

~~TOP SECRET~~



19 May 1955


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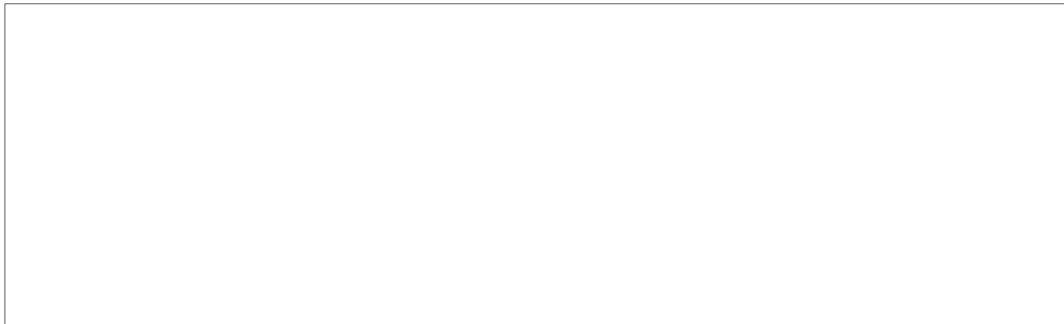
CURRENT INTELLIGENCE BULLETIN

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Office of Current Intelligence

CENTRAL INTELLIGENCE AGENCY



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SUMMARY

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NEAR EAST - AFRICA

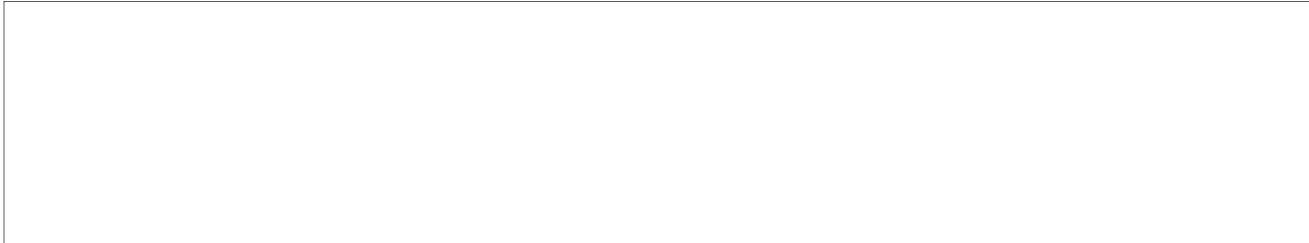
4. Nasr suspicious of American activities (page 5).

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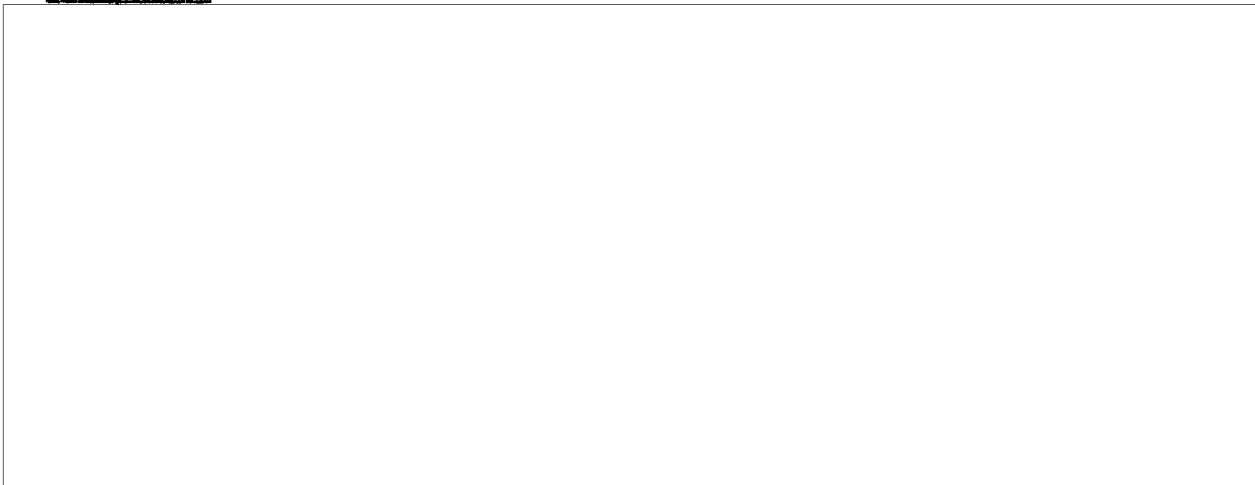
THE FORMOSA STRAITS (page 7)

