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~~TOP SECRET~~

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FAR EAST

- 1. Hatoyama reportedly sends personal message to Mao favoring diplomatic relations:**

[Redacted] Prime Minister Hatoyama reportedly is sending a personal message to Mao Tse-tung stating that Japan wishes to accord diplomatic recognition to Communist

China and intends to maintain a policy calling for coprosperity and coexistence with China. [Redacted]

Comment: Hatoyama is publicly on record as favoring the "two Chinas" concept and may wish to test Mao's willingness to proceed along these lines. On 28 April he stated publicly that Japan has no intention of recognizing Peiping at present, but might do so if the "situation changes so as to permit it."

During his recent Diet speeches, Hatoyama gave special emphasis to Japan's basic policy of close ties with the United States. A simultaneous approach to Peiping of this sort would illustrate the prime minister's belief that Japan can maintain friendly relations with the Sino-Soviet bloc within the framework of this basic policy.

Peiping is not likely to agree to diplomatic recognition so long as Tokyo maintains formal relations with Taipei. Communist China is currently attempting to maneuver Japan into de facto relations.

- 2. British [Redacted] suspicion of Chinese Communist sabotage of Indian airliner:**

[Redacted] [Redacted] the explosion in the Indian airliner--

which crashed en route to Bandung on 11 April with several Chinese Communist officials aboard--at the time Peiping radio first made its charges of sabotage involving explosion. The Foreign Office has come increasingly to suspect that the Chinese Communists knew in advance what would happen to the plane.

Comment:

Peiping might have learned of the explosion from a clear message which was sent by a Chinese boat in the area of the crash.

There are several circumstances, however, which support the British suspicion: the only Bandung-bound plane to crash was the one about which Peiping warned the British, the warning itself was too vague for effective action, and the Indians were not warned at all. The Chinese Communists would appear to have had opportunities to sabotage the plane in either Canton or Hong Kong.

SOUTHEAST ASIA

3. Thai foreign minister believes Chou sincerely wants peaceful solution of Formosa problem:

Prince Wan, the Thai foreign minister, told Ambassador Cumming in Djakarta on 27 April that he believes Chou En-lai sincerely wants a peaceful solution of the Formosa problem. Senior American officials in Djakarta believe Chou was highly successful in convincing even the most anti-Communist Asian and African leaders of his desire to "relax tensions." They see a danger that Chou may believe that he has succeeded in creating the impression the United States is refusing to negotiate a settlement and that he can now count on at least the private sympathy of these leaders for an attack on the offshore islands.

Comment: There is no doubt that Chou's proposal to negotiate with the United States made a good impression on the conference. If no negotiations materialize, Peiping

might believe itself to be in a stronger political position for resuming attacks on the offshore islands.

4. North Sumatran terrorism may be spreading southward:

[Redacted]

There was a sudden increase of terrorism in the Medan area of Sumatra last week, for which Moslem dissidents, moving southward from the Atjeh area at the northern tip of the islands, are blamed by several sources (see map, p. 6). American officials in Medan and Djakarta believe the objective of the dissidents is not only to embarrass the Indonesian government, but also to attract the attention of the various Moslem delegates who were attending the Bandung conference.

Comment: Atjehnese rebels, who have been fighting for autonomy since September 1953, recently were reported to be more than holding their own against government forces. Antigovernment sentiment along Sumatra's east coast is fairly widespread, and the infiltration of any significant number of agitators from neighboring Atjeh might seriously complicate the problems of the thinly spread security forces in the area.

