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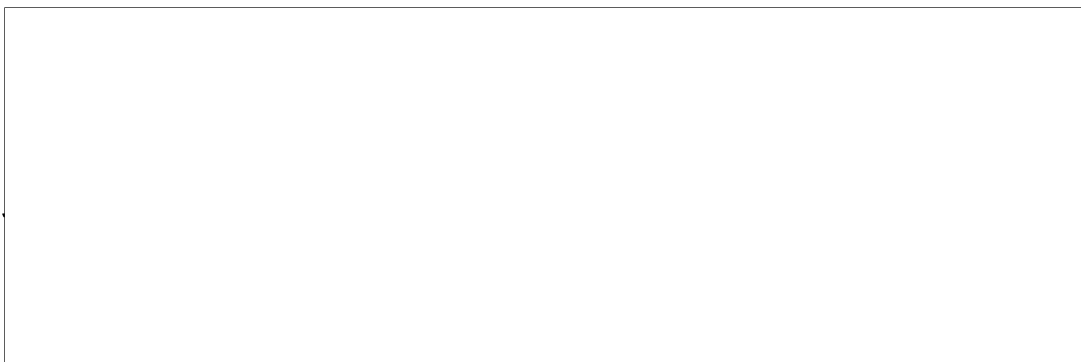
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GENERAL

1. TASS correspondent stresses Soviet desire for negotiations on East-West issues:

[REDACTED] A TASS representative stated on 12 April that the United States should enter direct negotiations with Communist China on the Formosa question along the lines of the recent meetings in Bern on the question of the Chinese students in the United States. [REDACTED]

The TASS correspondent asserted that American negotiations with the Chinese would produce "some concrete results," but warned that they would be "very slow" as "new revolutionaries are very difficult and so proud."

He declared that the conclusion of an Austrian treaty would be a start toward discussions on Germany. A working arrangement to deal with Germany, he said, could be "slowly" established.

The TASS representative asked why President Eisenhower did not invite Marshal Zhukov to visit Washington. He thought such an invitation would be accepted with alacrity and would provide "two old comrades-in-arms" with an opportunity for an exchange of views, and might serve as a basis for further negotiations.

[REDACTED]

Comment: These remarks indicating the Soviet government's belief in the possibility of new negotiations serve the same purpose as Premier Bulganin's answer on 23 April to a deliberately encouraged question in which he expressed willingness to meet with Western leaders. Soviet diplomats have several times privately commented on the favorable opportunities presented by Zhukov's former association with President Eisenhower.

The correspondent's remarks about the need for patience in dealing with the Chinese revive a Soviet theme circulated at the Geneva conference. As at that time it again serves Moscow's interest to pose as the reasonable mediator disclaiming responsibility for the actions of its ally.

2. Britain proposes disarmament for four-power talks agenda:

UN

[redacted] Britain would like to include the question of disarmament on the agenda of a four-power meeting, according to Anthony Nutting, British representative to the ~~UN~~ disarmament subcommittee talks in London. The British government wants to avoid a break in the present discussions in London in order to retain the "proper climate" for extending an invitation to the USSR in May for four-power talks.

Comment: Announcement in Britain before the general election on 26 May that disarmament would be a subject of four-power talks would enable the Conservatives to counter left-wing Labor charges that the government is not sufficiently concerned with the threat of nuclear warfare.

The British believe that four-power talks should not be merely a propaganda exercise, but that the agenda should include a study of ways and means of dealing with all outstanding East-West issues. [redacted]

FAR EAST

3. Chinese Communist spokesman hints at early release of American airmen:

[redacted] The Chinese Communist ambassador in Stockholm asked UN secretary general Hammarskjold, in a 23 April interview held at the latter's request, how Hammarskjold would "handle the release" of American airmen if he were in Chou En-lai's position. Hammarskjold interpreted this question as evidence that Peiping has moved from the question of "whether to release" to the question of "how to release" the Americans.

Hammarskjold recommended that Peiping release the 11 airmen of the "spy" case and the four jet pilots not yet charged with anything except "intrusion" by commuting their sentences.

Comment: The Chinese Communists have been expected, for propaganda purposes, to release during 1955 some of the 56 Americans they admit holding.

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The Bandung conference seemed to strengthen the possibility of some early releases, as several of the delegates reportedly found occasion to speak to Chou about the detained Americans. Moreover, it would appear in Peiping's interest, in its current bid for direct negotiations on Formosa, to offer evidence of "good intentions" on one of the points suggested in the Department of State's statement of 23 April.

SOUTHEAST ASIA

4. Bao Dai's plan seen influenced by US views:



Bao Dai's plan for the replacement of Premier Diem is French-influenced but not French-inspired, in the judgment of the American embassy in Paris.

The plan is, moreover, clearly influenced by American views, since both Bao Dai and the French would probably have chosen candidates other than Phan Huy Quat, but for their belief that Quat is the man most acceptable to the United States.

