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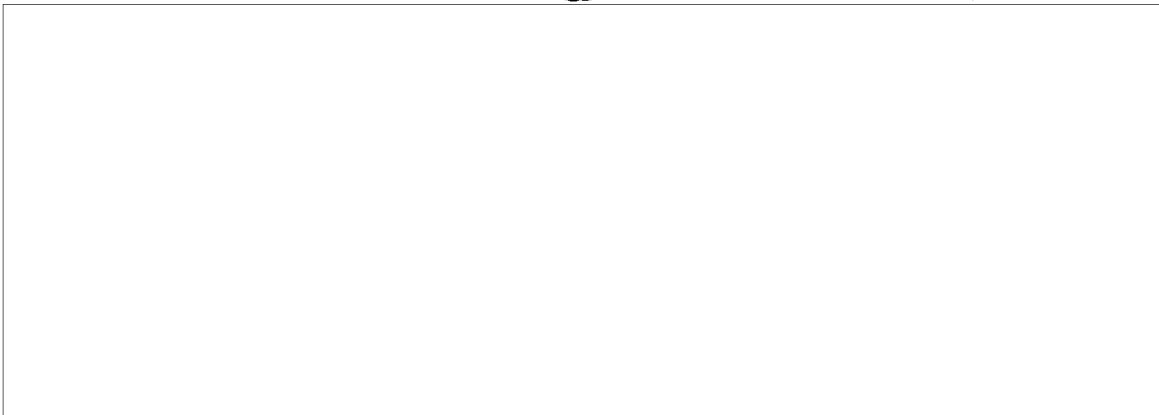


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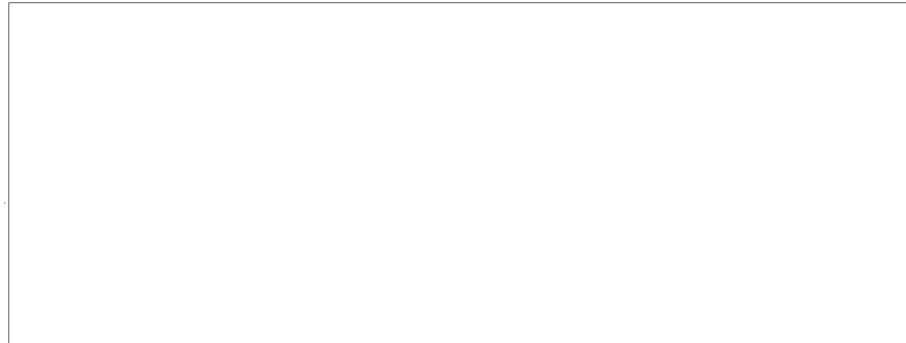
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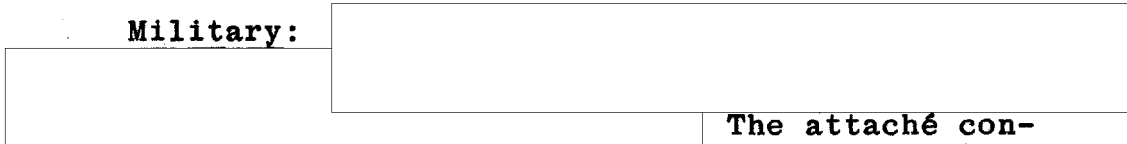
France
 Great Britain
 Scandinavia
 Australia
 Iraq
 India
 Ceylon
 Philippines
 Thailand
 Japan



SUMMARY

Indochina

Military:



The attaché continues to believe that an all-out attack on the delta could come at any time after mid-June. French officials, on the other hand, appear to be slightly more optimistic than a week ago.

Several French Union posts in the delta were lost to the enemy during the past week.

All French forces in the delta are withdrawing north of a line from Son Tay through Hung Yen and the Bamboo Canal.

American chargé McClintock in Saigon thinks the French are far gone in defeatism, a view also expressed by Vietnam's Minister of State Dac Khe in Geneva.

Political: A hardening of official Vietnamese opinion against any political division of the country and an increasing tendency to attribute the Geneva stalemate to Communist bad faith were the main developments of the week in Vietnam.

Defense Minister Quat gave the first official public intimation that Vietnam looks primarily to the United States for help against the Communists.



The prospect of the return of Ngo Dinh Diem was regarded by Vietnamese with mixed feelings compounded of respect for his character, misgivings roused by his inexperience in politics, and distaste for his pride.

Cambodian officials viewed with great alarm what they regard as a British tendency to press for delimitation of truce zones in Cambodia. They also fear that cessation of foreign aid will be provided for in armistice terms, and are asking the United States for immediate military assistance.

Laotian premier Souvannaphouma said he did not believe reports that his brother, Prince Petsarath, was plotting against the government, and said he planned to invite Petsarath to return to Laos from his seven years' voluntary exile in Thailand.

Geneva Conference

Molotov's 8 June speech at Geneva again makes it clear that the Communists see no reason to compromise on their maximum demands at this time. The speech stated publicly the hard line the Communists have been taking in private during the past three weeks of restricted sessions on Indochina. Among other things, Molotov warned that American extension of the Indochina war would have "dangerous consequences."

