

SECURITY INFORMATION

ARMY Declass/Release Instructions On File

22 April 1952

MEMORANDUM FOR: Assistant Director for National Estimates

THROUGH : Executive Secretary, Economic Intelligence Committee

FROM : Assistant Director for Research and Reports

SUBJECT : EIC Contribution to SIE-3

1. Our amalgamated contribution to SIE-3 is not intended to be a highly readable piece. It is unwieldy and technical, the fruit of an effort to cover thoroughly a subject on which information is weak and debatable.

2. In January, there seemed to exist an urgent need for determining at once the vulnerability of China to embargo, blockade, and bombing. In great haste, we wish to remind you, the Board passed on to the EIC the job of spelling out the terms of reference, collecting contributions from the IAC agencies, and presenting, in toto, an amalgamated product for use in drafting SIE-3. We have substantially done this.

of the JCS request; the enclosed contribution covers sections d and e; the A-2 contribution, delivered to your Office separately, covers section f. You will note that we have interpreted section d of the JCS request to include a shipping embargo as well as a trade embargo.

3. The organization of the amalgamated contribution covering parts c and d is atypical of contributions to ONE. This deviation is the consequence of our having to perform an atypical function, viz., to amalgamate agency contributions into a single contribution. Our method for doing this was to break down each contribution into paragraphs, then to arrange these paragraphs into a sequence which followed the order established by our terms of reference. Every paragraph closes with a parenthetical designation of the contributing agency, e.g., (OIR). No attempt has been made to reconcile diverse points of view, or discrepancies in facts and interpretations, though such differences are surprisingly few in number. Perhaps the greatest differences which might have arisen were washed out. The more important and obvious ones which remain are clearly designated as such by the use of footnotes.

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CIA 70369
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Economic Intelligence Committee

Contribution to

SIE-3

Embargo and Blockade Against Communist China

22 April 1952

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of the heavy equipment, POL, and some light equipment and supplies are obtained from the Soviet Union. Present Western control measures apparently have increased Communist China's dependency upon the Soviet Union as a source of supply, but seem to have had no other effect upon the supply situation of the Chinese Communist Army (G-2).

The logistical requirements and sources of supply of the Communist Chinese ground forces are as follows (G-2):

(1) The total daily consumption of the Communist ground forces in Communist China and in North Korea (including North Korean Forces) is estimated as follows:

| | | <u>Metric Tons</u> |
|--------------------|---|--------------------|
| Class I | Food | 4,700 |
| Class II and IV | Weapons, equipment, clothing, engineer- ing | 800 |
| Class III | POL | 900 |
| Class V | Ammunition | <u>2,500</u> |
| | Total | 8,900 |

(2) Of the total consumed, the following estimated amounts are required per day for the military operation in Korea:

| | | <u>Metric Tons</u> |
|--------------------|---|--------------------|
| Class I | Food | 1,700 |
| Class II and IV | Weapons, equipment, clothing, engineer- ing | 340 |
| Class III | POL | 700 |
| Class V | Ammunition | <u>2,125</u> |
| | Total | 4,865 |

(3) Food for these ground forces comes from Communist China and North Korea. Practically all heavy equipment and POL is shipped by rail from the USSR. Part of the light equipment, and a share of the ammunition is produced in Communist China, and the remainder is supplied by the Soviet Union.

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(4) A tabulation of the equipment captured from the Chinese Communist Forces in Korea during July, August, September, and October of 1951 follows:

| | <u>Total Captured</u> | <u>Number of USSR Manufacture</u> | <u>Percent of Total</u> |
|------------------|---------------------------|---|---------------------------------|
| Small arms | 2,235 | 1,347 | 60 |
| Submachine guns | 1,698 | 1,421 | 84 |
| Machine guns | 602 | 311 | 52 |
| Mortars | 293 | 36 | 12 |
| Artillery pieces | 96 | 13 | 14 |

(5) The munitions industry of Communist China is producing the bulk of the light equipment and supplies for the Chinese Communist ground forces. Estimated 1951 output is given below:

| | |
|------------------------------------|-------------|
| Rifles | 600,000 |
| Submachine guns and pistols | 17,000 |
| Machine guns | 63,000 |
| Grenade launchers and knee mortars | 56,000 |
| Mortars | 27,000 |
| Recoilless rifles | 300 |
| Field artillery | 700 |
| Small arms ammunition | 500,000,000 |
| Hand grenades | 18,000,000 |
| Rifle grenades | 2,000,000 |
| Mortar shells | 2,000,000 |
| Artillery shells | 5,000,000 |

(6) The main centers of munitions manufacture, listed approximately in order of importance are:

| | |
|-----------|----------|
| Mukden | Tsinan |
| Chungking | Shanghai |
| Taiyuan | Hunchun |
| Hankow | Nanking |
| Canton | Peiping |
| Tsitsihar | Kunming |

(7) The major materials required to manufacture the munitions produced in 1951 are estimated as follows:

| | <u>Metric Tons</u> | | <u>Metric Tons</u> |
|--------------|------------------------|-------------------|------------------------|
| Carbon steel | 19,000 | Chrome | 15 |
| Alloy steel | 5,600 | Nickel | 50 |
| Castings | 6,800 | Molybdenum | 30 |
| Copper | 15,000 | Propellant powder | 2,000 |
| Zinc | 3,500 | Tetryl | 40 |
| Lead | 3,300 | TNT or equivalent | 1,500 |
| Aluminum | 600 | | |

(8) The tonnages required to support munitions production are relatively small and the bulk of the materials are produced in Communist China. Most of the remainder is obtained from the Soviet Union. Communist China is heavily dependent on supplies from the USSR only in the cases of copper and zinc.

(9) Considering the importance of munitions production, Communist China would give priority to munitions in the allocations of materials and the USSR probably would supply whatever additional supplies are required.

b. Air Force capabilities

Communist China does not possess an aviation industry and is wholly dependent on imports for aircraft frames, engines, spare parts, and other aviation equipment. In addition, Communist China is dependent on imports for 100 percent of her avgas requirement of 140,000 metric tons per year. Communist China is probably able to produce at least a part of her jet fuel requirements of 60,000 metric tons annually, but no exact estimate of jet fuel production capabilities is possible. Communist China is, and has been since early 1950, importing practically all her aviation

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