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20 September 1958

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CENTRAL

INTELLIGENCE

BULLETIN



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20 SEPTEMBER 1958

I. THE COMMUNIST BLOC

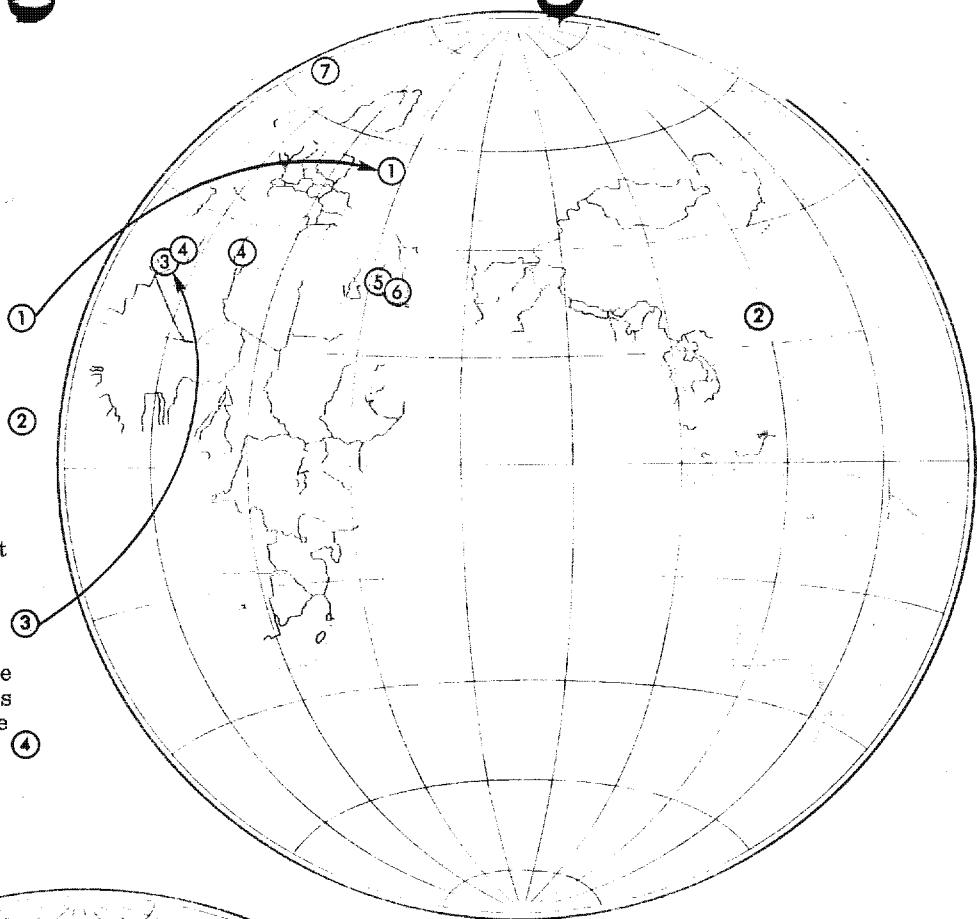
Khrushchev's unusually harsh letter to President Eisenhower reaffirms USSR's full support of Communist China.

Taiwan Strait - Chinese Nationalist action increases tension as Chiang regime presses for US involvement.

II. ASIA-AFRICA

Moroccan Government decides against American strategic use of air bases, but may consider permitting depot or transit use.

Morocco and Tunis to recognize "Free Algerian Government"; Morocco hopes France will not consider this a hostile act.

