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19 June 1954

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**CENTRAL INTELLIGENCE AGENCY**

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AGENCY ARCHIVES

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**GENERAL****1. Cambodia plans appeal to UN:**

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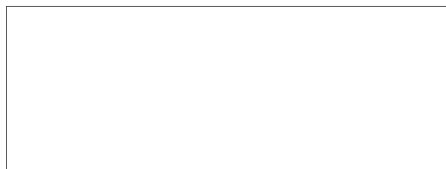


The acting foreign minister of Cambodia told the American chargé in Phnom Penh on 17 June that his government considered the Geneva conference "dead," and will address an appeal to the Security Council. The appeal will denounce Viet Minh aggression and request that a peace observation commission be sent to Cambodia.

Comment: The Cambodian government was on the point of appealing to the UN following the Viet Minh incursion into northeastern Cambodia last April, but deferred this appeal pending the outcome of the Geneva conference. The king is known to be planning an ambitious publicity program for directing world attention and sympathy to Cambodia's problem. He plans to visit numerous Western and neutral nations, where he has a good chance of gaining support.

**2. Burma willing to serve on Indochina armistice commission:**

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Premier Nu has informed Foreign Secretary Eden that Burma would agree to serve on an Indochina armistice commission comprised of the Colombo powers if requested to do so by the Geneva powers and if the terms of reference were satisfactory, according to the British ambassador in Rangoon.

The ambassador says Acting Foreign Minister Kyaw Nyein also indicated his government's willingness to join a commission composed of three Colombo powers and one European and one Communist government, provided the same conditions were met. Nyein further implied that Burma favors separating the problem of Laos and Cambodia from that of Vietnam.

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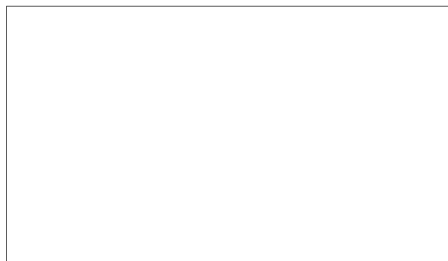
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Comment: Burma in the past has consistently avoided becoming involved in conflicts of interest between the two "power blocs." Its present willingness to do so indicates the serious concern with which it views the deteriorating Western position in Indochina.

### SOVIET UNION

#### 3. Khrushchev possibly identified with hard foreign policy line:

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The text of an apparently extemporaneous speech given by party secretary Khrushchev at a 15 June mass rally in Prague was substantially altered before being rebroadcast by the Czech home service. As originally delivered and broadcast, the portion of the speech devoted to

foreign affairs was reminiscent more of the strident notes of Stalinist propaganda than of most current Soviet pronouncements. The revised version was substantially calmer in tone, and the inflammatory passages were rewritten or omitted entirely.

This harsh line, which Khrushchev has now twice taken when apparently speaking extemporaneously, may reflect his actual thinking. This would reinforce Ambassador Bohlen's earlier speculation that Khrushchev appears to take a more radical and extreme position on both international and domestic problems than does Malenkov.

The changes in the speech, which certainly would not have been made without specific orders from Moscow or Khrushchev himself, suggest that, despite his earlier departure from the official line, Khrushchev is either unwilling or unable to maintain this extreme position.

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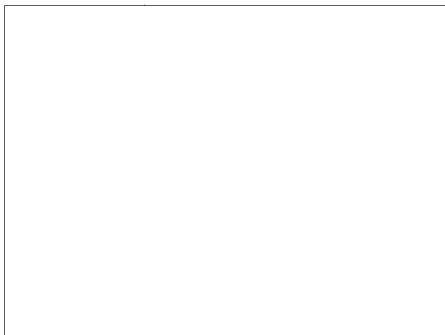
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## SOUTHEAST ASIA

4. Developing threats to Hanoi and Haiphong reported:

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The French anticipate attacks shortly on the Hung Yen-Ke Sat route in the Tonkin delta by three Viet Minh battalions, the American army attaché in Saigon reports (see map, p. 6). He comments that this route, frequently sabotaged in the past, runs through areas heavily infiltrated by enemy troops, and the anticipated attacks could be the first step in the isolation of Hung Yen. The loss of Hung Yen would be a crippling blow to the defense of the southern delta and would greatly increase the vulnerability of the Hanoi-Haiphong areas.

