Chinese Communist troops at its disposal for this purpose.) The implications to the US of defeat in Korea would be far-reaching. It would become nearly impossible to develop effective anti-Communist resistance in Southeast Asia, and progress toward building a strong Atlantic community would be seriously threatened. A US victory in Korea would also pose serious problems for the US.

Increased Demands The adoption of a vigorous stand by the US against Communist expansion has, in general, been favorably received throughout the non-Soviet world. The adoption of this stand, however, implies that any failure by the US to take similarly prompt and effective action to stop any further aggressive moves may have even more serious repercussions to US and Western prestige than would have resulted from failure to come to the aid of South Korea. The Korean invasion has increased fears that the USSR will take aggressive action in other "soft spots" on the Soviet periphery, thus tending to create in these areas greater demands for US military and economic aid. The areas most immediately affected are Southeast Asia (particularly Indochina), Iran, Yugoslavia, Greece, and Germany.

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177. Intelligence Memorandum 301, 30 June 1950, Estimate of Soviet Intentions and Capabilities for Military Aggression

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CENTRAL INTELLIGENCE AGENCY

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30 June 1950

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INTELLIGENCE MEMORANDUM NO. 301

SUBJECT: Estimate of Soviet Intentions and Capabilities for Military Aggression.

Although the USSR is considered to be unwilling to undertake a global conflict with the West at this time, the Soviet-inspired attack on Korea and the US reaction make it critical to examine Soviet intentions with respect to exploiting other areas bordering the Soviet-dominated sphere along the general lines being followed in Korea.

Within the limitation of aggressive actions short of global war, the Kremlin has available to it three general lines of action: (1) the encouragement of guerrilla activities and creation of local disturbances; (2) the incitement of rebellions, local uprisings which could lead to autonomous movements splitting off parts of presently non-Communist areas; and (3) the use of a Soviet-controlled regime to attack and capture control of an adjacent nation or area. Prospects for a Soviet decision to launch a new Korean-type venture or to institute general harrassing measures along the Soviet-dominated border line must be measured in terms of developments in the situation in Korea. If the USSR is successful in picking-off Korea and if Soviet leaders do not become convinced that the new US policy prompted by the Korean incident requires immediate action to overrun all vulnerable areas before they can be sufficiently strengthened, then the Kremlin will probably call for a quiet period. If the Korean venture backfires on the Kremlin, then the minimum reaction will probably be instigation of all possible pressure tactics to divert world and internal Soviet attention from the Korean failure. Finally, if, as is more probable, hostilities in Korea are prolonged, the USSR might use Chinese Communist troops in Korea or possibly elsewhere in Asia, to engage the West in exorbitantly costly Far Eastern operations without directly involving Soviet forces. The likelihood of the Kremlin undertaking another Korean-type venture or aggression by some other short-of-war techniques in other peripheral areas will depend largely on local Soviet-Communist capabilities, and prospects for local resistance as well as UN and US reaction.

Note: This memorandum has not been coordinated with the intelligence organizations of the Departments of State, Army, Navy, and the Air Force.

7/10/50 - DCT authorized addtl dissem by ORE to Dept of State

Document No. 1

NO CHANGE IN CLASS.

DECLASSIFIED

CLASS. CHANGED TO: TS S C

Auth: DVA Rec. 77 1763

Date: 11/1/88 By: [signature]

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DOCUMENT NO. 1

NO CHANGE IN CLASS.

DECLASSIFIED

CLASS. CHANGED TO: TS S C

NEXT REVIEW DATE: 28/10

DATE: 30 Jan 80

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In Korea, the USSR is determined to continue the present attack and Chinese Communist forces may participate to whatever extent is necessary. Such Communist Chinese participation may be overt, under the pretext of North Korean "invitation" or the Chinese Communist troops may be advertised as "volunteers." In any event, the Soviet objective in Korea will be to make the situation as costly to the US, and as damaging to US prestige, as possible.

The Kremlin may welcome the resulting involvement of the US with the Peiping regime. The USSR may seek to encourage the gradual extension of such US involvement by precipitating incidents in Southeast Asia and elsewhere which will draw the US into costly, difficult, and embarrassing situations.

The USSR will continue to furnish substantial supplies and equipment, including air and naval craft, to the North Koreans, and perhaps later to its other Asiatic puppets. The USSR may also contribute to the North Koreans by supplying "volunteers," in aviation, technical, and advisory capacities.

1. Vulnerable Areas.

The main areas vulnerable to Soviet-Communist aggression short of employment of Soviet military forces are, in order of probability: Iran, Yugoslavia, Indochina (Southeast Asia), Turkey, Greece, Germany, and Austria. Other vulnerable points are Formosa and Hong Kong.

A. Iran.

The USSR has sufficient troops on the Soviet-Iranian border to take over Iran without warning. The pro-Soviet Tudeh Party and other subversive elements both within and outside Iran are capable of creating serious disturbances, but the Iranian armed forces are believed able to cope with such a development. Nevertheless, the Kremlin might use these disorders, particularly in the northern areas, to invoke the 1921 Irano-Soviet Treaty and, under the pretext that Soviet security was endangered, launch an invasion of Iran. The frequency with which the USSR implies that it may have to invoke the treaty and the almost constant troop movements and Soviet feints in the border area make it impossible to detect accurately when this activity may presage an actual invasion.

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B. Yugoslavia

There is no evidence available to indicate that there are sufficient Soviet-Satellite forces present in the Balkans to launch a full-scale military attack on Yugoslavia with any prospect of success. Immediate and forceful Western reaction to the Soviet-directed invasion of Southern Korea has greatly increased the likelihood that an attack on Yugoslavia would evoke at least an equally strong Western reaction with a greater risk of general war, which the Kremlin considers undesirable at this time.

The USSR, however, will probably push its efforts to overthrow the Tito Government by all means short of open aggression. Widespread peasant and labor disaffection in Yugoslavia as well as virulent regional antagonisms afford the Kremlin considerable potentialities for the creation of internal disorder and/or guerrilla incursions. Yugoslav popular sentiment against Communism and the USSR is so strong as to suggest that the Cominform will attempt to camouflage much of its activities against the regime under the guise of existing anti-Communist currents. The strength and reliability of the Yugoslav security forces, however, are estimated to be adequate to control any probable increase in such activities in the near future. Meanwhile, the widespread training of guerrillas in adjacent Satellites points to an increase in border activity and incidents.

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C. The Far East

In any Soviet aggression in the Far East, the Chinese Communist forces will be the primary instrument of the Kremlin. The Peiping regime now has a total of some two million experienced combat troops, and an estimated one and one-half million of these troops can be committed to action in mainland Asia and against the island of Taiwan. Taiwan is the Chinese Communists' sole remaining major military objective in the conquest of China, and even before the recent US policy statement regarding Taiwan, Peiping estimated that one million troops might be necessary for the capture of the island. The present US defense of Taiwan makes it unlikely that the Communists will attempt an invasion at this time.

Soviet aggression in Southeast Asia will probably for the most part be confined to an increase in present support of local Communist guerrilla activities. Stepping up guerrilla warfare in Indochina, the Philippines, Malaya, and Burma will necessitate a substantial increase in materiel and assistance, which would have to be provided primarily by China. The Chinese Communists, however, might also contribute experienced troops, probably camouflaged as nationals of the country concerned, to support Southeast Asian Communists.

In addition to continuing the present guerrilla warfare, Communists will probably encourage increased labor unrest and sabotage in Malaya (including Singapore), Burma, Thailand, the Philippines, and Indonesia.

The principal deterrents to Chinese Communist military action in Southeast Asia against Indochina and Burma are the risk of provoking global war and the anti-Chinese feeling widely prevalent in the area and the relatively severe logistical problem. In the special case of Hong Kong, an additional deterrent is the presence of UK troops. The Chinese Communists are capable of taking the island of Macao at will.

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D. Turkey

The USSR can obtain control of Turkey only by direct military action. There is no subversive element in Turkey strong enough to bring about revolution or civil war; there is no group of Turks outside the country which the Kremlin could successfully exploit for the invasion of Turkey in the Korean pattern; the Turkish Government and people are determined to resist any act of aggression. Reports of troop movements in the Balkans and of projected maneuvers in the Black Sea, the recent departure of the Soviet Ambassador and other Soviet and Satellite diplomats from Turkey, together with sharply increased Bulgarian radio and press fulminations against Turkey indicate the possibility of a Bulgarian invasion of Turkish Thrace. Sooner or later, however, Soviet troops would have to be dispatched to assist the Bulgarians, and the Kremlin, realizing that a Soviet attack on Turkey would probably precipitate a global war, is considered to be unwilling to embark on such a course at this time.

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E. Greece.

Soviet-inspired aggression against Greece, direct or indirect, does not appear imminent. Even in the improbable event that the Soviet bloc is willing to risk the near-certainty of global war by directly attacking a country so closely tied to the US, a military offensive against Greece would probably come only as part of (or following) an attack on the strategically more important target of Yugoslavia. A more likely development would be a renewal of the guerrilla campaign, which might seriously burden Greece next fall or winter, when the Greek Army's demobilization is scheduled to be completed and when as many as 20,000 combat-fit guerrilla reserves may be available in the satellite states. At present, however, a new guerrilla campaign would have only limited direct effects on Greek internal security, because guerrilla reserves are low and Greek Army preparedness is at a relatively high level.

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F. Germany and Austria

In both Germany and Austria, the USSR is able to take short-of-war measures which could cause a dispersal of US efforts and contribute heavily to the Soviet "war of nerves." Local border clashes between East and West German police forces will probably take place. These would have a nuisance value, but would not directly involve either Soviet or US forces. Strong provocative action can be expected in Berlin both by Soviet troops and by German paramilitary formations in the form of interference with public utilities and with East-West communications. Such interference with communications would tie up substantial numbers of US aircraft and require a high degree of US concentration on the Berlin situation. In addition, Soviet action in Berlin in the light of the current tense situation would sufficiently alarm the West Berlin population to cause serious unrest and produce adverse effects on the already unstable economy of the Western sectors of the city.

Minor steps by the Soviet occupation forces in Austria to interfere with the Western position in Vienna are probable primarily for their diversionary value and their contribution to the Soviet war of nerves. The USSR is unlikely to take action against public utilities and communications, which would reach the proportions of a blockade of Vienna, because such a blockade would result in a partition of Austria, which the Kremlin does not desire at this time.

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178. Daily Summary Excerpt, 6 July 1950, Views of Hong Kong Residents on Korean Problem

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6 JUL 1950
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2. Views of Hong Kong residents on Korean problem--US
Consul General Rankin in Hong Kong reports that the initial hearty approval among Hong Kong residents of US and UN action regarding Korea is now being followed by sober realization that the conflict may spread. Rankin adds that local Chinese feel that the Chinese Communists probably will not attack the US 7th Fleet guarding Formosa but that Communist forces will be used in North Korea if the fighting goes against the North Koreans. The Consul General comments that another possible Chinese Communist action could be against Burma, which Hong Kong Chinese consider to be a push-over for the three Communist divisions now on the Sino-Burma border. Rankin also expresses the opinion that a direct attack on the Crown Colony by the Chinese Communists cannot be ruled out since there are nearly 100,000 Communist troops massing in the Canton area with only half of them scheduled to move north.

