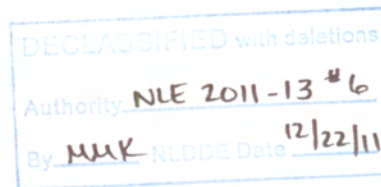


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July 6, 1959

Synopsis of Intelligence material reported to the President

TAIWAN STRAIT SITUATION

The air battle southwest of Matsu on 5 July, in which the Chinese Nationalists claim to have shot down four Chinese Communist jet fighters, involved four Nationalist F-86s (of an eight-plane patrol) and 12 MIGs. A fifth Communist jet fighter crashed near Matsu during the engagement. Sidewinder missiles were not used by the Nationalist planes. [REDACTED] the deepest penetration of the mainland during the engagement was about 35 miles.

[REDACTED] Nationalist pilots, given advance warning by their own ground controllers that enemy aircraft were in the vicinity, took the initiative in the engagement.

LATIN AMERICA

The OAS is meeting today and is coming up against a most critical test. It is considering a Dominican request for investigation of recent actions of Cuba and Venezuela. Castro has already warned that he will permit no OAS intervention in Cuba and Venezuela and has threatened to withdraw from that body if it votes to investigate Trujillo's charges. Trujillo expects an attack on Haiti by rebels based in Cuba, and has advised that he will consider such an attack as an attack on his own territory.

Meanwhile, anti-Castro rebels have indicated that plans for a revolution against him are well advanced and will be carried out within the next 3 weeks. Batista is reportedly not involved.

Meanwhile, Brazil is pushing an OAS Foreign Minister meeting. Cuba and Venezuelan representatives have indicated they would favor such a meeting if its convocation is completely divorced from the Dominican Republic's charges against Cuba.

AFGHANISTAN

The Soviet Government has decided to cut in half the price of all arms sold to Afghanistan. Afghanistan is also privileged to set the time for repayment.

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*John S. Eisenhower*