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30 August 1958

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# CENTRAL INTELLIGENCE BULLETIN



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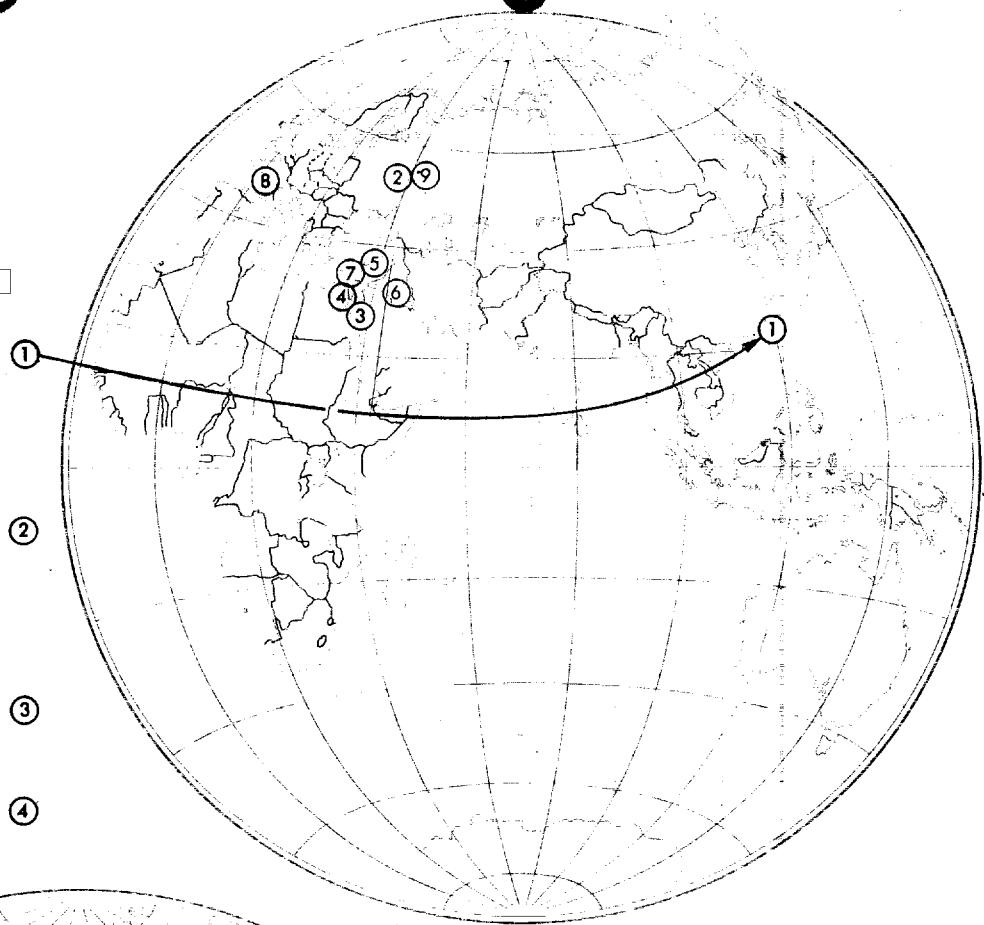
**I. THE COMMUNIST BLOC**

There is an indication that Communists are preparing fishing boats for amphibious operations. Soviet TU-104, used by VIP's, left for Peiping on 29 August. [redacted]

Communist defection propaganda extended to Matsus. [redacted]

