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**PROBABLE CHINESE COMMUNIST
AND SOVIET INTENTIONS IN THE
TAIWAN STRAIT AREA**

Submitted by the

DIRECTOR OF CENTRAL INTELLIGENCE

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Concurred in by the

UNITED STATES INTELLIGENCE BOARD

on 16 September 1958. Concurring were The Director of Intelligence and Research, Department of State; the Assistant Chief of Staff for Intelligence, Department of the Army; the Director of Naval Intelligence; the Assistant Chief of Staff, Intelligence, USAF; the Deputy Director for Intelligence, The Joint Staff; the assistant to the Secretary of Defense, Special Operations; and the Director of the National Security Agency. The Atomic Energy Commission Representative to the USIB and the Assistant Director, Federal Bureau of Investigation, abstained, the subject being outside of their jurisdiction.

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PROBABLE CHINESE COMMUNIST AND SOVIET INTENTIONS IN THE TAIWAN STRAIT AREA¹

THE PROBLEM

To reassess the probable intentions of Communist China and the Soviet Union with respect to the Taiwan Strait area in the light of the most recent evidence.

THE ESTIMATE

I. COMMUNIST CHINA

1. We believe that the most likely Chinese Communist course of action in the immediate future is to continue military harassment and interdiction of supply of Chinmen. The Chinese Communists probably expect this course to make the island untenable, and thereby to put the next move up to the US. The US has a limited range of choices: it can allow the island to fall by attrition; it can assist the Chinese Nationalists to withdraw from the island; it can agree to Chinese Nationalist attacks on the mainland; it can undertake to maintain resupply of Chinmen by all-American convoys; or it can itself take the military action necessary to assure resupply of the island by the Chinese Nationalists. Any of the latter three courses of action eventually would probably involve US attacks on the mainland, and the US could be charged before world opinion with expanding the scope of armed conflict.

2. In pursuing this course, it is likely that the Chinese Communists are willing to take actions involving considerable risk of major armed conflict with the US. If US ships move close in-shore in the course of escorting Na-

tionalist supply convoys, the Communists will probably not desist from their artillery barrages against unloading operations. If the US attempts to prevent by force the interdiction of supply, US forces so engaged will almost certainly be attacked within the limits of Chinese Communist capabilities. If the US were to announce that it would resupply Chinmen with all-American convoys (supported by appropriate combat strength ready to defend against attack) we believe that the Chinese Communists would probably attack the US force, although there is a chance that they would not. In any event, the Communists will demand that world opinion condemn US aggression and force a political settlement favorable to Communist China.

3. In addition to the continued interdiction of Chinmen, the Chinese Communists might seize, with little or no warning, one or more of the smaller offshore islands. This would be calculated to fall outside the scope of any US commitments to GRC defense and would serve further the Communist objective of eroding the Nationalist position. The effect would be further calculated as not prejudicing the Chinese Communist position of negotiation, but, rather, as increasing the international sense of urgency for a peaceful settlement and, at the same time, placing added political pressure on the US.

¹ This estimate supplements SNIE 100-9-58: "Probable Developments in the Taiwan Strait Area," 26 August 1958.

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4. The Chinese Communists may not maintain a continuous interdiction of supply of the islands. It may be that they will let occasional convoys go through, and will thereby seek to prolong the present crisis rather than bring it to the earliest issue. Such action might be related to the ambassadorial talks in Warsaw, or to moves in the General Assembly of the UN. But we believe that such interruptions in the Chinese Communist interdiction would be only a temporary measure.

5. Another Chinese Communist course of action, though we consider it unlikely, is that the Chinese Communists will gradually call off the interdiction of the Chinmens. If they did so, it would be because they had decided, or had been persuaded by the Soviets, that the dangers inherent in maintaining interdiction were too great, and that another opportunity should be awaited at some future date.

6. Finally we consider it possible, though unlikely, that the Chinese Communists will assault one or more of the major offshore islands. We consider this unlikely because, in their view, (a) it would be almost certain to involve them in major hostilities with the US, (b) it would diminish the political and propaganda advantage they now have, and (c) it would probably be unnecessary because they could get the islands by other means.