The embassy believes that American views now carry more weight with Bao Dai than do French views, owing to the importance of American aid. Bao Dai is the "last person to overlook his own interests," and is therefore determined not to antagonize the United States. He hopes to persuade the United States to share responsibility for a change of government in Vietnam, but to refrain from taking an active role in the "everyday" operations of the government.

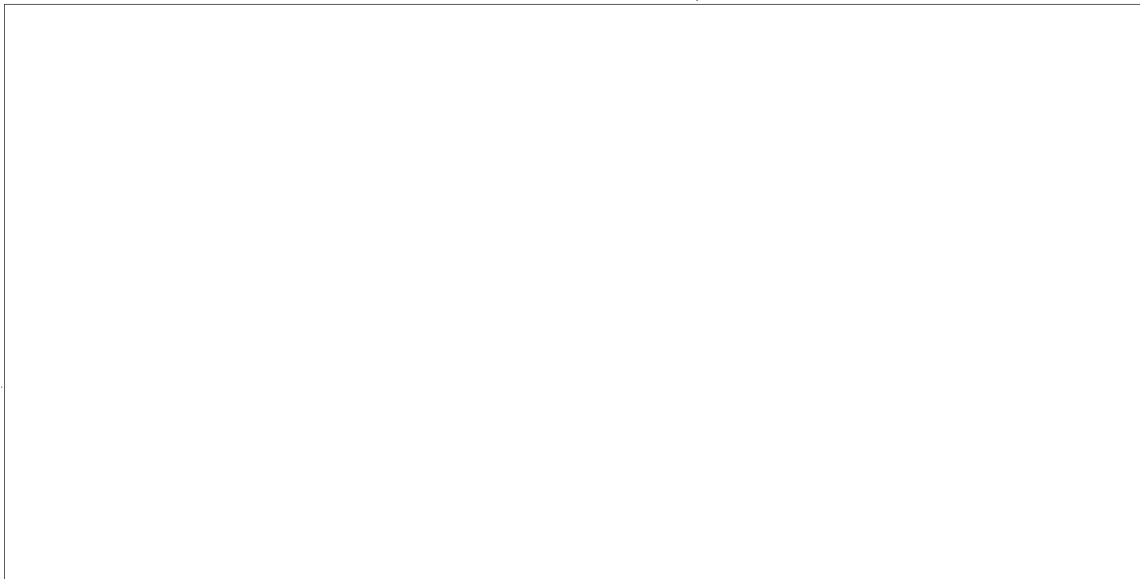
The embassy recognizes that it will be extremely difficult to avoid the impression, if Diem is replaced, that he has lost and the sects have to some extent won.

Comment: The dominance of American over French advice in Bao Dai's actions regarding Diem would probably no longer obtain once American assent to his removal had been granted. Furthermore the French exert a more direct and substantial influence in the "everyday" affairs of the government than the United States. Despite Bao Dai's choice of Quat to head



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the next government, the government which emerges from the proposed reorganization might be far from representing the sort of nationalism Quat stands for.

5. Viet Minh economic requirements exceed Soviet aid allotment:



Comment: Chinese Communist support of the Viet Minh has been carried out under both aid and barter trade agreements, and Moscow can be expected to follow the same pattern. The Viet Minh, however, will have only a limited export capability throughout 1955.


 negotiations for large quantities of fuels, cloth, vehicles and other equipment that would be in excess of Viet Minh ability to finance through trade. (Concurred in by ORR)

NEAR EAST - AFRICA

6. Syria, Egypt and Saudi Arabia fail to agree on new defense pact:

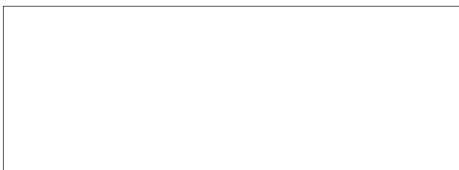




Comment: Leaders of the three countries may continue to discuss the subject of a new pact after they return home. There is still an outside chance that they may come up with some sort of pact as a face-saving gesture.

EASTERN EUROPE

7. Tito promises continued co-operation with West, but is evasive on military planning:



In his 25 April talk with Ambassador Riddleberger, Tito repeatedly stated that a fundamental postulate of Yugoslav policy continues to be improving relations with the United States. He admitted, however, that Yugoslavia's appraisal of the international situation differs from that of the United States and said he thinks a multilateral discussion should be held this summer.

Tito emphasized that the West should not consider European defense solely in terms of a "line of bunkers." He suggested that negotiations between East and West Germany might prevent a revival of German militarism.

Tito denied that Yugoslavia had lost interest in the American military aid program, but avoided a direct reply when the ambassador insisted on over-all Yugoslav military co-ordination with the West. Tito's response was that the Yugoslav general staff would put forth proposals for a "technical conference" in a few days.

