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NSC BRIEFING

29 July 1954

CHINA COAST INCIDENTS

- 0845 (local) on 23 July, two Chinese Communist prop fighters shot down British DC-4 airliner off coast Hainan.
 - A. Transport apparently attacked when 30 miles south of island. Ditched five miles off southeast coast.
 - Of 18 aboard, 8 picked up by US amphibian from Philippines. 3 US citizens, 7 others, lost.
- On 26 July, US carrier bombers, searching this general area, clashed with Chinese prop fighters.

(b)(3)

- A. After photo run on two Polish freighters, escorting Chinese gunboat, six miles off Hainan ES planes pursued by two propfighters, fired on when 15
- B. Our planes downed one Chinese
 at that point; other was pur-
- sued, shot down in Hainan coastal waters.
- 23 July attack (airliner) is first

 sppearance Chinese Communist combat

 planes in Hainan area.
 - A. Planes apparently from newlyactivated field at Suichi
 (Leichou peninsula). Pos-

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- B. Suichi, one of China's largest fields, her 3-10 thousand foot runway (classurface on 20 May).

 If paves, ould be ideal for
- C. Only three fields on Hainan, all poor, but usable by fighters in emergency--Hoihow, Sanya and Folo.
- D. Unknown number TU-2 bombers

 and LA-11 fighters, both prop

 types, moved Suichi (from East

 China) 20 July.

jet operations.

IV Move planes Suichi, attack airliner,
both seem related desire protect
Bloc shipping en route China.

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- A. Since late June, when <u>Tuapse</u>
 seized by Nationalists south
 of Formosa, no Bloc ship from
 Europe has tried reach North
 China ports.
- B. Shipping bound southern port
 (Whampoa) since 10 July totals
 at least eight vessels (including two Soviet tankers,
 two Polish freighters).
- C. This deflection Bloc shipping hurts Peiping-normally 30,000 tons European cargo a month used in North China, Manchuria.
- D. Example protection effort:

 Soviet tanker (probably

 Leningrad) given extensive

 MIG-15 air cover while enter
 ing Pearl River.

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1.

2.

Soviet tanker Batumi probably E. near Hainan 23 July; this may have prompted attack on airliner.

Immediately after US planes buzzed Polish freighters on 26 July, escorting gunboat apparently sent distress message, as Chinese fighters arrived in 25 minutes.

(b)(3)

(b)(3)

(b)(1) (b)(3)

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- V. Concern for Bloc shipping. Alowing

 Tuapse incident, clear in Chinese

 Communist propaganda and in notes

 to UK. US.
 - Recent charge in intensified propaganda is that US supporting Nationalists in acts piracy.
 - Unprecedented apology to UK claiming airliner mistaken for Nationalist aircraft, cited Nationalist "piratical interception and robbery of merchant vessels."

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- C. Protest to US on 26 July clash
 alleges both US "strafing"
 Polish ships and US support
 Nationalist interception,
 robbery "merchant ships of
 various nations sailing to
- VI. Chinese protest warns US cease "such acts of aggression" or "suffer consequences."

China for trade."

- Chinese Communists now providing both air, naval cover for Bloc vessels in South China waters.
 May force issue by attempting escort vessels through Formosa Strait to North China ports.
- B. Could also assault Nationalistheld offshore islands.

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- C. Strength in East China more than enough take Tachen or Matsu any time.
 D. Further possibility--air
- D. Further possibility--air attacks on Formosa.

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