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CENTRAL INTELLIGENCE AGENCY

13 October 1954

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SUBJECT : NIE 10-7-54: Communist Courses of Action
in Asia through 1957

1. The attached terms of reference were agreed on at the meeting of the IAC representatives on 12 October.
2. All agencies are invited to contribute on all sections within their competence to do so.
3. It is requested that contributions be received in this Office by the close of business on 15 November.

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PAUL A. BOREL
Deputy Assistant Director
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CENTRAL INTELLIGENCE AGENCY

13 October 1954

SUBJECT: TERMS OF REFERENCE: NIE 10-7-54^{1/} COMMUNIST COURSES
OF ACTION IN ASIA THROUGH 1957^{1/}

THE PROBLEM

To estimate Communist, and in particular Chinese Communist, probable courses of action in Asia^{2/} through 1957.

QUESTIONS BEARING ON THE PROBLEM

NOTE: This estimate is undertaken to review NIE 10-2-54 in the light of the Geneva Conference and subsequent developments.

^{1/} This estimate supersedes NIE 10-2-54, "Communist Courses of Action in Asia through Mid-1955," dated 9 March 1954.

^{2/} Asia, as here used, includes Japan, Taiwan, the Philippines, Indonesia, Ceylon, and all of mainland Asia east of (but not including) Iran and Afghanistan.

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In addition, we should like to emphasize in the new estimate: (a) brief examination of Communist, in particular Chinese Communist, capabilities for several specific courses of action; (b) analysis of possible Communist courses of action with respect to specific problem areas such as Indochina, Taiwan, the offshore islands, Thailand, and Korea; and (c) the effect upon these courses of action of certain contingent developments.

I. FACTORS INFLUENCING COMMUNIST COURSES OF ACTION IN ASIAA. Communist Relationships

1. Indicate the nature of any change in Communist relationships as defined in paragraphs 8-11 of NIE 10-2-54.
2. What trends, if any, in Communist relationships are likely during the period of this estimate? How would these trends affect Communist determination of policy in Asia? What are the implications for

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Sino-Soviet relations over the long term of gradual Chinese Communist progress toward economic strength and self-sufficiency?

B. Communist Objectives in Asia

1. What are the Communists' general objectives in Asia?
2. What are their specific objectives through 1957?
(Soviet, Chinese, Viet Minh, North Korean)
3. Are there any serious conflicts in these objectives?
4. Are these objectives likely to change during the period of this estimate?

C. Communist Estimate of US Intentions in Asia

1. Indicate briefly the nature of any change in the Communist estimate of US objectives, capabilities, and intentions in Asia as stated in paragraphs 21-22 of NIE 10-2-54, and 163-164 of NIE 11-4-54*?

* "Soviet Capabilities and Probable Courses of Action through Mid-1959," dated September 1954.

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How have US actions with respect to the Indochina War, the Geneva Conference, the Manila Pact, the Nationalist offshore islands, and the continued political stalemate in Korea, affected the Communist estimate of US intentions with respect to Asia?

2. Briefly, to what extent, and in what manner does Communist regard for the objectives, capabilities, and intentions in Asia of non-Communist powers other than the US, in particular the UK, India, and Japan, affect the determination of Communist policy in Asia?

D. Communist Strengths and Weaknesses

1. Indicate the nature of any changes in Communist China's political, economic, and military strength as stated in paragraphs 16-18 of NIE 10-2-54.
2. What are Communist China's principal vulnerabilities to attack from outside military forces? What effect do these vulnerabilities have upon Communist determination of policy in Asia?

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3. What, briefly, is the present strength and combat effectiveness of the Viet Minh armed forces? What, briefly, are the principal political and economic strengths and weaknesses within North Vietnam affecting the determination of Communist policy in Asia?

4. What, briefly, is the present strength and combat effectiveness of the North Korean Armed forces? What briefly, are the principal political and economic strengths and weaknesses within North Korea affecting the determination of Communist policy in Asia?

5. What effect, if any, have the Geneva Conference, the Manila Pact, and other recent developments had upon the vulnerabilities of the non-Communist countries in Asia to Communist pressures, as stated in paragraphs 19-20 of NIE 10-2-54? To what extent do the overseas Chinese constitute a vulnerability?

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6. What principal trends in the above Communist strengths and weaknesses are likely during the period of this estimate? How would these trends affect Communist determination of policy in Asia?

