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THE KOREAN SITUATION

Soviet Intentions and Capabilities

Two weeks after the beginning of hostilities in Korea, the world was still waiting for some firm indication of Soviet intentions regarding not only Korea but other countries on the Soviet periphery. It became clear, however, that the North Koreans were not to be intimidated by US involvement in the fighting and that the all-out effort to overrun South Korea would continue unabated. As long as the North Korean advance continues, the USSR can remain aloof; the crucial moment will come when and if the battle turns in favor of US and South Korean forces. At that time, the USSR must decide whether to permit a North Korean defeat or to take whatever steps are necessary to prolong the action.

Soviet Intentions At the moment, the Soviet and Communist propagandist line offers no clue regarding Soviet intentions. Soviet propagandists would have no difficulty in using the present line as a basis either for withdrawal from South Korea or for prolongation of hostilities, even including armed action in other areas. The key to the fateful Soviet decision will be the extent to which the USSR desires to risk instigating global war. All evidence available leads to the conclusion that the USSR is not ready for war. Nevertheless, the USSR has substantial capabilities, without directly involving Soviet troops, for prolonging the fighting in Korea, as well as for initiating hostilities elsewhere. Thus, although the USSR would prefer to confine the conflict to Korea, a reversal there might impel the USSR to take greater risks of starting a global war either by committing substantial Chinese Communist forces in Korea or by sanctioning aggressive actions by Satellite forces in other areas

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of the world. The decisiveness of the US reaction to the Korean invasion will thus cause the Kremlin to move cautiously, but the danger still exists that the USSR, as it did two weeks ago, will again miscalculate the Western reaction to any future moves it may feel are necessary.

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The Far East The Korean invasion has had its most immediate and compelling impact on the Far East, particularly as it has affected international Communist intentions to speed the expansion of Communism throughout the area through the instrumentality of the Peiping regime. Pending clarification of the Soviet position, the Peiping regime has not yet committed itself and, as far as Korea is concerned, will probably not take any action at least as long as North Korean forces continue to advance. Meanwhile, Chinese Communist troop strength and dispositions would permit military aggression in a number of places with little or no warning, and the Peiping regime can be expected to give strong support to guerrilla activities and subversion throughout Southeast Asia.

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Military Potential The Korean invasion has produced a deluge of reports of Chinese Communist troop movements indicating a Chinese intent to support the North Korean invasion. Most of these reports, however, have emanated from Chinese Nationalist sources and are merely propaganda for US consumption. Actually, the Communists are apparently still strengthening their forces opposite Taiwan, and possibly Hong Kong, and no significant changes have occurred in troop dispositions along Southeast Asian frontiers. Reported movements of large troop formations from South and Central China toward the Northeast are largely discounted. Communist troops already in North China and Manchuria are sufficient to provide substantial support to the North Koreans and of these approximately 40-50,000

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are of Korean nationality. Despite these reported troop movements and Chinese Communist capability to launch simultaneous and successful military actions in Korea, Hong Kong, Macao, and Indochina, no immediate action is expected. With regard to Taiwan, the US commitment to defend the island has almost certainly delayed the invasion timetable if only because it will make occupation of the island too costly an operation for the Peiping regime to undertake without outside assistance.

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Non-military Action Meanwhile, the Chinese Communist regime will continue and probably increase its efforts short of military aggression to further the spread of Communism throughout Southeast Asia. Political support and military supplies will be granted Ho Chi Minh's forces in Indochina, efforts will be made to strengthen the insurgent movement in Malaya, and the tempo of organizational activity among labor and political groups will be stepped up. In this campaign, efforts by the Peiping regime to use the nine million Overseas Chinese will be impeded by its recent loss of popularity at home and a growing anticipation in Overseas Chinese communities that the spread of Communism may be reversed as a result of US action in Korea. An intensification of Peiping's efforts to gain control of the Overseas Chinese may well lead to a split which, while reducing the exploitability of the Overseas Chinese as instruments for extending Chinese Communist influence, may also result in the adoption of more militant tactics by the pro-Communist faction. An immediately explosive situation in Southeast Asia, however, derives from the presence in northern Burma of approximately 2,000 Chinese Nationalist troops. The Peiping regime has demanded their internment, the Burmese Government is apparently incapable of doing so, and the Chinese Communists thus have a legal "excuse" for carrying out local or major military operations in Burma.

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