The Communists have moved slowly in the Indochina talks, giving themselves time to exploit military developments in Indochina and the political situation in Paris. They seem to calculate that the French government will eventually either move toward the Communist position at Geneva or be replaced by one which will be more amenable.

They have made small concessions in the talks, keeping alive Western hopes for an acceptable settlement, and at the same time deterring the West from expanding the war.

Military discussions at Geneva between representatives of the two commands have made "no progress at all," the American delegation reported on 8 June.

The third week of restricted sessions on Indochina dealt with:

- (1) The composition of the proposed international commission to supervise a truce.
- (2) The authority of the commission as compared with that of the proposed mixed committees of belligerents working with the commission.
- (3) The question of supreme authority over both these bodies.

The Communists insisted upon Communist representation on the international commission and demanded that the mixed committees be parallel with, not subordinate to, the international commission.

On 3 June Chou En-lai offered an amplification of the Communist position which appears to provide for arbitration of disputes. This proposal calls for the mixed committees to refer disputes to the international commission, and for the commission in turn to refer disputes which it cannot resolve to the nine participants in the Indochina talks.

These various proposals would give the Communists a veto at all three levels of supervisory authority: half the members of the mixed committees would be Communists, half the members of the international commission would be Communist states, and there are three Communist powers among the participants in the Indochina talks.

Soviet Bloc Propaganda

Moscow and Peiping continued to clamor that American policy on Indochina is designed to serve four purposes:

- (1) To make the Geneva conference fail.
- (2) To extend the Indochina war.
- (3) To form a "Southeast Asian aggressive bloc."
- (4) To wage war against the peoples of Asia.

Communist propaganda was still less menacing this past week, however, than that which preceded the Chinese intervention in Korea in 1950.

Free World Policies and Opinions

France: The Laniel government placed the direction of Indochina affairs in new hands. It appointed General Ely chief of both military and civilian affairs in Indochina and named moderate ex-Gaullist Frederic-Dupont minister for the Associated States.

Ambassador Dillon reported on 4 June that the belief was growing among qualified observers in Paris that the fall of the cabinet was imminent. It will be difficult, however, for the opposition to muster the 314 votes needed to overthrow the government.

Great Britain: The press has begun to show widespread pessimism regarding the prospects for serious negotiations with the Communists.

Scandinavia: Danish and Norwegian newspapers are more and more inclined to believe that the conference will fail.

Australia: Prime Minister Menzies told Ambassador Peaslee that "time is running out on us" in Southeast Asia. Peaslee thinks that increased participation by Menzies in Commonwealth leadership will be useful, both in the maintenance of a strong position and in "bringing into line" the South Asian countries which took part in the Colombo conference.

Iraq: The American embassy reported on 2 June that Baghdad would be reluctant to allow planes airlifting French troops to Indochina to land in Iraq.

India: New Delhi strongly opposes Thailand's proposal that the UN Peace Observation Commission name a subcommittee to keep watch on Communist actions in Indochina.

Ceylon: Ambassador Crowe believes it would be exceedingly embarrassing for the Ceylonese government to permit another American airlift for Indochina to land at Colombo.

Philippines: General Vargas, Philippines chief of staff, told an American officer he believed the delta would fall in the near future unless the United States took "drastic action."

Thailand: Premier Phibun's newspaper stated editorially that the Thai appeal to the UN puts the Western powers on the spot. Failure of the UN to respond quickly would mean a new loss of prestige for the United States and the United Nations in Asia, the paper said; many Asian countries feel it might be better "to sign up with the Communists" if they cannot count on help from the free world.

* * *

INDOCHINA

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Military

The attaché continues to believe an all-out attack on the delta could come at any time after mid-June. French officials, on the other hand, appear to be slightly more optimistic than a week ago. Possibly the French defensive realignment in Tonkin will necessitate a period of Viet Minh probing and re-evaluation of the military picture before undertaking a large-scale offensive.

A strong Viet Minh attack on the Vietnamese post of Quang Phung Ha, 15 miles south of Thai Binh, between 2 and 4 June resulted in loss of the post and 800 Vietnamese casualties (see map, p. 9).

The post of Cho Noi, eight miles northeast of Hung Yen, fell on 3 June after what the attaché described as a gallant defense by its Vietnamese garrison of more than one battalion. The post is situated near the Hanoi-Haiphong road and railroad and its loss illustrates the French difficulties in eliminating Viet Minh units from this important area.

Several other posts of less significance than these two were also lost during the week.

