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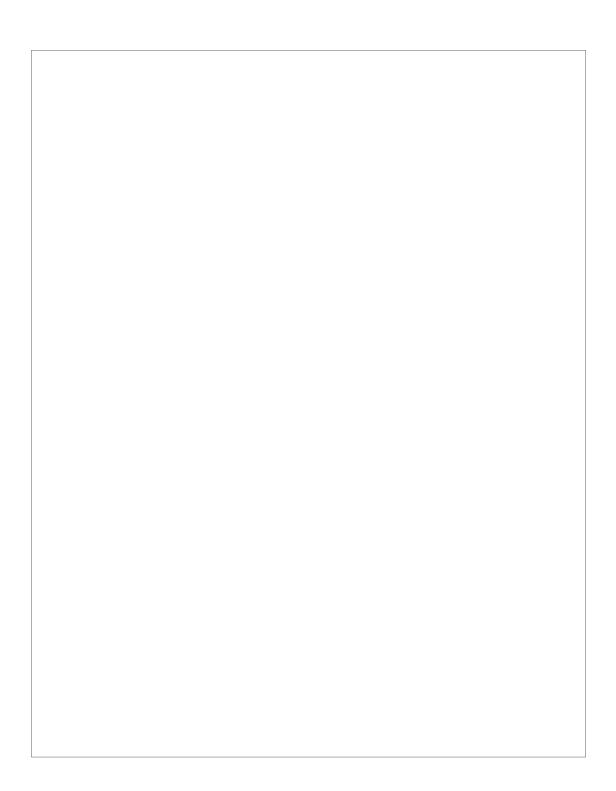
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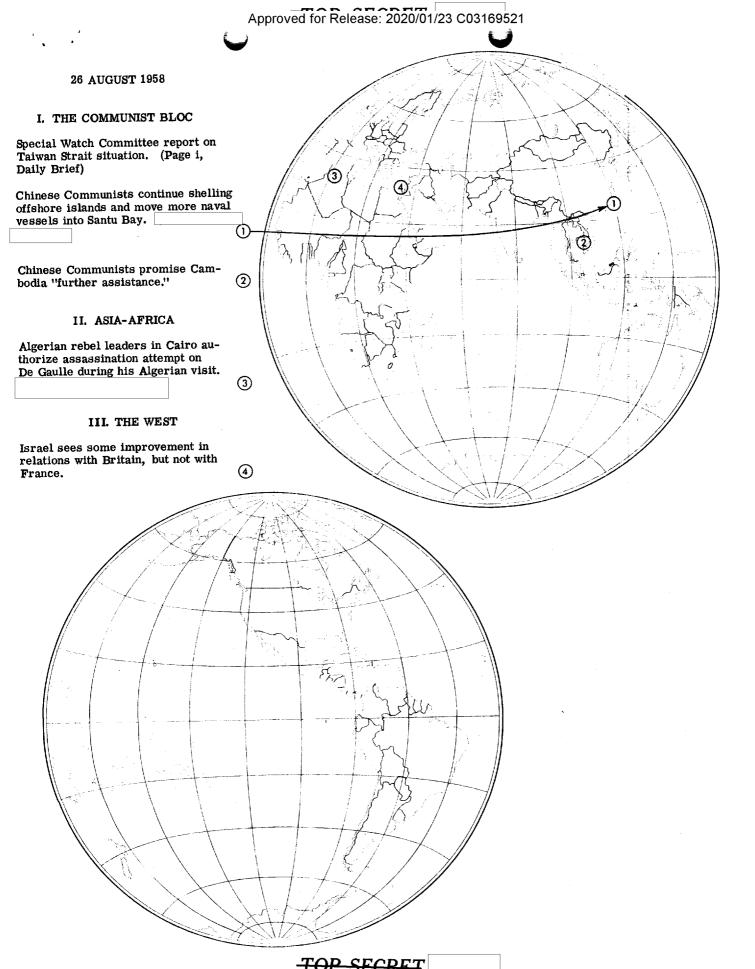
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CENTRAL INTELLIGENCE BULLETIN

17 August 1958

DAILY BRIEF

SRAB

I. THE COMMUNIST BLOC

Special Watch Committee Report on Taiwan Strait Situation (as of 1300 EDT, 25 August 1958):

The Chinese Communists now possess an air capability in place for major attacks on Taiwan and the Pescadores.