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FAR EAST

1. Security treaty seen no bar to relations between Communist China and Japan:



Comment:

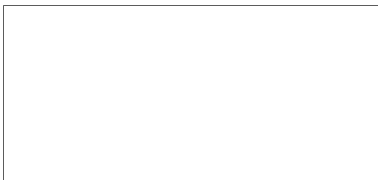


Both Moscow and Peiping have stated that Japan need not abandon its close ties with the United States to normalize relations with the Sino-Soviet bloc, but this is believed to be the first time that Japan's security arrangements have been specifically mentioned.

Japanese government leaders have publicly subscribed to the "two Chinas" concept, but have indicated it would be premature for Japan to advance such a policy at this time. Communist China, however, apparently has de facto recognition as its immediate aim. It is unlikely to request formal recognition, as long as Japan maintains full relations with Taipei.

SOUTHEAST ASIA

2. Indonesian Moslem leader discusses possible election outcome:



Masjumi leader Sukiman, a former premier, has informed Ambassador Cumming that he expects Indonesia's Moslem parties

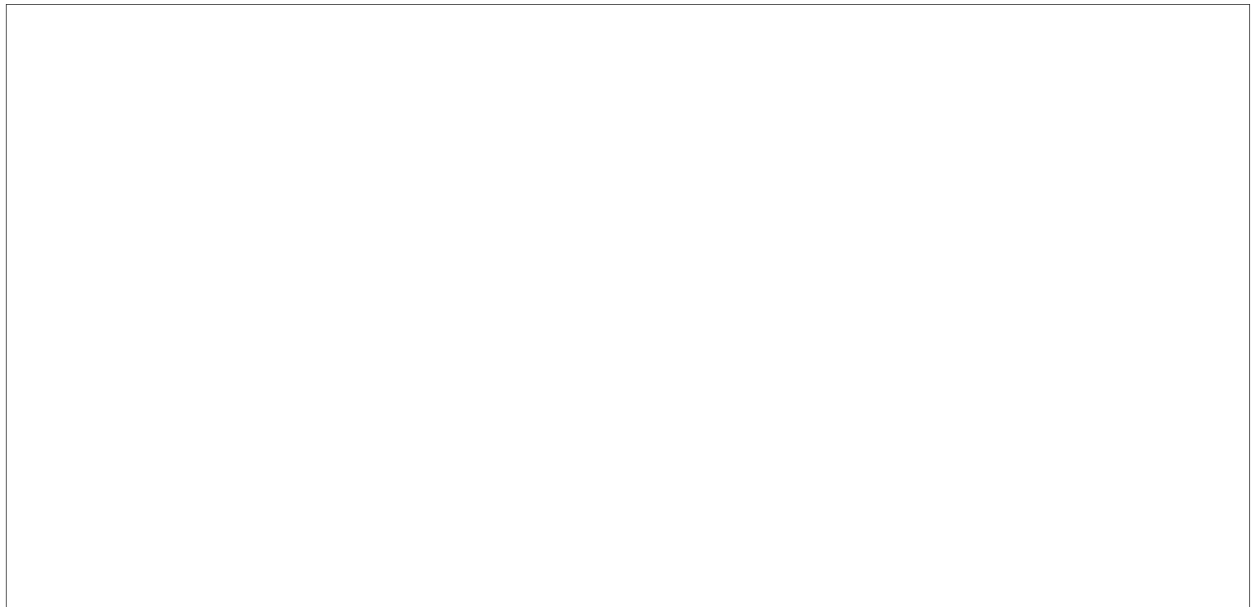
to poll about 60 percent of the votes in the parliamentary elections planned for September if he is successful in negotiating an "election nonaggression pact" with the NU, a smaller Moslem party that supports the present government. He believes that this would result in a consolidation of non-Communist strength under a coalition government led by the Masjumi. Sukiman said that such a coalition might include the right wing of the National Party, which heads the present government. Its leaders, he reported, were becoming alarmed at Communist gains in central Java.

