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7 August 1958

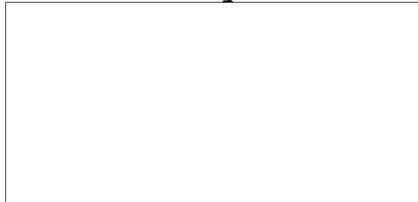


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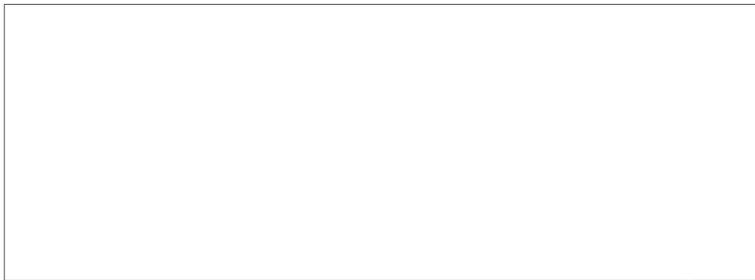
## CURRENT INTELLIGENCE WEEKLY REVIEW

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CENTRAL INTELLIGENCE AGENCY

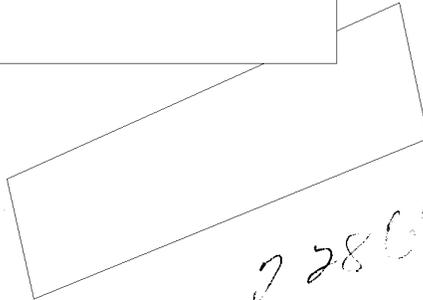


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T H E   W E E K   I N   B R I E F

PART I

OF IMMEDIATE INTEREST

SINO-SOVIET TACTICS ON EAST-WEST ISSUES . . . . . Page 1

In his letters of 5 August to the three Western heads of government, Khrushchev no longer called for an immediate five-power summit conference on the Middle East but demanded that this problem be considered by a special session of the UN General Assembly as soon as possible. He sought, however, to offset any negative free world reaction by reaffirming his desire for summit talks on general East-West problems, as first proposed last December. This shift in tactics probably reflects Khrushchev's recognition of the failure of Soviet efforts to force the United States and Britain to accept Moscow's terms for five-power talks on Lebanon and Jordan and his desire for an immediate world forum in which to denounce American and British actions in the Middle East before the crisis atmosphere dissipates further.

The Chinese Communists had endorsed Khrushchev's call for "big-power" summit talks on the Middle East in the communiqué of 3 August following the Khrushchev-Mao talks in Peiping. Khrushchev, however, apparently decided to drop this line after studying the latest British and American notes. The Chinese Communists on 6 August promptly supported his new proposals for a General Assembly session and a summit conference on general world problems.

Khrushchev and Mao Tse-tung probably coordinated Sino-Soviet policy on general East-West issues and discussed intrabloc problems. Peiping is maintaining pressure on the Chinese Nationalists by moving air units into Fukien Province opposite Taiwan. Any Nationalist counteraction could be used by the Communists as grounds for insisting on the inclusion of the Taiwan issue on the agenda of any future summit conference. The Chinese Communists, however, are unlikely to start major hostilities in the near future, although there is a possibility of serious air clashes in the area.