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The Chinese Communists have increased their capabilities to bring heavy pressure, including air and naval blockade and artillery bombardment, all of which have already started, on Chinmen (Quemoy) and Little Chinmen; however, they have not yet brought their ground forces and amphibious capability to the level believed necessary for a frontal assault unless preceded by prolonged heavy artillery and air bombardment. It is possible that a frontal assault could be made against Little Chinmen with existing ground forces while Chinmen is neutralized by air and artillery bombardment.

The Chinese Communists have the capability of seizing any of the smaller islands in the Chinmen group.

The Chinese Communists have the military capabilities to launch a successful amphibious operation against the Matsus, the White Dogs, or the Wuchus (see map facing page 3) with little or no warning, using local craft and ground forces already in position.

It is likely that the Chinese Communists will continue artillery barrages along with intensified air and naval interdiction of supply lines to the offshore islands. Air attacks on the

offshore islands are probable but initially would be probing to determine Chinese Nationalist and US reactions. Chinese Communist seizure of one or more of the smaller offshore islands is expected. The Chinese Nationalist and US reactions to these moves will largely determine whether or not attempts will be made to seize the larger islands of Chinmen and Matsu. They probably do not intend to initiate major offensive military action against Taiwan and the Pescadores in the immediate future.

No

*Taiwan Strait Situation: (as of 0100 EDT, 26 August): The Chinese Communists continued their artillery bombardment of the Chinmen (Quemoy) Islands on 26 August.

Chinese Communist naval vessels continue to move into the Santu Bay area immediately to the north of the Matsu Islands.

(Page 2) (Maps)

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Communist China - Cambodia: In the joint communiqué issued at the end of Cambodian Premier Sihanouk's visit to Peiping on 24 August, the Chinese Communists expressed readiness to extend economic assistance in addition to the \$23,000,000 granted under the 1956 aid agreement, but made no reference to military aid. (Page 3)

II. ASIA-AFRICA

*De Gaulle - Algeria: The Algerian rebel executive committee in Cairo has authorized an attempt to assassinate De Gaulle when he visits Algeria this week at the conclusion of his African tour. French authorities are probably aware of the rebel plan, and security precautions may make an attempt impossible. In view of the new wave of rebel sabotage and terrorism in France itself, even an unsuccessful assassination attempt would strengthen French rightists and resolidify rightist-army ties. A successful attempt would probably facilitate a military seizure of power in France, possibly with Information Minister Jacques Soustelle as premier.

(Page 4)

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26 Aug 58

DAILY BRIEF

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III. THE WEST

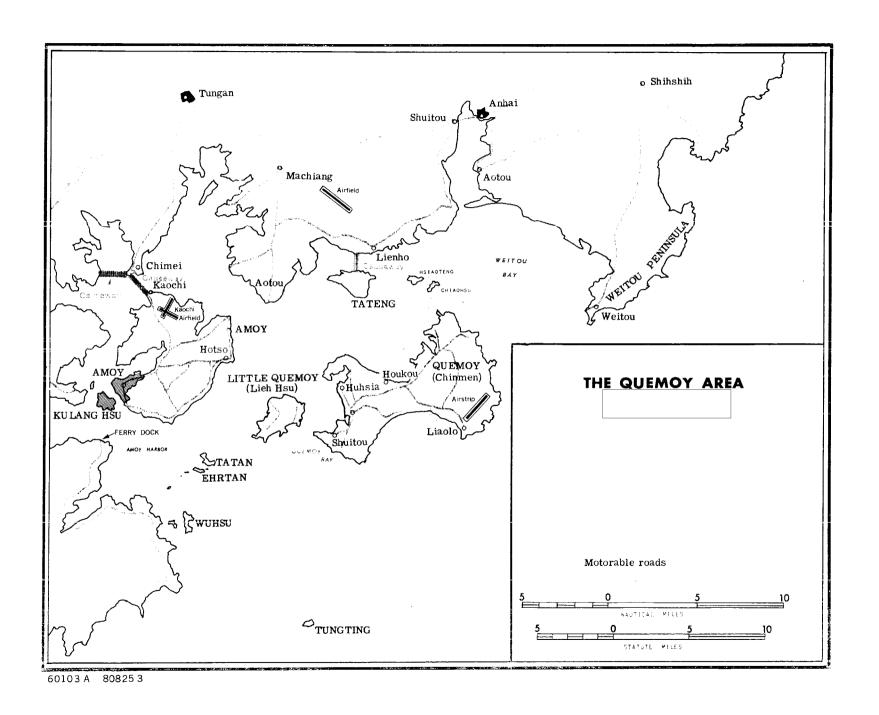
Israel-France-Britain: France seems to be taking a more cautious attitude toward Israel at the same time as Britain is appearing more cooperative. De Gaulle told Israeli Foreign Minister Meir recently that France would not enter a formal alliance but would "honor its commitments" --by which the Israelis understand a continued French willingness to sell military equipment. The British told Mrs. Meir that they are no longer suggesting territorial sacrifices by Israel in order to reach a settlement with the Arabs, and gave her the impression that they would sell Israel half-tracks and two small submarines. (Page 5)