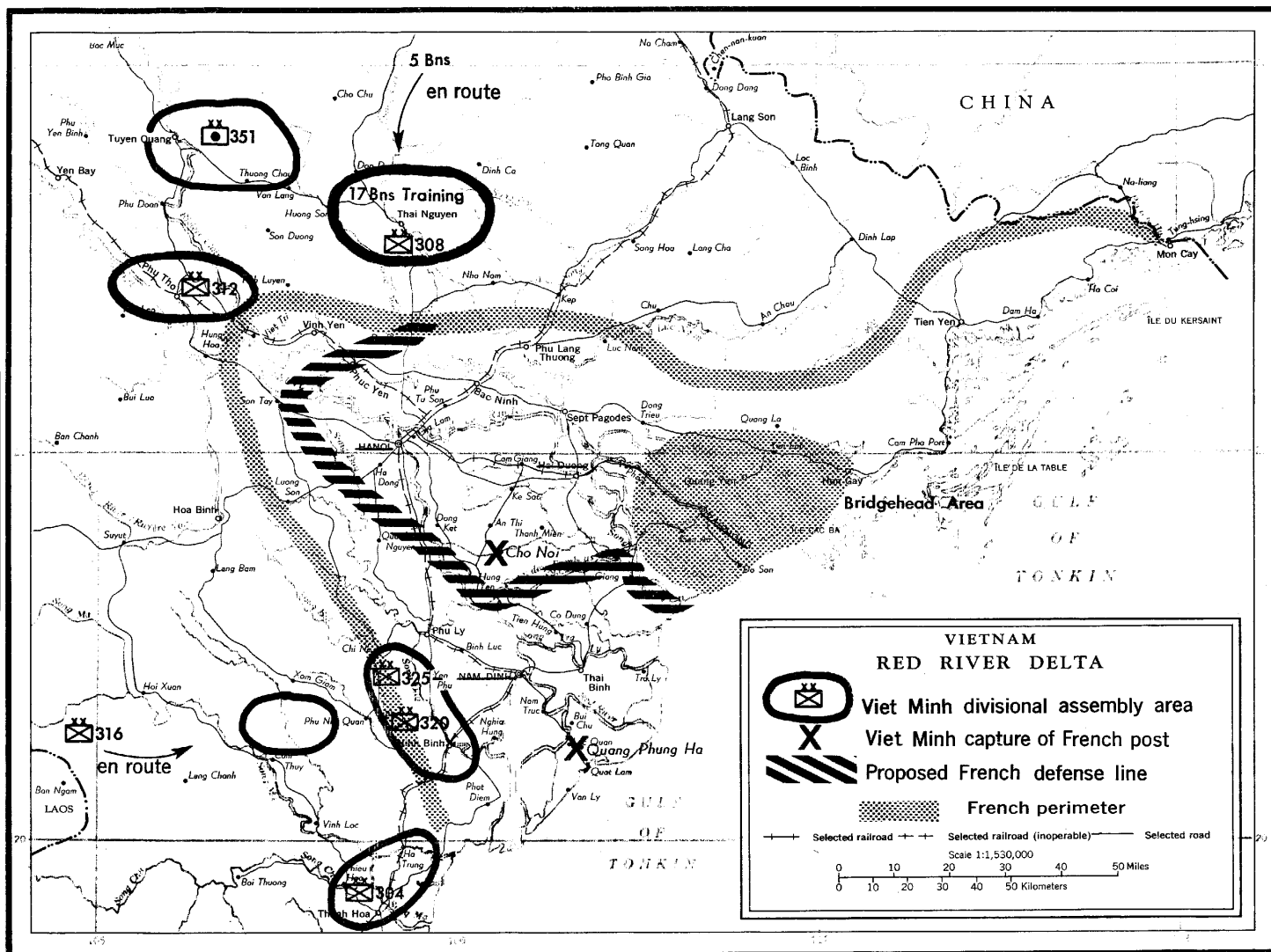
French patrols moving across the Day River from Phu Ly, the key defense point in the southeast delta, encountered little Viet Minh resistance, [REDACTED]

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French defensive preparations in the Tonkin delta are being pushed hard and without the near panic evident a month ago. Certain static garrisons in the south have

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been evacuated and all French units are withdrawing north of a line from Son Tay through Hung Yen and the Bamboo Canal. Vietnamese battalions are assigned primary responsibilities for defense in the southern delta area, but in the initial stages of the fighting at least, they are to be backed up by the growing French mobile reserve.

By 20 June French mobile forces will total 33 infantry battalions and six paratroop battalions. Thus, with fewer posts to defend in the southern part of the delta and a build-up of mobile strength, the French have considerably improved their capability of defending at least a part of the Tonkin delta.

Nevertheless, the regrouping of French forces in the delta to form a smaller defensive position roughly covering the Hanoi-Haiphong area, and current planning for a possible retreat to a Haiphong bridgehead, bring into sharp focus the change in strategy of the French high command during the past year.

When Navarre arrived in Indochina in 1953 he announced an offensive policy aimed at complete defeat of the Viet Minh. Present strategy is designed purely for defense purposes and there is no longer talk of carrying the war to the Viet Minh.

American chargé McClintock in Saigon believes the appointment of the Ely-Salan team to command in Indochina shows the depths of French defeatism. Ely is essentially a staff officer, not a combat commander. Salan was removed from Indochina last year and was widely criticized as being too defensive-minded.

The chargé compared Salan's appointment as Ely's deputy with the recent dispatch of two French cruisers to Indochina--ships which, he said, could only be used to cover the possible evacuation of ground forces from a Haiphong bridgehead. Salan was being assigned, according to McClintock, not with the expectation of conducting an offensive military campaign, but in the hopes of using his expertise on Indochina in the administration of an armistice.