II. COMMUNIST CAPABILITIES TO UNDERTAKE CERTAIN COURSES OF ACTION IN ASIA

A. Taiwan and the offshore islands

1. What is the magnitude of the combined operations that the Chinese Communists could presently launch against Taiwan? the offshore islands? By mid-1955? By the end of 1957?
2. What is the magnitude of the air attack which the Chinese Communists could presently launch against Taiwan? By mid-1955? By the end of 1957?
3. What are Communist capabilities for subversion and espionage on Taiwan and the offshore during the period of this estimate?

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B. Indochina

1. What are Viet Minh capabilities for subverting South Vietnam, Laos, and Cambodia during the period of this estimate? In this respect, what are Chinese Communist capabilities to assist the Viet Minh?
2. What are Chinese Communist capabilities to assist in the rehabilitation of railroads, industries, and mines of North Vietnam? To exploit the production and resources of North Vietnam for the benefit of Communist China?

C. Korea

1. What are Communist capabilities to engage in full-scale warfare in Korea during the period of this estimate? To counter a unilateral ROK attack?
2. What are Communist capabilities to subvert the ROK by means short of military action?

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3. What are Chinese Communist and Soviet capabilities to assist in the rehabilitation of North Korea? To exploit North Korean resources for their own benefit?

D. Thailand, Burma, Malaya, and Indonesia

1. What are Communist capabilities for subverting Thailand, Burma, Malaya, and/or Indonesia during the period of this estimate?

a. What are the capabilities of indigenous Communists, assisted where applicable by Communist China, the USSR, and the Viet Minh, to develop armed rebellion in Thailand, and to intensify armed rebellion in Burma, Malaya, and Indonesia?

b. What are Chinese Communist, Soviet, and Viet Minh capabilities, through threats and inducements, to cause a major change in the present orientation of Burma, Thailand, and/or Indonesia?

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2. What are Chinese Communist capabilities to invade Burma and/or Thailand?

E. Other non-Communist Countries in Asia

1. What are Communist capabilities for inciting armed rebellion in, or significantly altering the orientation of, these countries?

F. Trade

1. In general terms, what is the maximum level of trade which Communist China could sustain during the period of this estimate with non-Communist countries, and in particular with Japan, without upsetting or interfering with Peiping's main lines of planning industrial development, acceptable domestic consumption levels, and existing trade commitments with the Soviet bloc?
2. What are the principal ad hoc trading means which Communist China could employ to advance Communist political ends?

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3. What level of trade could the USSR sustain with Japan?
In what commodities?

III. PROBABLE COMMUNIST COURSES OF ACTION IN ASIA

1. What indications of future Communist courses of action in Asia can be derived from:
 - a. Communist negotiations at Geneva?
 - b. Major Communist post-Geneva diplomatic and propaganda moves?
 - c. The extent and nature of Chinese Communist support of the Viet Minh war effort before and after the Indochina Armistice?
 - d. Viet Minh implementation of the Armistice arrangements in Indochina?
 - e. Communist war of nerves against Taiwan and the offshore islands?

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- f. The over-all disposition of Chinese Communist forces, and the relative emphasis in the development of various elements of the armed forces?
 - g. Developments in Sino-Soviet relations?
 - h. Developments in Sino-Soviet relations?
 - i. Other Communist actions?
2. In the light of the various factors and capabilities elicited in sections I and II above, what are probable Communist over-all courses of action in Asia -- diplomatic, economic, subversive, and military -- and what are probable Communist courses of action in the individual countries of Asia for the period of this estimate?
3. How might the above Communist courses of action be modified or changed during the period of this estimate by such contingencies as:

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- a. Communist failure to subvert or otherwise gain control of South Vietnam by elections or "peaceful" means during the period of this estimate?
Laos? Cambodia?
- b. Communist success in subverting or "peacefully" gaining any of the above without effective Western counteraction being evidenced?
- c. The admission of Communist China into the UNGA over the objections of the US?
- d. A major relaxation of Chincom or other controls on trade with Communist China by such nations as the UK, Japan, and South and Southeast Asian nations?
- e. The occupation of the Nationalist offshore islands without incurring US military retaliation?
- f. A major shift in US policy toward Communist China, either becoming conciliatory or combative?

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- g. The formation of some kind of US-sponsored North or East Asia defense alliance, possibly including Taiwan, Korea, or Japan?
- h. A unilateral offensive by the ROK?
- i. Others?

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