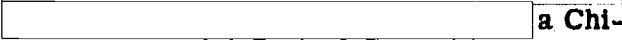


~~TOP SECRET ACORN~~22 May 51
CIB

FAR EAST

1. Accounts of Peiping's views on Korea conflict:

 a Chinese Communist Central Committee member recently stated that the Communists are "not interested" in a Korean settlement at this time and have "no fear" of an extension of hostilities to China or the USSR during 1951. On the other hand, the French Consul General

at Shanghai reports that Chinese leaders are "disturbed" by the human and material costs of their Korean venture, but are unable to seek a "pacific settlement" due to considerations of prestige and Moscow's opposition to such a course. The French official's sources report that Peiping fears UN bombardment of Manchuria and does not count on Soviet intervention in such an event.

Comment: The Peiping regime has given no indication of a willingness to modify its terms for a Korean settlement: withdrawal of UN forces from Korea, US abandonment of Taiwan and admission of Communist China to the UN. Furthermore, there is no firm evidence of a Sino-Soviet difference of opinion in regard to Korean policy. Recent Peiping broadcasts, deriding the testimony of US military leaders, have alleged that the US desires to expand hostilities but lacks the strength and allies to do so.

2. Communist major effort may be directed against ROK troops in eastern sector:

CINCFE Tokyo
21 May 51
ACORN

Preliminary field analysis of enemy messages reveals that a primary objective of the Communists in the current offensive is the encirclement and destruction of the ROK I and III Corps defending the mountainous eastern sector. The importance of this mission is evidenced by the deployment of three North Korean

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corps against the ROK I Corps on the east coast and of two, possibly three, Chinese Communist armies against the already disorganized ROK III Corps.

Comment: The possibility remains that other Chinese Communist units, now in reserve in the central sector, could be sideslipped eastward into the deep salient east of Hongchon. Such a maneuver, by preventing UN relief of these threatened ROK corps, would further deepen the seriousness of this latest threat.

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