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## SUMMARY

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## GENERAL

1. Comment on Soviet invitation to Adenauer:

[redacted] West German chancellor Adenauer will probably visit Moscow in response to the Soviet invitation of 7 June. Some preliminary exchanges may be necessary to arrange details.

Adenauer realizes the political necessity of appearing to do everything possible for German unification, and considers it equally essential for Bonn to avoid losing the confidence of the Western powers. German leaders agree that diplomatic and trade relations with the Soviet Union should be established, as proposed in Moscow's note. The Western Allies have already expressed confidence in Adenauer's ability to handle the matter.

Moscow may hope to fan West German interest in neutrality by presenting prior to the planned four-power conference a new unification plan more attractive than past ones. Adenauer would face heavy criticism from the opposition Social Democrats if he turned down a neutrality plan which also provided for free all-German elections.

Even if the USSR made no new unification offer now, it would hope the West Germans would view a normalization of relations as an indication that fruitful negotiations on the unity subject are possible. [redacted]

## SOVIET UNION

2. Yugoslav government believes USSR would compromise with West:

[redacted] Yugoslav leaders believe that with any encouragement from the West, the USSR would soon compromise in order to reach an understanding, according to the Yugoslav foreign under secretary. The Yugoslav government believes that more contact with the West will eventually lead to greater realism on the part of the Soviet leaders and hence that negotiations are more necessary than ever.

The Yugoslav government thinks that great changes have occurred in the USSR and that more are coming, even though not overnight. It feels that the Soviet trip represented efforts to inaugurate a new policy, and that the Soviet leaders recognize that the Stalin policy was often "stupid." During the Belgrade meetings, the Russians freely criticized Stalinist policies, including the proposal for one-third all-around reduction of armaments.

Comment: Yugoslav officials, when talking with Western representatives, have continued to back up the oft-repeated Belgrade thesis that real changes for the better are going on inside the USSR. There has been one report, however, from good sources of the American embassy in Belgrade that Tito is in fact disillusioned about the real Soviet attitude and not nearly so convinced as formerly of the USSR's peaceful intentions.

#### SOUTHEAST ASIA

##### 3. Comment on Vietnamese army's campaign against Hoa Hao rebels:

[Redacted]

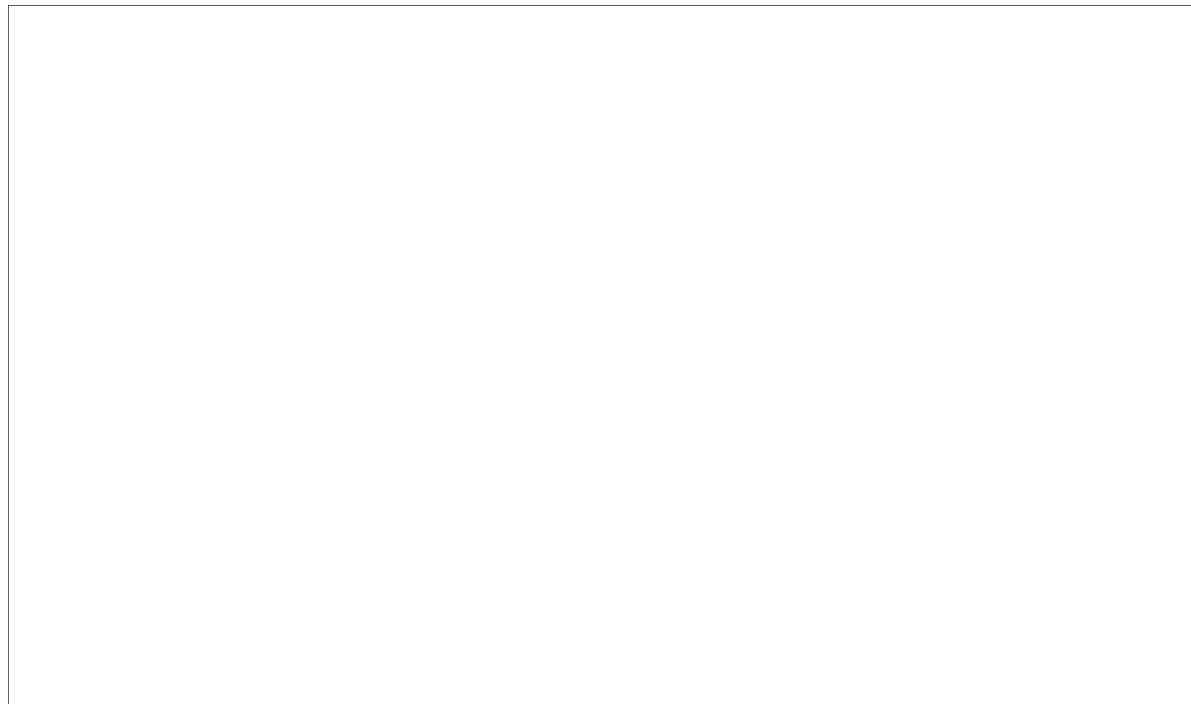
The Vietnamese army's campaign against Hoa Hao leader General Soai appears to be thus far mainly a show of force. No major fighting has yet developed. Soai's forces, estimated at not more than 7,500, are said by Premier Diem to be encircled southwest of Saigon. Some 24,000 national army troops are deployed in the general area. American observers estimate the combat effectiveness of the national army troops at more than twice that of the rebels.