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(CIA Comment: The Chinese Communist forces are fully capable of launching military operations against Taiwan, Korea, Hong Kong, and Southeast Asia simultaneously but they are not likely to undertake such aggressive action unless specifically directed to do so by the Kremlin. The USSR, which is currently maintaining an official aloofness from the Korean situation and which is considered to be reluctant to undertake a global conflict at this time, is not likely to encourage military ventures by the Chinese Communists outside their borders where Western military forces would be encountered until the outcome of the present conflict in Korea becomes more apparent. The Chinese Communists, however, are capable of rendering Hong Kong virtually untenable to the UK through a program of economic boycott, sabotage, and strikes which could be initiated at any time.)

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179. Daily Summary Excerpt, 7 July 1950, Invaders' Momentum Undiminished

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7 JUL 1950

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KOREA

1. Invaders' momentum undiminished--US troop actions have failed to date in slowing the momentum of the North Korean attack and the weight of the invaders' offensive indicates that their immediate objective is the speedy defeat of all defending forces in South Korea. The tactical skill and resourcefulness of the attacking forces is probably the result of intensive and thorough training, plus the presence of Korean combat veterans who served with the Chinese Communist Manchurian armies and a considerable number of Soviet military advisers. In addition, the North Korean forces probably contain many Korean combat veterans who served with Soviet forces in major combat operations, such as, the defense of Stalingrad. Latest information indicates that 150 South Korean Assemblymen were able to escape from Seoul and report to their Government. The missing 60 Assemblymen, who apparently remained in Seoul voluntarily, include virtually all the middle-of-the-roaders. This group offers the invaders their best opportunity to set up a "legitimate" facade for any provisional government in the occupied areas.

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Document No. 005
 NO CHANGE in Class.
 DECLASSIFIED
 Class. CHANGED TO: TS S (C)
 BDA Memo, 4 Apr 77
 Auth: DDA REG. 77/1763
 Date: 30 MAR 1978 By: 023

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180. Weekly Summary Excerpt, 7 July 1950, The Korean Situation: Soviet Intentions and Capabilities

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THE KOREAN SITUATION

Soviet Intentions and Capabilities

Two weeks after the beginning of hostilities in Korea, the world was still waiting for some firm indication of Soviet intentions regarding not only Korea but other countries on the Soviet periphery. It became clear, however, that the North Koreans were not to be intimidated by US involvement in the fighting and that the all-out effort to overrun South Korea would continue unabated. As long as the North Korean advance continues, the USSR can remain aloof; the crucial moment will come when and if the battle turns in favor of US and South Korean forces. At that time, the USSR must decide whether to permit a North Korean defeat or to take whatever steps are necessary to prolong the action.

Soviet Intentions At the moment, the Soviet and Communist propaganda line offers no clue regarding Soviet intentions. Soviet propagandists would have no difficulty in using the present line as a basis either for withdrawal from South Korea or for prolongation of hostilities, even including armed action in other areas. The key to the fateful Soviet decision will be the extent to which the USSR desires to risk instigating global war. All evidence available leads to the conclusion that the USSR is not ready for war. Nevertheless, the USSR has substantial capabilities, without directly involving Soviet troops, for prolonging the fighting in Korea, as well as for initiating hostilities elsewhere. Thus, although the USSR would prefer to confine the conflict to Korea, a reversal there might impel the USSR to take greater risks of starting a global war either by committing substantial Chinese Communist forces in Korea or by sanctioning aggressive actions by Satellite forces in other areas

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of the world. The decisiveness of the US reaction to the Korean invasion will thus cause the Kremlin to move cautiously, but the danger still exists that the USSR, as it did two weeks ago, will again miscalculate the Western reaction to any future moves it may feel are necessary.

The Far East The Korean invasion has had its most immediate and compelling impact on the Far East, particularly as it has affected international Communist intentions to speed the expansion of Communism throughout the area through the instrumentality of the Peiping regime. Pending clarification of the Soviet position, the Peiping regime has not yet committed itself and, as far as Korea is concerned, will probably not take any action at least as long as North Korean forces continue to advance. Meanwhile, Chinese Communist troop strength and dispositions would permit military aggression in a number of places with little or no warning, and the Peiping regime can be expected to give strong support to guerrilla activities and subversion throughout Southeast Asia.

Military Potential The Korean invasion has produced a deluge of reports of Chinese Communist troop movements indicating a Chinese intent to support the North Korean invasion. Most of these reports, however, have emanated from Chinese Nationalist sources and are merely propaganda for US consumption. Actually, the Communists are apparently still strengthening their forces opposite Taiwan, and possibly Hong Kong, and no significant changes have occurred in troop dispositions along Southeast Asian frontiers. Reported movements of large troop formations from South and Central China toward the Northeast are largely discounted. Communist troops already in North China and Manchuria are sufficient to provide substantial support to the North Koreans and of these approximately 40-50,000

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are of Korean nationality. Despite these reported troop movements and Chinese Communist capability to launch simultaneous and successful military actions in Korea, Hong Kong, Macao, and Indochina, no immediate action is expected. With regard to Taiwan, the US commitment to defend the island has almost certainly delayed the invasion timetable if only because it will make occupation of the island too costly an operation for the Peiping regime to undertake without outside assistance.

Non-military Action Meanwhile, the Chinese Communist regime will continue and probably increase its efforts short of military aggression to further the spread of Communism throughout Southeast Asia. Political support and military supplies will be granted Ho Chi Minh's forces in Indochina, efforts will be made to strengthen the insurgent movement in Malaya, and the tempo of organizational activity among labor and political groups will be stepped up. In this campaign, efforts by the Peiping regime to use the nine million Overseas Chinese will be impeded by its recent loss of popularity at home and a growing anticipation in Overseas Chinese communities that the spread of Communism may be reversed as a result of US action in Korea. An intensification of Peiping's efforts to gain control of the Overseas Chinese may well lead to a split which, while reducing the exploitability of the Overseas Chinese as instruments for extending Chinese Communist influence, may also result in the adoption of more militant tactics by the pro-Communist faction. An immediately explosive situation in Southeast Asia, however, derives from the presence in northern Burma of approximately 2,000 Chinese Nationalist troops. The Peiping regime has demanded their internment, the Burmese Government is apparently incapable of doing so, and the Chinese Communists thus have a legal "excuse" for carrying out local or major military operations in Burma.

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181. Intelligence Memorandum 302, 8 July 1950, Consequences of the Korean Incident

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CENTRAL INTELLIGENCE AGENCY

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INTFLIGNCE MEMORANDUM NO. 302

8 July 1950

SUBJECT: Consequences of the Korean Incident

I. Soviet Purposes in Launching the Northern Korean Attack.

A. Apart from immediate strategic advantages, the basic Soviet objectives in launching the Northern Korean attack probably were to: (1) test the strength of US commitments implicit in the policy of containment of Communist expansion; and (2) gain political advantages for the further expansion of Communism in both Asia and Europe by undermining the confidence of non-Communist states in the value of US support.

B. The Soviet estimate of the reaction to the North Korean attack was probably that: (1) UN action would be slow and cumbersome; (2) the US would not intervene with its own forces; (3) South Korea would therefore collapse promptly, presenting the UN with a fait accompli; (4) the episode would therefore be completely localized; and (5) the fighting could be portrayed as US-instigated South Korean aggression and the North Korean victory as a victory of Asiatic nationalism against Western colonialism.

II. Probable Developments from the Korean Incident.

There are at present four major alternative courses of action open to the USSR. They are not mutually exclusive courses of action. In particular, it is estimated that the USSR is very likely to try to prolong the fighting in Korea (alternative "B" below) for the short run and then within a few weeks or months, if conditions appear favorable to Soviet leaders, shift to the more aggressive course of creating similar incidents elsewhere (alternative "C" below). The alternatives are examined not in order of probability, but in order of increasing risk of global war and increasing expenditure of effort on the part of the USSR:

Alternative A. The USSR may localize the Korean fighting, permitting US forces to drive the North Koreans back to the 38th Parallel and refrain from creating similar incidents elsewhere. In the meantime, the USSR would remain uncommitted in Korea and would develop the propaganda themes of US aggression and imperialistic interference in domestic affairs of an Asiatic nation.

Note: This memorandum has not been coordinated with the intelligence organizations of the Departments of State, Army, Navy, and the Air Force.

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1. This alternative is the most cautious course for the USSR to take. Its adoption would indicate complete surprise at the US reaction to the Korean incident and would suggest strongly that the USSR was unwilling to run even a minimum risk of provoking a global conflict involving the US and the USSR.

2. US prestige and political influence would be substantially augmented, particularly with Western European allies and other nations aligned with the US.

3. Soviet prestige and influence would be damaged, but there would be compensations in the form of secondary political gains that would accrue as a result of:

(a) promoting the "peace campaign" and portraying the US as military aggressor;

(b) exploiting the theme of Asian nationalism versus Western imperialism;

(c) maintaining the North Korean and Chinese Communist threat to South Korea as an embarrassment to development of a constructive US or UN policy in Korea.

4. This alternative course of action is unlikely; Soviet advantages would be secondary, comparatively long-range, and intangible, while Soviet disadvantages would be immediate.

Alternative B. The USSR may localize the Korean fighting, still refrain from creating similar incidents elsewhere, but in order to prolong US involvement in Korea, give increasing material aid to the North Koreans, perhaps employing Chinese Communist troops, either covertly or overtly. The USSR would remain uncommitted in Korea and would develop the propaganda themes of US aggression and imperialistic interference in domestic affairs of an Asiatic nation.

1. This alternative is a moderately cautious course for the USSR to take. The USSR would probably consider that its adoption would involve only a slight risk of provoking a global conflict involving the US and the USSR.

2. US prestige would be seriously damaged if the USSR succeeded in prolonging the incident in this way. Western European allies and other nations aligned with the US would question the immediate military value of US commitments even though expecting them to be honored.

3. Soviet prestige would be augmented if the fighting in Korea were prolonged without an open Soviet commitment.

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4. The USSR would obtain appreciable secondary, comparatively long-range gains in political influence as a result of promoting the "peace campaign" and portraying US as imperialistic Western aggressor in Asia, unless successfully countered by a US "Truth" campaign.

5. Deep involvement of US military forces in Korea would seriously limit US capabilities to support similar commitments elsewhere. Moreover, the Western European allies of the US would feel dangerously exposed for some time (even if the US began a partial mobilization for war).

6. The USSR probably will adopt this alternative course of action at least for the short run, since there would be few Soviet disadvantages or risks and the Soviet gains would be appreciable.

7. This alternative will appear especially attractive to the USSR because at any time, if conditions appeared favorable to Soviet leaders, the USSR could shift to the more ambitious program (alternative "C", immediately below), in which alternative "B" would merely be a first phase.

Alternative C. The USSR, while attempting to prolong the fighting in Korea as in alternative "B", may also attempt to disperse and perhaps overstrain US military forces-in-readiness by creating a series of incidents similar to the Korean affair. Without directly and openly involving Soviet forces, such incidents could be created in Formosa, Indochina, Burma, Iran, Yugoslavia, and Greece. The effects of such incidents could be aggravated by renewed pressure on Berlin and, possibly, Vienna.

