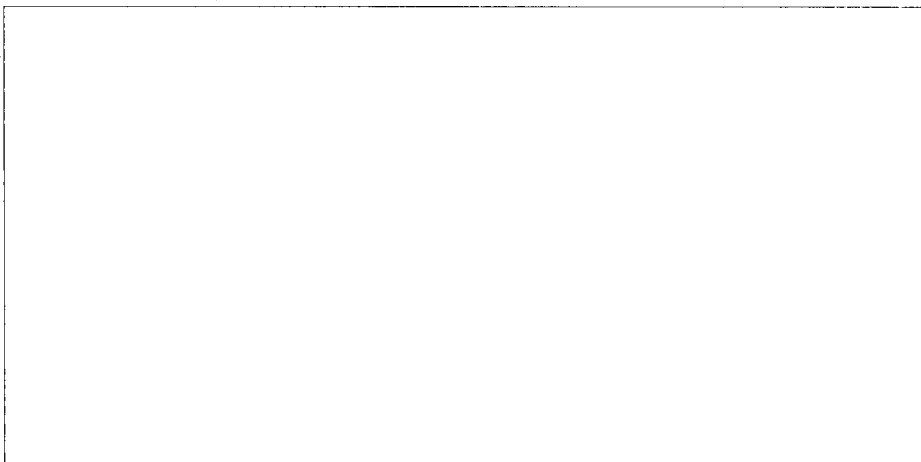


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2. Korea - North China - Japan

The Headquarters of the 13th Army Group of the Chinese Communist 4th Field Army was addressed at Antung, Manchuria, on 26 August 1950. This unit with an estimated strength of 80,000 was located at Canton in South China until mid-July. Other elements of the 4th Field Army are reliably indicated to be en-route from Central China to Southern Manchuria. Military District forces normally stationed in Manchuria are estimated at over 500,000 men.

There have been many unconfirmed reports of a Mao-Molotov conference in Peiping in early August, during which the problem of future action in Korea, Taiwan, and Southeast Asia was discussed.

Chinese Communist propaganda has portrayed the US as an aggressor. The government has protested alleged US raids on Antung, across the Yalu River from North Korea, and has demanded that the UN Security Council bring about the withdrawal of US forces from Korea to end the US threat to peace.

Thus, the stage has been set for some form of Chinese Communist intervention or participation in the Korean War. Overt participation by regular forces would preclude admission of Communist China to the UN, while covert participation of Manchurian "volunteers" might ensure continued localization of the conflict.

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Intervention could be launched to restore peace by preventing further US "aggression" and could be linked with the USSR-sponsored peace campaign. It is impossible to determine at this time whether a decision has been made. In any case, some form of armed assistance to the North Koreans appears imminent.



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