a statement made privately a month ago, by a member of the Chinese Communist Central Committee, that the Communists (1) are "not interested" in a Korean settlement at this time, and (2) have "no fear" of an extension of hostilities to China or the USSR during 1951, due to the existence of "conflicts within the imperialist camp." (18 May 51). COMMENT: The reported statement is credible. The Peiping regime has given no indication of a willingness to modify its terms for a Korean settlement—including withdrawal of all UN forces from Korea, surrender of Taiwan to Peiping, and admission of Communist China to the UN—and recent Peiping broadcasts have alleged that the US, while desirous of expanding hostilities, cannot obtain sufficient support for such a program.
Communist Air Strength for Korean Operations Now Estimated at 900. The enemy now has a total of 900 operational aircraft and that this strength will possibly reach 1,000 by mid-year. A large percentage of this expansion has been in fighter aircraft. "In keeping with the enemy's long continued defensive tactics..." however, that "the enemy could momentarily effect a complete change in tactics and sustain offensive operations..." raising the estimate of enemy air strength (from 750 to 900) on the basis of increased operational and training flights in Manchuria during April and the first week of May. (19 May 51).

KOREA. Communists May Attempt to Counter UN Naval Action in the Wonsan Area. Reporting on 18 May from the Wonsan area note the emplacement of additional artillery pieces (20mm and 76mm guns) on two peninsulas protecting Wonsan Bay. It is believed that this artillery will be used to support an offensive to be launched on an unknown date by a North Korean Colonel Kim's unit against the UN-occupied islands in Wonsan Bay. A mine-laying force
of two motorboats and 11 sailboats under a North Korean Naval
Captain Ree will also take part in this offensive. (______
May 51). COMMENT: UN naval craft report that moderate
shore fire received for the second successive day from Wonsan
suggests that an attempt is being made by the Communists to lift
the UN naval siege of Wonsan. While it is believed that Communist
forces in the area may succeed, in a determined enough effort,
in recapturing the UN-held islands in the Bay, the limited range
of Communist artillery pieces reported as being in the area would
render ineffective these pieces in an artillery duel with the UN
Naval Forces in Wonsan Bay.

"C" Communist Seaplane Observed in Northwest Korea.

on 6 May a US
aircraft observed a seaplane, with engines running, 100 yards from
the shore near Haeja, northwest of Seoul in North Korea. There were
six 20-foot boats close by the aircraft.
the
Soviet Fleet is known to possess light flying boats of the US
F6F-5, Soviet GST, and MDR-6 types. (______ 18 May 51).
COMMENT: This is the first reported sighting of a non-friendly
seaplane in the course of the Korean fighting. suggests
that in view of recent enemy air activity at Onjong-mi airfield
in the immediate vicinity of Haeja, this aircraft may have been
delivering critically needed material or personnel to the area.

"C" Recent Prisoners Report Major Unidentified Chinese Communist
Units. Chinese Communist prisoners taken on 19 and 20 May, north-
east of Seoul, reported (1) that they had heard on 20 April that
the 68th Army was to their rear at an unknown location, and (2) that
they had heard that an unidentified army group was located to the
rear of the 19th Army Group on 12 May in northwestern Korea. FECOM
comments that the Chinese Communist 68th Army, 20th Army Group
was last reliably reported on the Sino-Korean border. The unit has
previously been reported in Korea by covert and FW sources, but
these reports remain unconfirmed. The unidentified army group,
reported in the rear of the 19th Army Group, may be either the
20th Army Group or a composite army group similar to the Chinese
Communist 3rd on the central front. (______ 21 May 51). COMMENT: The unidentified army group in northwestern
Korea may be a composite force from the Second Field Army, consis-
ting of the Chinese Communist 4th and 8th Armies. These units,
although tentatively accepted in Korea, remain unlocated.