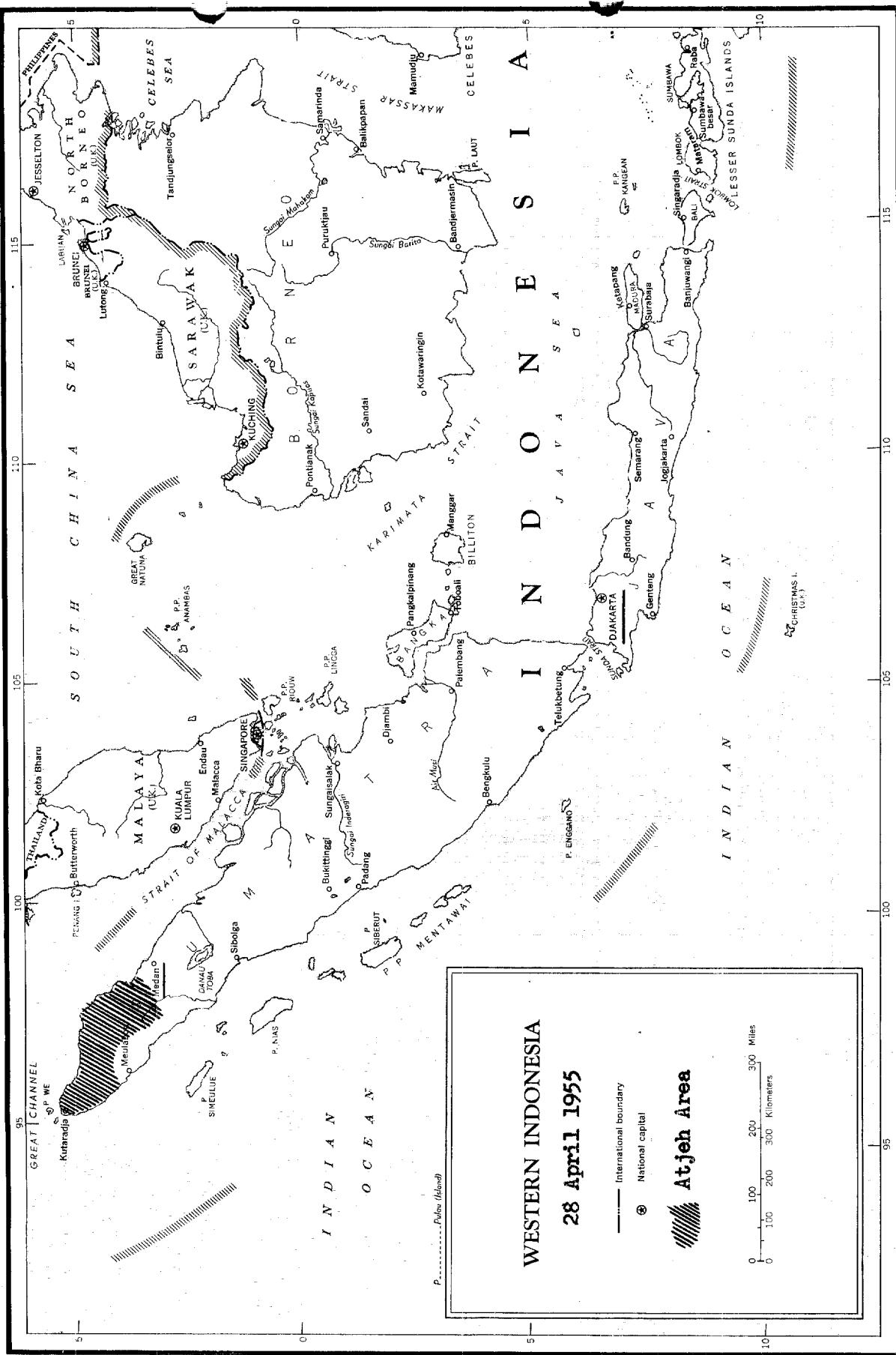
Medan, which has been relatively free of terrorist activity, is located in a rice, rubber and petroleum producing area in which there are large American holdings.

NEAR EAST - AFRICA

5. Spain seeks to diminish France's influence in Tangier:

[Redacted] The Spanish consul general in Tangier

[Redacted] proposing



a change in Tangier's international status. The consul general expects to submit the proposal to the International Committee of Control next month.

The objective of this proposal is to relieve the Moroccan sultan's present local representative and remove the position from French control. Spain also seeks to eliminate French jurisdiction over the native appellate court.

Comment: This proposal would worsen the already tense French-Spanish relations in Morocco. It is part of Spain's over-all plan to diminish French influence in the area, thereby enhancing its own prestige and control.

France and Spain dominate the government of Tangier. Spain seized the international zone when France capitulated to Germany in June 1940, occupied the zone until October 1945, and has long sought to incorporate it into Spanish Morocco.

WESTERN EUROPE

6. West German Socialists reported floating new German unity plan:

[redacted] West German Social Democratic leaders will attempt to persuade representatives of the coalition Free Democratic Party to make common cause on a new approach to German unity, [redacted]

The Socialists have drafted a plan calling for a gradual fusing of the East and West German government administrations, and for the subsequent creation of an all-German government through free elections. Four-power controls would be retained over the new government for a period of time. Germany would be pledged to 25 years of neutrality following the withdrawal of occupation troops. [redacted]

Comment: This suggests that for the first time some responsible West German politicians may be willing to consider working directly with the East German government

on unity matters. The fact that the Socialist plan calls for neutrality evidently reflects the influence of the tentative agreement between the Soviet Union and Austria.

There is little prospect that the Free Democrats would support the reported plan. Some Socialists would probably also balk at it.

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 28 April 1955.

1. The Peiping radio on April 28 granted that Secretary Dulles' statement was "more flexible" than the 23 April statement of the State Department, but criticized him for expressing "skepticism" as to Peiping's intentions. Peiping noted that instead of talking about the "withdrawal of US armed forces from the Formosa area--a question whose solution is the key to relaxation of tension in the area and the Far East," Secretary Dulles talked about a cease-fire even though "there is no war going on between China and the United States." Peiping quotes his statement that the US would not deal with the rights and claims of the Chinese Nationalists in their absence.

While this statement does not alter Peiping's earlier stand on the "liberation" of Formosa, it is notably free of vituperation and implies the possibility of further exchanges on the terms of possible negotiations. Emphasis on the absence of war between Communist China and the US may be Peiping's effort to reply to the initial US stipulation concerning a cease-fire.

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CHINA - FORMOSA SITUATION 28 April 1955

Nautical miles 0 50 100 150
Statute miles 0 50 100 150

Selected road
Railroad
Proposed railroad

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.

