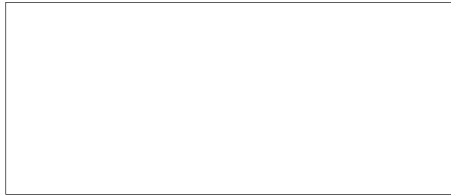


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29 August 1958

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# CENTRAL INTELLIGENCE BULLETIN

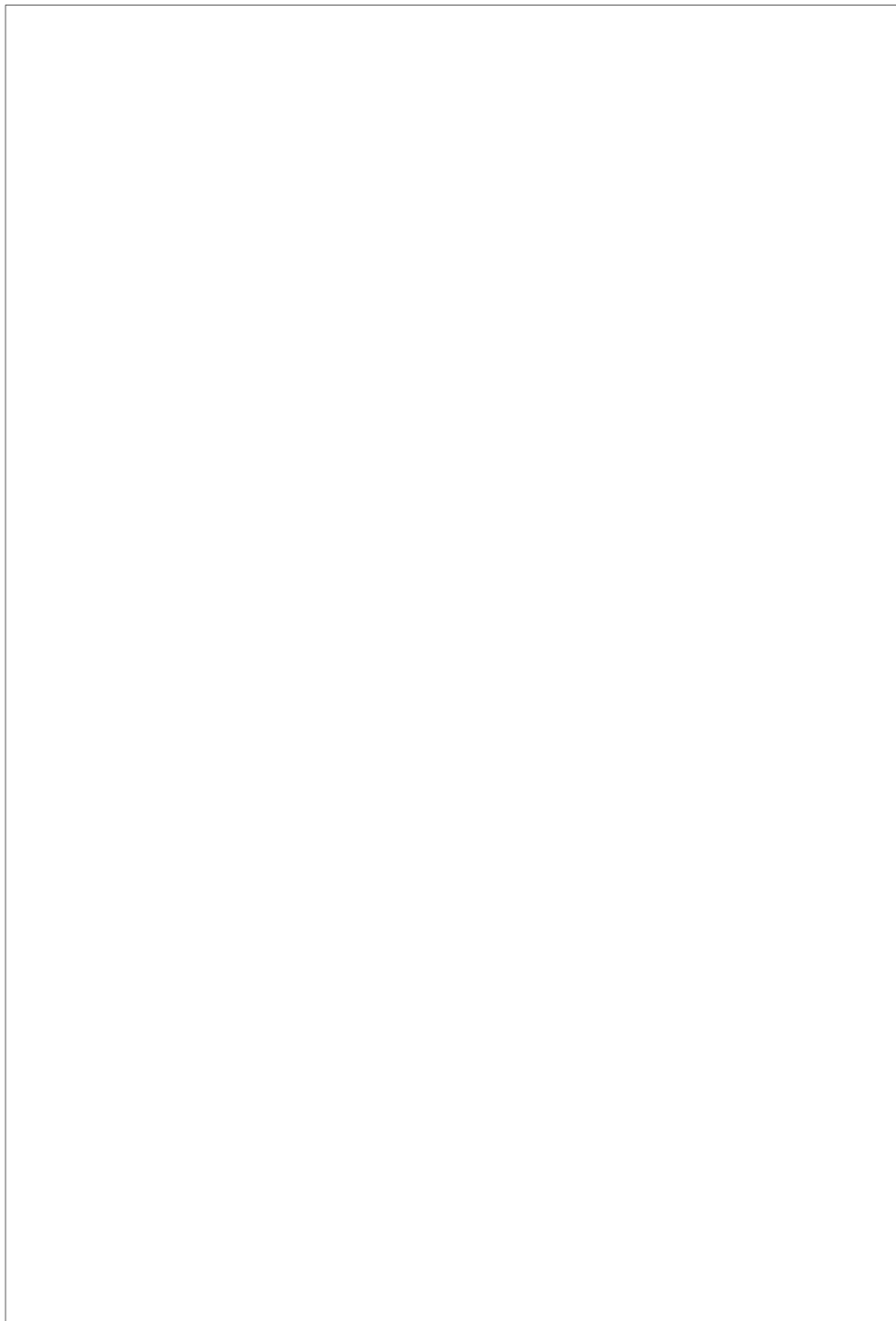


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29 AUGUST 1958

**I. THE COMMUNIST BLOC**

Chinese Communists boast Chinmen assault is "imminent."

