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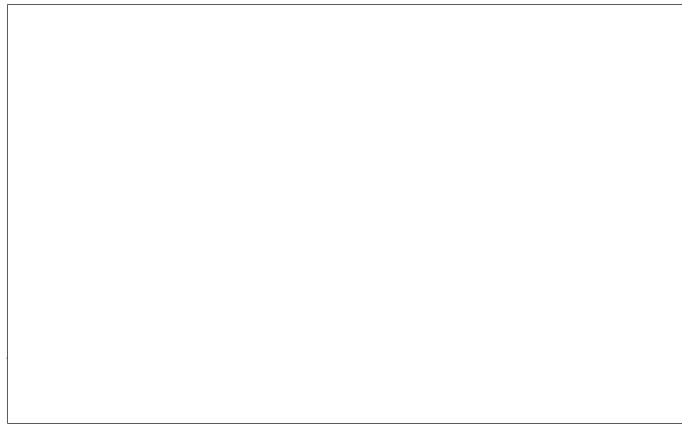
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THE TAIWAN STRAIT

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1. POSSIBLE PREPARATIONS FOR SOVIET SATELLITE/ICBM FLIGHT TEST

Comment on:

[redacted] the Soviet KRUG direction-finding complex indicate that tracking activities, possibly with a balloon for a target, previously associated with

prefiring preparations at the Tyura Tam missile test range were tried on 13 November. A resumption of this activity was scheduled for about 0509Z on 14 November.

Similar KRUG tracking activities with balloon targets were noted a few hours prior to the launching of the first two earth satellites. The balloons apparently are used for determining upper air data.

The local Tyura Tam range net began a period of practice 4- and 5-hour count-downs less than 46 hours after the launching of sputnik II on 3 November. This practice has been conducted daily through 10 November and may be continuing. On three of these days, the direct link between Tyura Tam and Klyuchi as well as the local Klyuchi net were also active, suggesting an impending operation.

Such extensive practice operations have not been observed before on this range, suggesting that the test event for which this practice is being conducted is of an important and possibly advanced nature in the earth-satellite vehicle and/or ICBM fields. This event may occur in the near future, possibly within two or three days.

2. SOVIET DEFENSE MINISTRY MAY BE REORGANIZED

Comment on:

The possibility that Zhukov's ouster as defense minister will result in a major shake-up in the ministry has been heightened [redacted]

[redacted] the new defense minister, Marshal Rodion Malinovsky, has already transferred several loyal friends of Zhukov and relieved numerous high officers of their commands. [redacted]

[redacted] the future of Chief of Staff Sokolovsky is hanging in the balance and that he may be replaced by his predecessor, General Semyon Shtemenko, who is described as an anti-Zhukov man.

Creation of separate ministries for the air force and the navy is currently being planned, [redacted]

[redacted] Such a move would break up the concentration of power hitherto held by the Ministry of Defense and make party control easier, but at some sacrifice of centralized military responsibility. At Stalin's death, the Navy Ministry was merged with the Ministry of War, but there has never been a separate air ministry. [redacted]

3. INTERNATIONAL COMMUNIST LEADERS HOLD MEETINGS IN MOSCOW

Comment on:

Plans for some type of international Communist grouping are probably being discussed in Moscow, and an announcement may be made in this connection in the next few days. Since

the conclusion of the 40th anniversary celebration on 9 November, bilateral meetings have been held by individual Communist delegations with the Soviet leaders. These have included delegations from "Eastern Europe, Yugoslavia, the Asian Communist states, and from most other nations represented by Communist party members," according to a Moscow announcement. According to an official Budapest broadcast of 13 November, world Communist leaders will hold a conference in Moscow which "will open at the end of this week, probably Friday, and will last until Monday," with a communiqué to be issued at its conclusion.

In view of the reported objection by Chinese, Polish, and Yugoslav Communist leaders to an international organization which would be closely controlled by the USSR, a number of loosely associated regional groupings may be announced. Arrangements probably would be made for the publication of a central press organ and for periodic meetings in which an "exchange of experience" could be conducted.

4. DEATH OF CZECHOSLOVAK PRESIDENT

Comment on:

The death of Czechoslovak President Zapotocky on 13 November probably will not seriously affect the stability of the Czechoslovak Communist regime or its relationship with the USSR. The

office of president has gradually lost its influence in party and government affairs in recent years largely because of Zapotocky's declining health. Actual political power has come to be divided between Party First Secretary Novotny and Premier Siroky, Novotny being probably the most influential figure in the regime. Khrushchev reserved his warmest expressions of regard for Novotny during the Soviet delegation's tour of Czechoslovakia in July.

There have been signs of rivalry between Novotny and Siroky, but they may agree on a mutually acceptable candidate for the presidency. Deputy Premier Vaclav Kopecky, author of the government's "hard-line" cultural policy, is such a potential compromise choice for the office. Precedent, however, favors the "promotion" of Siroky to the presidency. The last two presidents, Gottwald and Zapotocky, were promoted from the post of premier. Zapotocky as president acted as a brake on the rivalry between Siroky and Novotny which will be missing if Siroky becomes president. There would also be contention between the two over the naming of a new premier.