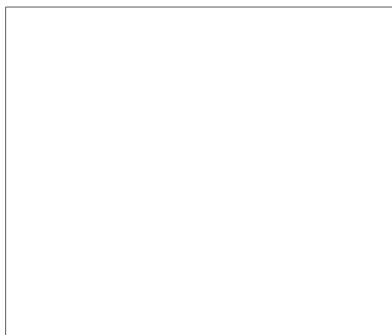
  
 possible enemy plans for an attack in the Hai Duong area, about 15 miles east of Ke Sat, where bridges across the Thai Binh River constitute the most vulnerable link in the Hanoi-Haiphong supply route. Enemy anti-aircraft defenses there, indicated by a French pilot's report of 37mm anti-aircraft fire, suggests preparations in anticipation of French air action.

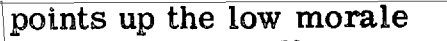
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5. French officers doubt Haiphong beachhead could be held:

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 points up the low morale of the French officer corps. The officers generally believe that the Tonkin delta cannot be held in the event of even a small-scale attack without reinforcements of two or three divisions from France. These, they feel, will not be sent. French forces

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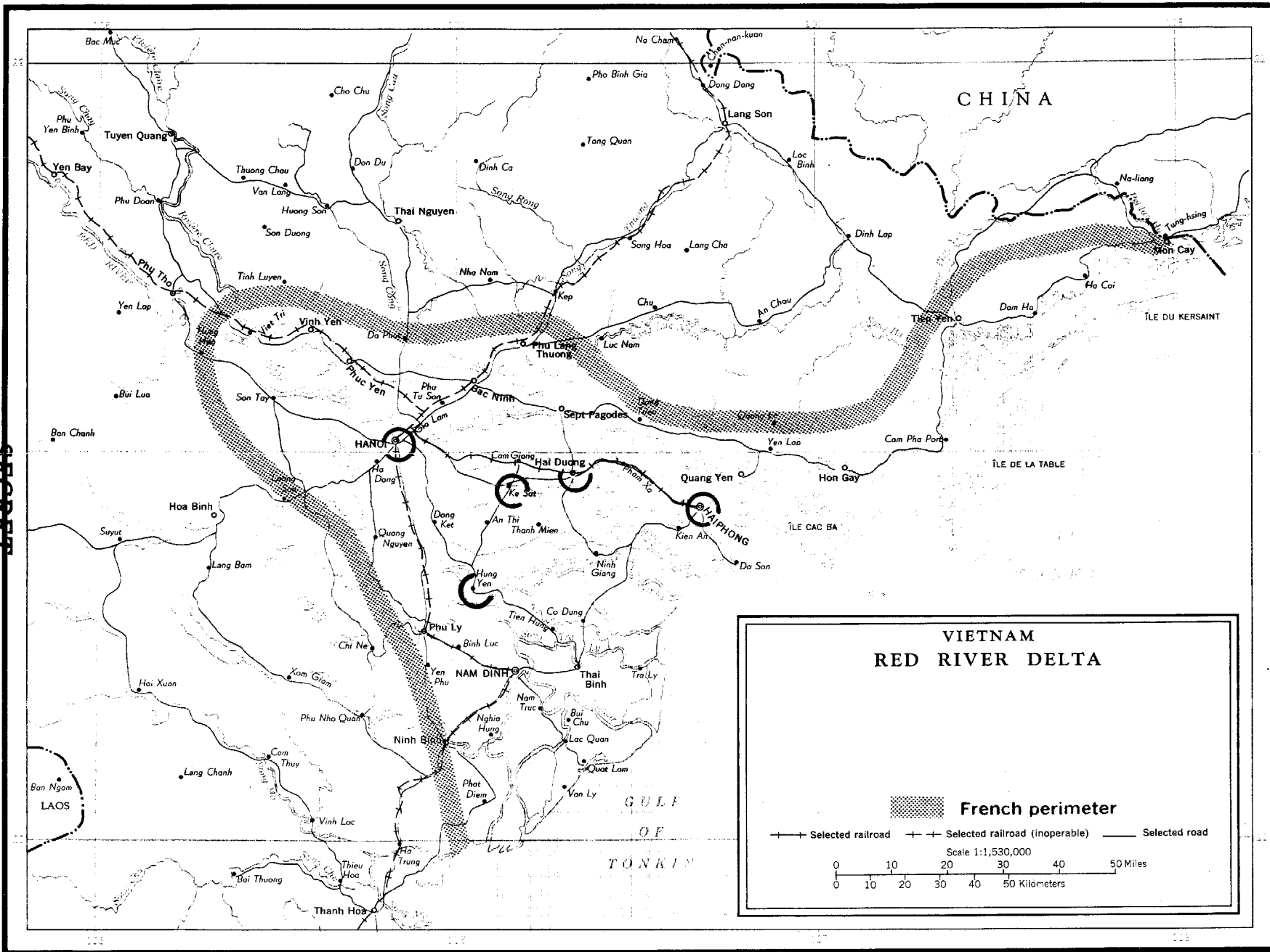
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probably would be forced to withdraw to a small perimeter around Haiphong, in which case virtually all Vietnamese troops would desert. They further believe the Haiphong beachhead could be held for only a limited period.

