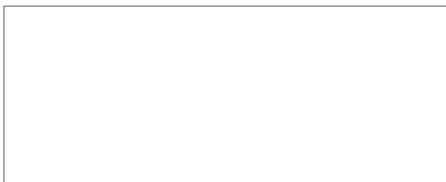


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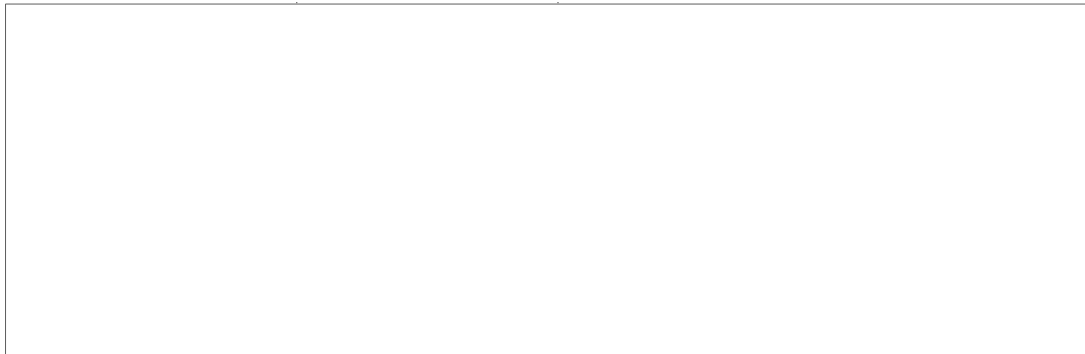
CURRENT INTELLIGENCE BULLETIN

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CENTRAL INTELLIGENCE AGENCY



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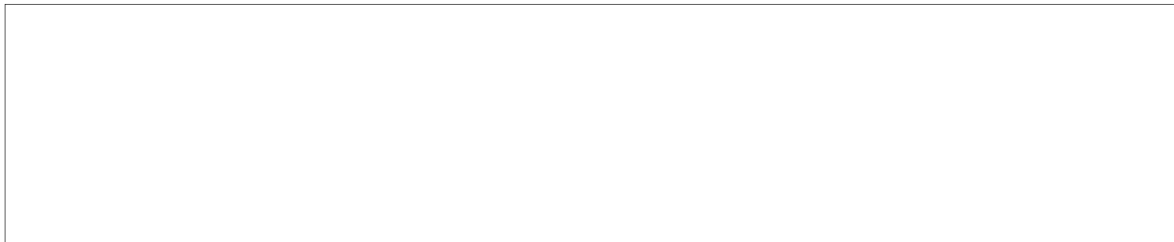
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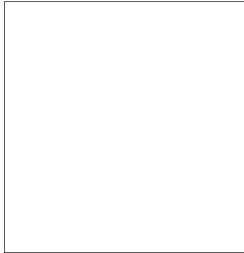
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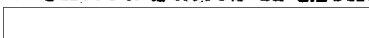
GENERAL

1. Comment on India's acceptance of active role in Formosa crisis:



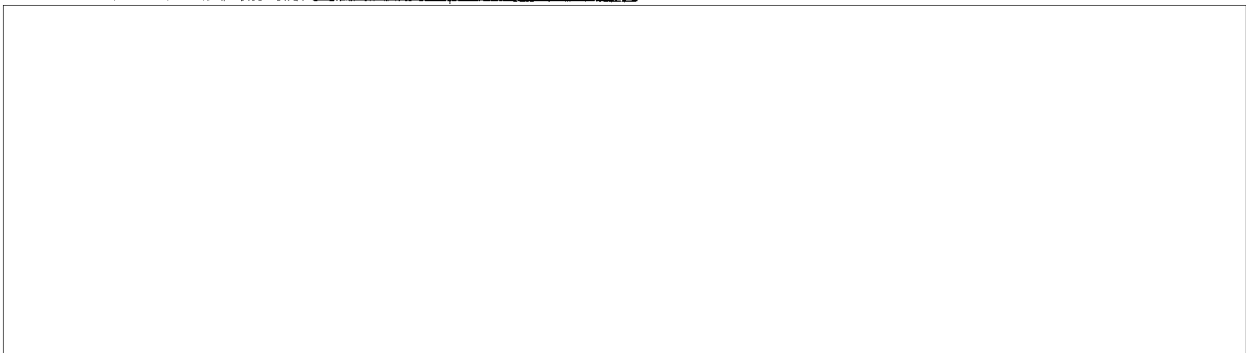
In accepting Chou En-lai's request to send Krishna Menon to Peiping for further consultations on Formosa, Prime Minister Nehru has again seized an opportunity to assume an active role in promoting peace in Asia and to recoup some of the prestige he lost at the recent Afro-Asian conference.