1. This alternative would be a comparatively aggressive course for the USSR to take. Its adoption would indicate willingness to run an appreciable risk of provoking a global conflict because of the possible US reaction. The USSR could easily turn to this alternative at any time, but it is not likely to turn to it until the USSR has fully analyzed the implications of the US commitment in Korea.

2. Having employed its armed forces in support of its commitment in Korea, the US will have to honor similar commitments or lose most of the advantages of the policy of supporting the Korean commitment.

3. The US does not have the military forces-in-readiness to honor its commitments with US military forces and equipment in many areas other than Korea (perhaps none) without a substantial increase in US military forces and industrial productivity in the military field, bringing about what would amount to at least a partial (as distinguished from a general) mobilization for war.

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4. Deep involvement of US military forces in the Far East or Near East would leave Western Europe even more dangerously exposed than at present.

5. At some point further Korean-style incidents (requiring the commitment of US forces to stabilize the situation) presumably would force the US to adopt one of the following alternatives:

(a) revise the policy of general containment by limiting US commitments and by planning to combat Soviet aggression only at those selected points where existing US military strength would permit;

(b) begin partial military and industrial mobilization in an attempt to enable the US to combat any further Soviet-sponsored aggression anywhere in the world; or

(c) begin total mobilization to enable the US to threaten to meet any Soviet or Soviet-sponsored aggression with war against the USSR.

6. The USSR probably will adopt alternative "C" sooner or later if Soviet leaders do not estimate the risk of global war involved to be substantial or are prepared for a global war if it develops.

7. If Soviet development of this alternative course of action leads to a general US mobilization, it appears at this time that the USSR probably would in that event continue limited aggressions, accompanied by the customary "peace" propaganda, discounting actual US initiation of a general war and perhaps estimating that the political and economic strains of mobilization would weaken or discredit the US and its foreign policy. The USSR, however, may:

(a) desist from further aggression of the Korean type, fearing a global war and taking mobilization as an indication of greater risk than Soviet leaders had anticipated in choosing this course of action; or

(b) expecting US-initiated global war, attempt to seize the initiative by immediately attacking the US (in effect turning to alternative "D", below).

Alternative D. The USSR may consider US intervention in Korea either as the prelude of an inevitable global war or as justification for beginning a global war for which it is prepared--in either case immediately attacking the US and its allies.

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1. Nothing in the Korean situation as yet indicates that the USSR would deliberately decide to employ Soviet forces in direct military action precipitating global war. Such a decision is unlikely if, as now seems probable, Soviet leaders believe that:

(a) there are continuing opportunities to expand Soviet influence by the comparatively cheap and safe means of Soviet-controlled Communist revolutionary activity (including propaganda, sabotage, subversion, guerrilla warfare, and organized military action by local Communist troops—as in Korea), which can be supported by Soviet diplomacy and the mere threat of Soviet military strength-in-readiness; and

(b) there is substantial risk involved for the USSR in the global war that almost certainly would ensue from direct military action by Soviet forces.

2. The USSR would appear to have little reason to be pessimistic about gains by methods short of global war, particularly by adopting the courses of action described in Alternatives "B" and "C" above.

3. The USSR is unlikely to choose the alternative of deliberately provoking global war at this time in view of: (a) the general superiority of the US and its allies in total power-potential; and (b) the fact that the present Soviet atomic capability is insufficient to neutralize US atomic retaliatory capabilities and to offset the generally superior power-potential of the US and its allies by interfering with the US military and industrial mobilization.

III. Effects of a Failure of US Forces to Hold South Korea.

A. The immediate consequences of a failure to hold South Korea would be a damaging blow to US prestige with loss in political influence greater than the loss that would have been incurred if the US had not undertaken to support its moral commitment in South Korea.

B. The US would be confronted with a choice between two undesirable alternatives: (1) accepting the loss of US prestige; or (2) attempting to regain as much prestige as possible by committing substantial US military resources in a difficult and costly invasion of an area which is not of primary strategic importance to the over-all US military position. In either case US foreign policy and military capabilities would be discredited at home and abroad.

C. If US forces were expelled from Korea, the USSR would probably adopt alternative "C" as described above (Section II). It might be tempted, however, to postpone further aggressive action elsewhere until it had determined whether, as a result of the loss of world confidence in the effectiveness of US aid, other areas might not be brought within its sphere of influence through intimidation alone.

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182. Intelligence Memorandum 304, 10 July 1950, Effects of a Voluntary Withdrawal of US Forces From Korea

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CENTRAL INTELLIGENCE AGENCY

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INTELLIGENCE MEMORANDUM NO. 304

10 July 1950

SUBJECT: Effects of a Voluntary Withdrawal of US Forces from Korea.

Reference: IM 302, 8 July 1950, "Consequences of the Korean Incident."

CONCLUSIONS

Voluntary withdrawal of US forces from Korea would be a calamity, seriously handicapping efforts to maintain US alliances and build political influence among the nations on whose strength and energetic cooperation the policy of containment of Soviet-Communist expansion depends. It would discredit US foreign policy and undermine confidence in US military capabilities. Voluntary withdrawal would be more damaging than a failure to send US troops to Korea in the first place or than a failure of US forces to hold Korea. Not only would US commitments be shown to be unreliable when put to a severe test, but also considerable doubt would be cast on the ability of the US to back up its commitments with military force.

DISCUSSION

1. US withdrawal from intervention in Korea on behalf of the UN, especially since UN action resulted mainly from US initiative, would disillusion all nations heretofore hopeful that US leadership within the framework of the UN could preserve world peace. As a voluntary act of the US, a withdrawal would damage US standing in UN affairs and would undermine the effectiveness of the UN as a device for mobilizing Western resistance to Soviet-Communist aggression.

2. The Western European allies and other nations closely aligned with the US would lose confidence in the military value of US commitments to assist them against armed aggression. This lack of confidence would militate against energetic measures to oppose the expansion of Soviet-Communism through the NATO and MDAP programs. Although some slight credit

Note: This memorandum has not been coordinated with the intelligence organizations of the Departments of State, Army, Navy, and the Air Force.

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still might accrue to the US for initially attempting to honor its commitment in South Korea, most of the nations allied or aligned with the US are more concerned about US ability to counter threats of Soviet aggression than about US intentions to do so.

3. Pro-US governments, particularly in areas where the USSR could initiate limited military aggressions without openly using Soviet forces, would suffer serious losses of prestige. In some cases they might lose political control of the country or feel compelled to seek an accommodation with the USSR (for example, Indochina, Iran).

4. Whether or not US forces withdraw from Korea, the USSR has the capability of creating a series of incidents generally similar to the Korean affair, each one threatening either to bankrupt the US policy of containing Soviet expansion or to disperse and overstrain US military forces-in-readiness. Without directly and openly involving Soviet forces, such incidents could be created in Formosa, Indochina, Burma, Iran, Yugoslavia, Greece, and Turkey. The USSR will proceed with limited aggressions similar to the Korean incident if it does not estimate the risk of global war to be substantial or is prepared for a global war if it develops. Voluntary US withdrawal from Korea probably would encourage rather than discourage Soviet initiation of limited wars in other areas.

5. Upon withdrawal from Korea or certainly after another Korean-style incident, the US presumably would be forced to adopt one of the three following alternatives:

(a) Drastically revise the policy of general containment by reducing or limiting US commitments and by planning to combat Soviet-inspired aggression only at selected points where existing military strength would be adequate for the task;

(b) Begin partial military and industrial mobilization in an attempt to enable the US to combat any further Soviet-inspired aggression anywhere in the world; or,

(c) Begin total mobilization to enable the US to threaten to meet any Soviet or Soviet-sponsored aggression with war against the USSR.

6. If the US, under the pressure of Soviet-sponsored aggressions, did not drastically revise the policy of general containment but began mobilization on a fairly large scale, it would be politically and

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psychologically more advantageous for the US to mobilize in support of US and UN intervention in Korea rather than to mobilize after a voluntary withdrawal from Korea.

(a) US mobilization after a voluntary withdrawal of US forces from Korea would do little to reduce the disillusion and defeatism that would spread in the Western world as a consequence of the withdrawal itself. While this disillusion and defeatism might not be fatal, it would seriously handicap military, political, and economic efforts to strengthen the North Atlantic community.

(b) If the US should withdraw its forces from Korea and then begin partial mobilization, Soviet leaders would be more likely to anticipate war aimed directly at the USSR than if the mobilization were begun in support of the UN intervention in Korea. It is possible that the USSR, if it should anticipate global war, would try to seize the initiative by attacking the US.

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183. Daily Summary Excerpt, 12 July 1950, Possible Assault on Taiwan

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2. Possible Assault on Taiwan--US Embassy Saigon transmits a US Army report that the Chinese Communist Government is planning an attack on Taiwan "around 15 July" and that the attack may coincide with an uprising on the island. As supporting evidence the report points to: (1) recent troop movements and concentrations in East China; (2) preparations of Chinese mainland airfields and the arrival of aircraft and personnel needed for airborne operations; (3) recent declarations regarding Taiwan by Chinese Foreign Minister Chou En-lai; (4) a reported journey to Moscow by Mao Tse-tung on 4 July; (5) a recent Nationalist purge on Taiwan which source believes will strengthen opposition to Chiang Kai-shek; and (6) the extent of the US involvement in Korea, which source

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feels increases prospects for the success of an early attack on Taiwan.

(CIA Comment: CIA has no information regarding a second Moscow trip by Mao nor is there any available evidence supporting the report that Communist China has selected 15 July to invade Taiwan. However, an analysis of recent Chinese Communist troop movements, propaganda and press comment indicates that the Peiping regime may now be capable of launching an assault against Taiwan.)

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COMMUNIST CHINA'S ROLE

As it becomes more apparent that the fighting in Korea will be prolonged, the military capabilities of the Chinese Communists, as well as Soviet intentions regarding the use of these capabilities, provide the principal key to the outcome of the fighting in Korea and to whether the fighting will spread to other areas of the Far East. Before the US action in Korea, the Chinese Communists were believed capable of launching, individually or simultaneously, successful military action against Korea, Hong Kong and Macao, or Indochina; a Chinese Communist invasion of Taiwan, though costly, was also considered within Communist capabilities. Events since then, however, have affected Chinese Communist capabilities for action in the three key areas of Korea, Taiwan, and Indochina, and have raised new political and strategic problems regarding the use of Chinese Communist military forces in these areas.

Aid to Korea The USSR will be confronted with a difficult problem if forced to decide whether to permit a North Korean defeat or to use Chinese Communist troops to win or prolong the struggle indefinitely. Although a North Korean defeat would have obvious disadvantages, the commitment of Chinese Communist forces would not necessarily prevent such a defeat and a defeat under these circumstances would be far more disastrous, not only because it would be a greater blow to Soviet prestige throughout the world, but because it would seriously threaten Soviet control over the Chinese Communist regime. Even a victory in Korea through the use of Chinese Communist troops would have its disadvantages for the Kremlin. The presence of Chinese Communist troops in Korea would complicate if not jeopardize Soviet direction of Korean affairs; Chinese Communist prestige, as opposed to that of the USSR, would be enhanced; and Peiping might be tempted as a result of success in Korea

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to challenge Soviet leadership in Asia. In addition to these purely internal difficulties, the use of Chinese Communist forces in Korea would increase the risk of global war, not only because of possible UN or US reaction but because the USSR itself would be under greater compulsion to assure a victory in Korea, possibly by committing Soviet troops.

