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SOVIET UNION

1. New Soviet aircraft designations

Comment: This is the first known reference to IL-40 and MIG-19 aircraft. While these designations cannot be equated with specific aircraft types, analysis of available evidence indicates that the USSR now has, or is developing, the following aircraft: a jet heavy bomber, a new jet light bomber or a variant of the IL-28, an improved propeller transport and/or jet transport, and several new models of fighters, including an all-weather interceptor and a supersonic fighter. Of these types, a new transport and a heavy bomber are needed by the USSR to provide a balanced air establishment.

FAR EAST

2. Tokyo reportedly will resist Soviet pressure for recognition of Communist China:


Tokyo will not make any definite gesture toward Peiping so long as the latter's international status has not been generally accepted.


Japanese military and economic circles are placing their hopes in an international settlement which would authorize Peiping alone to represent the Chinese nation, and recognize Formosa, at least provisionally, as a new state.

Comment: Chinese premier Chou En-lai in January reportedly told Shozo Murata, semiofficial Japanese trade representative, that Peiping hopes for trade and cultural exchanges with Japan, but will not press for other forms of recognition at present.

Japan does not intend to break with Taipei but will await the evolution of Formosa as an independent state. While the Hatoyama government does not advocate immediate recognition of Peiping, it favors expansion of trade and cultural contacts with Communist China. It believes that the Yoshida government suffered politically from its unyielding attitude toward Peiping.

3. "Military replacements" being transported down the Yangtze River from Southwest China:

Comment:

The shipment of troop replacements eastward may be to strengthen units in East China which are training or staging for future operations against the Nationalists.

The troops may be new recruits. Under the terms of Peiping's new draft law, some 450,000 men were to be drafted between last November and February as replacements for veterans who were to be demobilized. (Concurred in by ORR)

4. Chinese Nationalists reaffirm intention to hold Matsus and Quemoys:

[Redacted]

The Chinese Nationalist defense minister has reaffirmed Taipei's determination to hold the Matsu and Quemoy Island groups, following the evacuation of Nationalist forces from Nanchishan. The Nationalists are beginning an "extensive effort" to reinforce the Matsu garrison and strengthen the defenses there, according to the American military advisory group in Taipei.

Comment: The Matsus are garrisoned by about 4,000 regulars and 1,500 guerrillas. These forces may soon be reinforced by a regiment of regulars. There are about 54,000 Nationalist regular troops and 1,500 guerrillas on the Quemoy.

The Chinese Communists are expected to occupy Nanchishan rapidly. Fresh probing actions in the Matsu and Quemoy areas may shortly follow.

NEAR EAST - AFRICA

5. Iraq and Britain near agreement on new defense arrangement:

[Redacted]

British ambassador Wright in Baghdad told Ambassador Gallman that the Anglo-Iraqi talks which opened on 22 February "went very smoothly." Wright indicated that no difficulty is expected in reaching agreement on the staging of British planes and the stationing of maintenance crews at the Habbaniya and Shaiba airbases. The new agreement will also cover training and the supplying of arms and equipment.

Wright said that the one big problem probably will be whether Iraqi or British flags will fly over the airbases and whether the officers in immediate command will be Iraqi or British.

Comment: Iraqi prime minister Nuri negotiated the Anglo-Iraqi treaty of 1930 and is now seeking to replace it by new agreements within the framework of the Iraqi-Turkish defense pact.

6.

WESTERN EUROPE

7. West German Socialists plan delaying tactics on defense legislation:

The West German Social Democratic Party will attempt to delay passage of defense legislation necessary to implement the Paris treaties "as long as possible," party leaders told American representatives in Bonn on 23 February.

The Social Democrats will press for an East-West conference on German unity prior to the passage of such

legislation. They believe that Moscow will be willing to hold a conference on German unity following ratification of the Paris treaties, and they want West German participation in any talks, even if Moscow insists that East Germany also participate.

Comment: Although Chancellor Adenauer will probably oppose any delay in enactment of defense legislation, many of his supporters would probably favor deferring action until the West has tried to get Moscow into a meeting on Germany.

This is the first time any major West German party has indicated it would accept participation of the East German government in unity negotiations. The Social Democrats have heretofore maintained that Moscow would not negotiate on unity following ratification of the Paris accords.