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prevent the use of Hong Kong and Macao as transshipment points for trade with Communist China. (See Tab A for data on Chinese Communist trade during 1951.)^{*}

b. Such interdiction would intensify the existing serious economic strains in Communist China, but would not in itself force the Chinese Communists to end the Korean war or threaten the stability of the Chinese Communist regime.

c. The Chinese Communists would be unable to counter such interdiction effectively, but would probably employ mine warfare against the blockading ships and might employ aircraft and submarines.

d. The USSR would probably endeavor to offset the economic effects of the embargo and blockade by expanding overland shipments to Communist China. The USSR would probably refuse to recognize the legality of the blockade. It would probably undertake to escort Soviet shipping into Port Arthur and Dairen (if

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It is the view of the representative of the Director of Naval Intelligence that this paragraph should read as follows:

"a. A complete interdiction of Communist Chinese seaborne imports would require both: (1) an effective embargo on exports and shipping to Communist China by all important non-Communist trading and maritime countries; and (2) the imposition of a naval blockade of all Chinese Communist ports, including Port Arthur and Dairen, the scale of which would depend upon the effectiveness of (1). A complete interdiction could also be obtained by a full scale naval blockade. It would be essential to prevent the use of Hong Kong and Macao as transshipment points for trade with Communist China. (See Tab A for data on Chinese Communist trade during 1951.)"

ARMY, NAVY, & USAF review completed.

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these ports were blockaded), and might undertake to escort Soviet shipping into other blockaded ports. Interception of such Soviet shipping might well create incidents, but we believe it unlikely that the USSR would press such incidents to a point where there would be serious risk of general war.

2. Intensification and Expansion of UN Military Operations in the Korean War. *

a. Large scale UN ground operations in Korea, combined with sustained and unrestricted UN air attack on Communist military targets in North Korea and Manchuria could seriously impair the Communist military capability to maintain their position in Korea.

b. Such a course of action might compel the Communists to seek an early armistice. We believe it more likely, however,

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The view of the representative of DI/USAF is as follows: In NIE-55 we concluded that "unless the present unrestricted Communist air build-up is checked or countered, we believe the growing power of the Chinese Communist forces, even without direct commitment of Soviet units, will enable them to deal severe damage to the UN forces and may make it impossible for the UN to conduct general offensive operations except at prohibitive cost." Action required to check this build-up would have the purpose of limiting CCAF operations from bases in the Yalu River area so that Communist air superiority could not be extended to a point which would threaten the position of UN forces in the Korean theater. This action would probably be limited to air operations against aircraft on the Yalu River bases and would not necessarily bring about the same consequences as those envisaged in paragraph 2, above. Inasmuch as neither Communist control in Manchuria nor targets other than airfields would be involved, the Communist reaction would be considerably less than in the case of attacks on all military targets in Manchuria.

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that the Chinese Communists would react by increasing air action against UN forces, installations, and ships in the Korean area.

c. The USSR would probably react immediately by giving all possible support short of the commitment of their own ground forces, including the commitment of additional elements of its own air defense forces to the air defense of Manchuria and North Korea.

d. If the Communists should find that these measures were proving insufficient to permit them to maintain themselves militarily in Korea, they could: (1) withdraw from Korea and continue by guerrilla attacks to harass the UN occupation; (2) seek an armistice while still in control of a part of North Korea; or (3) commit Soviet air forces to combat over UN-held territory and/or Soviet ground forces to combat against UN forces. ^{On balance,} We believe the chances are somewhat better than even that the Communists ^{probably} would seek an armistice which would leave them in control of a part of North Korea before undertaking either of these other courses of action.

3. Expansion of the Korean War by Air and Naval Bombardment of Targets throughout Communist China.

a. Sustained and intensive bombardment of targets throughout Communist China (including airfields, naval bases and shipyards, troop concentrations, transportation systems, industrial facilities

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and urban complexes) could seriously reduce Chinese Communist military power, disrupt the Chinese Communist economy, and eventually jeopardize Communist control over at least some parts of south and southwest China. (See Tab B on Targets in Communist China.)

b. The Chinese Communists would bring to bear their maximum air defense capabilities which are substantial in Manchuria and North China but are slight elsewhere. (See Tab C on Chinese Communist Air Defensive Capabilities.) The Chinese Communists would almost certainly seek to counter the US bombardment by offensive air action against UN forces and targets.

c. The USSR would commit additional elements of its own air defense forces for the air defense of Communist China.

d. If the Communists found that their air defense capabilities were insufficient to defeat the US bombardment, and if they estimated that the consequences listed above were likely to ensue, they could commit Soviet air forces to offensive operations against US forces and bases, or they could begin negotiations to end hostilities. On balance, we believe that in these circumstances the Communists would, ^{probably,} begin negotiations to end hostilities before committing Soviet air forces to offensive operations against

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US forces and bases. Undoubtedly, Communist terms for an armistice would include Communist control over a part of North Korea.