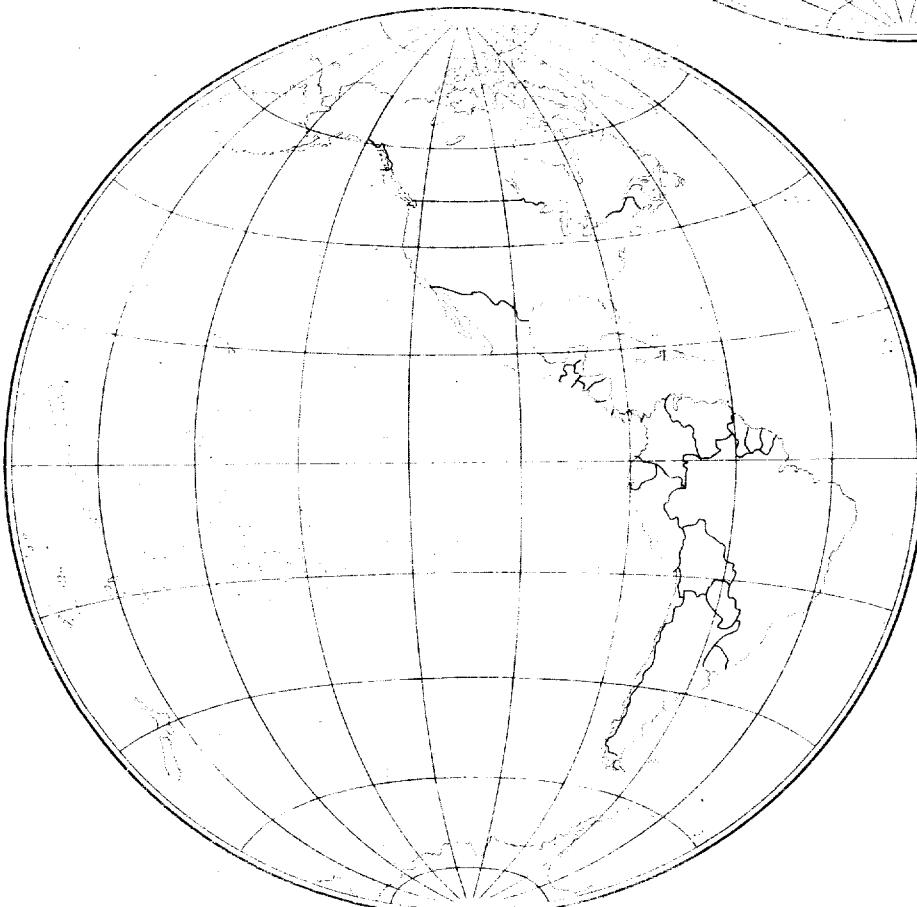
Special Watch Committee report on Taiwan Strait situation. (Page i, Daily Brief)

New large delta-wing airplane seen on Moscow airfield.

**II ASIA-AFRICA**

Jordan - Rifai says present US aid offers enough to keep him from resigning.

Israel may have obtained loan to build 16-inch pipeline from Aqaba to Mediterranean.



- ⑤ Ben-Gurion in Ankara for secret talks.
- ⑥ Iraq receiving arms of bloc origin from UAR. [redacted]
- ⑦ Cyprus - Relations of both Makarios and Greek Government with EOKA leader deteriorating.

**III. THE WEST**

- ⑧ Paris fears further FLN attacks in France through September.

**LATE ITEM**

- ⑨ USSR agrees to 31 October meeting on nuclear test-ban issue.

# CENTRAL INTELLIGENCE BULLETIN

30 August 1958

## DAILY BRIEF

### I. THE COMMUNIST BLOC

*SFB*

\*Taiwan Strait situation (as of 0100 EDT, 30 August): There is an indication that the Chinese Communist Navy may be preparing fishing boats for amphibious operations and that naval air units are planning joint operations with surface units. There is further evidence that additional Chinese Communist troops have been brought into the Amoy area. On 29 August a Soviet TU-104 which has been used by VIP's left Moscow on a nonscheduled trip to Peiping.

*H0*

The Chinese Communists have stepped up their propaganda campaign designed to encourage defection of Nationalist personnel on Chinmen and have now extended this tactic to the Matsus. [ ] (Page 1) (Maps)

#### Special Watch Committee Report on Taiwan Strait Situation:

*HO*

The Chinese Communists probably do not intend to initiate major offensive military action against Taiwan and the Penghus (Pescadores) in the immediate future, although they now possess a capability for major air attacks.

The Chinese Communists have increased propaganda attacks and psychological warfare on the Nationalists and specifically began warning on 27 August that an invasion of the Chinmens (Quemoy) is imminent.

The Communists have increased their capabilities to bring heavy pressure on the Chinmens, the Matsus and smaller offshore islands and could launch major attacks against them; with the possible exception of Big and Little Chinmen, such attack could be made without further military build-up and with little or no warning. The ground and logistic forces have been increased near Amoy but the assembly of amphibious lift necessary for the invasion of Big and Little Chinmen has not yet been observed.