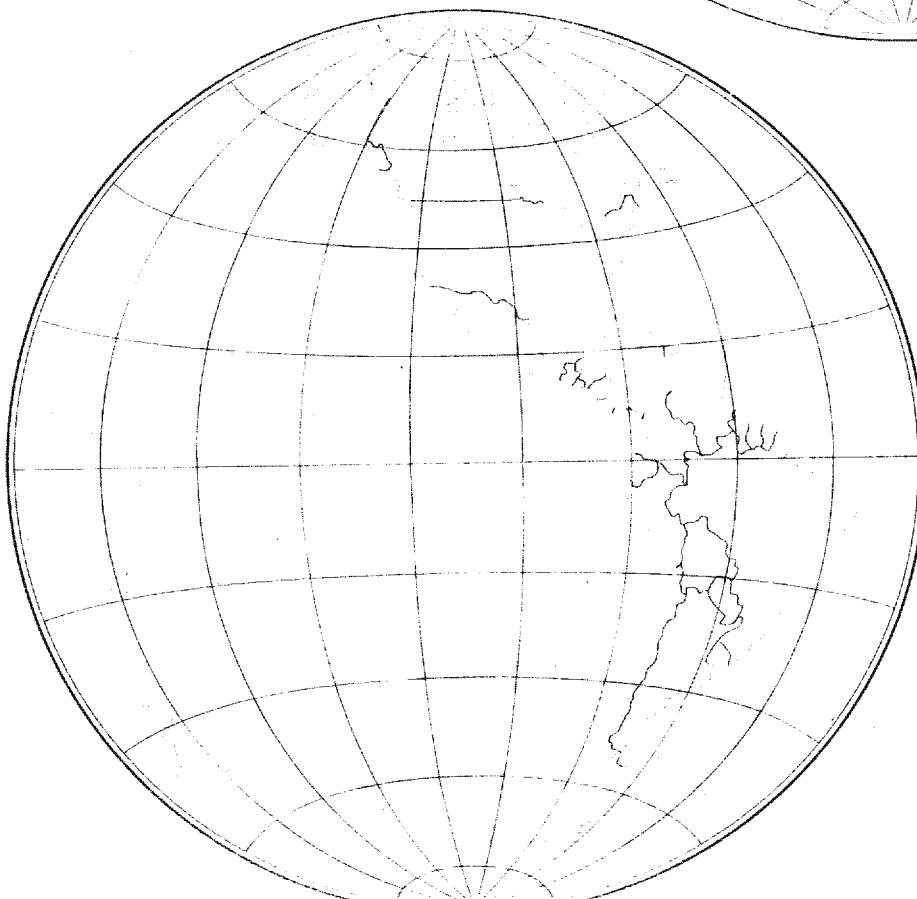


⑤ Struggle between pro- and anti-UAR elements continues in Iraq.

⑥ UAR jet fighter squadron, probably Egyptian, to be based at Habbaniya in Iraq.

III. THE WEST

⑦ Iceland to press for 12-mile limit in UNGA, where majority apparently favors some extension.



## CENTRAL INTELLIGENCE BULLETIN

20 September 1958

## DAILY BRIEF

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I. THE COMMUNIST BLOC  
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\*Khrushchev letter on Taiwan Strait crisis: The letter, placing the USSR firmly on record in support of Peiping, is apparently designed to create the impression that American accommodation to the Chinese Communist position provides the only alternative to major hostilities. [redacted] (Page 1)

*HO*  
\*Taiwan Strait Situation (information as of 0100 EDT): The Chinese Nationalists initiated the most recent air battle, apparently with the intention of increasing tensions. They continue to seek to obtain further US involvement. [redacted]

(Page 4) (Map)

## II. ASIA-AFRICA

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Morocco: The Moroccan Government has decided that American air bases in Morocco are not to be used for "strategic purposes" because Moroccan policy is "firmly anchored to nonalignment" with any bloc. Premier Balafrej told the American ambassador on 17 September that the Moroccan Government had, however, discussed on 15 September American use of the bases for two or three years for nonstrategic, i. e., depot or transit, purposes. Balafrej indicated that a note on the Moroccan position would be delivered early next week. [redacted] (Page 7)

[redacted]  
North Africa: The Moroccan and Tunisian governments will reluctantly recognize the "Free Algerian Government" despite their displeasure with the Algerian National Liberation Front's announcement of its creation without the consultation previously agreed upon. Moroccan Premier Balafrej has asked

that the United States convey to France Morocco's request that France not look on recognition as a hostile act and not sever diplomatic relations with Morocco. [redacted] (Page 8)

Iraq: The internal maneuvering for power continues in Iraq.