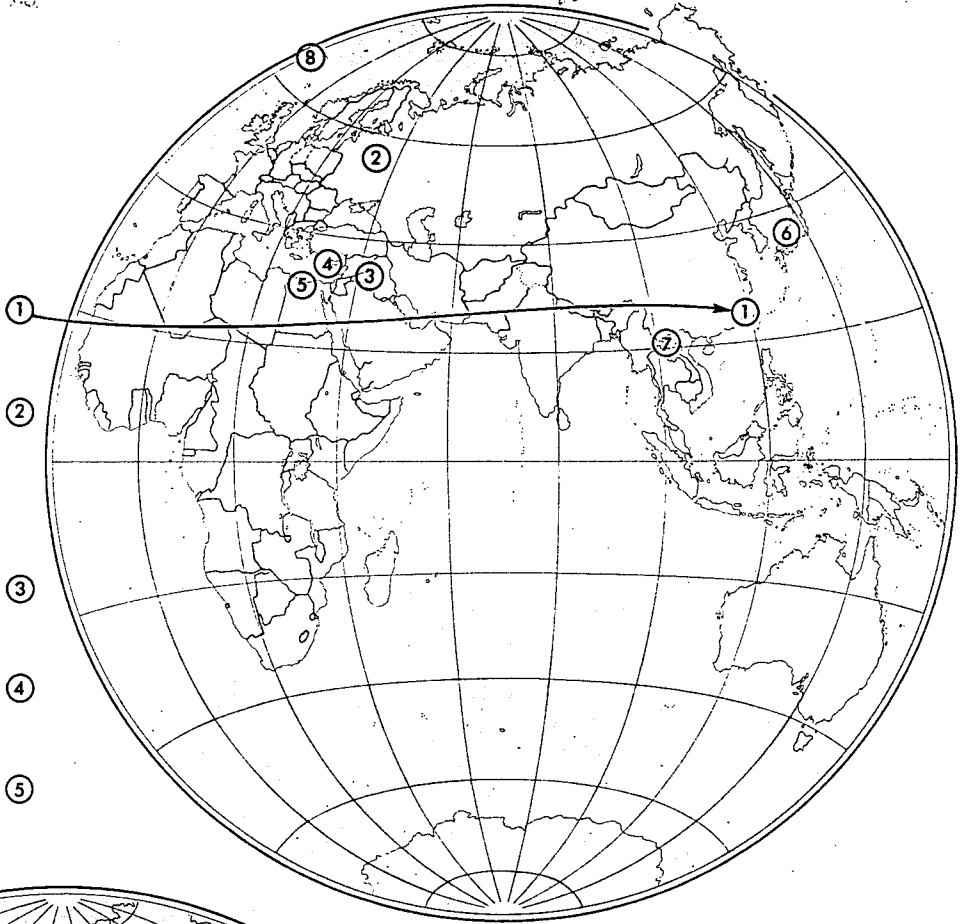
USSR requested to supply UAR with TU-16 jet medium bombers.

**II. ASIA-AFRICA**

Iraq official says regime is negotiating for Soviet and UAR assistance.

General Shihab contemplates six months of emergency rule in Lebanon.

Egyptian press attacks Khalil government in Sudan on Nile waters issue.



- ⑥ Prime Minister Kishi requests new US-Japanese security treaty.
- ⑦ Laotian Communists scoring successes in campaign to penetrate army and undermine governmental authority.

**III. THE WEST**

- ⑧ British - Icelandic fishery dispute unresolved; new limits to be effective 1 September.

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# CENTRAL INTELLIGENCE BULLETIN

29 August 1958

## DAILY BRIEF

SRAS

### I. THE COMMUNIST BLOC

\*Taiwan Strait Situation (as of 0100 EDT, 29 August): Statements that a landing on Chinmen is imminent represent the most explicit threat made thus far by the Chinese Communists in the present crisis. The Nationalists expect that the Matsus may soon come under heavy artillery fire and perhaps be invaded. [redacted]

The buildup of Communist naval units in the Santu Bay area near Matsu is apparently continuing. [redacted]

[redacted] (Page 1) (Map)

USSR-UAR: The Egyptian arms purchasing agent in Moscow was instructed on 27 July to request the USSR to supply TU-16 (BADGER) jet medium bombers in place of the two squadrons (about 30) of IL-28 jet light bombers which had been included in Egypt's earlier order. The USSR has not furnished any TU-16's to any other country.