The Communists are likely to continue heavy artillery barrages, increase interdiction of supply lines to the islands using artillery, naval, and air elements as necessary, maintain a high state of readiness for air operations, and seize one or more of the smaller offshore islands. It is possible that they will attempt the seizure of one or more of the larger offshore islands.

Incidents between US forces and Chinese Communist forces are possible.

*OK*  
USSR: [ ] observers have sighted a new large delta-wing aircraft on Moscow/Fili airfield. The aircraft was about two thirds the size of the BISON jet heavy bomber. [ ] (Page 3)

## II. ASIA-AFRICA

*W 6*  
Jordan: Prime Minister Rifai has agreed that present American aid offers are sufficient for him to withdraw his threat to resign. He has also agreed to consult the United States before asking British troops to withdraw. Popular opposition to the pro-Western regime continues. Withdrawal of British troops still seems almost certain to be followed by a change of government if not an attempt at revolution.

*OK*

Israel: The Israeli Government [ ] have made an agreement with international banking firms for a \$15,000,000 loan to finance completion of a 16-inch oil pipeline from the Gulf of Aqaba to the Mediterranean. The Israelis apparently are counting on the continued availability of Iranian oil for the new pipeline. [ ] (Page 4) (Map)

*XO*

Israel-Turkey: Israeli Prime Minister Ben-Gurion and Foreign Minister Meir arrived in Ankara on 28 August for secret talks with Turkish officials. The visit is a follow-up to Israel's previous activity in developing secret understandings with Iran, Ethiopia, and the Sudan as well as with Turkey. The talks in Ankara are presumably concerned with both short- and long-range policy in the light of Nasir's growing domination of the Arab States. [ ] (Page 5)

*OK*

Cyprus: The relations of EOKA leader Grivas with Athens and Archbishop Makarios are deteriorating. This lessens the ability of the Greek Government and the Archbishop to restrain future EOKA activities. [ ] (Page 6)

*XO*

Iraq-UAR: Iraq is receiving medium artillery and possibly other heavy arms of Soviet bloc origin from the UAR. These deliveries may reflect advances from UAR stocks against a possible future Iraqi arms deal with the Soviet bloc.

[ ] (Page 7)

