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**CENTRAL INTELLIGENCE AGENCY
OFFICE OF NATIONAL ESTIMATES**

NAVY DECLASSIFICATION/RELEASE
INSTRUCTIONS ON FILE

10 January 1952

STAFF MEMORANDUM NO. 179

SUBJECT: Effect of a Blockade on Communist China if Port Arthur
and Dairen Are Not Included

The Board of National Estimates has approved the following estimate:

1. If a blockade of the China coast did not include Port Arthur and Dairen, the effectiveness of such a blockade would probably be limited. In the following assessment, we are indebted to the Office of Naval Intelligence for data in paragraphs 2, 3, and 4.

2. Communist China imported a minimum of 20,000 long tons a day by ship during 1951. The port capacity of Dairen is estimated at approximately 39,000 long tons per day. The present level of imports into Dairen is not known, but ORR has estimated that it is probably considerably less than 10,000 tons per day. Thus, surplus unloading capacity at Dairen may be as much as 29,000 tons a day.

3. If Chinese Communist imports were maintained at estimated present levels (approximately 20,000 tons) and were shipped to Dairen in the face of a blockade of the rest of the China coast, the Office of Naval Intelligence has estimated that all this tonnage could be unloaded and transported from the port by rail, road, and junks. Junks could carry packaged cargo to Taku and other ports west and north of the Shantung Promontory without serious interference from blockading vessels.

4. The Communists would face a problem, however, in moving large amounts of material overland from the north to central and southern China since there are only two main north-south railroads each with an estimated total capacity of 4,000 tons a day. Thus, although the entire level of imports could probably be delivered to the Peiping-Tientsin area, less than half could be moved south, even assuming the rail capacity was devoted exclusively to moving imported items.

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5. The already heavily burdened rail system of China would almost certainly be further strained as a consequence of this blockade. However, whether Chinese Communist capabilities to launch large-scale military operations against either Burma or Indochina would be decisively decreased as a result of this strain can only be tentatively estimated at this time. We believe that the blockade will probably have no direct or indirect decisive effect on Chinese Communist capabilities to invade Burma or Indochina for the following reasons: there are arsenals in Kuming and Chungking which produce substantial amounts of small arms and munitions; Szechwan province is a rich rice-producing area; there have been reports over the past several months of stockpiling activities in the south China area. Furthermore, the supply and equipment requirements for Chinese Communist attacks on Burma or Indochina would by no means be so great as those for operations in Korea in terms of both the number of men which would be involved (an estimated 50,000 in Burma NIE-36 or 100,000 in Indochina NIE-35) and heavy equipment used. Additional data on Chinese Communist stockpiles and on other factors of importance to the logistic situation in south China, is required to make a more positive estimate. This has been requested of G-2.

6. Aside from the loopholes that Port Arthur and Dairen would present to any blockade, there would appear to be an important policy problem (admittedly outside our area of responsibility) with respect to a contemplated blockade of Hong Kong (an ally) and no blockade of Port Arthur and Dairen (a cold war enemy).

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