4. Expansion of the Korean War by Employment of Nationalist Military Forces.

The Chinese Nationalist forces could not be effectively used for offensive action against the Chinese Communist mainland unless the present US program for equipping and training these forces were greatly expanded, and unless the US were willing to provide not only logistic support for an invasion but substantial air and naval support as well. In any event Nationalist forces are not likely to be ready in sufficient strength for a large-scale invasion operation before 1953.

(See Tab D for detailed statement of Nationalist capabilities.) *

* It is the view of the representative of the Assistant Chief of Staff, G-2, that the second sentence of paragraph 4, above, should read as follows: "In any event, Nationalist forces are not likely to be ready for an invasion operation before mid-1952." The G-2 representative recommends the addition of the following sentences at the end of paragraph 4: "After a lesser amount of preparation, the Chinese Nationalists could be employed effectively in Korea. In such an event, there would be no undue reaction by the Chinese Communists or the USSR."

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5. Expansion of the Korean War by Utilization of Non-Communist Guerrilla Forces Already in China

The Chinese Communists have succeeded in greatly reducing the strength of guerrilla forces throughout China and these forces do not now have a significant operational capability. (See Tab E for detailed statement of guerrilla capabilities.) Even if guerrilla capabilities were developed, the guerrillas could be employed effectively only in conjunction with other courses of action directed against Communist China.

6. Expansion of the Korean War by a Combination of Several Courses of Action Considered Above.

a. An intensification of UN operations in Korea and an expansion of the war to include successful tactical and strategic bombardment of Manchuria and China proper and a successful interdiction of Communist China's seaborne imports would probably have the following effects on Communist capabilities: (1) the Chinese Communists would be unable to continue large-scale operations in Korea; (2) lines of communication in Communist China would be disrupted; (3) Communist China would be forced into virtually complete dependence on the USSR for military supplies and

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other critical imports; (4) Chinese Communist capabilities for large-scale military operations in Southeast Asia would be eliminated; (5) Communist China's ability to maintain effective control of the mainland would be progressively reduced.

b. In response to these US courses of action, the USSR would almost certainly expand its aid to Communist China. This aid would probably include increasing commitment of Soviet air defense elements in Communist China and North Korea. If the Communists found that such measures were proving unsuccessful in countering the US effort, we believe the Communists would probably begin negotiations to end hostilities before committing Soviet air forces to combat over UN-held territory or Soviet forces to combat against UN ground forces. Undoubtedly the Communist terms for an armistice would include Communist control over a part of North Korea. * While at every point the USSR would probably seek to avoid the precipitation of general war, there would be grave danger that general war might result from action not intended to produce that result.

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It is the view of the representative of the Assistant Chief of Staff, G-2, that a subparagraph 6c should be added to read as follows: "Should any or all of the foregoing US actions result in major Soviet commitments in the Far East in support of the Chinese Communists or otherwise, they would reflect Soviet capabilities in Western Europe."

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TAB A

ANALYSIS OF CHINESE COMMUNIST TRADE

FOR 1951

(in preparation)

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TAB B

STRATEGIC BOMBING TARGETS IN COMMUNIST CHINA

1. The Chinese Communist Air Force would be the most important target in a strategic bombardment of Communist China. Successful attacks against the airfields on which this force is deployed could be expected to produce the following results: (a) the reduction of CCAF offensive capabilities and elimination of the immediate threat of a major CCAF counter-air offensive against US ground, naval, and air forces; (b) the destruction of air base facilities and installations; (c) high casualties among trained aviation personnel; (d) the reduction of CCAF air defensive capabilities, and (e) the placing of heavy logistical demands on the Soviets for replacement of aircraft and related equipment and possibly for trained personnel.

2. Chinese Communist naval bases and shipyards are high priority targets because their neutralization would eliminate their use by the Soviets for supporting naval operations against UN forces.

