2. Korea - North China - Japan

a. Situation in North Korea:

North Korean messages through 3 October indicate every intention to defend the area above the 38th parallel. Establishment of a defense line from Haenju to Yangyang was requested on 1 October. On 3 October, after the South Korean occupation of Yangyang, Kim Il Sung ordered northward adjustment of the eastern portion of the line and ordered attacks on the rear of the advancing South Koreans. Units withdrawing to the boundary area were directed to fight delaying actions, utilize mines and obstacles, and destroy equipment which could not be salvaged.

It is believed that as of 4 October, 5,000 North Korean troops from the Pusan perimeter had reached the 38th parallel, and that an additional 28,000 could reach it. The bulk of these will come from the northern sector (II North Korean Corps). Messages indicate that units in the southwestern sector (I North Korean Corps), cut off by UN forces, suffer considerable disorganization, although 2,000 have slipped through UN lines near Taegon. It is doubted that much equipment will accompany retreating elements.

Five and possibly six new divisions and many smaller units have been identified since 15 September, and more can be expected, but the bulk of these will not be well trained. A total of eight divisions are currently believed to have organizational cohesion.

Thus, there remains a considerable ground force of widely differing levels of experience and training available for defense: an estimated 102,000 under effective operational control (including 40,000 experienced combat troops and 42,000 police), 28,000 combat troops from the Pusan perimeter who may reach North Korea, and
86,000 replacements remaining from those believed in training in mid-September.

Reports of truck convoys moving south from the Manchurian border indicate continuing Soviet and Chinese logistical support necessary for the equipping of this force. Information on the availability of trained Koreans in Manchuria is not clear, although a recent message (reported previously) mentioned "the infantry regiment that came from China," which could have referred to such troops.

Troops cut off by UN forces possess considerable harassing capability, and recent reports indicate increased guerrilla operations.

North Korean Air Force messages through 26 September indicate continued efforts to regroup advanced elements in the Pyongyang area.

b. Possible Chinese Communist Involvement:

There is still no firm evidence of the presence of non-Korean Chinese Communist units in Korea, although fragmentary information from communications intelligence, involving the use of "Yangtze River" as a unit cover name in radio communications of the North Koreans and of the Chinese Communists in Manchuria suggests the possibility of close liaison.
Chinese Communist field units in Manchuria are now estimated at 155,000, rather than 85,000, on the basis of recent identification in Manchuria of two additional armies of the 4th Field Army. Estimated strength of military district troops remains at 505,000.