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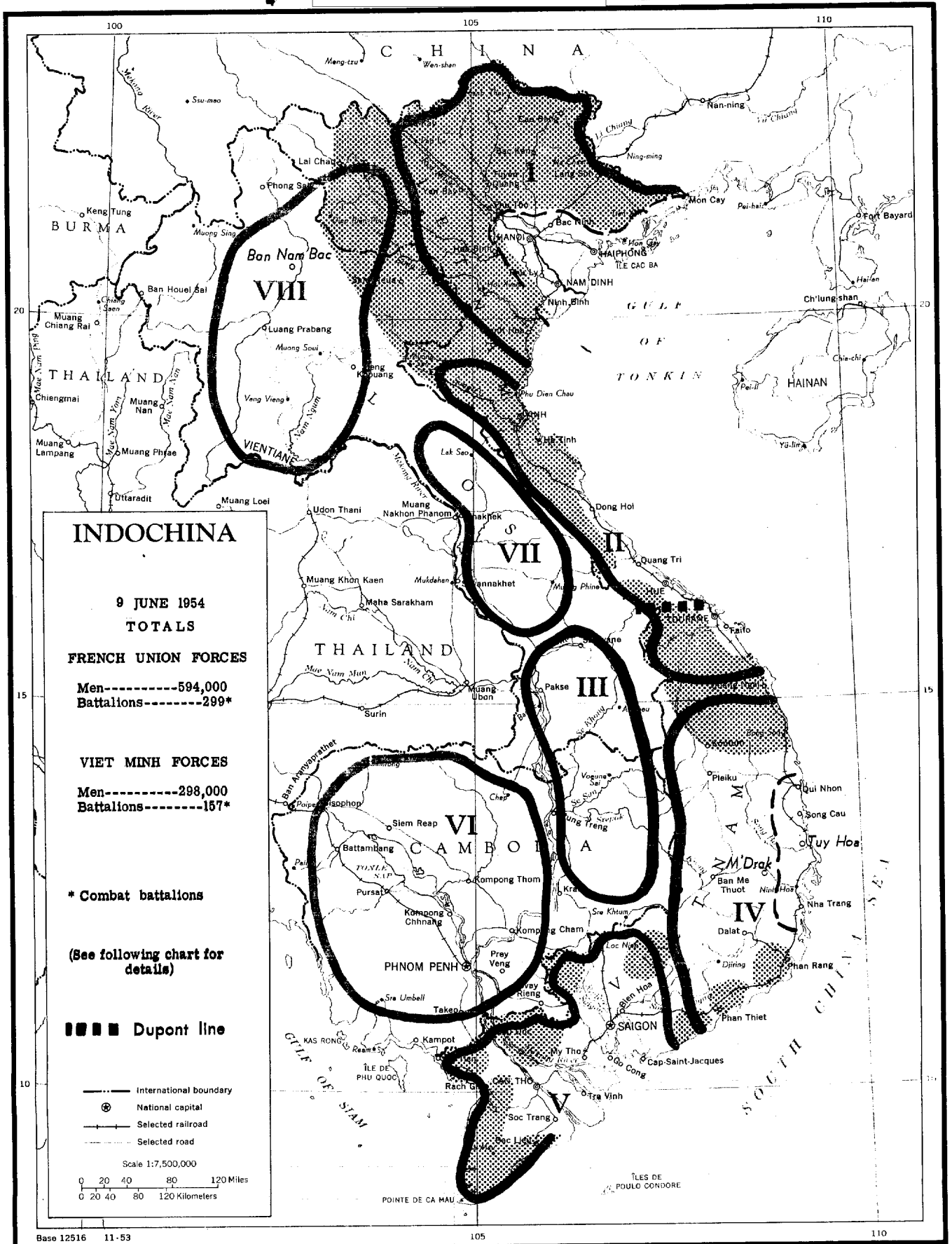
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9 June 1954