Taiwan Invasion The principal problems confronting the Kremlin in deciding whether to permit an invasion of Taiwan are the nature and extent of US reaction and the risk of global war precipitated because of the spread of Communist military aggression. Several factors may lead to a decision to launch an assault on Taiwan before the typhoon season in late August. Recent evidence indicates that Chinese Communist forces are poised for the invasion and available land, sea and air forces may now be capable of launching a successful assault. If a sizeable beachhead is established, the resultant panic in Nationalist ranks might well induce desertions and snowballing defections sufficient to cause a virtual collapse of organized Nationalist resistance. The Peiping regime is already publicly committed to the Taiwan operation and the operation would not divert forces which might be needed in Korea. In addition, the USSR may reason that US support of Taiwan would gain less international support than the defense of South Korea and that the invasion should be undertaken before the US can reinforce its "neutralization" forces in the Formosa Strait. Despite these favorable considerations the fact remains that an invasion of Taiwan would be an immensely costly operation with the resulting political and strategic advantages balanced by the increased risk of precipitating a global war which it is believed the USSR does not presently desire.

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Support for Indochina Indochina offers the Chinese Communists their greatest opportunity for expanding Communist influence in Asia with the minimum military or political risks. From a military viewpoint, the Indochina conflict has been a stalemate. Despite considerable successes, the French have been unable fully to capitalize on their superiority in equipment and manpower because of the essentially guerrilla nature of the fighting and the terrain which prevents large-scale operations. Given equipment and supplies similar to that of the French, the forces of Ho Chi-Minh could shift the course of the present inconclusive warfare in their favor. The Chinese Communists have the capabilities to supply the material needed by Ho Chi-Minh and may be expected to step up such assistance in the immediate future.

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POSSIBILITY OF SOVIET AGGRESSION AGAINST IRAN

27 July 1950

C o n c l u s i o n

Unless the Soviet Union definitely modifies what appears to have been its previous policy of abstaining from open military action by Soviet forces, it seems probable that the USSR will not attack Iran but will intensify its efforts to build up subversive forces within Iran and to weaken the country by means of propaganda, border activities, and diplomatic pressure. (NOTE: The basic question of general Soviet intentions with respect to the open military action is not discussed here.)

D i s c u s s i o n

1. Recent reports of increased activity along the Iranian border have obscured the fact that, for almost four years, Soviet forces have been in a position to overrun Iran without warning. In view of the advantages that would have accrued to the USSR from the acquisition of Iran and of the means at its disposal for cloaking aggressive action in a semblance of legality, it seems reasonable to assume that the USSR has been reluctant to employ its own troops in direct aggression. Although in attacking Iran, the USSR could make initially effective use of Iranians-in-exile, Soviet Azerbaijanis, and disaffected elements within Iran, Soviet troops would also have to be used--a condition that does not apply in other sensitive areas such as Formosa, Southeast Asia, and the Balkans.

2. Soviet domination of Iran would give the USSR important advantages:

a. The extension of the Soviet frontiers to Iraq and Pakistan would facilitate penetration of the Near East and the Indian sub-continent.

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b. The USSR would also be in a more favorable position for extending its control over these areas in the event of global war.

c. The USSR would have access to Iran's great oil resources.

d. The US would be denied an important potential base of operations against the USSR. Conversely, the USSR would obtain buffer territory between its vital Baku oil fields and the bases from which Baku might be attacked.

3. If the USSR were to decide upon an invasion of Iran, it would have open to it several courses which would, either singly or in combination, have the effect of cloaking its action with a semblance of legality. It could:

a. Set out to "liberate" Iranian Azerbaijan with a "volunteer" army of Iranians-in-exile and Soviet Azerbaijanis. Clashes between the invaders and the Iranian armed forces would provoke the USSR to send in troops allegedly to restore order. The Soviet forces could overrun northern Iran in a few days and the entire country shortly thereafter.

b. Create provocative border incidents and instigate disturbances in northern Iran through the use of such elements as Soviet agents, dissident Kurdish factions, or Tudeh Party members. Claiming that such disorders jeopardized Soviet security, the USSR would send in troops to restore order as in para. a. above.

c. Invade Iran with Soviet troops under the pretext that, in violation of the 1921 Irano-Soviet Treaty of Friendship, US activities in Iran were making that country a base for attack on the USSR by a third power. Recent Soviet notes have made this allegation and have requested Iran to rectify the situation. The treaty provides that if Iran is unable to comply with such a request, the USSR may intervene.

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4. Past Soviet attempts to subjugate Iran through subversion and intimidation achieved little success, and the present government is firmly committed to a policy of withstanding Soviet threats and pressures and of maintaining a pro-US alignment. If, however, Iran loses confidence in the ability of the US to fulfill its commitments or comes to believe that the US has little interest in the preservation of Iranian independence, the Iranian Government may feel compelled to seek an accord with the USSR or at least to attempt a course of neutrality. In either case, the USSR would be in a greatly improved position for taking over the country without the use of force.

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SOVIET/SATELLITE INTENTIONS

As the USSR and its Satellites continued to talk loudly of "peace" and the warlike intentions of the Western "imperialists," there was no slackening of reports that the USSR itself was preparing to initiate further aggressive moves around the Soviet perimeter. Although possessing the capability to move militarily in a number of places with little advance warning, with the possible exception of continued preparations for an attack on Taiwan, the USSR has not yet given any firm indication of its intention to expand the Korean conflict and increase the risk of global warfare involving the Soviet Union. Meanwhile, Soviet diplomatic activity was aimed primarily at South Asia and the Soviet Far East.

Korean Support Although there has been no evidence of troop movements from Manchuria into northern Korea since the outbreak of hostilities, North Korean forces may soon be reinforced by Korean veterans of the Chinese Communist Army. Within the next three weeks, North Korean forces will probably have made the maximum advance possible with the troops currently available in Korea. If the USSR desires a quick victory before UN forces are further reinforced, it will have to call upon additional experienced troops for use in Korea. Although the North Koreans may have committed practically all their available organized and trained units merely to achieve a quick victory regardless of the risk, it seems more probable that the Northern Command has been assured of reinforcements. Such reinforcements would at the minimum consist of the 40-50,000 Koreans believed to be available in Manchuria and would be used to replace the heavy casualties resulting from the rapid North Korean advance, to cover the exposed flanks and rear, and, if necessary, to provide momentum for the final push against reinforced UN troops. The USSR could use these "Korean"

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reinforcements with little danger of political repercussions. There is at present no indication, however, as to whether the USSR will risk the political disadvantages involved in committing non-Korean reinforcements should such a step become necessary.

Taiwan Assault The considerable increase in troop movements in South and Southeast China during the past two months indicates the probable concentration of Chinese Communist troops in assembly areas from which they could be rapidly moved to embarkation points for an assault on Taiwan. Further reports have suggested both accelerated purchase and movement to the Fukien coastal area of small boats and junks and the concentration of operational supplies, notably aviation gasoline. There are no indications that the US pronouncement of 27 June 1950 has caused the Chinese Communists to abandon these preparations. Barring effective opposition by US naval units, Chinese Communist forces are capable of securing an initial lodgment of 75,000 fully equipped troops on Taiwan and within two or three weeks of establishing control over the entire island. An early assault may well be launched. Communist China is committed to the annexation of Taiwan and so long as Taiwan remains in Nationalist hands Peiping loses some political prestige. Although such considerations do not in themselves require an early invasion attempt, for military reasons the Communists must attempt an invasion before the US strengthens its defensive screen of the island. In addition, a successful assault on Taiwan would: (1) demonstrate world Communist power; (2) strengthen the Soviet and Chinese strategic position in the Far East; and (3) promote lack of confidence in US commitments and undermine non-Communist opposition to Soviet aggression. Although an invasion of Taiwan, by enlarging the area of conflict between Communist and US forces, would increase the risk of global

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war involving the USSR, such an invasion would probably encounter much less international opposition than would Chinese Communist military operations against Korea, Hong Kong, or Southeast Asia. Moreover, in view of the fact that the Kremlin has permitted North Korean forces to become directly involved with US forces, it may be willing to permit the Chinese Communists to become similarly involved, thereby creating a further drain on US resources.

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SOVIET RETURN TO THE UN

By returning to the UN, the USSR is seeking to re-establish maximum diplomatic and propaganda maneuverability and perhaps to lay the groundwork for a negotiated settlement in Korea if the turn of events there convinces the Kremlin of the need for such a settlement. The Soviet Union may also hope to gain support in Asia by attacking the highly vulnerable US position on Taiwan.

The Soviet boycott was proving more and more disadvantageous to the USSR. Purely aside from failing to accomplish its avowed purpose--seating the Chinese Communist representative--the boycott denied the USSR the use of the UN either as a medium through which it could obstruct world action in support of South Korea or as a sounding board for Soviet propaganda. Moreover, the Kremlin probably reasoned that by boycotting the UN it was contributing both to the potentialities of the UN to marshal non-Communist world opinion and to the growing determination of the Western world to mobilize against Soviet aggression.

The vitriolic and obstructionist attitude of the USSR in the first three days following its return to the SC does not preclude a later Soviet effort to negotiate a settlement in Korea. By initially concentrating on the Chinese representation issue and procedural maneuvers, the USSR is attempting to confuse the questions of Korea and China as well as to save face by demonstrating that it has not abandoned the issue which precipitated the boycott and is therefore not returning to the UN out of weakness. Moreover, the USSR is under no immediate compulsion to seek a settlement of the Korean issue while UN forces are still suffering reverses in Korea. For the present, therefore, the Kremlin can be

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expected to make every effort to prevent the UN from focussing its attention exclusively on North Korean aggression. In such an effort, the USSR will concentrate its attacks where it considers the US to be most vulnerable--namely, the question of Chinese representation in the UN and the US stand regarding Formosa.

In the longer run, however, the USSR probably believes that it must offer some form of negotiated settlement in Korea if it is to counter the effect the Korean war has had in stimulating Western military preparations and to protect its position in North Korea. While North Korean successes continue, any Soviet peace offer would probably not go beyond proposals for the withdrawal of UN military forces and the holding of all-Korean elections possibly with some nominal international supervision. The USSR would exploit some such formula to portray the Soviet Union as a disinterested party concerned only with the restoration and maintenance of peace. It would also be designed to capitalize on North Korean victories by attempting a negotiated settlement on favorable terms before an eventual UN counter-offensive might carry across the 38th Parallel and culminate in the unification of Korea under UN auspices. Even if mediation on terms acceptable to the USSR is not feasible, the Soviet Union can seek to achieve more limited objectives by attempting to shift the blame for continued hostilities to the US and to block any UN-approved move to cross the 38th Parallel.

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FAR EASTERN STRUGGLE

Soviet Moves The latest propaganda and diplomatic moves by the USSR and Communist China involving the Far East are further tactical developments in the continuing Soviet offensive in the United Nations. Chinese Communist charges before the UN of US aggression against Taiwan and accusations that the US has violated Chinese Communist territory fall into the now familiar pattern of the Soviet campaign to picture the US as the aggressor in Korea and other areas of the Far East, to divide the Western Powers on the controversial questions of Taiwan and Chinese representation in the UN, and to confuse UN discussion of the Korean situation.

