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TOP SECRET

нВи CHINA. Indications of Chinese Communist Preparations for September Operations. Talk of preparations for "end of August 51" operations was rife in Peiping, All land, sea, and air units have allegedly been ordered to a state of readiness by that date. The 68th Airborne Division of 9,000 paratroopers is reportedly en route to Antung from the Tientsin area in its implementation of this directive. COMMENT: This is the latest in a series of reports alleging Chinese Communist plans for expanded operations by the end of August 1951. Information obtained on 2 July regarding an alleged 2 March conference of North Korean, Chinese Communist, and Soviet officials stipulated: (1) completion of border forts (presumably on the Korean border) by September 1951; (2) expansion of arms production in Manchuria to provide for 1,500,000 troops by September 1951; (3) dispatch of 500,000 Soviet troops to Manchuria by the end of August 1951; and (4) the Soviets are to complete preparations for World War III by the end of September 1951, if the Soviet cease-fire proposal of July is unsuccessful. that all Fourth Field Army units located in Southeast China have been ordered to achieve a state of combat readiness not later than 15 September 1951; that a similar command has been issued to the Viet Minh forces in Indochina. The deadline for the air build-up in Kwangtung, Southeast China, is also stipulated

for September of this year. The Chinese Communists are generally accorded the potential for future operations in any one, or several, of the border regions. It is believed that the build-up in Southeastern China has been primarily of a defensive nature during recent months, but this does not preclude the possibility of launching an oft-rumored assault into Indochina. Indications of continuing preparations in Manchuria and Korea tend to support reports of Communist intentions to conduct further military adventures in this theatre if the pending

negotiations prove unsatisfactory.

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TOP SECRET

uBn	KOREA. Additional CCF Reserve Reported Formed to Serve in Korea. a "possibly true" report dated	
•	29 May that an additional 120,000 troops drawn from the 1st, 2nd and	
	3rd Field Armies are being prepared for service in Korea.	
	these troops which are being formed into a new field	
	army (designation unknown), were to move to Northeast China before	
	31 May. troops can be moved from the Pelping-	
	Tientsin area of northeast China to the Yalu River within three days	
	by available rail lines. (6 July 51).	
	COMMENT: Numerous reports indicate that the Chinese Communists have	
	drawn replacements for service in Korea from regional armies in all	
	parts of China. Other reports have mentioned the formation of a new field army, the 6th, from the nucleus of the North China Area Army	
	associated with the Peiping-Tientsin Area.	
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