[redacted] Iraqi Minister of Guidance Sadiq Shanshal has taken credit for planning recent moves aimed at frustrating Cairo's efforts to promote union with the UAR. This appears to confirm Cairo's earlier suspicion that Shanshal is a major obstacle to the UAR's ambitions in Iraq. Shanshal expressed his opposition to formation of a "revolutionary council" for Iraq and his desire to rid the regime of military men. His remarks suggest that the authority of pro-Nasir Vice Premier Arif may be further reduced. [redacted] (Page 10)

UAR-Iraq: The Iraqis have agreed to permit a UAR jet fighter squadron, probably an Egyptian unit stationed in Syria, together with an antiaircraft battery, to move to Habbaniya air base in Iraq by 28 September. [redacted]

### III. THE WEST

Iceland-Britain: The Icelandic Coast Guard continues to harass British trawlers operating under Royal Navy protection within Iceland's unilaterally established 12-mile fishing limit. Iceland opposes a new Law of the Sea Conference and will press for endorsement of the 12-mile limit in the UN General Assembly. Majority sentiment there seems to favor some extension of the three-mile limit. [redacted] (Page 11)

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## I. THE COMMUNIST BLOC

### Khrushchev Letter on Taiwan Strait Crisis

Premier Khrushchev's reply on 19 September to President Eisenhower's letter of 12 September, placing the USSR firmly on record as "fully supporting" Communist China, is apparently intended to create the impression that American accommodation to the Chinese Communist position provides the only alternative to major hostilities. The Soviet premier recalled his earlier warning that "an attack on the Chinese Peoples' Republic... is an attack on the Soviet Union" and, explicitly referring to the Sino-Soviet mutual defense treaty, added: "may no one doubt that we shall completely honor our commitments."

He called on the United States to withdraw its forces from the area, including Taiwan, and warned that if such action is not taken, Communist China "will have no other recourse but to expel the hostile armed forces from its own territory...."

The bloc leaders' confidence that they are in a strong position to extract maximum political advantage from the present crisis is reflected in Khrushchev's statement that "the international balance of forces has changed radically" in favor of the Communist bloc.

The clear restatement of Soviet support for Peiping and the threat that any American attack on the mainland with nuclear weapons would bring retaliation "by the same means" are intended to discourage an expansion of US military support of Nationalist forces. This, together with the unusually harsh tone of the letter and the assertion that a war with China would "spark off the conflagration of a world war," is an all-out effort by Moscow to stimulate world-wide apprehension of the imminence of major hostilities.

Khrushchev's letter is calculated to bring increased pressure on the United States to make concessions to Chinese

