2. Korea - North China - Japan

A recent North Korean communication which stated "we are getting more planes" indicates the possibility of increased North Korean air operations. The Soviet Union continues to supply the Koreans with substantial amounts of aviation gasoline and its components.

Present estimated strength of North Korean ground forces is 140,000, comprising 14 divisions. This upward revision
is accounted for by recruiting and by the incorporation of Border Constabulary units into the army.

An estimated force of 70,000 Korean troops of the Chinese Communist Army is in Manchuria.

Although the USSR continues to send supplies to North Korea at an estimated minimum rate of 25,000 tons per month, in the past week disruption of Korean Communist rail and highway traffic had become severe enough to threaten a slowdown in the North Korean offensive.

Tsingtao is being developed as an oil supply base. There is an air of urgency in Chinese Communist messages concerned with this build-up which points to a deadline of about 1 September, the exact significance of which is unknown. In addition to serving as a transshipment point to Shanghai and other ports in China, the possibility exists that Tsingtao may supply Soviet naval units.