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FAR EAST

1. Rhee seeks changes in "unfair" defense treaty with US:

In a letter to Ambassador Dean dated 29 May, President Rhee asked that Dean "or someone else representing the United States government give us a signed statement to the effect that the State Department will push for an amended version of the US-South Korean Mutual Defense Treaty at the next session of Congress." He said that South Korea desires "to have such assurance on file."

Rhee asserted that the treaty was unfair to Korea since it can be terminated at any time by either nation, whereas the United States cannot terminate its treaty with Japan, except by mutual agreement.

Comment: Rhee is attempting to secure, in effect, a veto over the United States' power to terminate its mutual defense pact commitments to South Korea. He is incorrect, however, in ascribing this feature to the US-Japan treaty. 

Ambassador Briggs reports that Rhee's attitude toward the United States recently has hardened perceptibly. He thinks that Rhee is convinced the United States now cannot get along without him. 

SOUTHEAST ASIA

✓ 2. Cogny expects early Viet Minh assault on delta:

General Cogny in Hanoi told American chargé McClintock last week end that he believes a major Viet Minh assault on the

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Tonkin delta around the middle of June is almost certain. He said he was regrouping his forces to build up a much larger mobile force, but he feared that he would be unable to stop a concentrated Viet Minh effort to cut Hanoi-Haiphong communications. In such a case, Cogy said, he did not "intend to have another Dien Bien Phu" at Hanoi and would withdraw to a bridgehead at Haiphong.

Meanwhile, from other sources McClintock heard that not only is Hanoi low on rice stocks but it is also dependent on daily coal supplies from Haiphong for maintenance of its electric light and water purification systems. If the flow of coal is interrupted for "a length of time," Hanoi will fall.

The American military attaché from Saigon, who accompanied the chargé to Hanoi, reports the general opinion of military and civilian leaders there that under a heavy Viet Minh attack the delta, except for the Haiphong area, would be lost within 30 days.

Comment: Viet Minh strategy, instead of calling for a major assault on the delta, may provide for an acceleration of pressure on the Hanoi-Haiphong line by the piecemeal commitment of its battle corps. This would gradually bring movement of traffic to an end without risking attack by French planes and a head-on collision with heavier armed French forces.

[REDACTED]

[REDACTED] An internal uprising combined with an attack from outside or the permanent cutting of the lines to Haiphong would probably make Hanoi untenable for the French.

3. Key Tonkinese leaders in despairing mood:

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The American chargé reports that statements made to him in Hanoi two days ago by Governor Tri and the Vietnamese bishop of Buichu

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reflect a "mounting sense of panic and a feeling that the last act is about to open." Both Vietnamese leaders emphasized increasing defeatism among the populace.

The bishop, who exercises temporal as well as spiritual power over much of the population of the southern part of the Tonkin delta, told of Viet Minh headway in his solidly Catholic region. He attributed this as much to "our side's wrong policies" as to Viet Minh force of arms.

Comment: Previous reports have been received that numerous French and Vietnamese businessmen and officials in Hanoi are hedging against the future by transferring funds to France and making other preparations to leave Indochina.

The discouragement of Tri and the bishop demonstrates that even among the most stalwart and influential anti-Communist Tonkinese there is a tendency to lose hope.

NEAR EAST - AFRICA

4. Shah considering replacement of Zahedi:

 The shah of Iran told Ambassador Henderson on 27 May that he was considering the replacement of Prime Minister Zahedi and asked whether such a move would facilitate an oil settlement. The shah remarked that the attitude of the American and British press led him to believe that Washington and London might prefer to deal with a prime minister more popular in his own country and in the Majlis.

Henderson told the shah he knew of no Iranian who had the prestige to negotiate an oil settlement more effectively than Zahedi. He also pointed out that any settlement would have to be sponsored by the shah, who should therefore direct the prime minister rather than replace him.

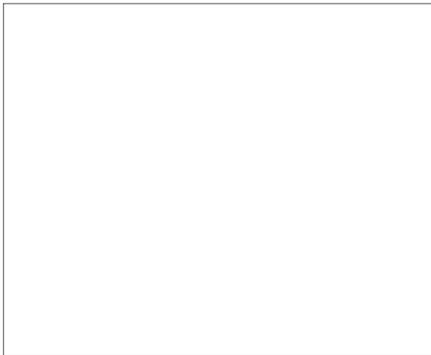
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Comment: The shah's desire to dominate his prime ministers has often led him to intrigue for a strong minister's removal. At present, however, he claims that his relations with Zahedi are better than with any possible successor.

Several senators are actively seeking the premiership. None has impressed Henderson as being equal to Zahedi in ability or honesty.

5. Pro-Western Iraqi politicians inactive while Communists electioneer vigorously:



The vigorous electoral campaign of Iraq's Communist-directed National Front is being met by startling apathy on the part of the conservative, pro-Western parties, according to American officials in Baghdad. Unlike the Front, these parties are not publishing any newspapers or pamphlets and show little understanding of the use of propaganda techniques.

The only reaction on the part of the government to the Front's activities thus far was the crackdown on Front demonstrations by the minister of interior on 26 and 27 May.

Comment: While old-line politicians will probably dominate the 9 June election through their control of the election machinery, this approach to the elections reveals lack of understanding of the internal Communist threat.

EASTERN EUROPE

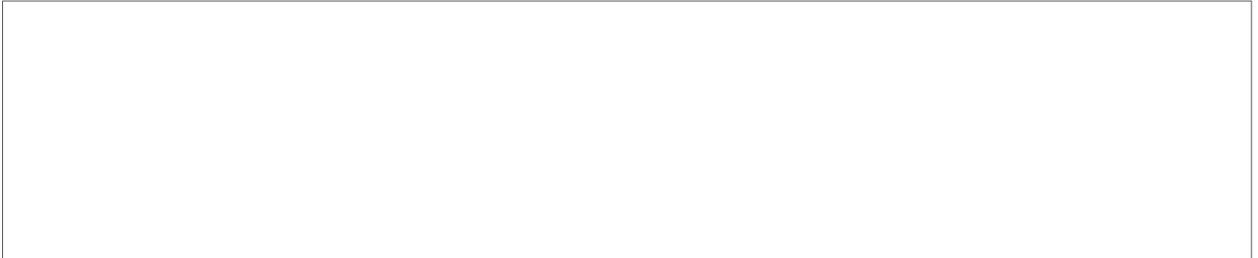
6. Inter-Satellite air defense exercise reveals improved co-ordination:

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The arrival of two Soviet fighter aircraft from East Germany at the Czech base just prior to the exercise suggests that Soviet pilots may have been sent to observe or to assist in directing the exercise.

Comment: This transfer of control between fighter direction centers reflects a major advance in co-ordination within the Orbit air defense system in Eastern Europe.



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