3. Troop concentrations, some of which may contain 25,000 to 200,000 Chinese Communist troops, may normally be found in Communist China. These are vulnerable to atomic bombing attacks,

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particularly surprise attacks. Successful attacks on these troop concentrations would seriously weaken the Chinese Communist Field Forces.

4. Chinese Communist transportation, particularly its inadequate railroad transportation system, is particularly vulnerable to systematic air attacks. Successful attacks on the transportation system could divide China into several areas which could be separately subjected to air interdiction, thus preventing mutual military and economic support. The Manchurian rail network, upon which the Chinese Communists must depend for such critical imports from the USSR as petroleum, tanks, motor vehicles, heavy weapons, munitions, aircraft parts, and possibly aircraft is singularly vulnerable. If traffic on this rail network was interdicted on a continuing basis, the capability of the Communists for continuing the war in Korea would be seriously impaired.

5. Industrial facilities in Communist China would make profitable targets for a strategic bombing effort. Destruction of POL storage facilities and refineries would result in shortages of aviation fuels and fuels for surface transportation. Since the electric power industry serves virtually all the significant manufacturing plants in China, plays a major part in

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powering equipment for the extraction of coal from China's mines, and performs other important military functions such as lighting transshipment centers along the transportation systems, its destruction would have a significant deleterious effect on Communist war-making potential. The Chinese Communist munitions, iron, and steel industries would make profitable targets because their destruction would increase the strain on the tenuous supply lines leading to the USSR from Communist China.

6. There are 16 urban complexes in Communist China which together have a population of over 17,000,000 and contain the major part of all modern Chinese Communist manufacturing installations. Their destruction would virtually eliminate Communist Chinese manufacturing plants and would halt, at least temporarily, rail transportation on all major rail routes. From a long range point of view, the destruction of these 16 complexes would involve the loss of technical and managerial personnel who could not be easily or quickly replaced. Heavy losses probably would also be caused to governmental and military personnel.

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TAB C

COMMUNIST CHINA'S AIR DEFENSE CAPABILITIES

1. Present Chinese Communist air defense capabilities are due directly to Soviet active participation in supplying equipment, operational procedures, training, and, in many cases, Soviet personnel. In assessing such capabilities, the following factors are pertinent:

(a) Fighter Aircraft. Approximately 525 first-line jet fighters of the MIG-15 type are located in the Mukden-Antung area of southern Manchuria. Some 225 jet fighters are located in the following four strategic areas in China proper: Peiping-Tientsin, Tsingtao, Shanghai, and Canton.

(b) Early Warning. A radar defense system has been installed and set in operation, with the assistance of Soviet radar engineers, technicians, and advisers, which is believed to give practically continuous early-warning coverage from the Manchuria border south to Canton. A visual system supplements the electronic early-warning system.

(c) Antiaircraft. In China-Manchuria there is believed to be over 500 antiaircraft artillery pieces and an equal number of anti-aircraft automatic weapons. Most pieces are 85 mm., 37 mm., and 12.7 mm. of Soviet manufacture. Reports continue to indicate that

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the total AAA strength is being increased by shipments of Soviet equipment. Heaviest concentrations are located in the Mukden area, Shanghai, and in the vicinity of Canton. AAA defenses appear to be employed for the protection of the industrial area, harbor facilities, airfields, and major junctions in the communications and supply systems. Gun-laying radar has been reported in some areas.

(d) Aircraft Control. The Chinese Communists possibly have a capability for limited ground-controlled interception.

(e) Soviet Influence. The air defense organization of the Chinese Communists appears to be patterned after that of the Soviets. The over-all air defense capabilities of this defense organization with respect to fighter defense, antiaircraft defense, early warning, aircraft control, and passive defense measures probably will continue to increase as long as the Soviets continue to assist Communist China.

2. The air defense capabilities of the Chinese Communists are estimated to be as follows:

(a) In the Mukden-Antung area of southern Manchuria, the Chinese Communists possess a major air defense capability against daylight bombing missions. At night their air defense capabilities would be considerably less because of their limited ground-controlled interception ability. (See 1a above.)