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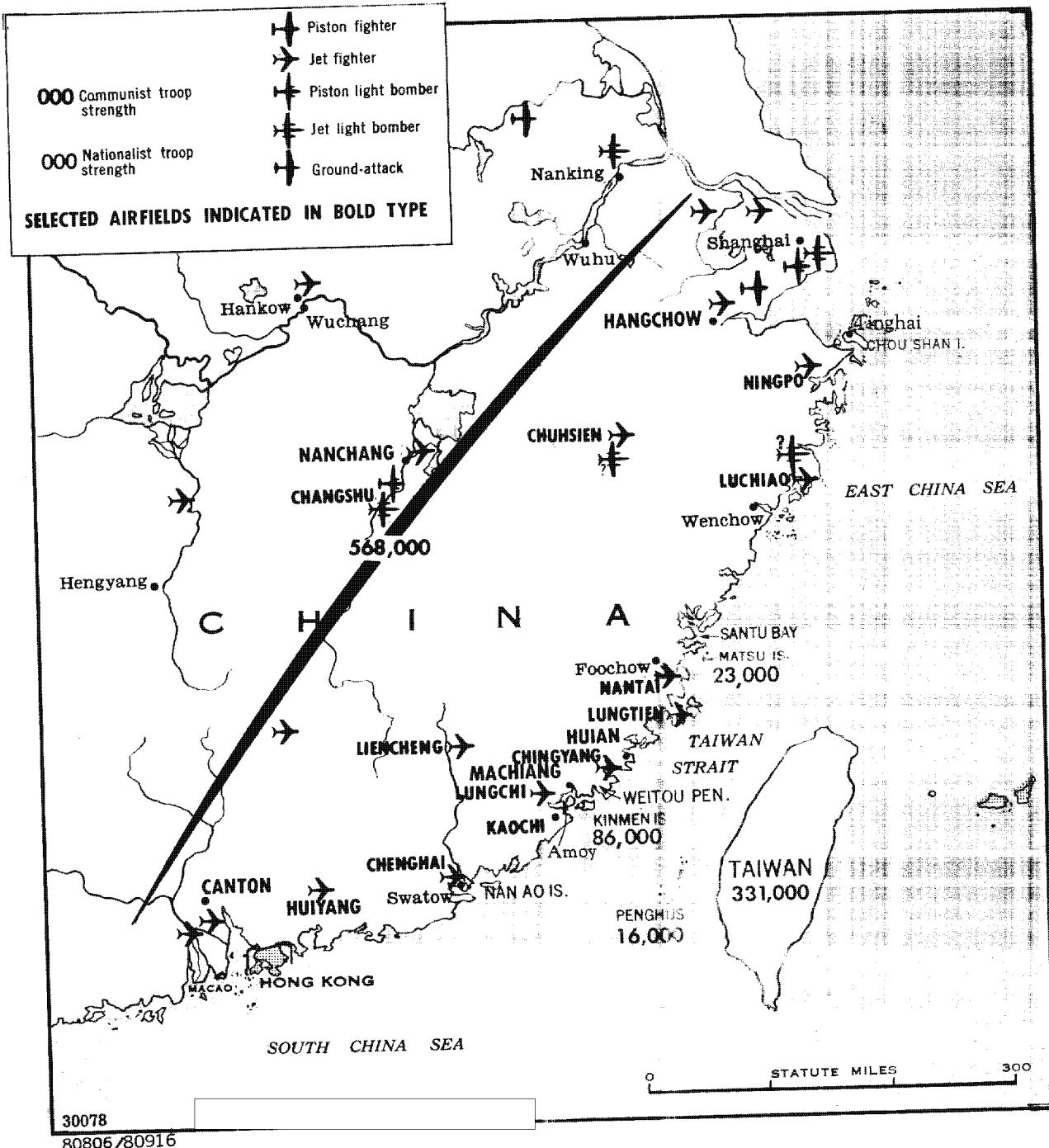
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Communist demands, in view of the apparent failure thus far of the Sino-American ambassadorial talks in Warsaw, and to prepare the way for further Communist political initiatives.

Khrushchev's strong demand that Communist China be seated in the United Nations and the recent emphasis in Soviet propaganda that the Taiwan crisis is the most urgent problem facing the present UN General Assembly session suggest that Moscow will press for full-scale debate on US policy and actions in the Far East. Bloc leaders are probably confident that their charges that US "provocations" and military measures in the area are responsible for the tension, and that the relative restraint exercised by the Chinese Communists in their military operations against the offshore islands to date have attracted considerable sympathy for Peiping's position.

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~~TOP SECRET~~Taiwan Strait Situation (information as of 0100 EDT)

Chinese Nationalist claims that Communist fighters initiated the air engagement on 18 September now appear to be untrue. There is evidence that the Nationalist fighters attacked first and

[redacted] the air battle began over the mainland at least ten miles west of Amoy.