II. USSR

7. The Soviet perspective on the Taiwan Strait situation is almost certainly based upon substantial knowledge of Chinese Communist plans and intentions. It is probable that the Soviet leaders, at least since the Mao-Khrushchev talks, have not only been informed but have also generally concurred in Chinese Communist actions in the Strait area. The Soviet public commitment to support the Chinese Communists, accompanied since August 31 by a rising volume of propaganda, is in part intended to deter the US. Moreover, we believe that this commitment was almost certainly made on the basis of calculations that activities in the Taiwan Strait area would fall short of provoking US intervention on such a scale as to call for overt Soviet military participation.

8. The Soviet leaders cannot be greatly concerned with the fate of the offshore islands, and, having less directly at stake than the Chinese Communists, may be inclined to favor a more conservative course. Their principal objectives are political—to discredit the US, to comply with the wishes of their Chinese ally, and to enhance the power and prestige of the Sino-Soviet Bloc. They believe that the opportunity to put the US in the dock under accusations of jeopardizing peace should be utilized to the maximum, and that support for the US would be far less than it was in the Middle East crisis. They also believe that if the US backs down from its position on the offshore islands or acts in defiance of world opinion, they will have inflicted a serious political defeat on the US.

9. While the Soviets probably do not wish to see the scale of hostilities expanded and the risk of their involvement magnified, they will be aware that the US may be led by Chinese Communist actions to engage Chinese Communist forces. If such hostilities are initiated, but limited to conventional weapons and confined to the mainland area adjacent to the Taiwan Strait, the Soviets would probably consider that the Chinese Communists did not require direct military assistance and would provide moral, political, and material assistance. Thus, they would almost certainly not intervene militarily, at least in an overt manner risking a direct confrontation of Soviet and US forces.

10. If hostilities continued for long, or particularly if they were expanded in area and scale, at some point the Soviets would probably feel that they would have to go further in support of Communist China. With respect to Soviet reactions to the US use of nuclear weapons, much would depend upon the scale of the US attacks, the extent of territory over which they would be delivered, and the entire context of events. The Soviets might conclude that more could be gained at less cost and risk by exercising military restraint and leading a political campaign to condemn the US before world opinion. They would have many supporters. On the other hand,

the Soviets might conclude that such a challenge could not be passed by without nuclear retaliation. Particularly if the US extended the area of nuclear attack for a considerable distance into mainland China, there would be a better than even chance that the Soviets would provide the Chinese Communists with capabilities for nuclear retaliation under Soviet control. And, at some point high on a scale of increasing damage and danger to the Chinese regime, the Soviets might directly attack US forces engaged in China, including the bases from which such forces were operating, in the face of the attendant risk of general war.

III. THE PROSPECT FOR NEGOTIATIONS

11. In each of the contingencies discussed above the USSR will make every effort to exploit the situation politically and at the same time to prevent the spread of hostilities. The Chinese Communists are now engaged in discussions with the US on the Taiwan Strait question in the ambassadorial talks. However, they probably hope that world opinion and the continuing military threat to China will force the US to agree to higher-level discussions, such as a bilateral foreign ministers conference or a multilateral conference, possibly even at the summit level. They may fear that an attempt at a solution in the UN would solidify opinion in favor of an acceptance of "two Chinas." However, both Moscow and Peiping apparently deem it advan-

tageous to raise the issue in the General Assembly, either to forestall a US initiative or in hopes of furthering their aims of pillorying and isolating the US.

12. Regardless of the forum, it is clear that the Chinese Communists are in no mood for any negotiated settlement which would restore the *status quo ante*. They will oppose any proposal that smacks of "two Chinas," that commits them to accepting the principle that they have no right to "liberate" the territory held by the GRC, or that grants the US a right to individual or collective self-defense in the Taiwan Strait area. While it is possible that they would permit a temporary cease-fire to develop during the negotiations in order to enhance their propaganda posture, they would be unwilling to commit themselves to an indefinite cease-fire. They would refuse any proposal which seemed to tie their hands more than those of the GRC. They might accept some type of "neutralization" of the offshore islands as an interim move, hoping that the negative effect on GRC morale would be greater than the restriction on Communist activities. However, they almost certainly would not regard this as a permanent solution. Sino-Soviet insistence upon a resolution of the entire Taiwan problem favorable to Communist China will remain strong, and it is likely that they will continue to take a considerable risk in utilizing military pressure as a means of undermining the strength and determination of the Chinese Nationalists.