5. BRITISH FOREIGN SECRETARY PESSIMISTIC OVER JORDAN SITUATION

Reference:

British Foreign Secretary Selwyn Lloyd is seriously concerned that the West may in a short time be confronted with the fait accompli of a Syrian-Egyptian coup in Jordan, possibly preceded by the assassination of King Hussayn. He told American Minister Barbour on 12 November that Nasir is rapidly becoming so committed by his anti-Hussayn radio campaign that he may feel compelled to follow through with action. Lloyd doubted that some kind of Anglo-American intervention can be avoided although he questioned the feasibility of such a move.

6. BELGIAN RIFLES ISSUED TO SYRIAN
PARAMILITARY GROUPS

Comment on:

The Belgian 7.62-mm. NATO-type rifles currently being issued to Syrian paramilitary youth groups are part of a consignment of 10,000 such weapons ordered by Syria from

Belgium in early 1956 and subsequently paid for. Delivery of the rifles was held up as a result of hostilities in Sinai in November 1956; however, the weapons were finally shipped to Syria in early 1957 after Damascus demanded delivery or its money back. Since that time most of the rifles have been held in storage for issuance to paramilitary youth and popular resistance groups, but some were recently found in arms caches in Lebanon and Jordan.

Belgian NATO-type rifles have also been sold in quantity to Israel. The first Soviet bloc arms reached Syria in late December 1955.

7. TUNISIA'S PRO-WESTERN POLICY MAY HINGE ON ARMS DELIVERIES

Reference:

President Bourguiba's chief problem--to establish in the eyes of the Tunisian people the reality of Tunisian independence and sovereignty--will be aggravated by the delivery of French arms. French Foreign Minister Pineau informed the American ambassador in Paris on 12 November that French arms--presumably equipment for a battalion--would be transferred to Tunisia.

Bourguiba has sought arms from various Western sources not only to supply his unequipped army, from which France has withheld promised equipment, but also to break France's hold over his country. He resents French attempts to regulate Tunisia's relations with other countries and any implication that other Western powers accept French domination of the country.

The shipment of 2,000 Egyptian-made rifles which is en route to Tunisia is expected to reach Tunis on 15 or 16 November. Its arrival probably will be followed by an expansion of Egyptian influence, which Bourguiba has sought to forestall.

Under these circumstances, Bourguiba, faced with strong opposition within his government to his outspoken support for the West, may feel impelled to mend his political fences by revising this pro-Western alignment.

8. PEIPING OFFERS ECONOMIC AID TO INDONESIA

Comment on:

During the recent visit of former Indonesian Vice President Hatta to Peiping, Chinese Communist officials told him that they are willing to grant limited economic aid to Indonesia, according to an Indonesian newspaper. Planned to reach \$20,000,000, the aid would consist of such items as textile machinery and other industrial equipment needed by Indonesia's consumer industries.

Peiping has made economic grants to Cambodia and Nepal, and payments on a grant to Ceylon will commence next year. As a nation capable of aiding Indonesia's economic development, Peiping would win additional prestige among Asians.

President Sukarno claimed in July that Mao Tse-tung had made him an informal offer of military equipment during his visit to Peiping in October 1956.

The Indonesian government has repeatedly expressed its willingness to accept aid from any nation provided "no strings are attached." In arranging specific projects, however, Indonesia has been indecisive and procrastinating, and since September 1956, has stalled off final approval of a Soviet aid agreement in the amount of \$100,000,000.

Although a modest Chinese aid program might be more acceptable to the government and to Sukarno than extensive Soviet aid, Indonesian officials might not be willing to risk the adverse reaction of the anti-Communist, anti-Djakarta dissident leaders in the provinces.

9. PRESIDENT GARCIA WINNING RE-ELECTION IN PHILIPPINES

Comment on:

The trend of returns from the Philippine elections of 12 November shows President Carlos Garcia winning re-election by a comfortable majority over his nearest rival, Liberal party candidate Jose Yulo. The pro-American Liberal party vice-presidential candidate Diosdado Macapagal, however, is defeating Garcia's Nacionalista running mate, Jose Laurel, Jr.

Garcia's success is due largely to the advantages he held as the incumbent as well as to a strong party machine. He must also have convinced many voters that he would carry on the foreign and domestic policies of the late President Magsaysay. Another factor may have been the election day typhoon which struck the northern Philippines, where antiadministration sentiment is the strongest.

The defeat of Laurel, together with the fourth-place showing of ultranationalist presidential candidate Senator Claro Recto, indicates that anti-American sentiment was not an important consideration in this election. There may, however, be a resurgence of intense nationalism in the near future as one of Garcia's first major undertakings is expected to be a review of US-Philippine relations, including a revival of negotiations on the "modernization" of the American military bases agreement.

**10. PEIPING MAKES NEW BID FOR OFFICIAL
REPRESENTATION IN HONG KONG**

Comment on:

In trade talks last month in Peiping with the under secretary of the British Board of Trade, Chou En-lai raised the question of official Chinese Communist representation in Hong Kong, [redacted]

[redacted] Chou had first asked in February 1956 for London's approval of a plan to station a Chinese Communist "commissioner" in the colony. Communist representation in Hong Kong may be Peiping's price for increasing trade with Britain.

