1. **Chinese Communist attitude toward Kaesong discussions:**

   as of mid-July Peiping held the following opinions regarding the current discussions in Kaesong:

   (a) The Chinese Communists are so anxious to secure a cease-fire that they will grant "many concessions";

   (b) The Peiping regime will attempt to discover, during the Kaesong talks, some means whereby the regime may enter the UN and participate in the Japanese peace treaty; and

   (c) Even if UN terms are so severe as to be completely unacceptable to Peiping, the latter will attempt to continue the discussions until September, when "marked changes in the international situation" are expected.

Comment: It is public knowledge that the Communist negotiators at Kaesong have made certain concessions, and that Peiping in its propaganda has long demanded representation in the UN and participation in the Japanese peace treaty. have recently alleged that the USSR plans to initiate global hostilities in September, but this assertion has not been supported.

2. **Possible CCF reinforcements total 350,000:**

   A study indicates that in addition to the Chinese Communist units which have been identified and accepted in Korea, additional units may have arrived whose estimated total strength would be 350,000. This would give the enemy an estimated maximum possible strength of 907,000 for an offensive.
Comment: This total is considerably in excess of the 770,000 maximum, estimated in Korea as of 1 April, that included units subsequently identified elsewhere as of that date. The total force would be equivalent to 90 full strength divisions. This number of divisions exceeds the maximum which it has heretofore been estimated that the enemy is logistically capable of maintaining in Korea.

According to a 3 August estimate however, available indications point to a continued active defense by Communist forces in Korea until such time as the present armistice parleys collapse or appear no longer profitable to the enemy.