The premier, still hopeful that an all-out campaign can be averted, states he has instructed his army commander in the area to explore any possibility that Soai may yet be brought to terms by peaceful means. Meanwhile, government troops are moving cautiously against Soai's forces, and Soai himself is said to be in hiding and out of contact with his troops. Thus far he has received no aid from the 3,300 troops of Ba Cut, the only other Hoa Hao commander still opposing the government.

The campaign might end quickly as the result of large-scale rebel defections or a decision by their commanders to come to terms. On the other hand, it could drag on for weeks as a mopping-up operation, but the army's superiority is such as to leave little doubt of the eventual outcome.

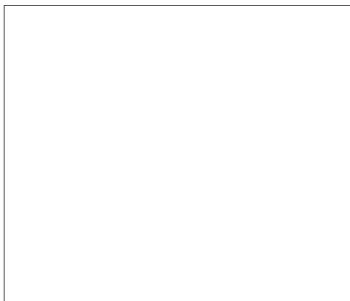
#### NEAR EAST - AFRICA

4.



#### EASTERN EUROPE

5. Comment on Yugoslav attitude toward the Balkan pact:



Yugoslav foreign under secretary Prica, in his 6 June briefing of the American, British and French ambassadors, claimed that the Yugoslav leaders went out of their way to stress to the Soviet chiefs the significance of the Balkan alliance as an instrument for long-term collaboration with

Balkan states. When the Soviet delegation raised the question of Bulgaria's admission to the alliance, the Yugoslavs rejected the proposal as highly unrealistic.

some Yugoslav Communist Party members do not take the Balkan pact seriously, especially in view of the current improvement in Soviet-Yugoslav relations. The regime as a whole, however, can hardly consider the pact insignificant. The current value of the alliance to Yugoslavia arises from the prestige and international support it furnishes as well as its proof of Belgrade's contention that nations of differing social systems can co-operate in all fields. While the Yugoslavs have been subordinating the military to the economic and cultural aspects of the pact, they continue detailed military planning with the Greeks.

#### WESTERN EUROPE

6. Spain actively seeking support for UN membership:

Comment: It is likely that the question of admission of new members will be discussed at San Francisco in anticipation of the Big Four "summit" talks.

Spain is a member of seven of the 10 specialized agencies of the UN. It has an observer at the UN, but a 1946 condemnatory resolution of the General Assembly still precludes Spanish UN membership.