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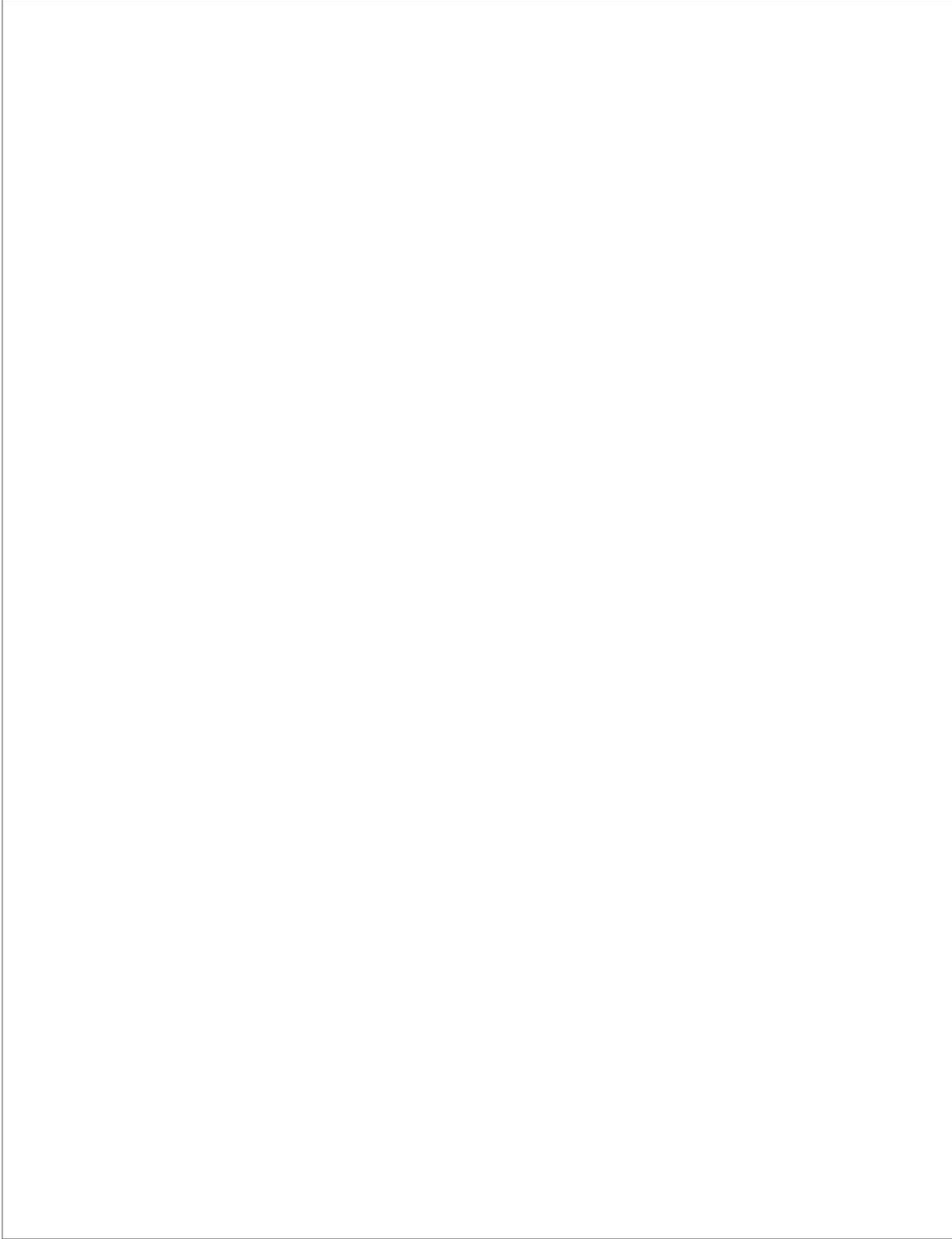
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THE WEEK IN BRIEF

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PART I

OF IMMEDIATE INTEREST

SINO-SOVIET TACTICS ON EAST-WEST ISSUES

Khrushchev's Letters

Soviet Premier Khrushchev called on 5 August for a special session of the UN General Assembly to discuss the withdrawal of Western forces from Lebanon and Jordan. His letters to the three Western heads of government reflect Moscow's desire for an immediate world forum in which to denounce American and British actions in the Middle East before the crisis atmosphere dissipates further.

Khrushchev's tactical shift away from his stand of a week ago for an immediate conference on the Middle East within the Security Council framework of the Big Four heads of government, plus Indian Prime Minister Nehru and UN Secretary General Hammarskjold, represents at least a temporary suspension of Moscow's efforts to exploit the divergence of Western views on immediate summit talks and probably reflects Moscow's views that the sense of "extreme emergency" is diminishing despite Soviet diplomatic and propaganda attempts to maintain this atmosphere.

Moscow may feel that British and American recognition of the new Iraqi Government reduces the plausibility of its allegations that a Western-inspired attack on Iraq is imminent. However, Moscow is attempting to keep this fear alive with reports of additional Western troop movements and charges that Western recognition of the new Iraqi Government is only a tactic to gain

time for preparation of a "new attack on the Arab peoples."

Although Khrushchev's previous note on 28 July had not closed the door to a compromise formula for a summit meeting within the UN framework, his notes of 5 August repeated his earlier objections to an "ordinary" meeting of the Security Council, which he attacked as practically a "committee" under American domination with China represented by a "political corpse." In an interview the same day with Adlai Stevenson, the Soviet premier emphasized that it was "unthinkable" that he sit at a conference table with Chiang Kai-shek.

Khrushchev's 5 August letters also renewed the Soviet call for a summit meeting on world issues as first suggested last December. He urged that it be "composed as we had earlier proposed"--parity between Western and bloc countries, but not including Communist China.

