

~~SECRET~~

CENTRAL INTELLIGENCE AGENCY
Office of National Estimates

9 January 1950

SUBJECT: NIE-10: COMMUNIST CHINA

THE PROBLEM

To estimate the outcome of the struggle between Communist and Nationalist China and the courses of action which the Chinese Communists are likely to follow in relation to the USSR and the non-Communist world.

ASSUMPTION

That there will be no general war between the US and China and/or the USSR.

CONCLUSIONS

1. For the foreseeable future, the Chinese Communist regime, unless dislodged from power by strong outside forces, will retain exclusive governmental control of mainland China. Although widespread anti-Communist activity exists in mainland China, this activity is not coordinated, adequately supplied, or provided with adequate political leadership. The Chinese Communists are capable of containing and controlling opposition elements under existing circumstances.

2. The main immediate objective of the Chinese Communists is the conquest of all of China, including Taiwan, and the eradication of both Western and Kuomintang influence from China. Their general objectives are to achieve national autonomy, construct a Marxist-socialist society in China, and to advance the cause of a world Communist society. By pursuing their objectives in close association with the USSR and in seeking to eliminate Western influence from Asia, the Chinese Communists are

~~SECRET~~

SECRET

- a -

pursuing a course in which each Chinese achievement diminishes the strategic position of the US and its allies relative to the position of the USSR and its satellites.

3. The Chinese Communists will not have achieved the success of their revolution until they have conquered Taiwan, an objective to which they are publicly committed. Considerable Soviet covert military support toward that end is a probability if Chinese Communists and Soviet leaders determined that the Chinese Communist forces alone could not successfully take Taiwan. An amphibious assault on Taiwan might well be attempted during favorable weather this year. Chinese Communist objectives and military power also pose a threat to all of mainland Southeast Asia. The Chinese Communists have the military capability, if not interdicted by Western counteraction, of effectively intervening in Indochina, Thailand, and Burma.

4. Communist China's maneuverability, however, is limited by its vulnerability to economic warfare, naval blockade, sabotage, and aerial bombardment. Curtailment of foreign trade by Western controls or embargos would handicap, but in itself would not seriously damage, Chinese economic activity and military potential. An intensive sabotage program and a naval blockade superimposed on trade controls would produce a more marked effect. An effective aerial bombardment program against rail systems, industrial capacity and storage bases, if applied in addition to economic warfare measures, would render a sustained external effort improbable and might eventually neutralize China.

5. Ultimately, the achievement of Chinese Communist objectives depends not only upon China's own military and economic capabilities and upon the nature and ex-

~~SECRET~~

SECRET

- b -

tent of Western counteraction, but also upon the foundations and evolution of Communist China's relations with the USSR. All the relevant evidence at the moment indicates that the Chinese Communist Party is acting on the thesis that its present and future, as well as that of world Communism, is bound to the present and future of the USSR. Coordination of policy with the USSR is therefore a policy and a fact, though not necessarily an immutable principle.

6. The current Soviet program of providing economic and military assistance to Communist China can either enhance or limit the capabilities of the Communist regime to achieve its objectives. At present, that program is enabling China to cope with some of its economic problems and to move toward its objectives. Various factors, such as Soviet willingness and ability to continue the program and the conditions attached by the USSR to continuance of aid, will determine the value of that program to the Chinese leaders and will affect the ultimate relation between China and the USSR.

7. China's ties with the USSR would be strengthened if Western counteraction created conditions which would make China more dependent on the USSR, more convinced of the threat of US policy to Chinese security, and more convinced of the necessity of strengthening its alliance with the USSR. On the other hand, China's dependence upon, need for, and respect for the USSR would be weakened if the USSR failed to carry out its commitments to China, acted with undue rashness in its propensity to interfere in Chinese internal affairs, or attempted to assert leadership of the Asian

SECRET

- c -

Communist movements, to subvert the Chinese Communist Party and Army, or to take control of China's economic resources. There is no evidence that the USSR has done so or intends at present to do so.

8. It presently appears that, unless the USSR itself alienates China, China will adhere closely to the partnership, primarily because it is a profitable alliance and there is no feasible alternative. Only if the USSR became weaker in comparison with the West and concurrently the Chinese Communists had reason to believe that they could retain their autonomy by an accommodation with the West, would the Chinese Communists have reason to break their alliance with the USSR. Although there is little firm evidence as to the extent of Soviet penetration at command levels of the Army or in the Chinese Communist Party, we believe that the Chinese Communists would still have the capability of breaking their alliance with the USSR if they should wish to do so within the next few years. So long, however, as Communist China and the USSR feel a need for each other and so long as Soviet power remains the key to the achievement of Chinese Communist objectives, the two nations can be expected to maintain their partnership and to pursue a joint course of action.

~~SECRET~~