## WEEKLY SUMMARY (2-8 June 1955)

### THE FORMOSA STRAITS

#### Report of the IAC Current Intelligence Group for the Formosa Straits Problem

1. There have been no significant combat operations in the area during the past week.

2. An apparently intensive training exercise has just been concluded by Communist air units in East China. An exceptionally high level of fighter and bomber training was noted between 21 May and 3 June. The activity declined on 4 June and reverted to a virtual standdown the next day. Joint fighter-bomber operations were stressed, and both jet and piston bombers as well as fighter units in the Shanghai-Luchiao area were employed.

3. Runways at two of the five coastal airfields--Chenghai and Lungtien--are now considered serviceable and ready for use. The Communists have apparently surfaced the runways with large concrete blocks. This procedure avoids the delay involved in laying new concrete, which takes considerably longer to harden sufficiently to permit flight operations.

If these fields are activated as quickly as was Luchiao this spring, aircraft can be expected to arrive in the near future, possibly within a week.

The great emphasis placed on construction of the coastal airfields indicates the importance attached by Peiping, for both military and diplomatic reasons, to the achievement of air superiority in the Formosa Straits.

4. A reliable sighting of a small Chinese Communist tanker in Foochow in early May and the reported sighting of a similar tanker near Swatow this week indicate that the Communists may have extended the seaborne logistic support of their coastal airfields to include POL products. Tankers are not known to have called at Swatow or Foochow previously, although the Communists do possess a number of small tankers which could be used to supply the coastal airfields nearing completion.

5. The transfer of another railway engineer division to East China in May suggests an intensification of the railway construction program in Fukien Province, opposite the Nationalist-held offshore islands and Formosa. Three railway engineer divisions are now accepted as engaged in the construction of the Kueichi-Foochow rail line and the possible branch line to Amoy. A fourth division may have moved to the Fukien area in May and be working on the same lines. It is estimated that the Kueichi-Foochow rail line will be completed in early 1956. Completion of these lines will materially increase the Chinese Communist capability to support logically any type of operation that may occur in the area.

7. Chinese Communist propaganda on the subject of Formosa remained at a very low level during the past week. On 7 June Peiping made its first reference to efforts by India, Great Britain, and Indonesia to explore the possibility of negotiations between Communist China and the US. One Peiping commentary noted that President Eisenhower, while describing Peiping's action in releasing the fliers as a "token" toward reducing tension, had failed to say "what measures the US would take to ease tension. . .!"