HO

### II. ASIA-AFRICA

Iraq: A Finance Ministry official has stated the new regime is negotiating with Egypt and the Soviet Union for "financial assistance." Iraq may be seeking technicians rather than money. [redacted]

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OK  
Lebanon: General Shihab says he will attempt to rule with "emergency powers" for six months without a parliament but with a cabinet of relatively little-known "moderates." The general is disappointed with the 26 August meeting of rebel leaders, and he told them that these tactics would not speed the withdrawal of US troops. He asserts that he still does not want American forces withdrawn until the security situation has been restored to normal. [ ] (Page 3)

N/G  
UAR-Sudan: Nasir has begun a press campaign against the Sudanese Government of pro-Western Prime Minister Khalil, using the most recent exchange in the long-standing dispute over allocation of the waters of the Nile. However, on this question Khalil has popular support. [ ]  
 [ ] (Page 4)

N/O  
Japan: Prime Minister Kishi now desires early action to draw up a new security treaty between Japan and the United States, which would remove the occupation stigma the Japanese associate with the current pact. Kishi believes the treaty must not obligate Japan to send troops abroad and that it must provide for consultation on the introduction of nuclear weapons into Japan as well as on the use of American forces based in Japan in hostilities outside the country. [ ]  
 [ ] (Page 5)

OK  
Laos: The Communist-dominated Neo Lao Hak Zat (NLHZ) is continuing its subversive and propaganda activities following its May electoral triumph and is making strong gains in almost every sector of Laotian society. Penetration of the army and the erosion of the government's authority in the provinces are priority targets, and there is evidence these campaigns are meeting considerable success. NLHZ efforts have been facilitated by the lack of effective governmental leadership. [ ] (Page 6)

29 Aug 58

DAILY BRIEF

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### III. THE WEST

OK  
Britain-Iceland: London is still prepared to use force to protect its trawlers within Iceland's 12-mile fishing limit, which comes into effect 1 September. Party rivalries within Iceland's coalition government may prevent the acceptance of any compromise coming out of the current eight-nation meeting of fisheries experts in Paris.   
(Page 7)