These latest moves offer few definite clues regarding future Soviet and Chinese Communist moves in the Far East and could be designed to pave the way for a number of widely varying Soviet actions. For example, charges that the US has violated Chinese territory in themselves are inconclusive: they may be designed merely to maintain the initiative in the SC and to promote Western fears of Chinese Communist intervention in Korea in an attempt to improve the Soviet bargaining position in any negotiations for a Korean solution. On the other hand, these accusations may actually be the propaganda build-up for Chinese Communist military aggression in Korea or elsewhere. Similarly, airing the Taiwan issue in the SC does not rule out an invasion of Taiwan, inasmuch as branding the US as the aggressor might later serve as justification for an attack. Turning the issue over to the UN, however, could serve as an excuse for the present failure to fulfill the pledge to "liberate" Taiwan. Finally, both moves may be further preparations for a later Soviet attempt to trade a North Korean withdrawal to the 38th Parallel for some concessions on Taiwan and seating the Chinese Communists in the UN.

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189. Weekly Summary Excerpt, 8 September 1950, North Korean Reserves

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North Korean Reserves : The numerous reports of a readily available strategic manpower reserve in Manchuria composed of Korean veterans (who had served with Chinese Communist forces in the Manchurian campaign of 1946-48) tend to be discounted by the non-appearance of such troops in the combat area. It is logical to assume that if such a reserve had been in existence on 25 June, it would have been committed shortly after UN forces had been committed and when its use might have proved decisive. Moreover, since mid-July the North Korean Army has been using recruits with as little as two weeks' training. In addition, even if not immediately available in concentration areas on 27 June, there has been ample time since that date to organize and equip any Korean veterans in Manchuria who would have been far more

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useful in combat than the inexperienced reinforcements being used. Thus, it is likely that the North Koreans will have to depend for further replacements on: (1) non-veteran Koreans recruited in Manchuria and that part of Korea now in Communist hands; (2) untrained Chinese Communist or Soviet manpower resources; or (3) Chinese Communist or Soviet military units, if it is decided to commit such forces in order either to defend the 38th parallel or to drive UN forces out of Korea.

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190. Intelligence Memorandum 324, 8 September 1950, Probability of Direct Chinese Communist Intervention in Korea

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CENTRAL INTELLIGENCE AGENCY

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INTELLIGENCE MEMORANDUM NO. 324 8 September 1950

SUBJECT: Probability of Direct Chinese Communist Intervention in Korea

PROBLEM: To assess the probability of an open Commitment of Chinese Communist armed forces in Korea.

SCOPE: The commitment of both regular and local Chinese Communist ground forces, and the use of the Chinese Communist Air Force in support of the North Korean invaders are considered.

ASSUMPTIONS: (1) Limited covert Chinese Communist assistance to the North Korean invaders, including the provision of individual soldiers, is assumed to be in progress at present.
(2) The provision of overt assistance by the Chinese Communists would require approval by the USSR and such approval would indicate that the USSR is prepared to accept an increased risk of precipitating general hostilities.

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1. Conclusions.

Although there is no direct evidence to indicate whether or not the Chinese Communists will intervene in North Korea, it is evident that the Chinese Communists or the USSR must supply trained and equipped combat replacements if the North Korean invasion is to achieve complete control over South Korea before the end of the year.

Reports of an increasing Chinese Communist build-up of military strength in Manchuria, coupled with the known potential in that area, make it clear that intervention in Korea is well within immediate Chinese Communist capabilities. Moreover, recent Chinese Communist accusations regarding US "aggression" and "violation of the Manchurian border" may be stage-setting for an imminent overt move.

Note: This memorandum has not been coordinated with the intelligence organizations of the Departments of State, Army, Navy, and the Air Force.

The memorandum was prepared in accord with the request of the Director of Intelligence, Headquarters, United States Air Force. Document No. 001

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In view of the momentous repercussions from such an overt action, however, it appears more probable that the Chinese Communist participation in the Korean conflict will be more indirect, although significant, and will be limited to integrating into the North Korean forces "Manchurian volunteers," perhaps including air units as well as ground troops.

2. Present Status of North Korean Forces.

The decision whether or not to commit Chinese Communist forces will depend in part on the availability of Korean manpower, both in Manchuria and that part of Korea now in Communist hands. Current estimates by the Department of the Army state that 40,000 trained Korean veterans who had served with the Chinese Communists in the Manchurian campaigns of 1946 to 1948 remain in Manchuria and there constitute a strategic North Korean reserve. It is noteworthy, however, that (1) since 1 August North Koreans have been using combat replacements with as little as two week's training; and (2) the North Koreans would logically have committed all available organized Korean units soon after UN forces had been committed because at that time the impact of 40,000 trained troops probably would have been decisive.

The foregoing considerations indicate either that any Korean reserve in Manchuria was so dispersed that it did not constitute an effective reserve or that this reserve never in fact existed. Moreover, the possibility that Korean reserves in Manchuria have now been collected and reorganized and that some are now enroute to the combat area tends to be discounted by the fact that the time elapsed since 25 June should have permitted the organization and commitment of the majority of this reserve which would have been far superior in quality to those virtually untrained North Korean troops that have actually been utilized in the fighting. On balance, therefore, it appears highly probable that if a Communist victory in Korea is to be achieved by the end of the year the North Korean forces must now rely on either Soviet or Chinese Communist resources for decisive augmentation.

3. Chinese Communist Capabilities for Intervention.

The Chinese Communists have approximately four million men under arms, including regulars, Military District troops, and provincial forces. Following the fall of Manchuria there were approximately 565,000 Military District troops in Manchuria (including 165,100 ex-Nationalists), and possibly 100,000 to 125,000 of these MD troops have now been integrated into the regular army and organized as combat forces. These units, as well as the remaining MD troops, probably are Soviet-equipped. In addition, reports during the past three months have indicated a considerable increase in regular troop strength in Manchuria. It is estimated that the major elements

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of Lin Piao's 4th Field Army--totalling perhaps 100,000 combat veterans--are now in Manchuria and are probably located along or adjacent to the Korean border, in position for rapid commitment in Korea.

Approximately 210,000 Communist regulars under Nieh Jung-chen's command are presently deployed in the North China area. Some of these troops have been reported enroute to Manchuria.

The Chinese Communists are believed to possess an air force totalling 200 to 250 operational combat aircraft, some units of which are reportedly deployed in Manchuria.

4. Indications of Chinese Communist Intention to Intervene.

a. Propaganda.

Numerous Chinese Communist propaganda attacks on the US during recent weeks, charging the US with "intervention" and "aggression" in Taiwan, have been climaxed by two new protests to the UN claiming US air attacks in violation of the Manchuria-Korea border. It is possible that these charges, besides serving a useful propaganda function, may be aimed at providing an excuse for Chinese Communist intervention in Korea.

b. Military Activity.

Since the fall of Hainan in April 1950, reliable reports have indicated that elements of Lin Piao's 4th Field Army were being moved northward from the Canton area.¹ Major elements of the 4th Field Army are now believed to be either in or enroute to Manchuria. Other reports indicate that military construction is in progress near Antung and along the Yalu River. Strengthening of Manchurian border defenses might either be a logical security development in view of the Korean conflict or a prelude to the offensive employment of forces in the area.

Reports of increased activity at Antung on the Manchuria-Korea border include the reported arrival of Chinese Communist aircraft.² Antung has also been reported as the main base of the

1. Reports of preparation for this move were received as early as February 1950, well in advance of the assault on Hainan by LIN's forces. Although these preparations may have been part of announced CCF plans for demobilization, it appears more likely that these elements were Korean troops of Lin Piao's army being released to the North Korean Army.
2. The three airfields in the Antung area could handle a total of 300 aircraft.

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North Korean Air Force, where that depleted force can seek refuge from UN air attacks. Numerous reports of recent North Korean activity, including revetment construction at airfields south of the 38th Parallel have been received. These construction reports could indicate the imminent forward movement of air reinforcements for the North Koreans. Although some of this anticipated air support might be provided by the as yet untested Chinese Communist Air Force, there is no firm evidence to support such a contention.

5. Factors Militating Against Chinese Communist Intervention.

The commitment of Chinese Communist armed forces in Korea would clearly transform the Korean conflict from an ostensibly "internal" dispute to an international struggle. The decision to commit Chinese Communist troops to the Korean conflict would significantly affect the Soviet position in China as well as in Korea, and Soviet influence over both Peiping and Pyongyang might be jeopardized. Other factors which might tend to deter Chinese Communist intervention in the Korean war, but which would be of minor consequence in so momentous a decision, are: (1) Chinese national and military pride might cause friction if Chinese troops were placed under Soviet or Korean command; and (2) Chinese Communist intervention would probably eliminate all prospects for China's admission to the United Nations.

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SOVIET/ COMMUNIST ACTIVITY

Communist China and Korea

Military Assistance Numerous reports of Chinese Communist troop movements in Manchuria, coupled with Peiping's recent charges of US aggression and violations of Chinese territory, have increased speculation concerning both Chinese Communist intervention in Korea and disagreement between the USSR and China on matters of military policy. It is being argued that victory in Korea can only be achieved by using Chinese Communist (or Soviet) forces, that the USSR desires to weaken the US by involving it in a protracted struggle with China, and that the Chinese Communists are blaming the USSR for initiating the Korean venture and thus postponing the invasion of Taiwan. Despite the apparent logic of this reasoning, there is no evidence indicating a Chinese-Soviet disagreement, and cogent political and military considerations make it unlikely that Chinese Communist forces will be directly and openly committed in Korea.

Global War The commitment of Chinese Communist forces in Korea, by enlarging the scope of the conflict, would substantially increase the risk of general war. Soviet actions since the Korean fighting began indicate that the USSR still not only wishes to avoid global war but believes it can make substantial gains in Asia by continuing its strategy of relying on indigenous "liberation" forces assisted, but not to the point of overt intervention, by neighboring Communist regimes.

Political Difficulties Purely aside from these considerations, and even if the USSR were willing to assume a greater risk of general war, commitment of Chinese Communist forces in Korea would entail serious political difficulties for both the USSR and the Peiping regime. It would tend

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to strain rather than solidify the Chinese-Soviet alliance, partly because in the event of the conflict spreading to China, the Peiping regime would expect substantial aid beyond mere material assistance from the USSR, aid which the USSR would be reluctant to grant for fear of itself becoming involved in the conflict. The Soviet Union consequently might face serious political problems in retaining control over Peiping and Pyongyang, and prospects for Communist China's admission to the UN would be virtually eliminated.

Indirect Aid The decision to provide indirect assistance, such as the commitment of Manchurian "volunteer" units, would present some difficulties. Moreover, victory might not be assured by the maximum scale of such indirect assistance. If large numbers of non-Korean manpower were necessary, they probably could not be supplied without being recognizable as direct Chinese Communist intervention, thus inviting retaliation against China by UN forces, as would direct involvement.

Interim Considerations Although decisive Chinese Communist intervention, either direct or indirect, is thus unlikely, both the USSR and the Peiping regime will continue their attempts to exploit Western fears of this eventuality. Charges of US border violations and aggression not only fit into the "peace" propaganda campaign but are designed by increasing Western fear of Chinese Communist military action to obtain Western political concessions for the Peiping regime as well as to create an atmosphere for obtaining a favorable settlement in Korea.