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## CHINA-FORMOSA SITUATION

9 JUNE 1955

Nautical miles 0 50 100 150  
Statute miles 0 50 100 150

Selected road  
Railroad  
Proposed railroad

## COMMUNIST AIRFIELD LEGEND

PRIMARY  
SECONDARY

## USABILITY

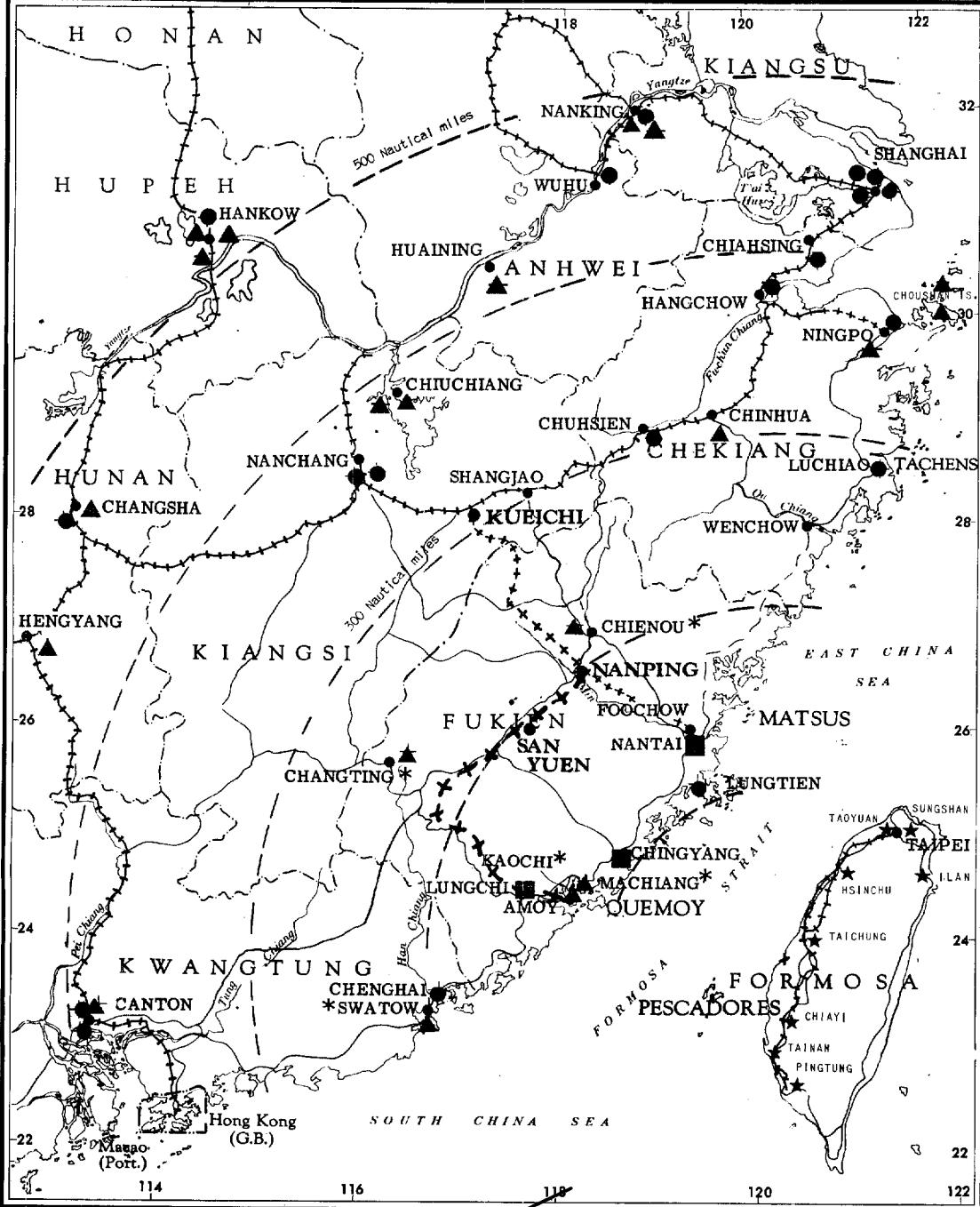
- ▲ OPERATIONAL
- ▲ SERVICEABLE
- ▲ UNKNOWN
- + MIG-15, MIG-17, TU-4, IL-28
- | TU-2, IL-10, LA-9/11, LI-2, ETC.
- UNKNOWN
- \* FIELDS NOT CONSIDERED CAPABLE OF SUPPORTING SUSTAINED OPERATIONS AT PRESENT.

UNDER CONSTRUCTION

★ NATIONALIST AIRFIELD

## DESIGNATIONS

PRIMARY: CONSIDERED MOST IMPORTANT IN AREA, WITH PREPARED RUNWAY GENERALLY 5000 FEET OR LONGER.  
SECONDARY: AUXILIARY OR EMERGENCY BASES, OR FIELDS OF LESSER IMPORTANCE, RUNWAYS GENERALLY LESS THAN 5000 FEET.  
OPERATIONAL: ACTIVE BASE FOR MILITARY & CIVILIAN AIRCRAFT. SOME BASES USED BY PISTON TYPES MAY BE USABLE BY JETS.  
SERVICEABLE: INACTIVE BASES CAPABLE OF USE BY AIRCRAFT  
UNKNOWN: CURRENT STATUS UNDETERMINED

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