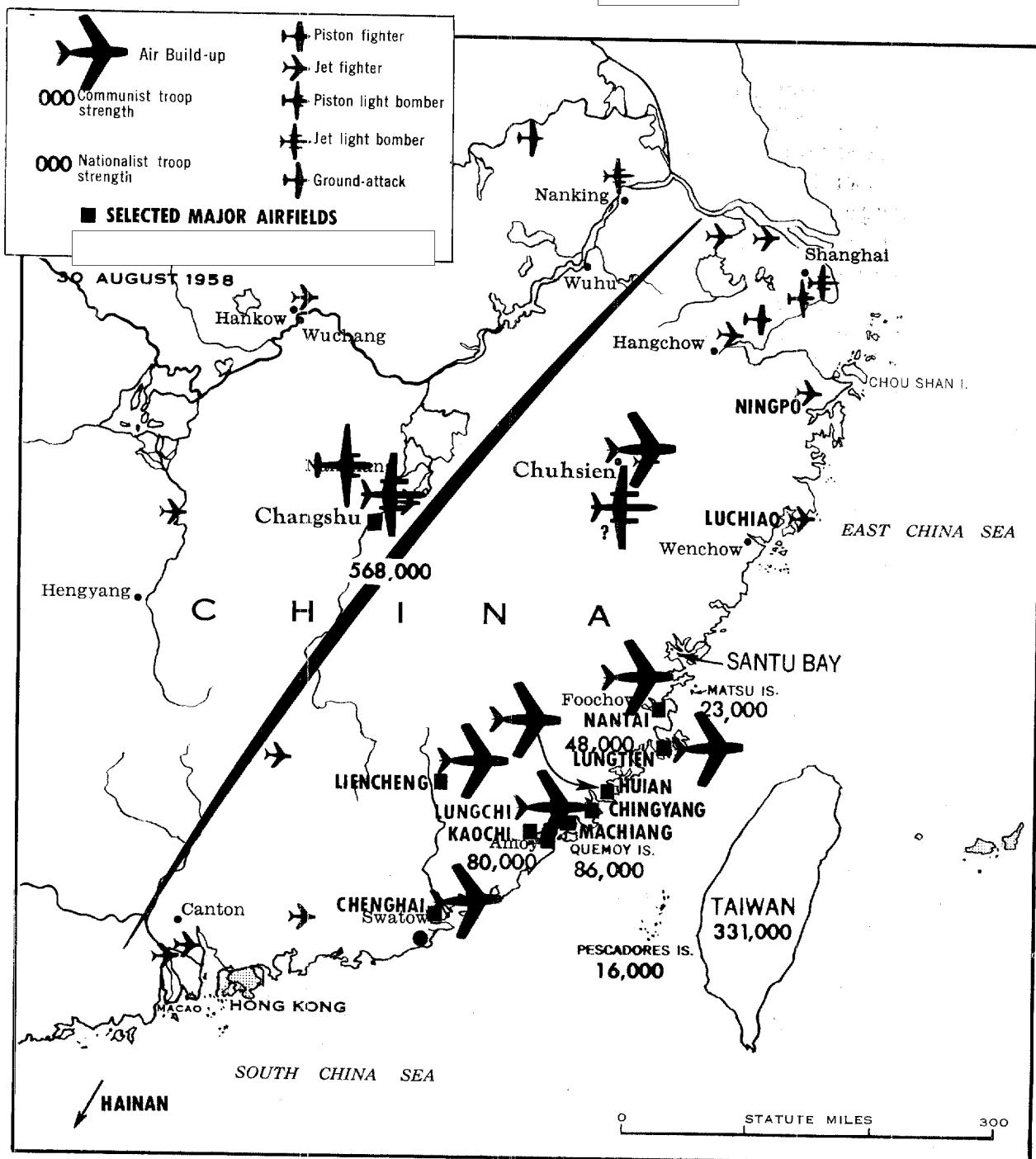
### III. THE WEST

*XO*

France - Algerian terrorists: The Algerian National Liberation Front (FLN) campaign of sabotage and terrorism in France is expected to continue through September. French authorities fear attacks in the eastern industrial city of Metz and in western France. The French Communist party probably plans to exploit such activities. [ ] (Page 8)

**LATE ITEM**

*F16*  
**\*Soviet nuclear test-ban tactics:** In his agreement to commence negotiations on 31 October on suspension of nuclear weapons tests, Khrushchev hinted broadly that the Soviet Union will resume testing unless a test suspension agreement is achieved at the negotiations. The Soviet premier is thus seeking to bring pressure on the Western powers to drop any "conditions"--particularly that the agreement be renewed annually and that progress be achieved in disarmament--in favor of an outright test ban "for all time!" [redacted]