The ambassador feels that Sukiman is overly optimistic regarding the elections.

Comment: Sukiman is the leader of the Masjumi right wing and is vice chairman of the party. His previous record indicates that he favors closer military and economic co-operation with the United States than does Natsir, the party chairman.

SOUTH ASIA

3. Afghanistan seeks support for discussion of Pushtoonistan question:



Comment: [REDACTED]

[REDACTED] Afghanistan is still unsure of Egyptian support. Kabul is apparently trying to improve its weak position in respect to the recent riots and demonstrations by shifting the subject to be mediated.

NEAR EAST - AFRICA

4. Nasr suspicious of American activities:

[REDACTED] Ambassador Byroade reports that a meeting he had with Prime Minister Nasr on 16 May was devoted entirely to discussion of complaints about alleged American activities against the Cairo regime. In contrast to his attitude during previous talks, the prime minister was reserved, cautious and "extremely suspicious." Byroade believes that Nasr fears the United States may be turning against him.

Comment: American-Egyptian relations have cooled in recent months as a result of Cairo's belief that the United States has "abandoned" the Nasr regime in favor of Iraq and the "northern tier" defense plan.

The Nasr regime, apparently frustrated by its failure to dominate Arab affairs and feeling rebuffed by the West, may attempt to follow a foreign policy line completely independent of foreign influence, even Arab. Ambassador Byroade reported on 16 May that there were indications that "a rather fundamental swing in Egyptian foreign policy may be in the offing."

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5. Situation in Singapore remains explosive:

[REDACTED] The American consulate general in Singapore reports that tension is rising again as a result of a government demand that certain students be expelled from three

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Chinese schools for their part in the recent riots. The consulate general has been informed that Communist-controlled unions are considering a city-wide strike in support of the students. The situation is regarded as explosive and workers are showing distinct signs of responding to agitation. Meanwhile, anti-Communist Chinese are badly frightened and intimidated.

Comment: Several thousand Communist-directed students have reportedly barricaded themselves in the schools in question and have indicated an intention to resist forcefully any effort to remove them. Under the circumstances, fresh violence is a distinct possibility.

The British forces in Singapore and its immediate vicinity are sufficient to overcome any Communist uprising.

WEEKLY SUMMARY
(18 May 1955)

THE FORMOSA STRAITS

**Report of the IAC Current Intelligence Group
for the Formosa Straits Problem**

1. Chinese Communist air activity during the past week has been generally normal with the exception of three encounters between Nationalist and Communist aircraft, none of which resulted in damage to either side. One reason for the increased number of encounters during the past week may be the Communist patrol flights along the east coast of China, [REDACTED]

[REDACTED] This increased Chinese Communist reaction is not believed to indicate plans for initiating hostilities. More likely purposes are to discourage reconnaissance flights over China and to maintain a state of tension in the Formosa area. [REDACTED]

There were no significant ground combat operations this week, although training and construction activity by the Chinese Communists continued in areas opposite Nationalist-held islands. Chinese Communist naval activity was negative. Minor Communist naval vessels, including PT boats, continued to be sighted in the vicinity of the Peiling Peninsula north of Matsu. Foggy conditions along the East China coast are expected to prevail until mid-June, and will considerably hamper visual observations of Chinese Communist activity in this area. [REDACTED]

2. Completion dates for five airfields under construction in East China have been estimated, based on the present rate of work and development. It is now estimated that Nantai, near Foochow, will be completed in June; Chingyang, Lungtien, and Swatow Northeast in September; and Lungchi in October. [REDACTED]

3. Aerial photography of late April has provided the first evidence that construction of a rail line in Fukien Province may be under way. The move of two railway construction divisions to Fukien late last year was the first indication that such work was to begin.

