2. Korea and North China

A Chinese Communist diplomatic mission, including an Ambassador, arrived in Pyongyang on 10 July. The timing of this development may be significant in view of possible participation by Chinese Communist forces in North Korean operations.

For the past several months, the USSR has shipped considerable quantities of petroleum products, trucks, medical supplies and industrial equipment into Manchuria, North Korea and North China. Sizeable stockpiles of food and petroleum products exist in adjacent areas of the USSR which can be moved quite readily into Korea and North China. The North Korean Army was recently supplied with an estimated 150 Soviet tanks and a considerable quantity of Soviet medium artillery.

A major redeployment of Chinese Communist forces is believed to be in progress, with the movement generally north from the Hainan area via Canton for probable regrouping in the Changsha area of Central China. Among the forces involved are those of the crack Fourth Field Army, originally from Manchuria, under the able command of Lin Piao. There is no completely confirmed evidence of a movement of forces to Manchuria, although numerous reports to that effect have been received. Reinforcements for the North Korean Army may be drawn from the estimated 70,000 Korean troops of the Chinese Communist Army who are believed to be located at present in Manchuria.

Soviet advisers are known to be located in key areas of North Korea (estimated 5,000) and Communist China (estimated 5000 for ground forces alone).