FRENCH UNION FORCES				VIET MINH FORCES				
FRENCH	ASSOCIATED	TOTAL	COMBAT STRENGTH	AREA	REGULARS	REGIONAL	TOTAL	COMBAT STRENGTH
46 Inf Bns 13 Arty Bns	32 Inf Bns 4 Arty Bns 27 Lt Bns	78 Inf Bns 17 Arty Bns 27 Lt Bns	97,700	I	63 Inf Bns 6 Arty Bns	26 Inf Bns	89 Inf Bns 6 Arty Bns	66,500
5 Inf Bns 2 Arty Bns	17 Inf Bns 1 Arty Bn 6 Lt Bns	22 Inf Bns 2 Arty Bns 6 Lt Bns	25,400	II	7 Inf Bns 0 Arty Bns	6 Inf Bns	13 Inf Bns 0 Arty Bns	9,100
4 Inf Bns 0 Arty Bns	7 Inf Bns 0 Arty Bns 2 Lt Bns	11 Inf Bns 0 Arty Bns 2 Lt Bns	11,200	III	3 Inf Bns 0 Arty Bns	0 Inf Bns	3 Inf Bns 0 Arty Bns	2,100
6 Inf Bns 1 Arty Bn	20 Inf Bns 3 Arty Bns 17 Lt Bns 8 Guard	26 Inf Bns 4 Arty Bns 17 Lt Bns 8 Guard	43,900	IV	15 Inf Bns 0 Arty Bns	3 Inf Bns	18 Inf Bns 0 Arty Bns	12,600
6 Inf Bns 0 Arty Bns	13 Inf Bns 0 Arty Bns 24 Lt Bns	19 Inf Bns 0 Arty Bns 24 Lt Bns	32,500	V	10 Inf Bns 0 Arty Bns	2 Inf Bns	12 Inf Bns 0 Arty Bns	8,400
0 Inf Bns 0 Arty Bns	6 Inf Bns 0 Arty Bns 3 Lt Bns	6 Inf Bns 0 Arty Bns 3 Lt Bns	7,300	VI	0 Inf Bns 0 Arty Bns	1 Inf Bn	1 Inf Bn 0 Arty Bns	1,000
9 Inf Bns 1 Arty Bn	1 Inf Bn 0 Arty Bns 2 Lt Bns	10 Inf Bns 1 Arty Bn 2 Lt Bns	10,900	VII	2 Inf Bns 1 Arty Bn	0 Inf Bns	2 Inf Bns 1 Arty Bn	2,100
6 Inf Bns 0 Arty Bns	4 Inf Bns 0 Arty Bns 3 Lt Bns	10 Inf Bns 0 Arty Bns 3 Lt Bns	10,900	VIII	11 Inf Bns 0 Arty Bns	1 Inf Bn	12 Inf Bns 0 Arty Bns	8,400

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INDOCHINA

Political

Vietnam: A hardening of official Vietnamese opinion against any political division of the country, and an increasing tendency, evident in the press, to attribute the Geneva stalemate to Communist bad faith were the main developments in Vietnamese politics.

Defense Minister Phan Huy Quat dwelt on the anti-partition theme in an address to the graduating class of the Vietnamese military academy on 2 June. He also made the first official public reference to Vietnam's primary reliance on the United States in the anti-Communist struggle. "To the experience of the United States in Korea," Quat said, "will be added French knowledge of the particular conditions of the war in Vietnam."

In a separate press interview, the defense minister declared in favor of a divisional organization for the army, and expressed the hope of seeing American aid delivered directly to the Vietnam government rather than through the French.

Premier Buu Loc, in a statement on partition which he made following his recent return to Vietnam from Paris, warned that Vietnam might not comply with any partition plan. Vietnam is "determined to make the Geneva conference respect the territorial integrity of Vietnam," the premier said.

At Geneva, Minister of State Dac Khe complained of the "defeatist" approach of French military experts charged with working out armistice zones, and in Hanoi, a spokesman for the regional administration said his government's submission of suggestions for a truce line around the delta was merely pro forma.

The Vietnamese tendency to pin their hopes on continuing the struggle with American support, rather than resigning themselves to a French-conceived armistice, was given further impetus by the latest episode in the perennial French-Vietnamese wrangle over the question of independence.

Buu Loc and Premier Lanuel initialed on 4 June the French-Vietnamese treaties of independence and association which had been drafted more than a month previously. The process will be completed, however, only by formal signature and ratification of the treaties, and the French continue to insist that a precondition for signature must be the negotiation of certain supplementary economic and military conventions.

The Vietnamese press continues to take a virtually unanimous stand against partition. Certain newspapers which in the past had been prone to discern American obstructionism at Geneva are now more inclined to blame the Communist side. Viet Minh advocacy of what amounts to a partition plan has helped considerably to open Vietnamese eyes to the essentially cynical approach of the Viet Minh where nationalist fundamentals are concerned.

The prospect of the imminent return of the Catholic nationalist and potential premier, Ngo Dinh Diem, was received with mixed feelings in Vietnam. In a conversation with the American consul in Hanoi, Bishop Le Huu Tu, potentate of a miniature theocracy in southern Tonkin, dwelt at length on the good qualities which Diem could bring to the premier's office, but cited his arrogance as a shortcoming. Governor Tri, in a separate conversation with the consul, commented guardedly on Diem's qualifications, acknowledging his high moral character but stressing his inexperience and conceit.

Cambodia: Government circles view with great alarm what they regard as a British tendency to press for delimitation of truce zones in Cambodia. They also fear that the principle of cessation of foreign aid will be incorporated in possible armistice terms. A Cambodian official has said that Commander in Chief Tioulong has accordingly been instructed to contact General O'Daniel immediately on the subject of early American military aid.

Laos: Premier Souvannaphouma expressed disbelief at predictions of domestic trouble. He said he intended shortly to invite Prince Petsarath, his brother and rumored plotter against the government, to return to Laos from seven years' voluntary exile in Thailand.

* * *

GENEVA CONFERENCE

Molotov's 8 June Speech

Molotov's 8 June speech at Geneva has again made it clear that the Communists have no intention of reaching an early cease-fire agreement or abandoning their maximum demands on Indochina at this time. The speech states publicly the hard line which the Communists have been taking in private during the three weeks of restricted sessions on Indochina.