The photos showed a stretch of about 30 miles of what appeared to be cleared right of way along a line toward Amoy.

The main rail link to Fukien will presumably be built from Kueichi on the Chekiang-Kiangsi railroad to Foochow.

None of the Fukien rail construction is expected to be completed before 1956. [REDACTED]

4. The relief of the Nationalist guerrilla forces on the Yinshan and Wuchiu islands by a corps reconnaissance regiment is to be completed by about 20 May. However, the 1,200 troops planned for Yinshan, 35 miles northeast of Matsu, and the 400 troops to be stationed on Wuchiu, 75 miles south of Matsu, would not be sufficient to hold these islands in the face of a determined Communist attack.

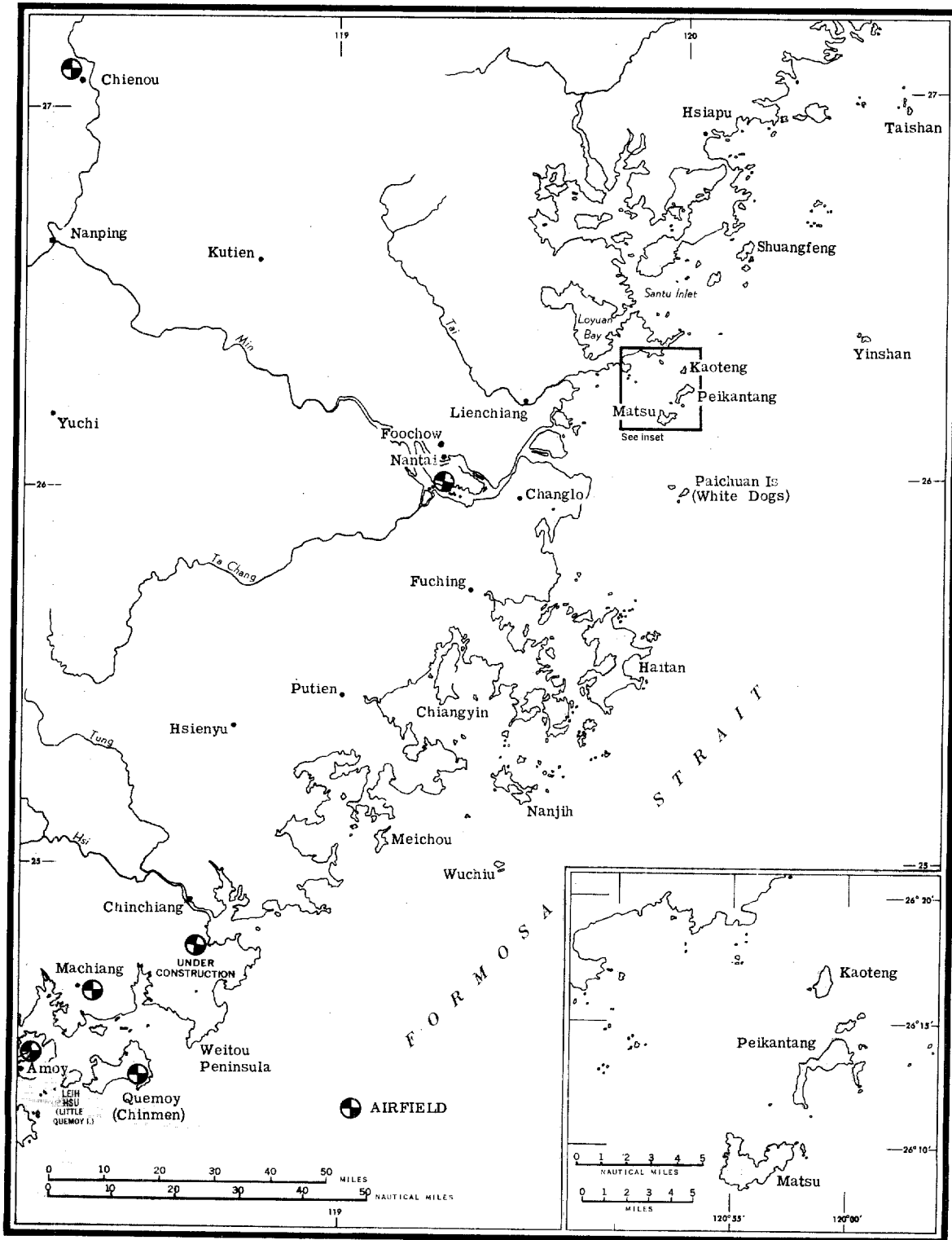
The regiment on the Paichuan (White Dog) Islands, which has been 40 percent understrength and has had a very low combat capability, also is scheduled to be brought to full strength at this time. [REDACTED]