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(b) Chinese Communist air defense capabilities for China proper are considerably less due to a greater area and fewer available aircraft. In areas where distance prevents likely immediate jet air reinforcements, i.e., Shanghai and Canton, the defense capability of the small jet strengths presently allocated to those areas is considered negligible as against a major air offensive in daylight attacks or night missions. In the Peiping-Tientsin and Tsingtao areas, which are considered mutually supporting, a substantial jet strength of some 150 MIG-15's presents a very formidable defensive capability if sufficient early warning was given to enable this strength to be used as a single force. The geographic position of Tsingtao creates a greater vulnerability to air attack than does that of Peiping-Tientsin. Against a major air attack, however, the defense capability of some 75 MIG-15's located at Tsingtao is considered at least fair. Due to Tsingtao's protective position, however, the defense capability of Peiping-Tientsin against a major air attack is considered to be good to excellent. The defense capability of those areas is considered negligible against night attacks of major size. It is believed that a major air offensive would encounter flak of limited effectiveness over targets in China proper such as industrial areas, harbor facilities, airfields, and major junctions in the communications and supply systems.

(c) Air defense capabilities of the Chinese Communists, especially in southern Manchuria, are such that considerable losses

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of US aircraft could be expected, at least initially, during a campaign of systematic air attacks. Under conditions of prolonged air attack, the ability of the Chinese Communists to maintain effectiveness would be in direct proportion to the amount of support which the Soviets would continue to render.

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TAB D

CHINESE NATIONALIST ARMED FORCES

1. The Chinese Nationalist Army has a strength of 451,000 personnel organized into 38 infantry divisions, 4 armored groups, 1 paratroop group, 3 fort commands, 5 independent regiments, and 2 independent battalions. The bulk of these forces is disposed on Formosa; some combat elements are located on Matsu, Quemoy, and the Pescadores Islands. The Nationalist Army has no significant number of trained reserves, and under present circumstances its mobilization capacity is negligible. The mass induction of Formosan youths would not be feasible unless the US greatly expanded its proposed MDAP. Even in this event, the dependability and effectiveness of Formosan troops would be questionable. At the present time, the Nationalist Army is short of some types of ammunition, arms, and other equipment, and the materiel that is available is heterogeneous and poorly maintained. Because of these materiel deficiencies, the lack of reserve manpower, and the poor command structure (including the lack of interservice coordination), the combat effectiveness of the Nationalist Army is poor. After receipt of the proposed US materiel aid and after training in its use, its effectiveness will be substantially improved.

2. The Chinese Nationalist Air Force consists of 8 combat groups possessing 384 tactical aircraft. Of this total, however, only 121 aircraft are serviceable for combat. These consist of 35 light bombers and

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86 piston fighters predominantly of World War II design. Because of the lack of spare parts and improper maintenance facilities, the combat effectiveness of this force is very poor. Under conditions of sustained combat, particularly if opposed by jet aircraft, its capabilities would be reduced to a negligible factor in a day or two. In spite of these difficulties, the Chinese Nationalist Air Force is believed to have the organizational structure and necessary personnel to absorb and utilize the additional equipment necessary to make it an effective force. However, the present US aid program is not expected to improve the Nationalist Air Force or even maintain its present capabilities.

3. The Chinese Nationalist Navy consists of approximately 150 miscellaneous craft, the largest of which are 7 destroyer-type vessels. Under optimum conditions and provided that there were no air or naval opposition, the Nationalists would be capable of transporting up to two divisions in assault by means of orthodox landing craft and following up with five or six water-lifted divisions. No amount of logistic support could immediately effect a great increase in the effectiveness of the Nationalist Navy. Training in large-scale operations, command reorganization, the removal of political intrigues, and other slowly achieved changes are prerequisites to any major improvement.

4. It is evident that the capabilities of the Chinese Nationalist Armed Forces are extremely limited. It is estimated that the Chinese Nationalists are at present incapable, by themselves, of defending

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Taiwan against an all-out assault by the Chinese Communist Forces. After the Nationalist Ground Forces become effective (possibly during 1953 under the present US aid program), the Nationalists might be able to establish a bridgehead on the China coast, provided that the US furnished substantial air and naval support in addition to logistic support for the Nationalist invasion forces. If the US program for the Chinese Nationalists were greatly expanded so as to improve Nationalists military leadership and provide the materiel and training needed for existing ground, naval, and air forces plus such additional manpower as could be recruited on Taiwan, the Nationalists might be able to establish a bridgehead on the China coast without further US participation. However, we do not believe that such a bridgehead could be consolidated and expanded, unless the US provided tactical air support in addition to continuing logistic support for the Nationalist forces. Even under these circumstances, it is doubtful if the Nationalists could recruit sufficient additional manpower on the mainland to enable them to break out of a lodgement and actually threaten Communist control over large areas of the mainland. In the light of estimated current Chinese Communist capabilities, the Nationalists could accomplish this result only in conjunction with a major US war effort, including at least a US strategic bombing campaign and probably the support of US ground forces.