The only new proposal is that the Indochina sessions of the conference discuss political and military problems on alternate days, and that representatives of the two commands discuss political questions just as they have been discussing military matters. The Communists have insisted all along that "at least some" political problems must be connected with a truce.

Molotov suggested specifically that the talks consider the "independence" of Vietnam, Laos and Cambodia, "free" elections in these states, and withdrawal of foreign troops. This is a restatement of the Viet Minh proposal of 10 May.

The Communists now appear more than ever convinced that they will continue to achieve military successes in Indochina and that these successes plus political developments in Paris will eventually force the French government either to move toward the Communist position at Geneva or to give way to a new government which will be more amenable.

Molotov's refusal to offer concessions may have the immediate effect, however, of strengthening French premier Laniel's position by helping him to convince the National Assembly that his government is making every effort to obtain an acceptable settlement but is being balked by Communist intransigence.

[REDACTED]

In his speech, Molotov also reinforced Peiping's tough statements of April and early May warning against internationalization of the Indochina war. He accused the United States of seeking to undermine the Geneva conference and extend the Indochina war and said that this would have "dangerous consequences."

Current Military Discussions

Current military discussions at Geneva between representatives of the two commands have made "no progress at all," according to a report from the American delegation on 8 June. These direct talks derived from the 29 May agreement that such representatives would meet at Geneva and in the field to "study the disposition of forces" to be made following a cease-fire, "beginning with the question of regrouping areas in Vietnam."

The Communists made it clear they are not prepared to drop their demands for regrouping in Laos and Cambodia, as well as in Vietnam. Molotov, Chou and the Viet Minh delegate all said on 3 and 4 June that the supervisory authority for an armistice must cover all three states. and Molotov repeated this on 8 June.

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When the Communists get around to bringing out their maps, their territorial claims are expected to be stiff. This is suggested by a recent Chinese Communist map, by Chinese and Viet Minh propaganda, and by Molotov's speech on 8 June. Molotov said the Viet Minh controls, or at least prevents the French and Vietnamese from controlling, three fourths of Vietnam, about half of Laos, and a substantial part of Cambodia.

Another question likely to make trouble, according to a Peiping broadcast, is Western "insistence on the 'disarming of irregular troops.'" Reference is

to the estimated 180,000 Viet Minh irregulars, mostly in Vietnam but some thousands in Laos and Cambodia. The broadcast suggests an intention to demand that certain of these forces be left out of the regroupment scheme and thus be left free to wage guerrilla war and perform other missions in non-Communist areas.

The Communists have not retreated an inch from their 10 May proposal for a cease-fire followed by a political settlement involving the withdrawal of foreign forces, formation of committees to carry out elections, and establishment of unified governments in the three states. They have continued to leave the way open, however, for a more modest settlement based simply on a cease-fire and regrouping of forces in three or more large zones. Whatever this might be called, it would amount to partition.

Supervision and Guarantees of a Truce

The third week of the restricted sessions on Indochina was occupied almost entirely with discussing proposals for supervision and guarantees of an armistice. The basis for discussion was Chou En-lai's 27 May proposal for a two-headed supervisory authority--an international commission and a mixed committee of the belligerents--with supreme authority vested in the states represented at Geneva.

Composition of the International Commission:

The Communists strove throughout the week to get Communist representation on the international commission. Soviet delegate Gromyko proposed on 31 May that it be composed of Poland, Czechoslovakia, India and Pakistan.

Molotov and Chou En-lai told Eden in private conversations on 1 and 2 June that the international commission must include some states which could reflect Viet Minh interests. Peiping's propaganda, citing the Korean armistice agreement of July 1953, defined a neutral simply as a state whose combat forces had not participated in hostilities. On 2

and 4 June Molotov repeated Gromyko's proposal of 31 May, and this was still his position on 8 June.

American delegate Smith argued that supervision by a neutral nations commission could not be effective unless the commission were composed of genuinely neutral nations, with an agreed system for checking on the introduction of troops and arms and with no restrictions on the commission's movements.

Eden and Bidault backed Smith's position throughout the week. On 4 June Eden suggested that the question of composition be explored in private talks. The British and French have since been reported willing to have one Communist state on the commission if necessary.

Authority of the International Commission: The Communists insisted all week that the mixed committees of belligerents must be parallel with, not subordinate to, the international commission. The West stood firm in insisting that the former must be "definitely subordinate."

Bidault told the session on 3 June the Communist proposal would in effect give the role of enforcing a truce solely to the mixed committees. He observed this would result in a "quarrel without an arbiter, without an end, and without hope."

Chou En-lai then offered an amplification of the Communist position which seemed to modify the Viet Minh proposal, and in part to answer Bidault's objection, by providing for arbitration of disputes. Chou proposed that the international commission "take up" disputes which the mixed committees were unable to resolve. If the international commission were unable to arbitrate such disputes, it would submit them to the nine participants in the Indochina talks, and the nine would then discuss "collective action."

In the 4 June session Eden asked for clarification of Chou En-lai's 3 June proposal. This has not yet been forthcoming.

Supreme Authority: The most recent Communist proposal is that supreme authority for executing the terms of an Indochina truce should be reposed in the nine participants in the Indochina talks.