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## I. THE COMMUNIST BLOC

### Taiwan Strait Situation (as of 0100 EDT, 30 August)

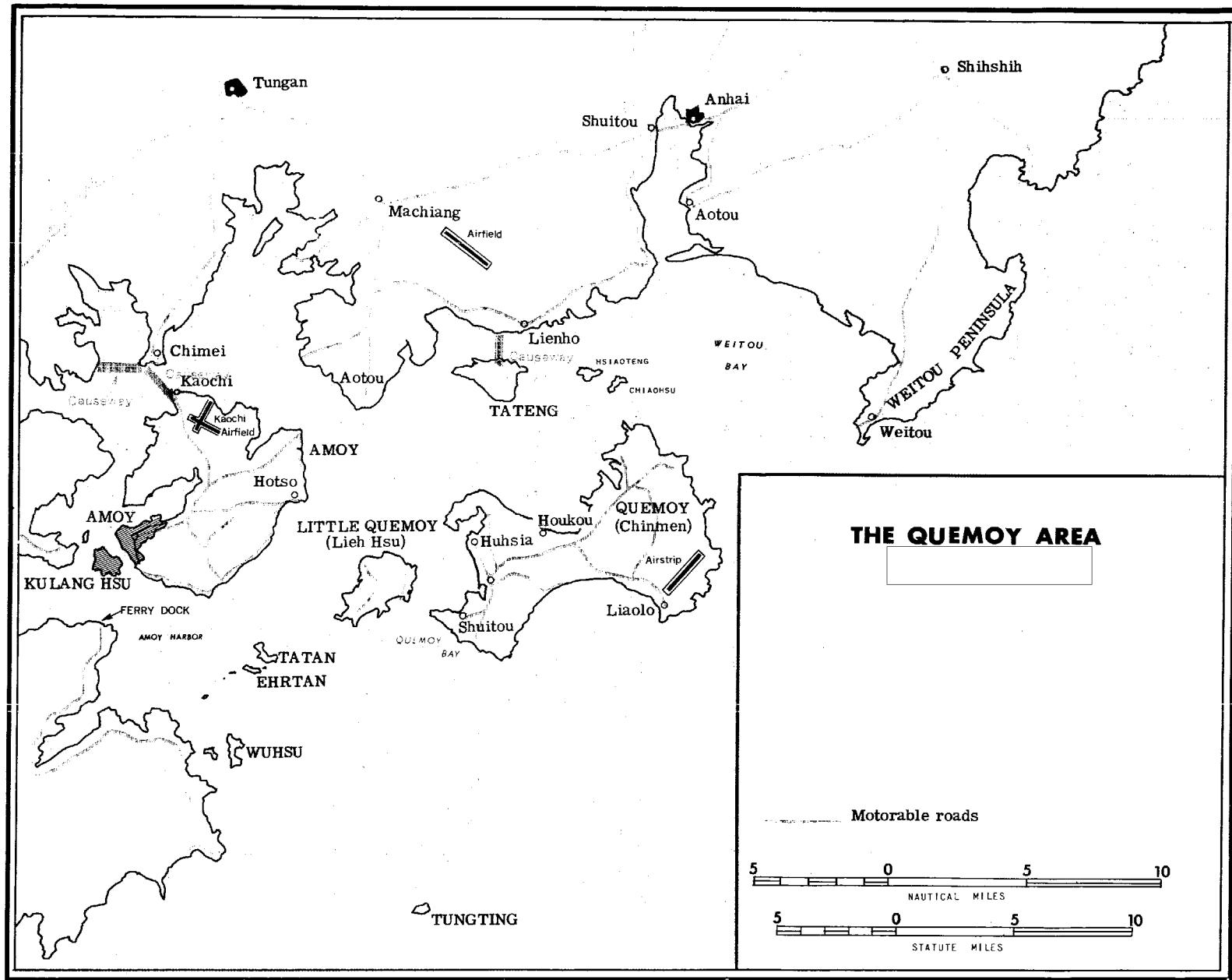
The Chinese Communist Navy may be preparing to use fishing boats for amphibious operations.

There are also indications that naval air units are planning joint operations with surface units.

There is further evidence that additional troops have been brought into the Amoy area. A Communist radio station in the Amoy area transmitted a message on 19 August which stated "our infantry regiment headquarters has arrived," according to the Chinese Nationalists. On 26 August an unidentified radio station appeared on a Foochow Military District communications network which normally contacts only army-level units, also suggesting the presence of an additional army in the Taiwan Strait area.

As of 27 August the Chinmen Defense Command reported total troop casualties were slightly over 600, including 140 dead. Big Chinmen appears so far to have suffered no serious destruction from the bombardment.

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No damage was apparent in the Liao Lo beach area. Ships normally move out of range when shelling of the beach begins and none larger than LCM's are allowed to be beached. Two ships were off Chinmen on 27 August, indicating that shipping is still reaching the island under escort.

The Chinese Communists have begun a round-the-clock propaganda effort to defect Chinese Nationalist personnel on Chinmen. A Peiping radio broadcast on 29 August carried a "letter of warning" to Chinmen's deputy commander, urging him to persuade his superior and colleagues to "stop resistance immediately and return to the fatherland" or else all would be "completely eliminated." Issuing Peiping's first threat in the current situation to neutralize Chinmen by air strikes, the broadcast warned that every military target on the island would be "destroyed by our air force." In a radio commentary on the same day, Peiping for the first time called on personnel on Matsu as well as Chinmen to "kill the US advisers" and cross over, as the islands are as "hopeless as a pair of turtles trapped in a flask."