He promised, however, to discuss at once with the general staff the difficulties which the United States has encountered in implementing its military aid program, and thought many of these could be resolved.

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Comment: [REDACTED]

[REDACTED] They reaffirm Belgrade's view that world tensions have lessened to such a degree that negotiations for the solution of East-West problems, particularly that of Germany, are of greater priority than development of a cohesive Western military force. The Yugoslavs undoubtedly believe more than ever that they are justified in pursuing their policy of independence of any bloc.

LATIN AMERICA

8. [REDACTED]

Guatemala:

Comment: The rightist faction in the Guatemalan government, to which Cordova Cerna and Barrios Solares are believed to belong, has long criticized Castillo's moderate policies. Castillo's position has improved considerably since January, however, and it is unlikely that this group could force him out at this time.

Though enjoying wide popular support, the government is still plagued with serious economic problems which, if not solved quickly, could seriously weaken the regime.

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9. Fighting between Vietnam National Army and Binh Xuyen may break out near Saigon:

[redacted]

Three battalions of the Vietnamese National Army at a town 15 miles southwest of Saigon are preparing to prevent a contemplated linking of Binh Xuyen

and Hoa Hao forces in that area. [redacted]

[redacted]

Growing anti-French feeling among both army and civilian elements was also noted [redacted]

[redacted]

[redacted] the present struggle is one between Diem and French colonialists, who are manipulating the opposition. [redacted]

Comment: Diem's order of 26 April removing the national police from Binh Xuyen control may considerably heighten tension in Saigon.

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 26 April 1955.

1. A Peiping broadcast of 25 April, quoting the Chinese Communist Party's official People's Daily, declares that the US State Department's statement of 23 April calling for evidence of good intentions put forth "unreasonable prerequisites."

Despite Chou En-lai's much-publicized "mildness" in dealing with the problem of Formosa at Bandung and the extensive publicity given his offer to negotiate with the US on "elimination of tension" in the area, Chinese Communist statements at Bandung and Peiping do not indicate any shift in the Chinese Communist position on substantive matters.

Chou En-lai publicly emphasized at Bandung that his offer of negotiations "should not in the slightest degree affect the just demand of the Chinese people to exercise their sovereign rights in liberating Formosa." This point was made even more clearly at the luncheon meeting prior to the issuance of Chou's invitation to the US, when Chou is reliably reported to have emphasized that Formosa is a purely internal question, that the only international issue is that of US intervention in the Formosa area, and that "compromise" solutions, including those involving evacuation of the offshore islands or a plebiscite, are out of the question.

On 24 April, subsequent to the luncheon meeting, the Peiping radio reaffirmed the long-standing Peiping position that a "prerequisite" for the solution of the Formosa problem is the "withdrawal of US armed forces." Chou's view of a "peaceful" solution of the Formosa question does not appear to differ from that expressed by Chinese Communist spokesman Kuo Mo-jo at the pre-Bandung Communist-front conference in New Delhi. On that occasion, Kuo stated that the Formosa question should be settled peacefully, just as the "liberation" of Peiping was settled peacefully in 1949 (when the commander of the Nationalist garrison surrendered to the Communists and was given a high sinecure position in the Peiping regime).

2. Australian prime minister Menzies in the Australian House of Representatives recently defended US policy by stressing the difficulty and complexity of the situation and implying that there were reasons for US policy being "somewhat guarded and even ambiguous." He stressed that unconditional abandonment of the islands would intensify Communist truculence and impair the morale of the non-Communist Chinese in Formosa and in Southeast Asia. However, Menzies adhered to his previous policy by being careful not to commit his government to any action on the offshore islands. [REDACTED]

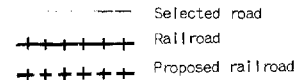
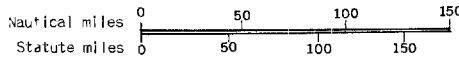
3. US photo interpreters evaluating 4 April photography counted 23 jet fighters, three piston fighters and 12 transports at Tatopu airfield, located 10 NM south of Changsha and about 460 NM from Formosa. This is the first photography received on this airfield, [REDACTED]

[REDACTED] A 6450 x 200 ft. concrete runway, 20 revetments, 19 ammunition storage buildings and a probable underground POL storage area were also observed.

Jet fighters based at Tatopu would be important to the air defense of central China. Effective employment in air operations over the Formosa Straits, however, would require staging through a forward base. [REDACTED]

CHINA - FORMOSA SITUATION

26 April 1955



COMMUNIST AIRFIELD LEGEND

PRIMARY
SECONDARY

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

USEABILITY

- + 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: consistently used by military & civilian aircraft.
- SERVICEABLE: capable of use by aircraft.
- UNKNOWN: current status undetermined.
- OTHER: under construction, abandoned, or unserviceable.