The British government takes the view that Communist representation in the colony would be intolerable.

Chou's maneuver is in line with a propaganda campaign which features Peiping as the champion of Chinese residents of Hong Kong. Peiping asserts that the Hong Kong authorities are treating Chinese residents unfairly and are also incapable of maintaining order and security in the colony. [redacted]

SUMMARY

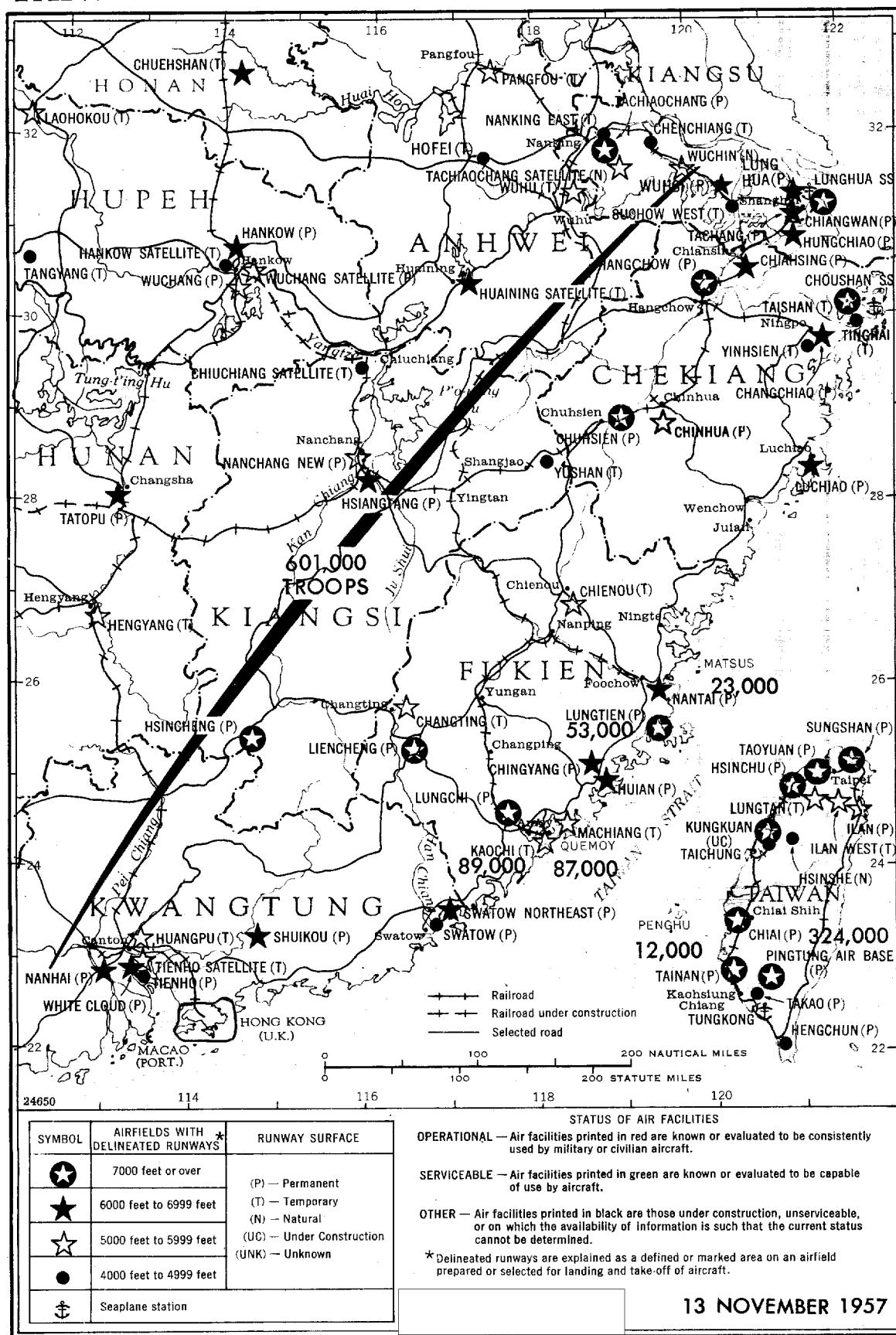
10 October - 13 November 1957

THE TAIWAN STRAIT

Report of the IAC Current Intelligence Group for the Taiwan Strait Problem

1. There were no significant combat operations in the area during the period. [redacted]
2. The flight of up to 15 Chinese Communist jet light bombers from Peiping to Canton on 29 October marks the first observed appearance of IL-28's this far south. While this move may be a temporary deployment, it may also presage the permanent move of the entire 10th Air Division, equipped with an estimated 60 IL-28's, to South China. The basing of jet light bombers in the Canton complex would materially increase Chinese Communist offensive capabilities in the South China area as well as augmenting the jet light bomber force already capable of striking Taiwan and the offshore islands from the Shanghai area. [redacted]
[redacted]

TAIWAN STRAIT SITUATION



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