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KOREAN DEVELOPMENTS

The UN landing at Inchon, by rapidly changing the outlook of the campaign in South Korea, brings appreciably nearer the time when North Korea, as well as the USSR, must implement crucial political and military decisions regarding the ultimate fate of North Korea. With presently available forces, the North Koreans will be unable to hold South Korea; a choice of the four broad alternative courses of action available to the enemy, therefore, depends in the last analysis on the extent to which the USSR is willing to write off North Korean field forces or perhaps North Korea as a whole. These courses of action are: (1) North Korean military action aimed primarily at defending North Korea from invasion by UN forces, possibly combined with North Korean peace proposals; (2) commitment of Chinese Communist or Soviet troops north of the 38th Parallel; (3) an attempt by the USSR itself to settle the conflict diplomatically; or (4) efforts by some third party, perhaps under Soviet influence, to mediate the conflict.

Military Prospects Successful consolidation of the UN beachhead at Inchon and Seoul would effectively interdict the main route of supply for the estimated 120-130,000 North Korean troops engaged in southeastern Korea. Unless UN forces can be expelled from the Seoul area, organized resistance in the south cannot last long. It is estimated, however, that with the exception of 15-20,000 relatively ineffective security troops, all North Korean combat units have already been committed to the fighting in the southeast. Moreover, it is not believed that Korean reserves now being trained could undertake action against the Inchon beachhead soon enough to prevent the retreat, with heavy losses, of North Korean troops from the southeast. Militarily, then, the most probable course

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of action by North Korean forces, and the one offering the best chance of success, would be the commitment of North Korean reserves to a defensive role and a simultaneous withdrawal of as many combat units as possible over secondary lines of communication from the southeast to defensive positions along the 38th Parallel.

Soviet Plans Given this probable military development, the USSR must soon: (1) refrain from intervening and rely on the North Korean forces to prevent their own military defeat by UN forces; (2) employ Chinese Communist or Soviet troops in North Korea; or (3) attempt to achieve a diplomatic settlement. The disadvantages to the Soviet Union of the two latter alternatives make the first the most likely Soviet course of action.

Both the commitment of non-Korean military units and a diplomatic solution negotiated by the Soviet Union itself would force the USSR to disavow its previous stand regarding the Korean question. Since the invasion began, the USSR has made every effort to localize the conflict and to disassociate itself completely from the North Korean action as well as from the UN action. Military action at this time would clearly undermine this position, and even further weaken the current Soviet peace offensive, while Soviet diplomatic action would force the USSR to accept the legality of UN action. The USSR might, however, encourage the North Koreans or some third party to seek a settlement. In either event, the North Korean position would probably be so weak as to leave the terms of settlement largely in the hands of the UN.

Global War Soviet unwillingness to substantially increase the risk of global war and the Soviet appreciation that the employment of Soviet or Chinese Communist troops in Korea would represent such a risk are even more compelling

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reasons for the USSR to refrain from military intervention, even at the expense of a Communist military defeat in North Korea. Faced with the prospect of UN air and naval harassment of lines of communication in North Korea, the USSR would probably not employ its troops or those of Communist China without providing them with substantial air cover. Inevitable conflict with UN aircraft might lead to a situation which the USSR might consider itself unable to control short of precipitating general war. Even if the USSR issued prior warning of such a move, it could not be assured that UN air forces would refrain from such attacks. Moreover, Soviet or Chinese Communist aid to the North Koreans would leave Chinese and Manchurian supply routes, and possibly industrial installations, open to air attack. The USSR would probably avoid risking damage to this segment of the Communist Far Eastern potential unless it intended to initiate general war in the immediate future.

Diplomatic Action Any Soviet offer of a negotiated settlement, in addition to requiring the USSR to abandon its position of refusing to accept the legality of the UN's position in Korea, would place the USSR in a very disadvantageous position. Such an offer would have to go beyond a pious call for a "peaceful settlement"; in view of the changed military situation, the USSR no longer has any trump cards. Its bargaining position is so weak that prospects for a settlement favorable to the USSR are extremely limited. The USSR might attempt to improve its bargaining position by threatening to reoccupy North Korea; such a threat, however, would entail the strong risk of being forced to carry it through. An unfavorable settlement in which the USSR had participated or which had been preceded by a military bluff would be more damaging to Soviet prestige than the consequences of a continuation of the present hands-off

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policy. The Kremlin, therefore, is more likely to seek to thwart UN efforts through its usual tactics of obstructionism in the UN, coupled with guerrilla warfare, subversion, sabotage, and propaganda within Korea. Although the North Koreans either themselves or through a third party would also be at a disadvantage in seeking a diplomatic solution, if military developments make such an attempt advisable, neither they nor the USSR will be restrained by those considerations of prestige which would deter such action by the USSR alone.

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193. Daily Summary Excerpt, 30 September 1950, Possible Chinese Intervention in Korea

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FAR EAST

- 2. Possible Chinese Communist intervention in Korea--US
Ambassador Kirk has received reports from his [] and [] colleagues in Moscow that Chinese Communist leaders in Peiping favor Chinese military intervention in the Korean war if UN forces cross the 38th Parallel. According to Kirk's information, reports concerning the existence of this sentiment among Chinese Communists have come from the [] charge and the [] ambassador in Peiping. The [] representative is reported to have told his government that a Chinese Communist decision on intervention has

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crystallized since mid-September and is based on the conviction that the entering of US forces into North Korea would indicate a basic US aim to carry the war to Manchuria and China in order to return Chiang Kai-shek to power in China. In commenting on this information, Kirk says he finds it difficult to accept these reports as authoritative analyses of Chinese Communist plans. He takes the line that the logical moment for Communist armed intervention came when the UN forces were desperately defending a small area in southern Korea and when the influx of an overwhelming number of Chinese ground forces would have proved a decisive factor. He warns that prudence is indicated in this situation but expresses his view that the Chinese Communists, through press propaganda and through personal contacts with foreign diplomatic personnel, have taken a strong line since the Inchon landing in the hope of bluffing the UN on the 38th Parallel issue.

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194. Daily Summary Excerpt, 3 October 1950, Possible Chinese Communist Intervention in Korea

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GENERAL

Possible Chinese Communist intervention in Korea--US
Embassy London transmits a report from the UK Foreign Office that Chinese Communist Foreign Minister Chou En-lai called in Indian Ambassador Panikkar in Peiping on 3 October and informed him that if UN armed forces crossed the 38th Parallel, China would send troops across the frontier to participate in the defense of North Korea. Chou En-lai reportedly added that this action would not be taken if only South Korean forces crossed the Parallel.

CIA/S

(CIA Comment: The Chinese Communists have long had the capability for military intervention in Korea on a scale sufficient to materially affect the course of events in Korea, and they now are supporting Soviet efforts to intimidate and divide the US and its UN allies over the issue of crossing the 38th Parallel. CIA estimates, however, that the Chinese Communists would not consider it in their interests to intervene openly in Korea if, as now seems likely, they anticipate that war with the UN nations would result.

The "reliability and accuracy" of the source of this report are open to question. It is also entirely possible that he is being used by the Chinese Communists to plant this information in an effort to influence US and UK policy.)

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195. Weekly Summary Excerpt, 6 October 1950, Korea and Soviet Policy; Chinese Communist Problems

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KOREA AND SOVIET POLICY

Over-all Soviet Policy The loss of North Korea and the defeat of the North Korean Communist regime are not likely to produce any immediate or drastic Soviet reaction. The Kremlin will probably view the Korean failure as a temporary setback to its long-range expansionist plans, but not one so damaging to the over-all Soviet position at home or abroad as to require an immediate change in the tactics it has been pursuing since the end of World War II. In the immediate post-Korea period, the Kremlin will be most concerned with the effect the Korean invasion has had in: (1) uniting the non-Communist world against Communist aggression and stimulating Western rearmament; (2) revealing to the Satellites and Communist Parties Soviet fallibility and failure to rescue one of its Satellites; (3) weakening Communist promises of early success for Communist-led colonial liberation movements; and (4) demonstrating that Soviet power and influence in Asia will not go unchallenged by the West. The USSR will probably be reluctant to attempt another Korean-type venture in the near future, fearing either failure and thus even greater disadvantages than grew out of the Korean invasion, or the necessity to use Soviet troops to achieve success, thus increasing the risk of general war. The USSR will therefore attempt to minimize the UN victory while continuing and intensifying its support for subversive and guerrilla operations by local Communists, especially in Indochina, and the current "peace" propaganda campaign will be pressed with renewed vigor.

Korean Settlement Meanwhile, in Korea itself, the possibility continues to diminish that the USSR or the Chinese Communists will intervene militarily to prevent the UN occupation of North Korea. Soviet propaganda and diplomatic

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activity of recent weeks suggest that the USSR has, temporarily at least, written off Korea. Continued Chinese Communist threats (made through the Indian Ambassador at Peiping) to intervene if US troops cross the 38th Parallel are believed to be primarily a last-ditch attempt to intimidate the US from taking such a step. In the interim, the USSR will use its rapidly diminishing opportunities for obstructing UN action in Korea, but probably will make no serious effort to reach agreement with the Western Powers. Realizing that military developments have destroyed any favorable bargaining position which either the USSR or North Korea once possessed, the Kremlin will probably not countenance a North Korean peace bid and instead will attempt to make the UN victory as costly as possible.

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CHINESE COMMUNIST PROBLEMS

Foreign Policy Foreign Minister Chou En-lai's recent lengthy review of Communist China's foreign policy contains no new assertions or accusations and none of the guarded threats is sufficiently strong to indicate any major change in Peiping's foreign policy. The statement that US "intervention" in China will be repelled is an idle one, as the promise to liberate Taiwan specified no time limit; and the intention to liberate Tibet, preferably through negotiation, but if necessary by force of arms, has been expressed before. The Foreign Minister's remarks regarding diplomatic relations with Western countries, relations with the USSR, and the hostile attitude of the US have been uttered many times in the past. Those parts of Chou's speech which have been interpreted as indicating a Chinese Communist intent to occupy North Korea or invade Indochina are in fact estimated to indicate less drastic actions. The statement that the Korean Communists can "obtain final victory" through "persistent, long-term resistance" probably implies extensive Chinese support of North Korean guerrillas and sanctuary for North Korean leaders. However, the intimation that Communist China is now prepared to rush to its neighbor's assistance was probably an attempt to bluff the UN into not crossing the 38th Parallel, rather than a forewarning of Chinese intervention. Finally, Chou's remarks on the UN suggested Peiping's interest in participating in any UN settlement of the Korean question.

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196. Daily Summary Excerpt, 9 October 1950, Chinese Communist Intervention in Korea Discounted

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GENERAL

1. Chinese Communists intervention in Korea discounted--
US Ambassador Murphy in Brussels has been informed by a high official of the Belgian Foreign Office that the Belgian Government, which has many contacts in China, has no information "of a disturbing nature" regarding the possibility of direct military intervention in Korea by the Chinese Communists. The official expressed the opinion that the recent statements of Chou En-lai, Chinese Foreign Minister, should be closely examined because the Chinese were evidently prepared to make equivocal statements to please the Russians, without, however, making a definite commitment to act openly in Korea. The Belgian official also pointed out that present Chinese obligations were great and their supply and economic situation very difficult.