Chou and Molotov emphatically rejected a Vietnamese proposal that the United Nations control the armistice. They observed that five of the nine participants in the Indochina phase of the conference are not members of the UN.

Chou En-lai's proposal of 3 June provides for the nine participants in the Indochina talks to try to resolve disputes which the international commission has been unable to resolve. Molotov backed Chou on 4 June by stating that the "guarantor states" would "agree on necessary collective measures."

This proposal would give the Communists a veto at all three levels of authority. The mixed committees would be half Communists in any case, the international commission would be partly Communist, and three of the nine participants in the Indochina discussions are Communist states.

This would mean in practice that the mixed committees would disagree, the international commission would be deadlocked, and the guarantor states would be unable to take "collective action."

* * *

SOVIET BLOC PROPAGANDA

Moscow and Peiping continue to clamor that American policy on Indochina reflects a combination of hostile intentions. These intentions, in order of planned accomplishment, are:

- (1) To make the Geneva conference fail.
- (2) To extend the Indochina war.
- (3) To form a "Southeast Asian aggressive bloc."
- (4) To wage war against the Asian peoples.

The following examples are from recent broadcasts:

- (1) Secretary Dulles' 25 May speech climaxed a series of American maneuvers "to get the UN embroiled in another Korea and to menace the progress of the Geneva negotiations with the prospect of an extended Indochina war." (Peiping, 28 May)
- (2) American reservations on the 29 May agreement at Geneva show an intention to make the Geneva talks fail, while the United States is "busy outside the conference preparing to expand the Indochina war." (Peiping, 31 May)
- (3) "While sabotaging the Geneva conference from within, American ruling circles are going ahead with their plans for a Southeast Asian aggressive bloc...." (Peiping, 3 June)

- (4) Thailand's appeal to the UN, made at American instigation, is "aimed at undermining the Geneva conference and at extending the war in the name of the United Nations."
(Peiping, 31 May)
- (5) The United States has repeatedly indicated that the five-power military talks in Washington "will pave the way for the forming of a South-east Asian aggressive bloc."
(Peiping, 31 May) The talks are concerned with a "military pact in Southeast Asia directed against the national liberation movements...of this area." (Moscow, 4 June)
- (6) The American effort to establish a Southeast Asian bloc and expand it to an aggressive alliance throughout the Pacific is part of a fantasy of dominating Asia and finally the world. (Peiping, 27 May) Admiral Carney's speech shows an American desire to "organize large-scale aggression" against Asian peoples.
(Moscow, 2 June)

Communist propaganda continues to be much less menacing than was Communist comment on the Korean war prior to Chinese intervention there in 1950. In the summer and fall of 1950, the United States was alleged to be actively engaged in aggression against both Korea and China. In contrast, the Sino-Soviet line on Indochina throughout 1954 has charged the United States with intervening (rather than aggressing) in Indochina and merely preparing for wider action (against China, or more recently, against all Asian peoples.)

* * *

FREE WORLD POLICIES AND OPINIONS

France

The Laniel government has completely reorganized the command and civil direction of Indochinese affairs by appointing General Ely, former chief of staff for the armed forces, as chief of military and civil affairs to replace both General Navarre and Commissioner General Dejean.

General Salan, Navarre's predecessor in Indochina, has been appointed military aide to Ely. While this may bolster French prestige in Indochina, it is possible Paris may be setting up a military and civil administration designed to handle a cease-fire situation, rather than to implement an increased military effort.

At the same time, the appointment of moderate ex-Gaullist Frederic-Dupont as minister for the Associated States restores this position to the full cabinet rank which it lacked under his predecessor, Jacquet. His appointment is reported causing distress among the negotiate-at-all-costs segment of the National Assembly.

Frederic-Dupont said after his appointment, "I will seek every means of achieving a peace in Indochina, but on the other hand, as long as peace is not re-established in Indochina, all my attention will be given to giving the means to fight to our soldiers."

He told Ambassador Heath on 5 June, however, that as the solution to the military problem, he favored partition of Vietnam at its narrowest point, just north of Tourane.

Foreign Minister Bidault, whose policy differences with Jacquet were public knowledge, has expressed confidence that Frederic-Dupont can take over negotiations at Geneva when he himself is absent.

Ambassador Dillon in Paris reported on 4 June that the belief was growing among qualified observers that the fall of Laniel was imminent. Dejean believes Ely's

appointment was largely a move of desperation by Laniel to win a vote of confidence in this week's Indochina debate.

Although parliamentary dissatisfaction with his government has seemed on the rise since the 13 May vote of confidence, it will still be difficult for the opposition to muster the 314 votes needed to overthrow him if a new vote of confidence follows the current Indochina debate. The premier is reported to have said before the 13 May vote that he would not resign if beaten by a simple majority.

Ambassador Dillon also reported growing parliamentary support for new assembly elections. Laniel would probably press the cabinet for such a move if the opposition mustered the required 314 votes; but there is a good possibility that dissensions among the center and right would result in Communist gains in a general election at this time.