Soviet UN delegate A. A. Sobolev in the Security Council deliberations on the Lebanese crisis in July had indicated that Moscow would hold off pressing for an immediate assembly meeting pending Western response to Soviet proposals for a summit meeting. Moscow apparently now feels that General Assembly discussion of recent Western military action in the Middle East will mobilize Arab and Asian neutralist opposition to Western Middle Eastern policies and contribute to the appearance

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that Moscow's vigorous diplomatic measures protected the Arab world from further Western intervention.

In the event of a withdrawal of Western troops from Lebanon and Jordan, the USSR could also claim credit for forcing such a move. Moscow appears to believe there is little danger now of an attack on Iraq or the UAR and probably is more interested in diplomatic and propaganda exploitation of the continued presence of British and American troops than in "forcing" their early withdrawal.

Soviet notes on 1 August to Italy and Israel protesting the use of their territory or air space for facilitating the movement of troops and military supplies to Western forces in Lebanon and Jordan were designed to keep alive public apprehension over recent Western military moves and to put pressure on pro-Western elements in these governments for their "complicity" in Western military action in the Middle East. Moscow earlier had protested to the governments of Turkey, Greece, West Germany, and Austria in an attempt to harass Western defense arrangements by attempting to exploit each country's peculiar national interests.

Khrushchev-Mao Talks

Soviet Premier Khrushchev's talks with Mao Tse-tung in Peiping were the fourth top-level Sino-Soviet discussions held since the establishment of the Chinese Communist regime. The two partners, who claimed they reached full agreement, discussed, according to their joint communiqué, the strengthening of the Moscow-Peiping alliance

and "mutual assistance." The Chinese and Soviet defense ministers were in attendance.

They apparently also coordinated Sino-Soviet views on East-West issues, summit talks, and the long-term problem of cementing bloc unity and combating the threat of "revisionism," particularly as embodied in Tito's heresies. The Chinese Communists endorsed Khrushchev's call for "big-power" summit talks in the communiqué. Khrushchev, however, apparently decided to drop this line after studying the latest American and British notes, which arrived in Moscow during his absence. On 6 August Peiping promptly supported his new proposals of 5 August.

The Khrushchev trip was first rumored to be scheduled in early July, prior to the Middle East crisis and during the height of bloc attacks on Tito, and it is clear that one of the important reasons for Khrushchev's visit was the need to discuss intrabloc relations. Included in the delegations were Boris Ponomarev and Wang Chia-hsiang, both leading specialists in bloc affairs. The communiqué agreed that the fight against "revisionism," termed the most serious bloc problem at the moment, would continue. Tito's heresies were condemned, and attention was probably given to the problem of the future handling of the potentially divisive policies of Gomulka and Kadar.

The "mutual assistance" phase of the conference presumably centered on military, and perhaps scientific, subjects. There was no known participation by economic experts.

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Soviet and Chinese sources have been dropping word recently that an earth satellite will be launched "in the near future" from China, and Peiping's spokesmen have intensified their call for Chinese achievements in nuclear, electronic, and missile fields.

Chinese Communist Moves

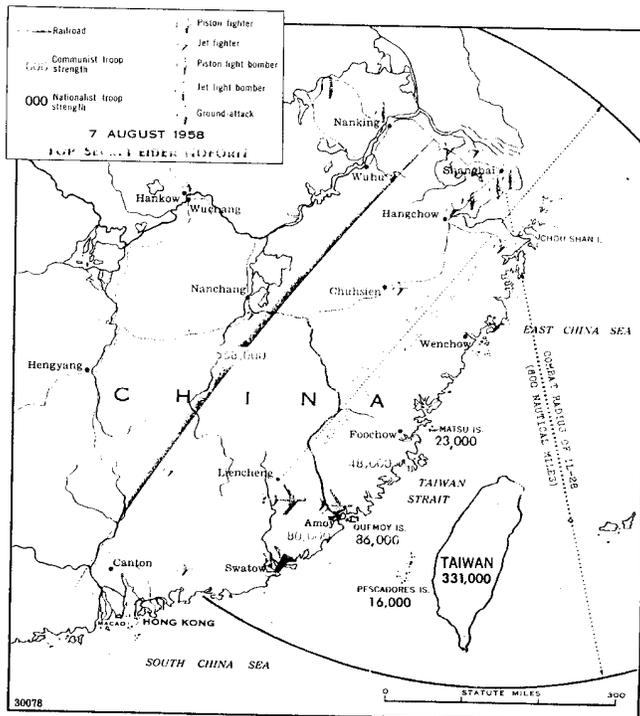
Prior to Khrushchev's visit, Peiping had begun moving jet fighters to coastal bases opposite Taiwan and had been giving a new emphasis to its propaganda urging the "liberation" of Taiwan. The Sino-Soviet chiefs and their defense ministers almost certainly discussed the Taiwan question, but the communiqué contained no reference to this or any other Far East issue, and Peiping has drastically reduced its propaganda barrage since the talks ended. Peiping's air moves along the coast appear to have been prompted primarily by a professed concern that the Chinese Nationalists are planning military action against the mainland and by the need to tighten coastal air defenses.