Nationalist reports that their vessels near Kinmen and Tungting were strafed by MIG's and attacked by Communist motor torpedo boats on 18 September were at least erroneous. Nationalist fighters apparently strafed their own amphibious tractors, believing and reporting them to be Communist motor torpedo boats. Earlier reports of Communist naval vessels approaching a Nationalist subchaser disabled by artillery fire near Tungting have not yet been explained.

Chinese Nationalist Vice President and Premier Chen Cheng informed Admiral Smoot on 18 September that Kinmen cannot hold out indefinitely in the face of constant harassing fire even if the resupply effort reaches an acceptable level, and that if the present conditions continue, Nationalist counter-action is inevitable "one way or another." The issue, Chen indicated, is how long the public and military can be held in their present state of "submissive punishment." In a somewhat similar vein, Foreign Minister Huang informed Ambassador Drumright that according to the observations of Chiang Ching-kuo made during the course of a recent visit to Kinmen, the morale of the troops had dropped following receipt of the news that the United States was willing to negotiate with the Chinese Communists at Warsaw.

The statements of both Chen and Huang appear designed to impress on the United States the urgency of additional action to assist the Kinmens and also the undesirability of continuing the Warsaw talks. American observers on the islands are unable to confirm a drop in morale on Kinmen.

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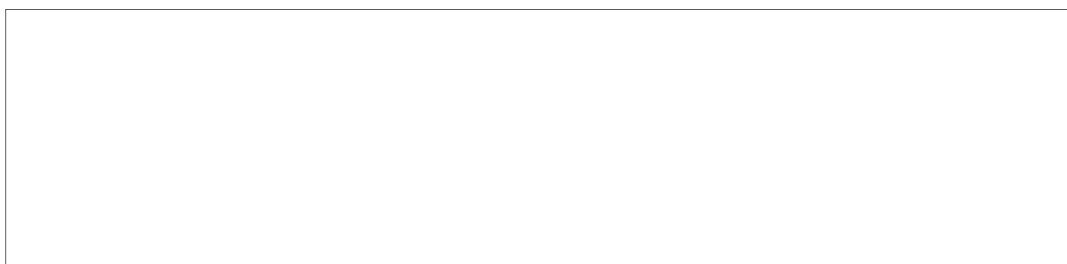
Moderately successful Nationalist resupply operations were carried out on 18 and 19 September. On the first day, two LST's unloaded, and three eight-inch howitzers were delivered by LCU's off an LSD during the night. On the 19th, three LST's were unloading. Operations on both days were carried out under "moderate" artillery fire. The delivery of the howitzers was the first successful night and "dry-ramp" operation, and Nationalist counterbattery fire was reported to have shown improvement.

Peiping is seeking to create the impression that American "provocations" are the cause of tension in the present situation and that the crisis will subside only after the cessation of armed "intimidation" rather than by a mutually agreed on cease-fire. In its "seventh warning" on 19 September, Communist China's Foreign Ministry charged that the latest intrusions of US naval forces into Peiping's territorial waters constituted a dangerous development in the grave "military provocations carried out by the United States since the resumption of Sino-American ambassadorial talks." As in all other warnings, there is no threat of counteraction.

The Chinese Nationalists have claimed the Communists are using 203-mm. and 212-mm. artillery pieces and 240-mm. mortars in bombarding the Kinmens. These reports are believed to be Nationalist fabrications since the 203-mm. gun-howitzer is not known to have been issued to any bloc military establishment other than the Soviet Army, and a 212-mm. piece has never been identified in any bloc army. The use of the 240-mm. mortar in the Kinmen bombardment is believed unlikely in view of its limited range, 10,600 yards. American military personnel have inspected areas which were alleged by the Nationalists to have been bombarded by these heavy artillery pieces but no evidence of their emplacement was observed.

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## II. ASIA-AFRICA

American Air Bases in Morocco

The Moroccan Government has decided that the five American air bases cannot be used for "strategic" purposes, according to Premier Ahmed Balafrej. The premier explained that, in view of his government's policy of nonalignment, it could not accept the involvement which would ensue from strategic use of the bases. He indicated that a note on the Moroccan position would be delivered early next week.

