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27 October 1958

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CENTRAL

INTELLIGENCE

BULLETIN



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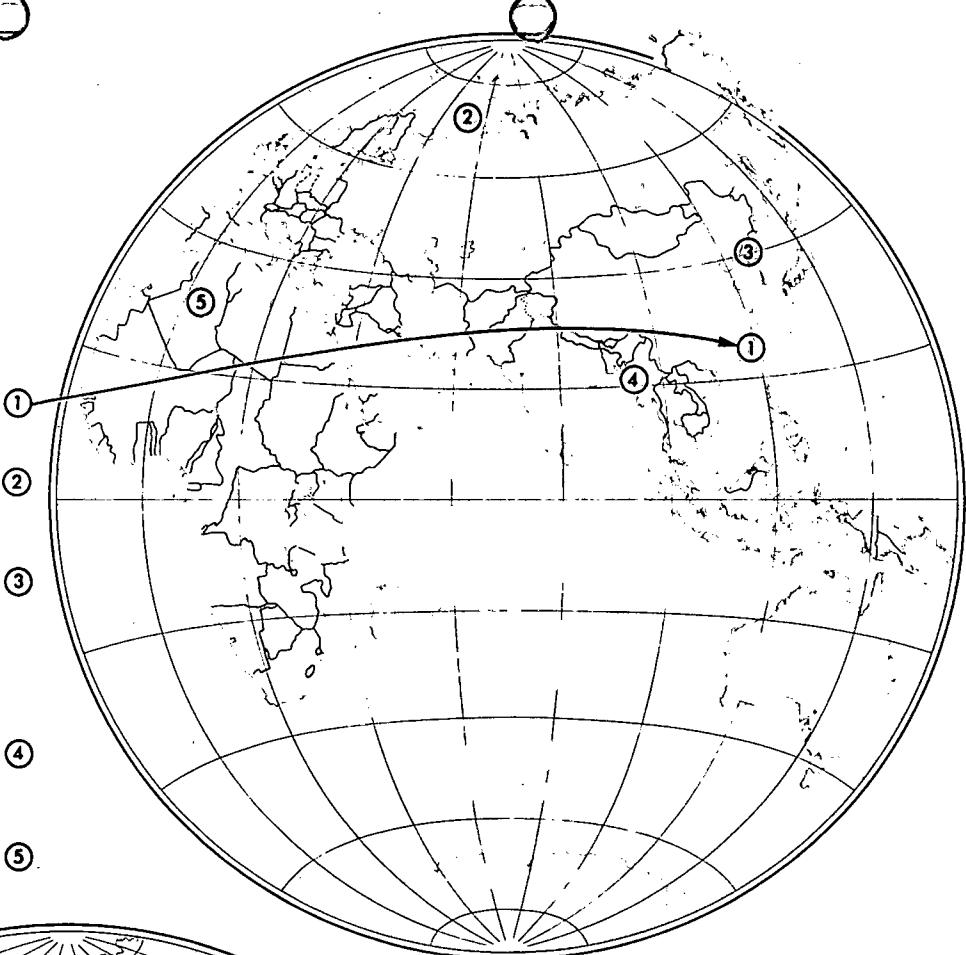
27 OCTOBER 1958

I. THE COMMUNIST BLOC

Taiwan Strait - Chiang Kai-shek reporting willing to discuss cuts in island garrisons. Peiping to shell Chinmens only on alternate days, provided US escorts not resumed.

Nuclear test at Novaya Zemlya on 25 October is 16th in current series.

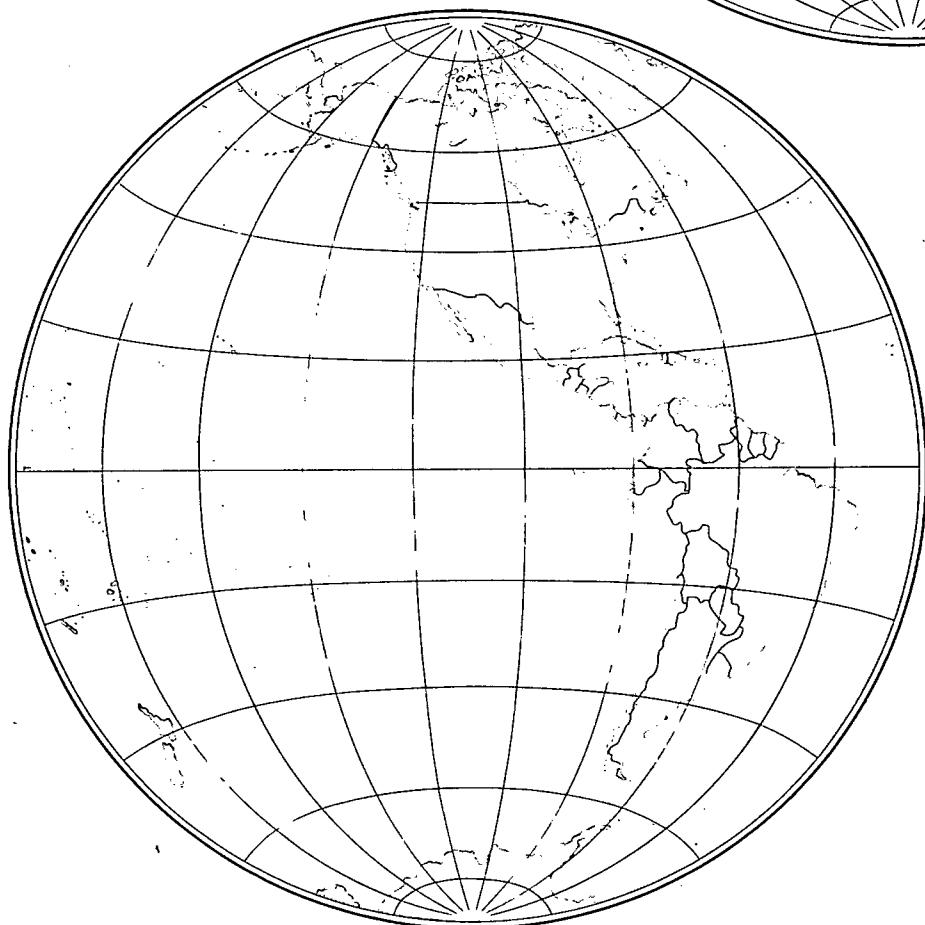
Chinese Communists complete withdrawal of all major units from North Korea.