3/s

(CIA Comment: Communist China has carefully refrained from making a public commitment to aid North Korea by direct intervention. Public and private threats by Communist China officials to intervene directly in North Korea have probably been designed primarily to deter UN forces from going beyond the 38th Parallel.)

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CRITICAL SITUATIONS IN THE FAR EAST

A. Threat of Full Chinese Communist Intervention in Korea

I. Statement of the Problem.

1. To estimate the threat of full-scale Chinese Communist intervention in Korea.

II. Capabilities.

2. The Chinese Communist ground forces, currently lacking requisite air and naval support, are capable of intervening effectively, but not necessarily decisively, in the Korean conflict.

III. Factors Bearing on Intent.

3. *Indications of Intentions.* Despite statements by Chou En-lai, troop movements to Manchuria, and propaganda charges of atrocities and border violations, there are no convincing indications of an actual Chinese Communist intention to resort to full-scale intervention in Korea.

4. *Factors Favoring Chinese Communist Intervention.*

a. Intervention, if resulting in defeat of UN forces, would: (1) constitute a major gain in prestige for Communist China, confirming it as the premier Asiatic power; (2) constitute a major gain for World Communism with concomitant increase in Communist China's stature in the Sino-Soviet axis; (3) result in the elimination of the possibility of a common frontier with a Western-type democracy; and (4) permit the retention of sources of Manchurian electric power along the Yalu River.

b. Intervention, even if not resulting in a decisive defeat of UN forces, would: (1) enable the Chinese Communists to utilize foreign war as an explanation for failure to carry out previously announced economic reforms; (2) be consistent with and furnish strong impetus to anti-Western trends in Asia; and (3) justify a claim for maximum Soviet military and/or economic aid to China.

c. Intervention, with or without assurance of final victory, might serve the cause of World Communism, particularly the cause of the So-

viet Union, in that it would involve the Western bloc in a costly and possibly inconclusive war in the Far East.

d. The Communist cause generally and the Sino-Soviet bloc particularly face the prospect of a major setback in the struggle with the non-Communist world if UN forces are permitted to achieve complete victory in Korea.

5. *Factors Opposing Chinese Communist Intervention.*

a. The Chinese Communists undoubtedly fear the consequences of war with the US. Their domestic problems are of such magnitude that the regime's entire domestic program and economy would be jeopardized by the strains and the material damage which would be sustained in war with the US. Anti-Communist forces would be encouraged and the regime's very existence would be endangered.

b. Intervention would minimize the possibility of Chinese membership in the UN and of a seat on the Security Council.

c. Open intervention would be extremely costly unless protected by powerful Soviet air cover and naval support. Such Soviet aid might not be forthcoming because it would constitute Soviet intervention.

d. Acceptance of major Soviet aid would make Peiping more dependent on Soviet help and increase Soviet control in Manchuria to a point probably unwelcome to the Chinese Communists.

e. If unsuccessful, Chinese intervention would lay Peiping open to Chinese resentment on the grounds that China would be acting as a Soviet catspaw.

f. From a military standpoint the most favorable time for intervention in Korea has passed.

g. Continued covert aid would offer most of the advantages of overt intervention, while

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avoiding its risks and disadvantages. Covert aid would enable the Chinese Communists to:

- (1) Avoid further antagonizing of the UN and reduce risk of war with the US;
- (2) Promote the China-led Asiatic peoples' "revolutionary struggle," while ostensibly supporting peace;
- (3) Maintain freedom of action for later choice between abandonment of aid or continuing such covert aid as might be appropriate to Chinese Communist needs in Korea;
- (4) Satisfy the "aid Korea" demand in Communist circles in China and Asia

generally, without risking war with the US.

IV. Probability of Chinese Communist Action.

6. While full-scale Chinese Communist intervention in Korea must be regarded as a continuing possibility, a consideration of all known factors leads to the conclusion that barring a Soviet decision for global war, such action is not probable in 1950. During this period, intervention will probably be confined to continued covert assistance to the North Koreans.

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KOREAN SITUATION

Military Tactics Despite the UN peace ultimatum, the North Koreans have reiterated their determination to continue resistance throughout Korea for as long as possible. Although the North Koreans will continue to receive substantial material assistance from the USSR and Communist China, they will be forced to rely largely on their own manpower resources, except in the unlikely event of direct Chinese Communist or Soviet intervention. Some Korean units may still be transferred from Chinese armies to North Korea and Peiping may send a few Chinese troops across the Yalu River to protect its bridges and the hydroelectric plant at Suiho. The principal Chinese Communist contribution, however, probably will consist of military and other supplies, bases for reorganizing and re-equipping North Korean troops, and sanctuary for North Korean leaders charged with directing long-term guerrilla resistance. The North Koreans, meanwhile, probably now have at their disposal approximately 15 major units of division size or less, comprising approximately 140,000 men. Only 40,000 of these have seen combat in the south, the remainder being hastily trained conscripts with little combat efficiency. The entire force, while capable of stiff defensive action at key points, is estimated to lack the strength or experience to continue prolonged organized resistance.

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199. ORE 29-50 Excerpt, 13 October 1950, Consequences to the US of Communist Domination of Mainland Southeast Asia

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CONSEQUENCES TO THE US OF COMMUNIST DOMINATION
OF MAINLAND SOUTHEAST ASIA¹

SUMMARY AND CONCLUSIONS

Communist domination of mainland Southeast Asia would not be critical² to US security interests but would have serious immediate and direct consequences. The gravest of such consequences would be a spreading of doubt and fear among other threatened non-Communist countries as to the ability of the US to back up its proclaimed intention to halt Communist expansion everywhere. Unless offset by positive additions to the security of non-Communist countries in other sensitive areas of the world, the psychological effect of the loss of mainland Southeast Asia would not only strengthen Communist propaganda that the advance of Communism is inexorable but would encourage countries vulnerable to Soviet pressure to adopt "neutral" attitudes in the cold war, or possibly even lead them to an accommodation with Communism.

Domination of the Southeast Asian mainland would increase the threat to such Western outposts in the Pacific as the island chain extending from Japan to Australia and New Zealand. The extension of Communist control, via Burma, to the borders of India and Pakistan would augment the slowly developing Communist threat to the Indian subcontinent. The fall of the Southeast Asian mainland would increase the feeling of insecurity already present in Japan as a result

¹ Assumption: (a) that major US policies in the Far East will be implemented substantially as now conceived; and (b) that Communist control of Southeast Asia will result in denial of the area to US and pro-Western nations.

² By "would not be critical to US security interests" is meant that the loss of the area to Communist domination would not have a decisively adverse effect on the capabilities of the US to win a global war.

Note: The Office of Naval Intelligence has concurred in this estimate; for dissents of the intelligence organizations of the Departments of State, Army, and the Air Force, see Enclosures A, B, and C, respectively. The estimate contains information available to CIA as of 15 September 1950.

of Communist successes in China and would further underline the apparent economic advantages to the Japanese of association with a Communist-dominated Asian sphere.

The countries of mainland Southeast Asia produce such materials on the US strategic list as rubber, tin, shellac, kapok, and teak in substantial volume. Although access to these countries is not considered to be "absolutely essential in an emergency" by the National Security Resources Board, US access to this area is considered "desirable." Unlimited Soviet access to the strategic materials of mainland Southeast Asia would probably be "desirable" for the USSR but would not be "absolutely essential in an emergency" and therefore denial of the resources of the area to the Soviet Union would not be essential to the US strategic position. Communist control over the rice surpluses of the Southeast Asian mainland would, however, provide the USSR with considerable bargaining power in its relations with other countries of the Far East.

Loss of the area would indirectly affect US security interests through its important economic consequences for countries aligned with the US. Loss of Malaya would deprive the UK of its greatest net dollar earner. An immediate consequence of the loss of Indochina might be a strengthening of the defense of Western Europe since French expenditures for men and materiel in Indochina would be available to fulfill other commitments. Exclusion of Japan from trade with Southeast Asia would seriously frustrate Japanese prospects for economic recovery.

Communist domination of mainland Southeast Asia would place unfriendly forces astride the most direct and best-developed sea and air

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routes between the Western Pacific and India and the Near East. The denial to the US of intermediate routes in mainland Southeast Asia would be significant because communications between the US and India and the Near East would be essential in a global war. In the event of such a war, the development of Soviet submarine and air bases in mainland Southeast Asia probably would compel the detour of US and allied shipping and air transportation in the Southeast Asia region via considerably longer alternate routes to the south. This extension of friendly lines of communication would hamper US strategic movements in this region and tend to isolate the major non-Communist bases in the Far East—the offshore island chain and Australia—from existing bases in East Africa and the Near and Middle East, as well as from potential bases on the Indian sub-continent.

Besides disrupting established lines of communication in the area, the denial of actual military facilities in mainland Southeast Asia—in particular, the loss of the major naval operating bases at Singapore—would

compel the utilization of less desirable peripheral bases. Soviet exploitation of the naval and air bases in mainland Southeast Asia probably would be limited by the difficulties of logistic support but would, nevertheless, increase the threat to existing lines of communication.

The loss of any portion of mainland Southeast Asia would increase possibilities for the extension of Communist control over the remainder. The fall of Indochina would provide the Communists with a staging area in addition to China for military operations against the rest of mainland Southeast Asia, and this threat might well inspire accommodation in both Thailand and Burma. Assuming Thailand's loss, the already considerable difficulty faced by the British in maintaining security in Malaya would be greatly aggravated. Assuming Burma's internal collapse, unfavorable trends in India would be accelerated. If Burma were overcome by external aggression, however, a stiffening of the attitude of the Government of India toward International Communism could be anticipated.

200. Daily Summary Excerpt, 16 October 1950, Possible Chinese Communist Intervention in Korea

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16 OCT 1950

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FAR EAST

Possible Chinese Communist intervention in Korea--According to US Embassy Hague, [

]four divisions of unidentified troops, presumed to be Chinese, have crossed the Manchurian border into North Korea.

(CIA Comment: There have been numerous reports during recent weeks regarding four Chinese Communist units (variously identified as Armies and Divisions) which are alleged to have crossed into Korea from Manchuria, and the Netherlands Charge's report may be a repetition of these earlier claims. CIA continues to believe that the Chinese Communists, while continuing to assist the North Koreans, probably will not intervene openly in the present fighting in Korea.)

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201. Daily Summary Excerpt, 20 October 1950, Chinese Communist Intervention in Korea

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GENERAL

Chinese Communist intervention in Korea--The US Military Liaison Officer in Hong Kong transmits a report that the Peiping regime has decided to take military action in North Korea. (The report is attributed to a representative of the

According to source, 400,000 Chinese Communist troops had been moved to the Korean border and alerted to cross on the night of 18 October or "two days later."

(CIA Comment: For some time the Chinese Communists have possessed the capability for direct military intervention in the Korean conflict. CIA believes, however, that the optimum time for such action has passed. The USSR and China are not considered at this time to be willing to assume the increased risk of precipitating a third World War which could result from direct Chinese Communist intervention in Korea.)