Disclaiming any intention of weakening the West by eliminating the bases, Balafrej said Morocco might permit use of the bases for two or three years for nonstrategic, i. e., depot and transit, purposes. He indicated that heightened tensions in the Near and Far East had had a great impact on Moroccan Government thinking. [redacted] during the extraordinary cabinet meeting held on 15 September, Vice Premier Abderrahim Bouabid recommended that the cabinet refuse a US request to use the bases for seven years. [redacted]

[redacted]  
This commentary apparently was the basis for the story, published in Morocco on 16 September and by The New York Times and other papers on 17 September, that Morocco would not accept the American proposals and would only grant time to dismantle the bases. [redacted]

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## Recognition of Free Algeria Poses Dilemma for Morocco And Tunisia

The Moroccan and Tunisian governments have privately expressed dismay regarding the formation by the Algerian National Liberation Front in Cairo of the "Free Algerian Government," which announced on 19 September that it is "in a state of war with France." Nevertheless, Rabat and Tunis will recognize the new exile government, even though Tunisian officials are exploring the possibility of making a statement which might side-step the recognition issue. Premier Balafrej has requested the United States to convey to France a Moroccan request that Paris not look on recognition by Morocco as a hostile act and that France not sever diplomatic relations with Morocco. Iraq, the UAR, and Libya are reported to have extended recognition on 19 September.

Both Moroccan Prime Minister Balafrej and Tunisian Secretary of State for Coordination and Defense Ladgham have indicated dissatisfaction with the FLN's concept of consultation with their governments, which the FLN had agreed to at the Tangier political party conference in April. FLN representatives personally informed the two governments only one day before the announcement was formally made on 19 September.

[redacted] the decision to create a government at this time had been taken on 8 September, just a week after the Maghreb secretariat meeting in Tunis, when the issue was not raised. [redacted]

[redacted] the provisional government would be responsible to the FLN's executive committee, now renamed the "Permanent Committee of the Revolution," and listed 16 "ministers," all outside Algeria, and four "secretaries of state" within Algeria.

The Brazilian consul in Tangier informed his Foreign Ministry [redacted] that "one of the highest leaders"

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of the FLN had personally requested him to inquire into the possibility of Brazilian mediation of the Algerian war. Such an approach would be in line with the FLN's long-standing desire to draw France into negotiations while continuing its guerrilla effort in the field.

According to press sources, the first meeting of the Algerian cabinet will be on 26 September in Cairo, and "Premier" Ferhat Abbas and two other "ministers" are to reside in Tunis.

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~~TOP SECRET~~The Iraqi Power Struggle

The American army attaché in Baghdad reports that the Iraqi 20th Brigade, Arif's unit prior to the 14 July coup, has been sent south to the Najaf-Hilla area to be employed on a piecemeal basis. While the ostensible justification for this move may be the present unrest in the south, local circles interpret it as removing a threat to the regime while Prime Minister Qasim "downgrades" Arif.

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### III. THE WEST

#### Iceland-UK Fisheries Dispute

The Icelandic Coast Guard continues to harass British fishing trawlers operating under Royal Navy protection within the 12-mile fishing limit unilaterally established by Iceland on 1 September. Icelandic resentment remains high, and the Communist press is seeking to channel the widespread anger at the British against NATO and the United States by stressing that Iceland's allies are doing nothing to protect "defenseless nations."

Iceland intends to bring the matter before the present session of the UN General Assembly. It does not want to have the problem further discussed in another Law of the Sea Conference like last spring's, but wants the issue decided by the General Assembly, where a majority favors some extension of the traditional three-mile limit.

Britain and Denmark have reached an interim understanding regarding the demand of the Faeroe Islands for a 12-mile fishing limit. By this compromise the inner six miles would be closed to foreign trawlers, but the outer six would be open, subject to certain limitations. Iceland, however, has adamantly rejected any such solution.

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