Chou's invitation to India's best-known diplomat, whose anti-American bias is well established, suggests that Peiping is prepared for a protracted period of maneuvering on negotiations over the Formosa issue. In accepting the invitation, Nehru publicly proclaimed India's friendliness and lack of prejudice toward both sides.

Nehru's public proclamation that India and "other parties concerned" had "known for some time that China was willing to enter into direct talks," and his statement that Chou's offer "can lead to an approach toward a peaceful settlement," suggest that the Indian premier may be prepared to blame the United States if Menon's mission fails to bring positive results. 

SOVIET UNION

2. Soviet cruisers may leave Baltic:



[REDACTED]

Comment: Movements of cruisers out of the Baltic in recent years have been preceded by apparent surveys of the narrow waters leading out of the Baltic. [REDACTED]

[REDACTED] several cruisers have been active in the southern Baltic area but have not revealed preparations for their departure.

The cruisers would probably be transferred to another fleet, as no impending Soviet naval visits have been reported. The present total of 13 cruisers in the Baltic, primary location of Sverdlov-class cruiser construction, is considered more than adequate for requirements there and the re-deployment of units to either the Northern or Pacific Ocean Fleets is expected.

The last interfleet cruiser transfer occurred in August 1953 when the Sverdlov-class Alexander Nevsky was shifted to the Northern Fleet. There are now four light cruisers in the Northern Fleet and two heavy cruisers in the Pacific Fleet. [REDACTED]

SOUTHEAST ASIA

3. Cambodia to seek rectification of border with Cochinchina:

[REDACTED] Ambassador McClintock has learned that a major purpose of Prince Sihanouk's trip to Paris next month will be to negotiate rectification of Cambodia's boundary with Cochinchina, now the major part of South Vietnam. According to Privy Councilor Penn Nouth, the Cambodian government considers the regaining of certain territory ceded to Cochinchina by the French an urgent matter in view of the "inevitability" of a Communist election victory in South Vietnam. Penn Nouth emphasized that Cambodia would look to the United States and Britain for help in securing these border changes.

McClintock comments that obviously a thorny problem is building up.

Comment: The Cambodia-Cochinchina frontier was demarcated in the 19th century by the French and early in the 20th century the French made certain minor changes in favor of Cochinchina. The Cambodians have been traditionally resentful of the encroachment of Vietnamese along their south-eastern border. Cambodia and Vietnam do not maintain direct diplomatic relations.

WESTERN EUROPE

4. Comment on the formation of new state government in Lower Saxony:



The formation in Lower Saxony on 30 April of a coalition government, consisting of the Christian Democratic, the German, the Refugee, and the Free Democratic parties, will assure Chancellor Adenauer's control of the Bundesrat for the passage of constitutional amendments.

The new coalition, formed as a result of last week's elections, forces the opposition Social Democrats from power. Adenauer's two-thirds Bundesrat majority, which was jeopardized by last November's state elections in Bavaria, will be necessary whenever the government requests parliamentary ratification of those amendments which will facilitate German rearmament.

The "surprise" government probably came about as a result of sizable concessions to the Refugee Party, which holds the balance of political power in the state. Prospects are that Heinrich Hellwege, leader of the coalition German Party and a loyal Adenauer supporter, will be minister president.

5. Adenauer proposes West include Moscow in a security system:

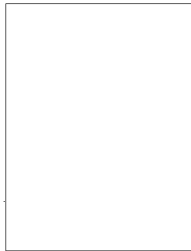
Chancellor Adenauer, through a personal envoy, Herbert Blankenhorn, has proposed to the Allied four-power conference working group in London that the West offer to include the Soviet Union and its Satellites in a new security system consisting of all the European states, Canada and the United States. The proposal provides for over-all limits on arms, inspection of defense establishments, and a system of nonaggression and mutual assistance arrangements. The German arms build-up under the Paris accords would not be affected nor would NATO force goals, since the arms limits would be set high enough so as not to interfere.

Simultaneously, the West should also offer to re-unite Germany under the Eden plan--which called for free all-German elections and freedom of alliance. Blankenhorn feels, however, that the Eden plan will continue to be rejected by the Soviet Union. Nevertheless, he states that German public opinion expects the West to adopt a more advanced position on East-West problems than that taken at Berlin in February 1954. Such a proposal, he believes, may enable the West to regain the initiative.