Dropping Peiping's pretense of engaging only in a limited retaliatory action, the commentary states that Communist forces will deal a "direct blow to the US aggressor" and that the Chinese people are "determined" to take Taiwan and the "offshore islands, including Chinmen and Matsu." It contains Peiping's first original comment on Secretary Dulles' 23 August warning and denies that "liberation" endangers Far Eastern peace.

On 29 August, a TU-104 which has been used by Soviet VIP's including party presidium members left Moscow on a nonscheduled trip to Peiping. The fact that the departure was not preceded by a flight-ban suggests that if VIP's were aboard they were below presidium level. It is also possible that the plane is flying to Peiping to pick up Chinese VIP's and return them to Moscow.

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### Delta-Wing Airplane Seen on Moscow Airfield

Reliable observers on 27 August saw a large delta-wing aircraft on the airfield at Plant 23, Moscow/Fili. The aircraft was estimated to be two thirds the size of a BISON, of mid-wing configuration with a large raked tail, a delta horizontal stabilizer, possibly lower than mid-wing, and a slim, tapered nose extending forward of the wing about one quarter the length of the fuselage. There were pods or tanks of about 300-gallon size on each wing tip.

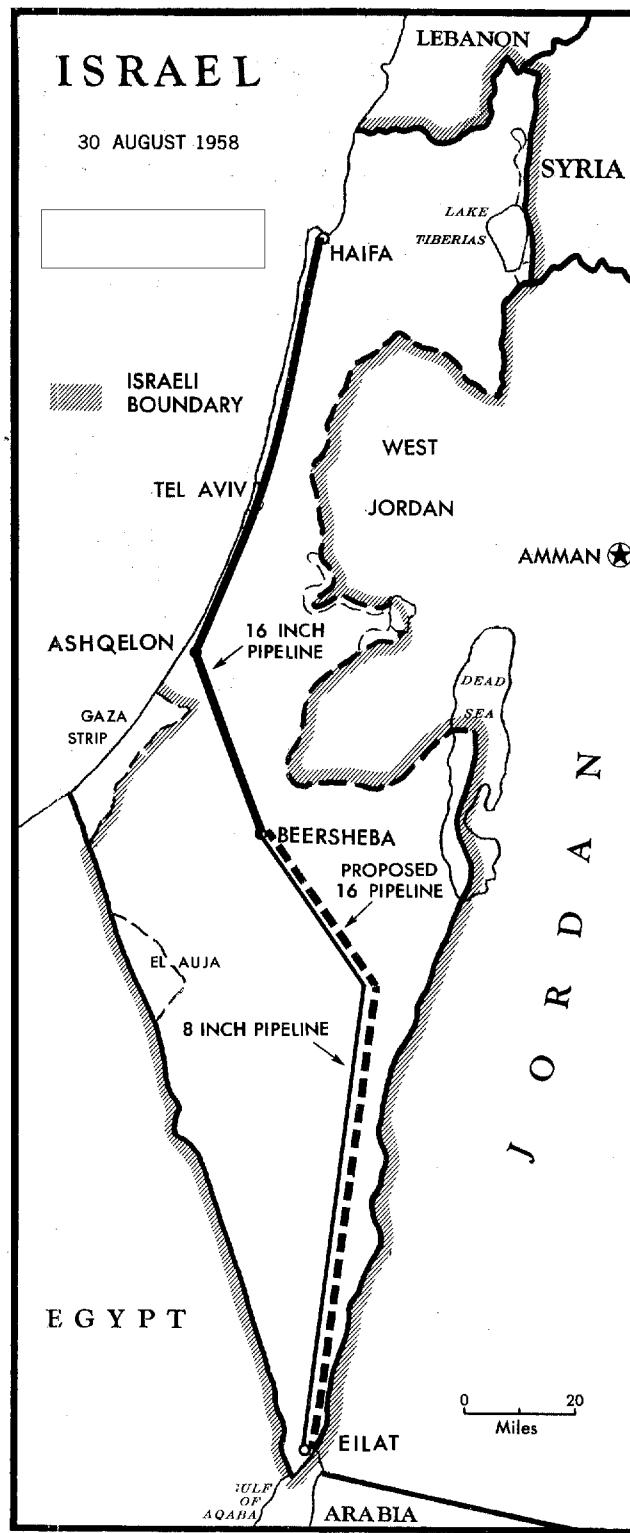
The fuselage appeared oval in cross-section and wider than it was high. The aircraft was seen mainly from the rear, and the fuselage was tilted nose-high, about 20 degrees from the horizontal. The engines were not seen, but the observers had the impression of one or more jet exhausts in the tail of the fuselage. The source indicated that the sighting was very brief and under unfavorable conditions.

