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CENTRAL INTELLIGENCE AGENCY
OFFICE OF NATIONAL ESTIMATES

27 July 1961

MEMORANDUM FOR THE DIRECTOR

SUBJECT: Prospects for Early Chinese Nationalist Military Action
Against the Mainland

1. During the past decade, Chiang Kai-shek's promises of return to the mainland and the planning designed to implement these promises were little more than ritual performances intended to bolster the morale of his followers. Since early this year, however, planning and preparation for raids and attacks against the Communist-held homeland have taken on a new degree of urgency and credibility. Another new element is the secrecy with which Chiang has masked these plans from US eyes. Without consulting US officials, the GRC is now training and equipping special forces teams for action against specific mainland targets, and two reserve army divisions are reliably reported as being activated and equipped without MDAP support. Although there is no doubt that accelerated military preparations are underway, what Chiang Kai-shek actually plans to do with his newly prepared forces is not clear.

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2. Chiangs Intentions. It is almost certain that creeping desperation is overcoming Chiang as he ponders his situation. He believes that just as hunger and unrest on the mainland are presenting him with his last great opportunity on the mainland his international position is being placed in critical jeopardy. The genuinely substantial hunger, disillusion, and unrest which now exist in Communist China are exaggerated in GRC intelligence reporting to Chiang. As a result he believes that the people on the mainland are ready to overthrow the Communist regime and would rally to his support if he were to provide the stimulus and leadership. He feels that if the opportunity is passed by and Communist China is allowed to recover from its present crisis, the Peiping regime will in time become invulnerable. At this critical juncture he finds the GRC position in the UN threatened and increasing international recognition going to Peiping. With his own status on the brink of a decline and with conditions in Communist China at a nadir, he believes that the time for action is here. His son, Chiang Ching-kuo, probably expressed this feeling accurately when he said that the GRC must seize the initiative soon or "in a year or two the GRC would be dead."

3. An added element in Chiang's growing desperation is his fear that the US is changing its China policy toward one of

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acceptance of two Chinas. About two months ago he concluded that the US, without consulting him, had decided to recognize Outer Mongolia and to issue a visa for Taiwan independence leader Thomas Liao to visit the US. Chiang also apparently believed that the US was about to arrange an invitation to Peiping to join the UN in the hope that the Chinese Communists would refuse to accept.* Whatever assurances Chiang may since have received on these points, he may still be skeptical about US policy. It is, of course, possible that Chiang does not intend actually to use his forces on the mainland. Current preparations, which he could assume would become known to US officials on Taiwan, may be merely an effort to lend greater plausibility to his threats to attack the mainland. However, although Chiang is almost certainly using every pressure he can master to shape US policy in a manner he considers favorable to the GRC, we believe that his present actions derive from other motives as well.

4. Even if the US could convince Chiang that it will continue its full support of the GRC and opposition to a two-Chinas policy,

* [REDACTED] attribute Chiang's desperation almost entirely to his distress concerning what he believes to be changes in US policy.

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his desire to capitalize on his opportunity for military action against the mainland would remain. The GRC's current accelerated preparations for military action against the mainland were initiated in January 1961, at the latest, which is long before the Liao and Outer Mongolian matters were even rumored and when the GRC had more confidence than at present that it might again get all-out US support for the moratorium in the General Assembly. No matter how satisfied Chiang is with the US attitude, if the UN acts in a way seriously detrimental to the interests of the GRC and a number of additional nations move to recognize the Communist regime, Chiang is likely to conclude that time is running out and that the GRC must act or perish.

5. The kind of action which Chiang apparently plans is not suicidal or even unreasonable from the GRC point of view. Present plans, as far as they have been reported, call for two or three preliminary phases of operations by special forces airdrops in teams of 20 to 300 to collect intelligence, stimulate dissidence, and, if possible, initiate a resistance movement. Probably no large amphibious attacks on the mainland are to be launched unless these preliminary efforts meet with success. The preliminary efforts are considered paramilitary by the GRC leaders and thus excluded from

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the terms of the Dulles-Chiang Agreement of October 1958, which they interpret to cover only orthodox military operations. Thus, they believe that they are under no inhibitions against launching such probes and raids without consulting the US.

6. A follow-up amphibious attack, however, would clearly come under the agreement and require prior US consent. If the probes had been encouraging and the GRC had decided to launch an amphibious assault across the Strait, any US attempts to stop the effort would create a major crisis in US-GRC relations.

7. Timing. If Chiang is determined to launch attacks on the mainland, he may launch air-drop operations as early as August if he feels sufficiently pressed. Indeed some special forces teams have been ordered to be ready for August action. A number of things militate against this, however, including the incidence of the peak typhoon period in September (which would interfere with an amphibious follow-up of an initial success), the apparently confused state of GRC preparations, and the innate military conservatism of the Generalissimo. In particular, if Chiang is convinced of maximum US support in the UN, he ^{will probably} / await developments in the UN in September. The outcome of the mainland's autumn harvest could also affect his decision and the timing.

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9. Probable Outcome if GRC Plans are Activated. We believe that the special forces teams would be quickly annihilated or rounded up by the military and security forces of the Communists. However, it is possible that a GRC special forces team operating in one of the areas of maximum economic distress and political discontent might be able to generate enough local support to gain local control and put up a brief fight against the Chinese Communist regular forces when they reached the area. An initial success of this sort could lead Chiang to increase his commitment substantially, with the risk that the adventure might assume the proportions of a war and threaten to involve the US.

10. If the GRC thrusts were limited to small air-dropped probing and raiding teams which were quickly rounded up, Peiping might prefer to remain silent or deny the incidents, especially if the GRC were trying to publicize the incidents as examples of popular uprisings against the regime. It is also possible that Peiping would welcome the opportunity to launch massive propaganda campaigns against "Chiang banditry" and "US imperialist sabotage." Peiping certainly has reason to want to distract its people from domestic troubles. In this case Peiping might decide to step up military pressures against the offshore islands. It is unlikely that even

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in this event any air strikes or other counterblows against Taiwan itself would be attempted in response to small air-dropped operations.

11. If the GRC decided to go beyond small air-dropped paramilitary operations, it might be able to conduct raids up to brigade strength, but the losses would be costly. An actual invasion would be limited initially by lift and support capabilities to a division or less. In such an operation the GRC Air Force could probably maintain local air superiority for a few days, at most, because of distance and logistic considerations. We do not believe that a beachhead could be retained much beyond that time.

12. Even in the face of a large attack or raid, Peiping probably would not want to counterattack Taiwan itself for fear of drawing US military attacks upon its forces.* But, with large scale air battles along the Strait, the GRC would probably attack nearby Communist airfields, and a process of escalation might involve US forces. In any case the US would suffer widespread international blame for the invasion efforts.

FOR THE BOARD OF NATIONAL ESTIMATES

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SHERMAN KENT
Chairman

* In the unlikely event that Peiping feared an invasion attack was meeting with success, this inhibition would obviously not hold.