II. ASIA-AFRICA

Burma - Peiping may use border incidents to put pressure on new Ne Win government.

Algerian rebels publicly reject De Gaulle's conditions for further cease-fire negotiations.



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CENTRAL INTELLIGENCE BULLETIN

27 October 1958

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DAILY BRIEF

I. THE COMMUNIST BLOC

Taiwan Strait situation: Chiang Ching-kuo, son of Chiang Kai-shek, stated on 25 October that his father has no objections to discussing a plan designed to reduce the size of the garrisons on the offshore islands and at the same time increase the defensive firepower of the remaining troops.

Chinese Communist Defense Minister Peng Te-huai's 25 October "message to Taiwan compatriots," limiting to alternate days the shelling of the wharf, landing beaches, and airfield on Chinmen, enables Peiping to claim that the Nationalists are able to maintain themselves on Chinmen only at Communist sufferance. The Communists retain flexibility to fire or not to fire without appearing to accept American proposals for a de facto cease-fire and without risking expanded hostilities or American involvement. Peiping also hopes to lend greater persuasiveness to subversive overtures being made to the Nationalists. The limited cease-fire is conditioned on the absence of American convoy activity.

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Soviet nuclear test: The Joint Atomic Energy Intelligence Committee made the following announcement at 1600 on 25 October:

"The Atomic Energy Detection System has reported that an explosion occurred at 0821 GMT (0321 EST) on 25 October 1958 in the vicinity of Novaya Zemlya.

*Comment: This is the 16th explosion in the current phase of Soviet testing which began on 30 September. On 20 September a large area of the Barents and Kara Seas which included the

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islands of Novaya Zemlya was closed to shipping and aircraft through 25 October. There is at present no evidence that the Soviet Union has reopened the area or that nuclear testing has been suspended.

Communist China - North Korea: The last Chinese Communist troops have withdrawn from North Korea, according to a Chinese Communist announcement. This move completes on schedule the plan of withdrawal announced early this year.

[redacted] the withdrawal of all major Chinese Communist units from North Korea as of 19 October. About 300,000 Chinese Communists were withdrawn in three stages of about 100,000 troops each. The Chinese Communists are capable, however, of deploying about six armies, or 300,000 troops, to forward areas of North Korea within two weeks to reinforce as required the 338,000-man

7 North Korean Army.

Burma - Communist China: Burmese officials fear that unrest among the tribal peoples on both sides of the Sino-Burmese frontier may give rise to an increase in border incidents and they are probably concerned that these might provide Peiping with opportunities to apply pressure on the new Ne Win government. Pressure of this sort already may have been applied. The Chinese Communist ambassador in Rangoon on 23 October made a belated but strong protest concerning an August attack on a Chinese border check-point by a tribal group fleeing China. Peiping demands that the leader of the attack be extradited.

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Algeria-France: The recent series of secret French-Algerian rebel meetings presumably led to Premier de Gaulle's offer for the rebel leaders to come to Paris under a safe-conduct to negotiate a cease-fire. The rebel government, objecting

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to the conditions proposed, has publicly rejected the offer, apparently in an effort to broaden any future discussions to include the political status of Algeria. De Gaulle maintains that the future of Algeria can be discussed only with the representatives the Algerian people will elect to the French National Assembly on 30 November. [redacted]

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I. THE COMMUNIST BLOC

Taiwan Strait Situation

The Chinese Nationalist foreign minister has received two more letters from representatives of the Chinese Communists recommending a negotiated settlement between Peiping and Taipei. Chiang Ching-kuo, Chiang Kai-shek's elder son, has stated that both letters have been reported to the generalissimo and that Nationalist policy is to ignore them entirely.