This is the latest of several sightings reporting delta-wing bomber aircraft in the past year. It is particularly significant that the aircraft was seen at a known bomber production plant in an area adjacent to a design bureau. Other sightings of varying reliability have been reported in the Barents Sea area during the period 22 October-1 November 1957, and in the Moscow area in the latter part of June 1958.

Because of the circumstances under which this observation was made, information provided by source does not permit a conclusion as to size, number of engines, purpose of wing-tip pods, and many other details.

It is probable that this airplane was assembled at Fili, the site of BISON production. Further observation at Fili may permit early determination of the size, characteristics, and state of development of this new aircraft, of future production plans at Fili, and implications for Soviet long-range aviation.

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## II. ASIA-AFRICA

Israeli Pipeline

Two international banking firms have agreed to lend the Israeli Government \$15,000,000 for completion of a 16-inch oil pipeline from the Gulf of Aqaba to the Mediterranean,

[redacted] The loan apparently will cover the entire cost of the pipeline's construction, and significantly advance Israel's objective of providing an alternative route, not subject to Nasir's control, for Middle Eastern oil bound for Europe. Israel is interested in such a route for political as well as economic reasons; it hopes thereby to induce greater Western interest in protecting Israel's security.

The proposed pipeline will parallel an existing 8-inch line from Eilat, on the Gulf of Aqaba, to Beersheba. There already is a 16-inch section linking Beersheba with Haifa on the Mediterranean. The new line would increase the total capacity of Israel's pipeline system from 17,000 to about 100,000 barrels a day (b/d). Israel's daily petroleum consumption is less than 30,000 barrels. Israel probably hopes eventually to refine the surplus crude oil at its 85,000-b/d Haifa refinery and export refined products to Western Europe. Initially, however, exports probably would consist of crude oil.

In order to obtain the loan, the Israelis very likely received preliminary assurances from the Iranian Government that additional oil supplies could be obtained from Iran. Israel currently receives Iranian oil at Eilat for the existing 8-inch pipeline. [redacted]

[redacted]

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~~SECRET~~Israeli Leaders Arrive in Turkey for Secret Talks

Israeli Prime Minister Ben-Gurion and Foreign Minister Meir arrived secretly in Ankara on 28 August to confer with Turkish officials. Stringent security measures have been taken to prevent knowledge of the Israelis' presence in Turkey from reaching the Arabs.

Israel is seeking to develop a tacit alliance with Turkey, Iran, Ethiopia, and the Sudan, in order to limit further expansion of Nasir's influence. Ben-Gurion stated in July that Israel had had very confidential and high-level contacts with the other four countries during the past year or more and that he was encouraged at the interest they had shown in possibilities for mutual co-operation.

The Israelis are especially concerned over Jordan. They have repeatedly asserted that security considerations would force them to occupy West Jordan if the Jordanian Government is overthrown by a pro-Nasir coup. Since such a move might well lead to conflict between Israel and the United Arab Republic, the discussions in Ankara could be aimed at possible coordinated military operations against the Syrian region of the UAR.