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TAB E

ESTIMATE OF THE PRESENT STRENGTH AND
CAPABILITIES OF ANTI-COMMUNIST GUER-
RILLAS IN CHINA

A. THEIR STRENGTH AND LOCATION

1. The maximum total number of effective guerrillas throughout all China which can with any certainty be said to exist at the present time is approximately 175,000. Dormant or potential guerrillas exist in unknown numbers, but the utility of this category is and probably will remain small pending all-out war or revolution in China.

2. Active guerrilla forces are located for the most part in inaccessible areas -- mountainous regions and on Nationalist-held offshore islands. Principal regions of activity continue to be the Pearl River and Canton area, the Kwangtung-Fukien border, the Kwangsi-Kweichow border, Szechwan, the Chekiang coast, southwestern Yunnan, and scattered areas in the Mongol and Moslem northwest.

B. THEIR PHYSICAL COMPOSITION AND CONDITION

3. The term "guerrillas" is an elastic one since these resistance forces are heterogeneous in nature and vary greatly in composition from one unit to another. Generally speaking, guerrillas fall into the following categories: (a) ex-Nationalist forces, some of whom profess allegiance, but most of whom owe no allegiance, to Taiwan; (b) discontented

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landlords and peasants; (c) bandits; (d) members of traditional secret societies, and (e) minority racial and religious groups. The most active and effective units are those in categories (a) and (e).

4. Guerrilla forces suffer from a total lack of central direction and coordination, from a relative lack of organization, quite often from lack of knowledge of proper guerrilla warfare tactics, from serious deficiencies in arms and ammunition, and, perhaps most importantly, from an almost total lack of communication facilities. In addition, guerrilla forces subsist on submarginal food, clothing, and medical levels.

C. THEIR MOTIVATION AND ALLEGIANCE

5. Economic considerations generally outweigh political, and the basic motivating force behind guerrilla activity at the present time is the struggle for existence and self-preservation.

6. Despite Nationalist and independent claims, the Chinese guerrillas are and will be allegiant for the most part to whatever leader and whatever political group can support and maintain them.

7. Such organization and centralized direction as does exist is primarily that now being exercised by Taiwan. The Chinese Nationalist guerrilla effort, however, remains largely ineffectual because of the hindrances of internal Chinese Nationalist politics.

8. Independent elements continue to claim a substantial guerrilla potential in Kwangsi and Kwangtung. It is believed that the claims of

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one of these elements to sizeable guerrilla assets in being are valid, but this group does not have the resources to maintain its assets without outside support.

D. THEIR CONTINUING DECLINE IN STRENGTH AND EFFECTIVENESS

9. Chinese Communist countermeasures against dissident elements have been most successful; and, with the further consolidation of control by Peiping and the forming by Peiping of an effective anti-guerrilla militia throughout China, guerrilla strength and activity under present circumstances will probably continue to decline.

10. The perhaps surprisingly low figure of only 175,000 guerrillas should not be ascribed wholly to the successes of the Chinese Communist anti-guerrilla program because this figure is the result also of a greatly increased and far more accurate US intelligence product concerning anti-Communist resistance in China.

E. THEIR PRESENT CAPABILITIES

11. It is unlikely that at the present time the guerrillas can accomplish any of the following to any significant degree:

(a) Delay or disrupt the movement from one front to another of the Chinese Communist armies;

(b) Seriously interdict Chinese Communist lines of communications or logistic support;

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(c) Attract to their ranks any substantial numbers of defectors from the Communists;

(d) Significantly abet military operations should a Nationalist invasion be launched in the near future.

12. Anti-Communist guerrillas may be judged to have at the present time the following capabilities:

(a) Sporadic raids;

(b) Occasional sabotage operations;

(c) Raids, feints, and diversions against the mainland from the Nationalist-held offshore islands;

(d) Intelligence source concerning Communist China, and

(e) Potential basis for possible resistance movement in China.

13. Any hope of increasing present guerrilla capabilities is contingent upon a program of sizeable outside support and upon a revitalization of the Chinese Nationalists.

14. In summary, the present outlook for the guerrillas is dim. They nevertheless represent an asset with considerable potential provided they can be properly equipped, organized, and directed. If so supported from outside, anti-Communist guerrillas can form the nucleus of a possible future resistance movement in China.

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