Peiping, with Moscow's knowledge, may have planned the air unit movements, hoping to provoke Chinese Nationalist reaction which would contribute to the atmosphere of crisis and demonstrate that Far Eastern tensions are proper subjects for summit discussion along with other international issues.

Chinese Military Situation

MIG interceptors are at Swatow and Lungchi, previously unoccupied coastal airfields, and there are reports that Lien-cheng has been occupied also. The deployment to these airfields indicates that the Communists are willing to incur some military risks to achieve their objectives as the Nationalists have reportedly stated they would bomb these fields if they become operational. The Communists may believe, particularly in view of the present situation in the Middle East, that the United States will restrain the Nationalists.

Despite the Chinese Nationalist view that occupation of these fields is a direct offensive threat to Taiwan, the move is apparently being



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undertaken ostensibly for defensive reasons. No bombers seem to be involved, and the deployment falls into a pattern of actions taken recently to deny the air space over the Chinese mainland to the Nationalists. These have included the addition of new Soviet height-finding radar to the ground intercept system and MIG-17 (D)'s to the fighter squadrons, as well as a reorganization of air defense districts. The recent increase in the number of Nationalist planes shot down indicates the success of these efforts.

Other air activity includes the flight of about a regiment of IL-28's into Shanghai. These flights, however, may be part of normal training exercises.

The Nationalists are continuing air patrols over the strait with protective high cover and with instructions to avoid engagement. However, the aggressiveness of Chinese Communist air patrols conducted against daily Nationalist reconnaissance flights since the occupation of the coastal airfields may lead to clashes by forces of squadron strength. An air battle on this scale could develop into an engagement involving Taiwan air space, without either side so intending.

There has been no evidence of large-scale troop movements in East China, although withdrawals from Korea continue. Two armies have returned to China and two are now in the process of returning. The ground forces opposite the offshore islands have not been noticeably augmented. No additional troops are needed, however, to take the Matsu Islands near Foochow, where the Communists already have a two-to-one superiority. Attack against the Quemoy, near Amoy on the

other hand, would necessitate a troop build-up as the Nationalist forces there are about equal to the Communists. The recently completed Yingtan-Amoy railroad could permit a rapid, and perhaps undetected, Communist build-up in this area.

The Communists could try to take the offshore islands by means short of an outright assault. They have the capability of interdicting Nationalist supply lines by air and sea attack and by shore-based artillery and rocket fire. They also could undertake to probe American and Nationalist intentions through a limited attack against the lesser islands, Tatan or Erhtan. An assault against Taiwan proper seems highly improbable at this time because of the presence of the Seventh Fleet, the shortage of Communist landing craft, and insufficient supply build-ups in mainland port areas.

There is thus little evidence that the Communists intend to initiate any major hostile action at the present time, but the possibility of increased air clashes makes the situation volatile.

Chinese Nationalist Position

At present, there are no positive indications that the Chinese Nationalists intend to take preventive air action against the Communist-occupied airfields. However, [ ]

[ ] a high-level conference dealing with this subject was held on 5 August and a decision is expected by 9 August. The conference was called by Chiang Kai-shek to decide whether to attack or to live with a situation in which Communist air superiority would extend over the offshore islands and the entire Taiwan Strait.

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Prior to learning of the occupation of Lungchi airfield, the field close to Quemoy, Chiang Kai-shek stated he would continue to honor his treaty commitments to the United States, which require consultation before ordering air attacks against mainland targets. However, Chiang also termed occupation of the airfields a "great threat" and possibly a prelude to an invasion of Taiwan. Chiang probably would at least inform United States officials of his intentions and seek the tacit approval of Washington before ordering air attacks.

Although genuinely concerned, the Nationalists are

also exploiting the situation to obtain more American arms. Chiang already has requested provision of Sidewinder air-to-air missiles for his air force, replacement of his obsolete F-84G aircraft with newer F-86F's, a show of force by the US Seventh Fleet, and permanent stationing of F-100D's on Taiwan. Minister of Defense Yu Ta-wei has requested Admiral Smoot to transmit to President Eisenhower a request for the President to issue a public statement to the effect that he would consider an attack on Quemoy or Matsu at this time to be a threat to Taiwan.

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