While confirmation is lacking of Ben-Gurion's statement that high-level talks between Turkey and Israel took place during the past year, the Turks have consistently favored strong and concerted Western action to counter gains by Nasir and the USSR in the Middle East. No longer closely allied with an Arab government following the change in Iraq, the Turks apparently see in Israel a state with similar interests, willing to resort to force if necessary to protect its national interests. [redacted]

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~~SECRET~~Cyprus

The voluntary cease-fire maintained by the Greek Cypriot underground organization EOKA since 4 August may be broken in the near future and new attacks launched against the British. EOKA has been hurt by recent British security drives on Cyprus, and EOKA leader Grivas may be tempted to renew violence before his forces are further reduced by capture or declining morale. He has indicated his dissatisfaction at the "indecisiveness" of the Greek Government and its failure to threaten withdrawal from the Western alliance system unless its allies show greater sympathy on the Cyprus problem. Relations between Grivas and Archbishop Makarios have also deteriorated. A complete rupture in their relations, while improbable at this time, would eliminate one of the few potential restraints on the EOKA leader.

Both Makarios and Greek Foreign Minister Averoff appear to favor continued peace on the island while they seek a favorable resolution regarding Cyprus at the next regular session of the UNGA. The British have repeatedly indicated that following a limited period of peace on Cyprus they would permit the return of Makarios from exile--a move much desired by most Greek Cypriots.

Meanwhile, the government of Greece continues its refusal to cooperate in implementing London's new plan for Cyprus. The Greek Cypriots, who constitute 80 percent of the population of the island, are also united in opposing the plan. Greek Foreign Minister Averoff hopes this noncooperation will force London to make further concessions to the Greek position. The British, however, realize that further concessions to Athens might cause the Turks to reconsider their decision to cooperate.

Cooperation between Greece and the US continues to be affected by Greek belief that Washington is supporting the Anglo-Turkish "side" in the Cyprus dispute. Averoff recently indicated that any proposal for the establishment of missile base sites in Greece would be rejected.

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~~TOP SECRET~~Iraq Receiving Soviet Bloc Arms

[redacted] Iraq is receiving a shipment of at least 14 Soviet-bloc 152-mm. gun-howitzers from Syria. Although it is not clear whether the shipment originated in the UAR or in the Soviet bloc, the weapons are possibly being advanced from UAR stocks against a future Iraqi arms deal with the Soviet bloc, which may already be under negotiation.

[redacted] [redacted] it would permit 50 tanks to cross Syrian territory en route to Baghdad, and allow Iraqi tank crews to be trained in Syria provided this assistance was "in accordance with an agreement between Iraq and the Soviet Government."

[redacted] [redacted] the new Iraqi Republic has received a steady flow of military aid from the UAR including antiaircraft guns of undetermined origin, radar sets, and ammunition, parts, and equipment for Iraq's substantial inventory of British-made weapons.

Although the heavy Soviet bloc weapons received by Iraq could be intended to fill gaps which are felt to exist in Iraq's weapons establishment, [redacted]

[redacted] Iraq with UAR encouragement will seek eventually to standardize largely on Soviet bloc military equipment as Egypt and Syria have done. UAR pressure on Iraq to receive the bloc weapons is probably intended to increase Iraqi dependence on the UAR and to eliminate Western advisers and other influences from the Iraqi army. Any major introduction of Soviet bloc weapons could lead to the presence of bloc military advisers in Iraq.

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### III. THE WEST

#### Algerians Expected to Continue Sabotage-Terror Campaign In France

The coordinated campaign of sabotage and terror which has been undertaken in France by the Algerian National Liberation Front (FLN) is expected to continue until the 28 September constitutional referendum. The Algerian Nationalists are attempting to undermine the holding of the referendum in Algeria and to discredit in advance any favorable outcome.

French authorities are reported to fear particularly an outbreak of attacks in the eastern industrial city of Metz, and in western France where limited security personnel and open country would favor the success of any attacks.

Following this week's series of attacks on petroleum installations, FLN tactics may turn to sabotaging rail and highway bridges and to bombing crowded public places such as theaters. Despite recent reinforcements, French police agencies would probably need considerable military assistance to protect all likely sabotage targets.

Although the French Communist party (PCF) still appears unwilling to risk the consequences of overt encouragement of violence, the PCF probably plans to exploit the terrorist-sabotage activities to foment distrust of the government's ability to maintain security.

According to the most recent report, the FLN organization in France is estimated at 50,000 militants, including 7,000 terrorists in highly mobile "shock groups," some of which are located in the countries bordering on France. The apparatus has its own bankers, arms passers, documentation shops, buildings, and vehicles.

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