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202. Daily Summary Excerpt, 28 October 1950, Reports on Chinese Involvement in Korea

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28 OCT 1950

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GENERAL

Reports on Chinese involvement in Korea--According to a source in Hong Kong, it was decided in early October at a conference in Peiping attended by Chinese, Soviet and North Korean leaders that if UN troops crossed the 38th Parallel and North Korean forces were unable to hold them, the main part of the North Korean forces would be withdrawn to Manchuria for future use while the balance would carry on guerrilla warfare in Korea. Meanwhile, another source in Hong Kong has learned that the Chinese Communists and the USSR regard the Korean war as virtually ended and are not planning a counteroffensive. Source added that the bulk of the Chinese Communist units had been withdrawn from Korea, leaving only skeleton forces in order to create the impression that a large number of Chinese Communist forces were still present, thus deceiving US intelligence so that the maximum number of US troops would be committed in Korea for the longest possible time.

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(CIA Comment: CIA concurs in general with these indications of over-all Soviet and Chinese Communist intentions regarding Korea. The presence of independent organized Chinese Communist units in Korea has not yet been confirmed; the above reports concerning skeleton Chinese forces, however, are consistent with fragmentary field reports thus far received on Chinese Communist participation in the Korean fighting.

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203. Daily Summary Excerpt, 30 October 1950, POW Reports of Chinese Communist Forces in North Korea

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GENERAL

- 1. POW reports of Chinese Communist forces in North Korea-- *army/s*
The Commanding General of the US Eighth Army in Korea reports that the ten Chinese Communist prisoners of war captured as of 30 October have claimed during interrogations that the 119th and 120th divisions of the Chinese Communist 40th Army and the 117th division of the 39th Army are now in Korea.

(CIA Comment: Although there are major units of Chinese Communist forces along the Manchurian-Korean border, the presence of Chinese Communist units in Korea has not been confirmed. CIA continues to believe that direct Chinese Communist intervention in Korea is unlikely at this time. However, there is a strong possibility that the Peiping regime may move troops across the border in an effort to establish a "cordon sanitaire" around the Suibo hydroelectric plant and other strategic border installations essential to the Manchurian economy. There is also the possibility that these Chinese were sent into North Korea to plant reports of Chinese Communist forces in North Korea in the hope of slowing the UN advance, and thereby providing time for North Korean forces to reorganize. Ordinarily, privates in the Chinese army do not possess the detailed order-of-battle information which these POW's passed on to US field interrogators.)

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204. Daily Summary Excerpt, 31 October 1950, Chinese Communist Troops in Korea

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31 OCT 1950

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GENERAL

1. Chinese Communist troops in Korea--US Embassy Seoul transmits the estimate of US Eighth Army headquarters that, although information is still "sketchy" and confirmation is lacking, two regiments of Chinese Communist troops may be engaged in the Eighth Army sector. Eighth Army headquarters has not yet definitely established whether these Chinese Communist troops are fighting as independent units or are "sandwiched" among North Korean forces. A later field report states that POW's captured north of Hamhung identified their unit as the Chinese Communist 124th Division. The POW's, who were wearing new cold-weather uniforms, spoke in the Peiping and North Manchurian dialects and said that their unit had entered Korea on or about 16 October.

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(CIA Comment: There probably are small numbers of Chinese Communist troops currently operating in Korea, but CIA does not believe that the appearance of these Chinese Communist soldiers indicates that the Chinese Communists intend to intervene directly or openly in the Korean war.)

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205. Daily Summary Excerpt, 2 November 1950, China: "Intervention" in Korea

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3. CHINA: "Intervention" in Korea--US Consul General Wilkinson in Hong Kong transmits a report [] that during an August conference of top Sino-Soviet leaders, the decision was made for Communist China to "participate in the Korean war." [] the formal decision was made on 24 October at a meeting presided over by Chinese Premier Mao Tse-tung. [] also claims that twenty Chinese Communist armies are now in Manchuria (the strength of a Chinese Communist army ranges from 20-30,000); included in these twenty armies are eight armies of the Fourth Field Army as well as elements of the other three Field Armies of the Chinese Communist forces.

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Reports from US representatives in London and Rangoon and from [] sources in Taiwan indicate considerable troop movement from China proper into south Manchuria during October. According to these reports, Mukden is under martial law and a state of war emergency exists with air raid precautions and other defense preparations under way. Factories in Mukden and Antung are being dismantled and moved north. Twenty jet fighters of unknown nationality have appeared over Mukden. The city is said to be in a state of panic, with many Communist officials and residents moving north. "Large numbers" of Russian troops, both in and out of uniform, have arrived, as well as materiel, including self-propelled guns and naval mines. The UK Consul in Mukden has told the British Foreign Office that he has been ordered to leave by 3 November, ostensibly because he objected to preparation of Chinese Communist defense installations in the UK consular compound.

(CIA Comment: Major units of the Chinese Communist Fourth Field Army have been moving to Manchuria for several months. Although elements of the other three Field Armies could be moving north, there is no confirmation that units of these

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Field Armies are in Manchuria. There is no confirmation that a high-level Sino-Soviet conference decided that Communist China should intervene in Korea, but it is quite possible that the Peiping regime decided to increase its support and assistance to the North Koreans. Such a decision could logically lead to large-scale defensive preparations by the Chinese Communists in anticipation of possible UN retaliation for this increased military assistance. On the basis of available evidence, CIA continues to believe that Chinese Communist participation in the Korean conflict will be limited to defense of the Manchurian border and that open large-scale intervention by Communist China is not likely.)

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206. Weekly Summary Excerpt, 3 November 1950, Chinese Communist Plans: Korean Intervention

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CHINESE COMMUNIST PLANS

Korean Intervention Fresh, newly-equipped North Korean troops have appeared in the Korean fighting, and it has been clearly established that Chinese Communist troop units are also opposing UN forces. Present field estimates are that between 15,000 and 20,000 Chinese Communist troops organized in task force units are operating in North Korea while the parent units remain in Manchuria. Finally, current reports of Soviet-type jet aircraft in the Antung-Sinuiju area indicate that the USSR may be providing at least logistic air support for the defense of the Manchurian border.

These indications of increased Chinese Communist support and assistance to North Korean forces point to a decision to establish a "cordon sanitaire" south of the Yalu River. Although the possibility cannot be excluded that the Chinese Communists, under Soviet direction, are committing themselves to a full-scale intervention in Korea, their main objectives appear to be to guarantee the security of the Manchurian border and insure the continued flow of electric power from the vital Suiho hydroelectric system to the industries of Manchuria. The Suiho hydroelectric system is of vital importance to Manchuria, and Peiping's apprehension may have been increased by the recent statement of a South Korean general that allocation of power to Manchuria would be cut off. The reported evacuation of industrial machinery and civilian personnel from Mukden and intensification of air-raid precautions in that city appear to indicate that Peiping anticipates possible UN retaliatory action against Communist China for Peiping's activities in Korea.

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THE KOREAN SITUATION

Chinese Intentions Although the Chinese Communists, in intervening in Korea, have accepted a grave risk of US-UN retaliation and general war, the limited extent of their intervention to date may indicate that their objective is merely to halt the advance of UN forces in Korea and to keep a Communist regime in being on Korean soil. In so doing, the Chinese Communists would: (1) avert the psychological and political consequences of a disastrous outcome of the Korean venture; (2) keep UN forces away from the actual frontiers of China and the USSR; (3) retain an area in Korea as a base of Communist military and guerrilla operations; (4) prolong indefinitely the containment of UN, especially US, forces in Korea; (5) control the distribution of hydroelectric power generated in North Korea and retain other economic benefits; and (6) create the possibility of a favorable political solution in Korea.

The Chinese Communists, however, still retain full freedom of action. If successful in destroying the effective strength of UN forces in North Korea, they would pursue their advantage as far as possible. In any case, they would probably ignore an ultimatum requiring their withdrawal, and, if Chinese territory were to be attacked, they would probably enter Korea in full force. With forces available in Manchuria, the Chinese Communists are capable of committing more troops in an attempt to prevent a UN victory in northern Korea. A possible development of the present situation, therefore, is that the opposing sides will build up their combat power in successive increments to checkmate the other until forces of major magnitude are involved. At any point in this development, the danger is present that the situation may get out of control and lead to a general war.

208. Daily Summary Excerpt, 17 November 1950, Chinese Communist Intentions at the UN, in North Korea

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GENERAL

1. Chinese Communist intentions at the UN--Indian Ambassador Panikkar in Peiping has informed his government that the Chinese Communist Government is anxious to secure a peaceful settlement of the Korean issue, but only on the condition that Communist China participates in such a settlement. Panikkar adds that the impression in Peiping is that the Chinese Communist representatives due soon at the UN will be agreeable to settling the Korean question through discussions outside the Security Council. Panikkar believes the Chinese representatives may also be willing to discuss informally with representatives of the US and other powers issues of a general character. In passing this report to US Ambassador Henderson in New Delhi, Secretary General Bajpai of the Indian Ministry of External Affairs said he was withholding comment because he had lost confidence in Panikkar. Bajpai explained that he did not want to give the impression that the Indian Government was trying to bring pressure on the US to come to an understanding with Peiping.

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According to the US delegation to the UN, the Swedish representative to Moscow (now visiting New York) is inclined to think that the Chinese military moves were of a flexible nature, designed for probing and for limited purposes generally. The Swedish representative feels the Kremlin is not now prepared to allow present activities to develop into a general war.

2. Communist China's intentions in North Korea--The Ambassador in Peiping has informed his government that:
(a) the Chinese Communist movements toward Korea are on a large scale; and (b) Peiping publicity points to fear and alarm

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concerning possible invasion. The Swedish Ambassador expressed the opinion that the lull in the Korean fighting is due partly to the strength of UN forces, but mainly to Chinese Communist feeling that power plants and reservoirs are reasonably protected.

The [] Charge in Peiping has expressed the opinion that Chinese Communist intervention in Korea was motivated chiefly by fear of US aggression, especially against Manchuria, and that the long-term aim of the Peiping regime is to establish a "really independent" Korean state which would not be a threat to China. The Charge feels that the short-term aim of Communist China is to protect the frontier by the creation of a border zone free of UN troops, and he believes the Chinese actually wish to avoid hostilities with UN troops provided UN forces remain outside a 50-mile zone south of the Manchurian border.

The [] Embassy in Peiping has expressed the view that the Chinese Communists are ready to go "to any length" to aid the North Koreans and that they are fostering mass hysteria based on alleged US intentions to invade Manchuria. The [] Ambassador believes the Peiping regime is convinced that: (a) the fighting in Korea will spread to Manchuria and that the USSR will aid the Chinese Communists if Manchuria is invaded; (b) the Soviet Air Force is superior to the USAF and the US cannot spare additional ground forces for Korea; and (c) a "US-dominated" Korea will constitute a threat to China.

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(CIA Comment: Except for the Indian Ambassador, the diplomatic community in Peiping has extremely limited contacts with Communist officials. These reports, except for troop movements and similar activities, represent personal opinions. CIA believes the Chinese Communist regime is primarily concerned with possible UN retaliatory action rather than an unprovoked US military attack. Moreover, Peiping has not yet committed itself to go "to any length" to salvage the Korean Communist regime, and maximum Chinese Communist intervention may not be necessary to achieve Peiping's objectives in Korea. CIA is convinced that, for the immediate future, Chinese Communist operations in Korea will probably continue to be defensive in nature. However, Peiping's present strategy in Korea may envisage the steady replacement of North Korean losses until the UN no longer regards the unification of all Korea as practicable.)

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