5. The Peiping regime, while restating Chou En-lai's offer of negotiations concerning "tension" in the Formosa area, has avoided committing itself as to the precise form and agenda of possible negotiations and has described the US attitude to date as "evasive and equivocal." Peiping's propaganda has continued to discuss the "liberation" of Formosa in military terms, although Chou has introduced a new emphasis on the possibility of a "peaceful liberation."

On 13 May, Chou En-lai reported to his government on the Bandung conference and restated the points bearing on the China situation he had raised at Bandung: Formosa is Chinese, its "liberation" is "China's domestic affair," US "occupation" of the area constitutes the only "international issue," and there is no need for a cease-fire. Chou said Peiping supports the Soviet proposal for 10-power talks but is "willing to consider other forms" of negotiations. However, Peiping can never agree to Chinese Nationalist participation in an international conference, and negotiations cannot affect Peiping's "right" to "liberate" Formosa. Chou added that "the Chinese people have two possible means of liberating Formosa--namely, by war, or by peaceful means. The Chinese people are

willing to strive for the liberation of Formosa by peaceful means as far as possible." [redacted]

6. Peiping's propaganda attention to Formosa during the week remained at roughly the same level as the previous week. One broadcast stated that "one of the most important steps toward the liberation of Formosa is the liberation of the offshore islands." Peiping also stated that Nationalist mining of certain coastal waters near Quemoy and Matsu "would not prevent the liberation of Formosa and the coastal islands. . . ." [redacted]

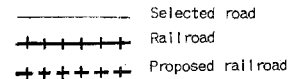
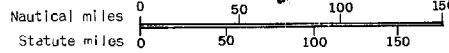


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CHINA-FORMOSA SITUATION

18 May 1955



COMMUNIST AIRFIELD LEGEND

PRIMARY
SECONDARY

- ▲ OPERATIONAL
- ▲ SERVICEABLE
- ▲ UNKNOWN
- ▲ OTHER

USABILITY

- + MIG-15, MIG-17, TU-4, IL-28
- | TU-2, IL-10, LA-9/11, LI-2, ETC.
- UNKNOWN
- * FIELDS NOT CONSIDERED CAPABLE OF SUPPORTING SUSTAINED OPERATIONS AT PRESENT.

★ NATIONALIST AIRFIELD

DESIGNATIONS

- PRIMARY: CONSIDERED MOST IMPORTANT IN AREA, WITH PREPARED RUNWAY GENERALLY 5000 FEET OR LONGER.
- SECONDARY: AUXILIARY OR EMERGENCY BASES, OR FIELDS OF LESSER IMPORTANCE. RUNWAYS GENERALLY LESS THAN 5000 FEET.
- OPERATIONAL: ACTIVE BASE FOR MILITARY & CIVILIAN AIRCRAFT. SOME BASES USED BY PISTON TYPES MAY BE USABLE BY JETS.
- SERVICEABLE: INACTIVE BASES CAPABLE OF USE BY AIRCRAFT
- UNKNOWN: CURRENT STATUS UNDETERMINED.
- OTHER: UNDER CONSTRUCTION, ABANDONED, OR UNSERVICEABLE.