Comment: While Adenauer's proposal would stand little chance of being accepted by the Soviet Union, he believes these arrangements are the only safe basis for German unity. In his opinion, unity will be possible only following a general detente between the USSR and the United States.

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6. The Situation in Saigon (as of 2000 EDST, 1 May):

By the evening of 1 May in Saigon the forces loyal to Premier Diem were clearly in the ascendancy. An attempted coup d'etat by General Vy, Bao Dai's designated military plenipotentiary, had failed. A press report from Cannes of 1 May stated that Bao Dai had "reaffirmed" his faith in Premier Diem and had issued a third invitation to the premier to come to France. Bao Dai had described his last previous invitation as the "second and last."

Early in the morning of 1 May, Vy had issued a communiqué stating that there was no constitutional government in Vietnam and that he was the sole legal power. Vy's attempts to win the support of General Ty and other key officers in Saigon failed and Vy reportedly enplaned for Dalat at 1500. Shortly before Vy's flight the French radio in Saigon quoted General Ely as urging the population to "give all necessary help to the armed forces of Vietnam."

Vy's attempt to overthrow Diem, like that of the Binh Xuyen, had virtually no chance of success unless it had the active backing of the French Expeditionary Corps. Despite the statements of French government spokesmen in Paris and General Ely that the action "deposing" Bao Dai, taken by a "Revolutionary Council" supporting Diem on 30 April, was "illegal," the French command in Saigon apparently made no overt move to intervene.

The "Revolutionary Council," which first appeared on 30 April, is a group of extremists supporting the premier. It has Diem's unofficial sanction but its statements go beyond official government policy. Those sect leaders who have been in Diem's camp during the dispute with the Binh Xuyen--Cao Dai generals Phuong and The and Hoa Hao general Ngo--have played an important, if not dominant, part in the current revolutionary activity. Corroboration of the strong feeling in the army and among the population against Bao Dai's attempted elevation of General Vy and his dispatch of General Hinh on a "survey mission"

[redacted] somewhat cool toward Diem. [redacted] the Cao Dai pope-- long an ally of the Binh Xuyen--and certain lesser Hoa Hao warlords issued anti-Bao Dai proclamations on the 29th and 30th.

At 1500 hours (Saigon time) Binh Xuyen forces were reportedly concentrated approximately 12 miles south of Saigon. Binh Xuyen morale was said to be low; 100 troops had defected during the day. [redacted]

CHRONOLOGY

Several days prior to 28 April	Ba Cut liaison reportedly tells Vietnamese source United Front expects major conflict with National Army within few days, probably 1 May. [redacted]
26 April	Diem establishes new National Police headquarters, with Colonel Le as chief, on Blvd. Gillieni. [redacted]
28 April	Le tells press that, effective 1430 hours, he will stop movement mobile Binh Xuyen patrols. [redacted]
1215 Hours 28 April	Mortar shells land in Y Bridge area from unknown point of origin, according to Ely. Embassy notes official French briefing made no mention of this but stated shelling began at 1315 with attack on palace. [redacted]
1245 Hours 28 April	Conflict begins when Binh Xuyen reportedly opens fire on truckload of National Army troops in front of police headquarters on Blvd. Gallieni. [redacted]
1315 Hours 28 April	Serious battle begins as Binh Xuyen lobs nine mortar shells on or near palace. Diem

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informs Ely that more shelling will bring VNA retaliation. Attack continues, and Diem orders fire returned. [redacted]

Afternoon, Evening
28 April Heavy fighting, largely concentrated in Y Bridge area and along Arroyo Chinois. Large area between Arroyo Chinois and Blvd. Gallieni in flames. [redacted]

28 April Bao Dai cables Diem, appointing General Nguyen Van Vy army commander and ordering Diem and others to Cannes for talks. Diem told to arrive 3 May for conference beginning 5 May. (Press)

28 April Kidder sees Ely; latter holds Diem responsible for bloodshed, implies US largely to blame. [redacted]

Morning
29 April Cabinet meeting reportedly produces unanimous approval of strong cable from Diem to Bao Dai rejecting latter's instructions. Premier's communiqué says cabinet decided presence of premier indispensable and that Vy's assumption of command would have "baneful consequences" for country. [redacted]

29 April National Army succeeds in gaining objective of banks of Arroyo Chinois after overcoming most Binh Xuyen strongpoints in city. [redacted]