Great Britain

British press treatment of the Geneva conference has begun to display widespread pessimism over the prospects for serious negotiations with the Communists. Many correspondents in the past few days have expressed fear that the breakdown of the talks is imminent.

The London Times correspondent at Geneva reported on 7 June that "most Western delegates" there believe the Communists have decided not to negotiate seriously "for the present."

The London Observer on 6 June reported that certain Conservative quarters in London believe Eden may have fallen into a Communist trap. These elements, which according to rumor include members of the cabinet, have come to hold "some sympathy" for "American impatience."

A strain of optimism about Geneva nevertheless persists in British public opinion, based largely on confidence in Foreign Secretary Eden.

Scandinavia

The pervading tone of Danish and Norwegian press comment on the Geneva conference is increasingly pessimistic, with a growing expectation that the conference will fail and the whole matter eventually be placed before the UN. The Danish foreign minister expressed disappointment in parliament with the Geneva conference but paid tribute to Eden's "persevering" efforts to negotiate.

Australia

Prime Minister Menzies told Ambassador Peaslee in Canberra last week that "time is running out on us" in Southeast Asia. Menzies called a cabinet session on 4 June which dealt exclusively with the problems of that area.

Peaslee believes that increased participation in Commonwealth leadership by Menzies would have great usefulness, both in the maintenance of a strong position and in "bringing into line" the South Asian countries which took part in the Colombo conference.

Iraq

The American embassy in Baghdad reported on 2 June that Iraq would be reluctant to have planes airlifting French troops land at Shaiba, near Basra, in view of the probable local reaction. Many Iraqis dislike French colonial policy and would therefore oppose any Iraqi action aiding the French.

The embassy added that the proposed landings in Iraq would also alienate nationalists and neutralists, particularly since the American military aid agreement was recently announced. With elections scheduled for 9 June, a request at this time for landing the planes in Iraq would be particularly unpropitious.

India

India has indicated it is vehemently opposed to Thailand's request that the UN Peace Observation Commission keep watch on Communist actions in Indochina as a threat to Thai security. New Delhi sees the move as an American-inspired attempt to by-pass, impede or belittle the Geneva negotiations. On 2 June the secretary general of the Indian Foreign Ministry summarily refused the Thai ambassador's formal request that India support the appeal.

Ceylon

Ambassador Crowe believes it would be exceedingly embarrassing for the Ceylonese government to permit another American airlift for Indochina to land at Colombo at this time. He cites the strong reaction in the press and parliament to the last two flights, and advises against additional airlifts unless they are absolutely essential. Crowe notes, however, that if there are developments at Geneva which tend to fix on Communist China the blame for failure of an Indochina settlement, a less hostile public attitude might result in Ceylon.

Philippines

General Vargas, Philippine chief of staff who left Manila on 8 June on a mission to Washington, told an American officer shortly before his departure he believed the delta would fall in the near future unless "drastic action" were taken by the United States.

He thought the French would be unable to improve the situation materially, regardless of any reinforcements, unless they give Vietnam complete independence. He asserted that as long as the French remain, the country will be divided, since anti-French feeling is such that the local people would support the Viet Minh or other dissidents.

He believed, however, that if a stable government could be established, an active psychological campaign could win over many Viet Minh sympathizers.

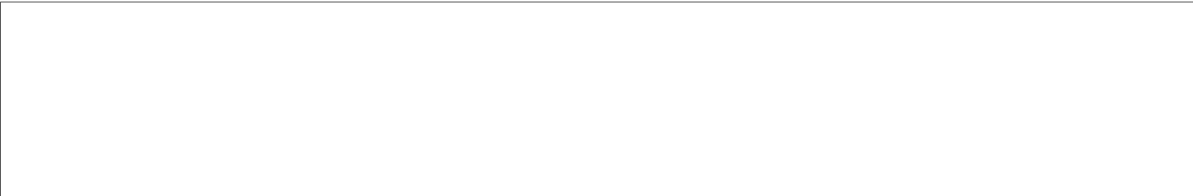
Vargas' estimate was based on reports of a Philippine colonel currently in Saigon as an unofficial observer for the Philippine armed forces. Earlier information indicated that an anti-French bias on the part of this officer has been reinforced during his present mission and, according to the American army attaché in Manila, such feeling is prevalent in the Philippine military establishment.

Thailand

Official sentiment in Bangkok attaches considerable importance to Thailand's appeal to the United Nations. Premier Phibun's newspaper stated editorially last week that the Thai move has put the Western powers on the spot and that failure of the UN to respond quickly would mean a further loss of prestige for the United Nations and the United States in Asia.

Apparent Western reluctance to take an all-out stand against Communist advances was already causing many Asian countries to take a second look at their foreign policy, the paper added. These countries feel it might be better "to sign up with the Communists" if they cannot count on help from the free world.

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Japan

Prime Minister Yoshida reiterated on 1 June his conviction that Japan should not participate in a Southeast Asian security organization. He argued that to do so might cause anxiety among the Japanese people. At the same time, an influential politician of the government party confided to the American embassy in Tokyo that if the United States decided to intervene in Indochina, it should not repeat Japan's mistake in China of doing it in "dribblets," but should go in in full force.

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