Chiang Ching-kuo [redacted] stated on 25 October that his father has no objections to discussing a plan designed to reduce the size of the garrisons on the offshore islands and at the same time increase the defensive firepower of the remaining troops. The President indicated that acceptance of such a plan would depend on the extent of the proposed reduction and the ability of the Nationalist Government to win popular support for the idea.

A senior Chinese Nationalist diplomat has admitted [redacted] there is a possibility that Taipei may reduce the offshore island forces, but he noted that such a reduction must have the appearance of being voluntarily accomplished on the initiative of the Nationalists. Indications to the press by Nationalist military officials on 25 October that their government has agreed in principle to an American request, made prior to the offshore island crisis, for a gradual one-third reduction in the armed forces on the offshore islands with a corresponding increase in firepower through modernization suggests Taipei could be moving toward decreasing the garrisons.

The message issued on 25 October by Peiping's Defense Minister Peng Te-huai to Chinese "compatriots" suggests that, for the time being, the Chinese Communists hope to move by means of political tactics toward their objective of gaining control of the offshore islands. Peng's message is in effect a declaration of a limited cease-fire which "facilitates for a long time to come" the entrenchment of the Nationalists on the Chinmens. Peng states that troops on "the Fukien Front" have been ordered not

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to shell the Chinmen airstrip and the wharf, beach, and ships at Liaolo Bay "on even days" and advises that Nationalist ships and aircraft "should not come on odd days. In this way, half of each month will be free for transportation."

Chinese Communist artillery fired about 240 rounds at the Chinmens on 26 October, an "even numbered day," but none against the beach or airstrip. Peiping stated in a 26 October announcement, however, that "today happens to be an even date. Our military units on the Fukien Front, strictly abiding by the order of the minister of national defense, did not bombard the airfields in Chinmen or the wharf, beach, and ships at Liaolo Bay when they shelled Chinmen." The Communists apparently do not intend to suspend shelling entirely "on even days" but only to refrain from shelling those areas specifically mentioned in the 25 October order.

Peng's 25 October order enables Peiping to claim that the Chinese Nationalist Government is able to maintain itself on Chinmen purely by Communist sufferance. At the same time, the Chinese Communists retain flexibility to fire or not to fire, without appearing to accept American proposals for a de facto cease-fire and without incurring the risk of expanded hostilities or American involvement. The limited cease-fire is "still conditional on not introducing American escorts." Peng thus continues the regime's effort to disengage the United States from any active military support of the Nationalists and to provide a de facto American recognition of its claim to a 12-mile limit of its territorial waters. Since American destroyers modified their pattern of patrolling in the Matsu area on 22 October, Peiping has not issued a "serious warning" against alleged American intrusions into Chinese Communist territorial waters.

Chinese Communist propaganda prior to 21 October, as well as Peng's earlier cease-fire orders of 6 and 12 October pointed to "political work" and "peaceful liberation" as the principal methods to be used in the campaign to take over the offshore islands and Taiwan. Peng's latest message makes it clear that Peiping does not expect important defections in the immediate future. Peng states, "We are not advising you to break with the Americans right away; that would be an unrealistic idea." Peiping apparently does expect, however, a lowering of Nationalist morale, some grumbling against the Chinese

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Nationalist authorities, and even defections during a prolonged period of psychological pressures against the offshore islands and Taiwan.

Peiping's propaganda continues to reduce the tone of urgency regarding the offshore islands and to demand the total withdrawal of American forces from the strait area as the only means of permanently easing tension.

At least seven of eleven Soviet IL-12 transports which were scheduled to fly from Chita to Manchuria on 23 October were flying from Manchurian bases to Peiping. These aircraft are subordinate to the Soviet Air Force of Airborne Forces at Pskov in the western USSR. The flight of these aircraft into Communist China was

requesting frequent weather reporting from airfields in Manchuria between Chita and Peiping. The significance of this activity cannot yet be determined.

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II. ASIA-AFRICA

Algerian Rebel Government Rejects De Gaulle Proposal

The "Provisional Government of the Algerian Republic" on 25 October branded as a "request for unconditional surrender" Premier De Gaulle's public offer of 23 October for leaders of the rebellion to come to Paris under a guarantee of safe conduct to discuss an Algerian cease-fire. By leaving the door open for negotiations at a neutral location, rebel spokesmen made clear they were rejecting the alternative methods proposed by De Gaulle for making contact with the French Government but were willing to continue the secret contacts which reportedly have taken place during the past few months between the premier's representatives and individual members of the rebel regime.

Regardless of developments on negotiations, the De Gaulle government feels in a relatively strong position insofar as its internal pre-election stand is concerned. De Gaulle's willingness to talk with rebel leaders pleased liberal elements in France and Algeria, and rightist extremists will now be heartened by the belief that the Cairo announcement makes negotiations unlikely.

De Gaulle may be willing to forego the requirement he expressed for the rebels to send representatives to Paris. He would be reluctant to sanction a neutral site which might imply recognition of the provisional Algerian government, but he might agree to hold talks in Tunisia or Morocco, with a view to cementing relations with two countries he still hopes to bring close to France in the new French community. In no event, however, will he agree to discuss the future status of Algeria until Algerian representatives to the French National Assembly are elected on 30 November.

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