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26 Aug 58

DAILY BRIEF

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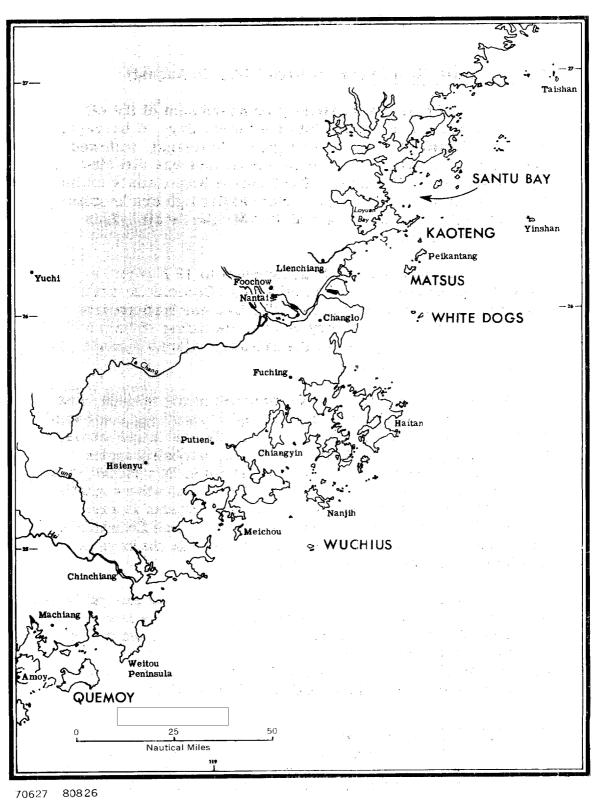
I. THE COMMUNIST BLOC

Taiwan Strait Situation (as of 0100 EDT, 26 August):

Chinese Communist artillery bombardment of the off-shore islands has continued into the fourth day. A barrage, beginning 32 minutes after midnight on 26 August, followed slackening of artillery fire on 25 August and was directed against Chinmen (Quemoy). The Chinese Nationalists claim that in air action on 25 August, Nationalist fighters knocked down two MIG's out of a flight of 48 over the Strait. This claim is unconfirmed.

	The Chinese Nationalists
claim more than 300 artiller 122mm guns, participated in the Qeumoys on 23 August.	y pieces, including 152mm and
sibly motor torpedo boats, in to the Santu Bay area on 25 A four auxiliary ships and four torpedo boats, have also arrithe Shanghai-Choushan Island an addition to Santu Bay. As of 25 Augunaval base stations may have mediately north and south of the interior of the santu Bay and south of the interior of the santu Bay are appeals for defection, who	ived in the Santu Bay vicinity from darea. ional auxiliary vessel is enroute st, two new Chinese Communist be been activated in the bays im-Amoy. wan, Peiping thus far has not steppe ich were prominent in the 1954
trays the United States as an	a. A 24 August commentary por- unreliable ally in stating that ng sufficient aid because he is 'not

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Sihanouk Concludes Visit to Communist China

Cambodian Premier Sihanouk's Peiping visit ended on 24 August with statements indicating that the Chinese Communists have probably been successful in deepening Cambodia's commitment to pro-Communist neutrality. Sihanouk, following up Cambodian recognition of Peiping in July, announced that the two governments will establish diplomatic representation on the ambassadorial level. He remarked that Cambodia would not give up neutrality 'for all the riches in the world.''

Sihanouk had one talk with Mao Tse-tung that lasted six hours. His itinerary suggests that the Chinese Communist leaders concentrated on impressing him with Communist China's industrial achievements. In the joint communique issued at the end of the visit, Peiping stated its readiness to extend economic assistance, including gifts of small iron and steel works, in addition to the \$23,000,000 granted under the 1956 aid agreement.

