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NATIONAL INTELLIGENCE ESTIMATE

COMMUNIST CHINA



NIE-10

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The intelligence organizations of the Departments of State, the Army, the Navy, and the Air Force participated in the preparation of this estimate and concur in it. This paper is based on information available on 15 January 1951.

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COMMUNIST CHINA

THE PROBLEM

To estimate the stability of the Chinese Communist regime, its relations with the USSR, and its probable courses of action toward the non-Communist world.

DISCUSSION

Stability of the Chinese Communist Regime.

1. For the foreseeable future the Chinese Communist regime will probably retain exclusive governmental control of mainland China. Although there is undoubtedly much dissatisfaction with the Communist regime in China, it does enjoy a measure of support or acquiescence and is developing strong police controls. No serious split in the Communist regime itself is now indicated. In particular, the regime has effective control of the Chinese Communist army. There are no indications that current anti-Communist efforts can achieve a successful counter-revolution. On the basis of the slight evidence available, it is estimated that about 700,000 men may be engaged in active resistance operations, ranging from local banditry to organized guerrilla warfare. There is insufficient evidence either to substantiate or deny Nationalist claims that a considerable number of these are associated with the Nationalist regime on Taiwan. These forces are creating widespread disorders and are handicapping the Chinese Communist program despite the fact that they are uncoordinated, lack effective top-level leadership, and so far have developed no constructive political program. By themselves and under present conditions these resistance forces do not constitute a major threat to the Chinese Communist regime.

General Objectives of Communist China.

2. The main objectives of the Chinese Communist regime are to establish and perpetuate its own control over all Chinese territory and to construct in China a Communist economic and social order. The Chinese Communists

aim at eliminating Nationalist Chinese and Western power from China and contiguous territories as rapidly as possible. With support of the USSR, they aim further at the final victory of world communism and at Chinese leadership of a Communist Far East.

Sino-Soviet Relations.

3. The Chinese Communists are clearly coordinating policy and acting in close cooperation with the USSR. There is between Peiping and Moscow a defense treaty. There is also at the present time a strong bond of mutual interest in jointly protecting the security of the two regimes, in eliminating Western influence from Asia, and in furthering the success of international communism.

4. The current Soviet program of economic and military assistance is contributing to Communist China's ability to progress toward its military objectives. Western counter-measures against Chinese Communist advances would render Communist China more dependent on the USSR for such further economic and military support as the USSR might be able or willing to provide. It is possible that such measures would result in Communist China becoming an economic liability to the USSR.

5. Latent possibilities of conflict between Peiping and Moscow exist in such questions as: (a) control of Chinese border territories like Sinkiang and Manchuria; (b) ultimate control over Korea; (c) Soviet efforts to infiltrate and control the Chinese Communist government; and (d) failure of the USSR to meet the economic and military requirements

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of Communist China. But these elements of potential conflict between Chinese national interests and Soviet imperialistic policy and tactics are unlikely to develop at least so long as Communist military operations against the "common enemy" continue to be successful.

6. If Soviet strength should decline sharply in relation to that of the US and its allies, and if, at the same time, the Chinese Communist regime became convinced that it could remain in power through an accommodation with the US and its allies, the Chinese Communist regime might conceivably attempt to break its association with the USSR. This situation is unlikely to develop in the foreseeable future.

Immediate Chinese Communist Threats To US Security Interests.

7. The Chinese Communists are following a course of action designed to destroy US strategic interests in the Far East and to reduce the worldwide power position of the US and its allies in relation to the joint power position of the USSR and China.

8. The scale of the Chinese Communist operations in Korea and the unwillingness of the Chinese Communists to discuss a diplomatic settlement except on their own terms indicate that they intend to drive UN forces out of Korea; they have already committed a large proportion of their best troops for this purpose, and are prepared to commit additional forces.

9. The Chinese Communists have indicated their firm intention of capturing Taiwan in order to complete the conquest of Chinese territory and eliminate the last stronghold of the Nationalist regime. The Chinese Communists have the capability for mounting an amphibious attack on Taiwan. So long as the US Seventh Fleet is available to protect the island, however, it is unlikely that the Chinese Communists would undertake such an operation.