29 April [redacted] Cao Dai pope Pham Cong Tac and Hoa Hao military leader Tu Day today issued anti-Bao Dai, anti-French statements. [redacted]

29 April Bao Dai orders General Nguyen Van Hinh to leave for Vietnam to "survey" situation. (Press)

1430 Hours
29 April French start deploying heavily armed troops along principal boundaries of Saigon's European sector. [redacted]

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29 April Ely tells Kidder and British ambassador that Diem's refusal to obey Bao Dai puts him in illegal position. Kidder believes Ely had hoped to get American and British support in demarche to Diem for cease-fire. [redacted]

29 April [redacted] Colonel Thai Hoang Minh, Binh Xuyen chief of staff, is now suspicious of French intentions, and is negotiating rallying to the government of three Binh Xuyen battalions. [redacted]

29 April [redacted] VNA has total of 80 French prisoners. [redacted]

1800 Hours VNA reportedly flanks and forces Y Bridge.
29 April Binh Xuyen falls back to point two miles south of Saigon. VNA attempting envelopment. [redacted]

29 April [redacted]

30 April Provisional assembly, called "The Revolutionary Democratic Forces of the Nation," "fires" Bao Dai, orders Diem to dissolve cabinet and form a new one. Assembly, which has cabinet backing, adopts resolution assailing Bao Dai as puppet of French colonialists. Bao Dai portrait on city hall torn down at instigation of sect loyalists, smashed by crowd. (Press)

30 April General Vy, after conference with Diem, reads statement under duress, saying he agrees with assembly's action deposing Bao Dai, and adds: "I place myself at disposal of Premier Diem." (Press)

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- 30 April [redacted] Hoa Hao colonel
Nhuyen Van Hue issued anti-Bao Dai procla-
mation. [redacted]
- 30 April Cabinet reportedly sends cable to Bao Dai
protesting latter's decision to send Hinh on
"survey" mission as "seriyous insult" to
government and army. (Press)
- 30 April Some members of imperial family in Saigon
said to have decided to urge Bao Dai to re-
tain Diem. [redacted]
- 30 April General Ty given additional star, Colonels
Don (AC/S) and Minh (Comdr First Mil
Region) raised to generals. [redacted]
- 30 April VNA reports supply situation satisfactory.
Binh Xuyen reported low on ammuniton
and down to strength of 2,000. Believed
tired and ready to quit. Some evidence
internal dissension. Binh Xuyen may find
means to improve supply situation. [redacted]
- 0030 Hours General Vy released from palace. Issues
1 May statement that he is "sole legal power."
(Press) (Vy later told Emb his release
followed threat by comdr of a paratroop
battalion to attack palace unless Vy freed.)
- 0900-1000 Hours Bloodless struggle between VNA units and
1 May Imperial Guard units under Vy for control
of national bank, national radio, and PTT
(last two in French sector). Army gains
control of radio and PTT. [redacted]
- 1200 Hours People's Revolutionary Council and VNA
1 May representatives, including Ty and Don,
meet at palace. Adopt resolution of full
support for Ty. (Press)
- 1 May Cannes--Bao Dai reportedly "reaffirms"
support for Diem and renews order to Diem
to proceed to Cannes. (Press)

1 May French military source says Hoa Hao forces allied with Binh Xuyen marching on Saigon. (Press)

1400 Hours French radio in Saigon quotes Ely as urging population to support Vietnamese army. [redacted]
1 May Comment: Ely may have made statement under impression General Vy in command.

1500 Hours General Vy reportedly enplanes for Dalat. 1 May His residence, crowded with officers a few hours earlier, now deserted. [redacted]
[redacted]

1 May [redacted] Diem's decision not to go to Cannes is final. General Hinh will not be permitted to enter Vietnam. [redacted]

1 May People's Revolutionary Council authorizes Diem to form new government which will organize elected assembly and ask complete withdrawal of French troops. Demands full-scale revolution to wipe out colonialist regime. [redacted]

1 May Vietnamese defense minister says referendum will decide issue of monarchy or republic within a few months. [redacted]

1 May Paris radio says all observers agree situation turning in favor of Diem. [redacted]

1600 Hours [redacted] Binh 1 May Xuyen concentrated 12 miles south of Saigon, with French blocking approaches to them. Binh Xuyen morale bad. Over 100 defected during day. Government expects 3 battalions to rally in near future. [redacted]

THE FORMOSA STRAITS

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

This report is based on information received in Washington
up to 1100 hours 1 May 1955.

1. No significant developments have been reported.