No reference was made to military aid, and the Cambodian planning minister told a US official in Phnom Penh on 22 August that Cambodia would not seek a "military alliance" with Peiping or Chinese Communist military equipment. In the communique Chou En-lai merely expressed "regret" that Cambodia's territory was frequently "invaded and blockaded" by neighbors—an obvious reference to South Vietnam and Thailand

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II. ASIA-AFRICA

Algerian Rebels Plan to Assassinate De Gaulle This Week
guerrilla elements, apparently inside Algeria, have sought and received permission from the National Liberation Front's (FLN) top-level Coordination Committee in Cairo to assassinate French Premier de Gaulle, who is to wind up his African tour with a three-day visit to Algeria from 27 to 29 August. The attempt will presumably be made in the eastern Algerian city of Constantine, where De Gaulle complicated security arrangements during his June visit by mingling extensively with the Moslem
security precautions may be sufficient to dis-
courage an attempt, particularly since other grandiose projects Even an unsuccessful attempt, however, would almost
certainly have grave repercussions in France. In conjunction with the new wave of FLN sabotage and terrorism in metropolitan France, it would strengthen rightist elements and resolidify the rightist-military ties which launched the 13 May Algiers coup and brought De Gaulle to power. A successful
attempt would probably precipitate an outright military seizure of power in France, possibly with Information Minister Jacque Soustelle as civilian premier and "front" for the army.

III. THE WEST

French and British Relations with Israel

assured Israeli Foreign Minister Golda Meir during her early August visit to Paris that France "would honor its commitments to Israel," but said France would not enter into a formal alliance. The full extent of French-Israeli military agreements, based on close cooperation during and since the Suez crisis, is said to be unknown even to French Foreign Ministry officials normally concerned with Israel. De Gaulle has previously been reported as wanting to soft-pedal the French-Israeli relationship to facilitate his policy of rapprochement with the Arab states, which is based on the conviction that the West "must come to terms with Arab nationalism."	e -
Britain, Mrs. Meir to sell Israel half-tracksplus two small submarine at \$1,400,000 each. This is consistent with information previously received from the British Foreign Office that Foreign Secretary Lloyd agreed "in principle" to furnish naval equipment and half-tracks and to give careful consideration to Israel's further requests, which included tanks and planes. London has stated, however, that many technical steps are required before such equipment can be made available. According to press reports, an Israeli representative arrived in London on 25 August to engage in further arms talks. During the London talks, Foreign Secretary Lloyd endeavored to give Mrs. Meir the impression that he was taking her into his confidence and explained that London no longer had any intention of suggesting that Israel make territorial sacrifices in order to reach a settlement with the Arabs.	S

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The Vice President

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Special Assistant for National Security Affairs

Scientific Adviser to the President

Director of the Budget

Office of Defense and Civilian Mobilization

Special Assistant for Security Operations Coordination

Board of Consultants on Foreign Intelligence Activities

Special Assistant for Foreign Economic Policy

Special Adviser to the President

The Treasury Department

The Secretary of the Treasury

The Department of State

The Secretary of State

The Under Secretary of State

The Under Secretary of State for Economic Affairs

The Deputy Under Secretary for Political Affairs

The Deputy Under Secretary for Administration

The Counselor

Director, International Cooperation Administration

The Director of Intelligence and Research

The Department of Defense

The Secretary of Defense

The Deputy Secretary of Defense

The Secretary of the Army

The Secretary of the Navy

The Secretary of the Air Force

The Chairman, The Joint Chiefs of Staff

Commandant, United States Marine Corps

The Director, The Joint Staff

Chief of Staff, United States Army

Chief of Naval Operations, United States Navy

Chief of Staff, United States Air Force

Assistant to Secretary of Defense for Special Operations

Deputy Director for Intelligence, The Joint Staff

Assistant Chief of Staff for Intelligence, Department of the Army

Director of Naval Intelligence, Department of the Navy

Assistant Chief of Staff, Intelligence, Department of the Air Force

Supreme Allied Commander, Europe

Commander in Chief, Pacific

The Department of the Interior

The Secretary of the Interior

Federal Bureau of Investigation

The Director

Atomic Energy Commission

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National Security Agency

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National Indications Center

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