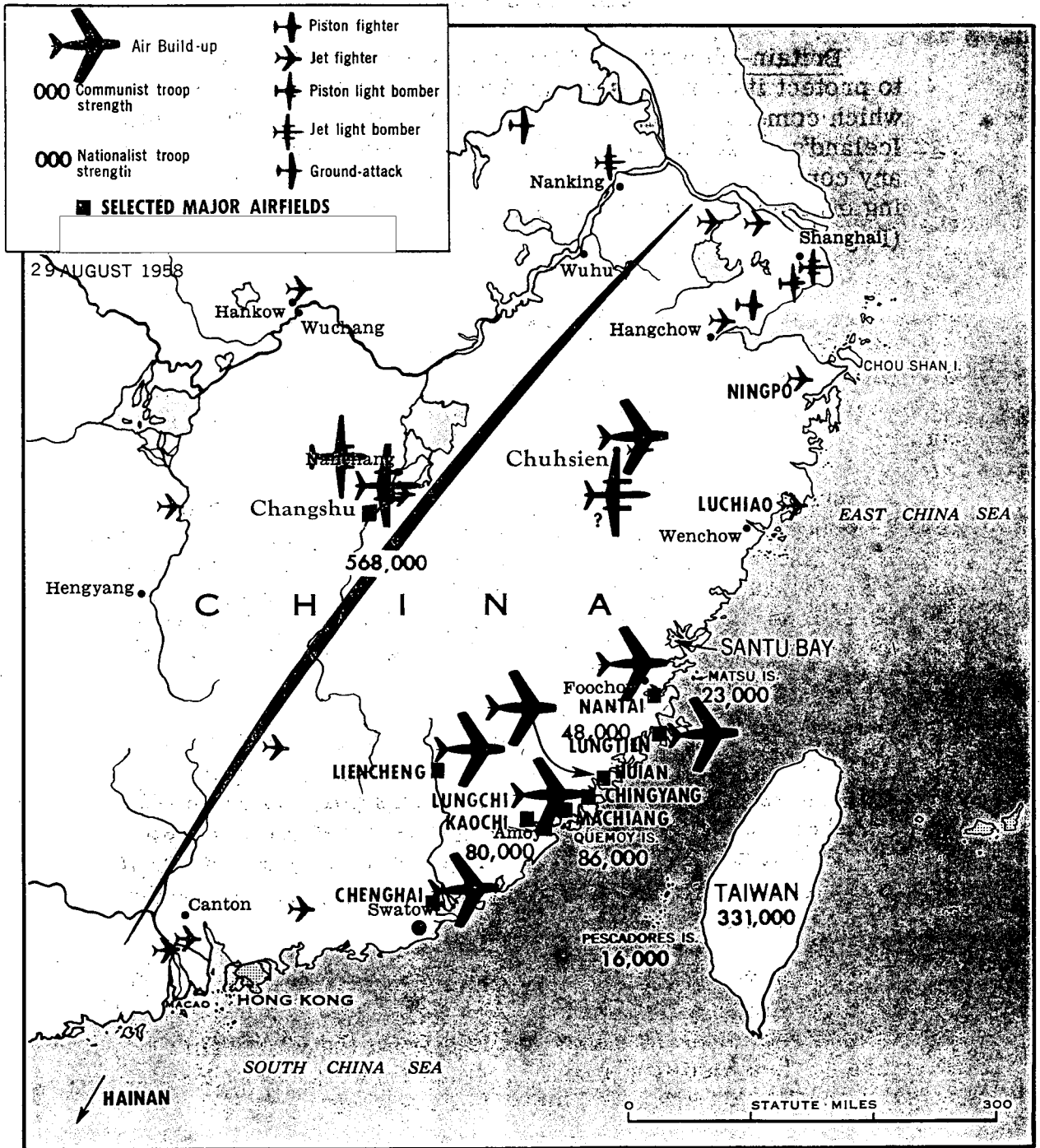
29 Aug 58

DAILY BRIEF

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## I. THE COMMUNIST BLOC

### Taiwan Strait Situation (as of 0100 EDT, 29 August):

In a 28 August broadcast to Taiwan, Peiping repeated the text of a leaflet addressed by the Communists to the head of the Chinese Nationalist forces on Chinmen (Quemoy) warning that "the invasion of Chinmen is imminent!". Commanders were urged to surrender with their troops or face certain death because Chinmen is "isolated" and "there is no hope of withdrawal to Taiwan." The statement that a landing is imminent is the most explicit threat the Communists have made in the current crisis.

Hong Kong's major Communist-controlled newspapers on 28 August further involved Peiping's prestige by issuing extras headlined "Chinmen Invasion Imminent," and "Landings at Chinmen." Soviet radio commentary added a note of urgency by warning that Chinese Nationalist "provocations" and American military moves in the Far East had created a situation that "could explode at any moment."

[redacted]  
[redacted] the possible movement of 26 bombers to Chuhsien, a major Communist airbase about 200 miles north of Foochow, on 26 August. At least 26 "fighter-type" aircraft were scheduled to fly from North China to Chuhsien on 24 August; however, these aircraft may have been deploying south to airfields in the Taiwan Strait area.

[redacted]  
[redacted] the southward movement along the east China coast of a group of three naval auxiliary vessels from the Choushan islands area. This activity may be associated with the buildup of Communist naval units in the Santu Bay area near Matsu.

The Chinese Nationalists are concerned that the Matsu group may soon come under heavy artillery fire and perhaps be

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invaded next week when moon and tide conditions are favorable. They claim that stepped-up enemy activity on the mainland can be observed from Keoteng, the northernmost island of the Matsu group.

Thus far, Nationalist counter-battery action has been conservative, probably to save ammunition for a possible Communist assault. On the evening of 27 August, however, the Nationalists fired 8,000 round which they claim destroyed nine Communist artillery pieces. This appears to have been an effort to relieve the heavy artillery pressure on Tatan Island.

Reports of the despatch of the carrier Essex, and President Eisenhower's press conference remarks on 27 August were received with gratification by the Chinese Nationalist press and officialdom, who tended to construe them as a US comitment to assist in defense of the offshore islands. The foreign minister issued a statement on 28 August expressing gratification that the President had "stressed the interlocking importance of the offshore islands with the security of Taiwan," and appreciation for the various measures the US has taken to deal with the Communist moves.

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