10. The Chinese Communists at present also have the capability of intervening effectively in Indochina. They have been supporting the Viet Minh for some time. Direct intervention in strength is almost certain to occur

whenever there is danger either that the Viet Minh will fail to attain its military objective of driving the French out of Indochina, or that the Bao Dai government is succeeding in undermining the support of the Viet Minh. Even if they do not openly intervene in Indochina, they can and probably will increase military assistance to the Viet Minh in an effort to make the French position untenable.

11. The Chinese Communists are also capable of securing Honk Kong at any time, and they are likely to do so whenever they have convinced themselves that there is no longer any advantage in leaving Hong Kong in British hands and whenever they are willing to accept the consequences of hostile action against British territory. Similar considerations apply to Macao. In the case of Hong Kong, they might stay their hand so as to utilize the Hong Kong problem as a continuing wedge between the US and UK or to preserve the flow of trade through Hong Kong.

12. The Chinese Communists have further capabilities of attacking Burma and of carrying on subversive activities in other countries of Southeast Asia. It is estimated that at present they do not have the capabilities for military attack upon Japan.

13. Under present circumstances, the Chinese Communists probably have the military capability of concurrently carrying on their operations in Korea, intervening effectively in Indochina and Tibet, attacking Burma, and capturing Hong Kong, while continuing to contain opposition groups within China.

Vulnerabilities of Communist China.

14. Because of Communist China's well recognized enormous numbers of ground forces, the great extent of its territory, and the inadequacy of its communication routes for large-scale Western-type military ground operations, the counter-measures to which Communist China is most vulnerable are the following:

(a) Support of Resistance Forces.

By supplying the active anti-Communist forces already present in mainland China with effective communications, military equipment, and logistical support, Communist mili-

tary strength could be sapped, and their capabilities for operations elsewhere could be reduced. Even under these circumstances, these opposition groups would be unlikely to overthrow the Chinese Communist regime in the absence of an effective counter-revolutionary movement, a political program, a clearcut organization, competent leadership and a plan for action.

(b) Use of Nationalist Forces.

The Nationalist Chinese Government on Taiwan has an army in being of approximately 428,000 troops. There is considerable doubt, however, as to the reliability and effectiveness of the Nationalist forces under present Nationalist leadership. The morale and combat efficiency of these forces could doubtless be substantially improved under US training and supervision. Given adequate logistic support, a large portion of these forces could be landed on the mainland. There is considerable question as to whether the Nationalists could mobilize popular support on the mainland or command the effective cooperation of present guerrilla forces. They might, however, be able to capitalize on existing discontent with the Communist regime. Such an operation would for a time occupy considerable Communist military strength.

(c) Economic Warfare and Limited Military Action.

Although the economy of China is mainly rural and operates at the subsistence level, the urban segment of the economy is largely dependent on overseas and coastal trade, and by reason of its concentration in a few locali-

ties, is particularly vulnerable to bombardment and blockade. Curtailment of foreign trade by Western economic controls, embargos, or by naval blockade, would create urban unemployment and unrest, hinder industrial production and development, and create serious financial difficulties. A campaign of aerial and naval bombardment against selected ports, rail systems, industrial capacity and storage bases, in addition to economic warfare measures, would seriously reduce the military capabilities of Communist China for sustained operations, would impair the ability of the regime to maintain internal controls and conceivably might imperil the stability of the regime itself.

(d) Continuation of UN Operations in Korea.

The continued maintenance of UN military operations in Korea would result in a significant drain on the Chinese Communists, would pin down a large portion of their crack troops and reduce their war-making capabilities elsewhere. It could have other far-reaching effects, such as weakening the present feeling of invincibility, reducing the prestige the regime is gaining from current successes, encouraging internal opposition and straining relations with the Kremlin.

(e) Effect of Counter-Measures.

The measures outlined in (a), (b), (c) and (d) above, if applied in combination, would imperil the Chinese Communist regime. These actions would, however, create a grave danger of Soviet counteraction and would increase the danger of a global war.

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