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Meanwhile, according to the American army attaché in Saigon, altered French defense plans for the Tonkin delta now call for French units to remain in the southern delta area, instead of giving the Vietnamese army responsibility in this sector. The attaché comments that the French apparently wish to avoid a major reorganization while the enemy has a strong capability for attack, and that the decision may also have been motivated by French doubt that Vietnamese troops could hold the southern delta area.

6. President Sukarno cites Communist support on Dutch New Guinea problem:

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President Sukarno told Ambassador Cumming on 15 June that he and other Indonesian leaders realized the threat that Communist control of Indochina would pose. The president added,

however, that the Indonesian people saw only that the United States would not support their claim to Dutch New Guinea. He also referred very pointedly to Moscow's and Peiping's support of the Indonesian claim and the favorable impression this stand might have in Asian eyes.

Comment: President Sukarno has been unable to win any significant support among Asian neutrals for his country's claim to Dutch New Guinea.

The chief of Sukarno's secretariat recently told Cumming that the president has lately tempered his criticism of the Communists and goes out of his way to see fellow travelers from abroad. He believed that by refraining from attacks on Sukarno, the Communists had succeeded in weakening the president's "mental defenses against the Communist infiltrators."

NEAR EAST - AFRICA

7. Johnston sees Arabs more co-operative on Jordan River development plan:

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Eric Johnston, special ambassador to the Middle East, reports his discussions with an Arab committee in Cairo indicate

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encouraging prospects of obtaining Arab co-operation in the unified development of the Jordan River valley. He says that the Egyptians provided effective, sympathetic and constructive leadership.

Tentative understanding was reached on such vital points as allocation of water and its storage in the Yarmuk River valley. The Arabs appear strongly opposed to the use of any Jordan River water outside the Jordan watershed--as is contemplated by Israel. The Arabs also oppose UN participation in the project until an effective agreement has been reached under the aegis of the United States.

Comment: The political atmosphere has been more favorable for the current discussions than when Johnston unsuccessfully broached the subject last October. Nevertheless, there remain such important obstacles as: (a) the unsettled Israeli-Syrian dispute over Israel's diversionary canal on the Jordan; (b) continuing political paralysis in Syria; and (c) general Arab opposition to co-operation with Israel.

These obstacles might make Arab-Israeli co-operation impossible or restrict the implementation of any "agreement in principle" to separate projects which could be integrated at some distant date.

## LATIN AMERICA

### 8. Anti-Communist forces reported invading Guatemala:

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[REDACTED] Guatemalan anti-Communist forces under Carlos Castillo Armas in Honduras were moving against Guatemala.

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The commandant of Guatemala's Second Military Zone, which borders Honduras, notified the chief of the armed forces [REDACTED] that a reconnaissance party of his troops "is maintaining contact with the enemy." He asked for additional men and weapons.

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Comment: Castillo Armas, who has become the symbol of anti-Communist resistance to the Arbenz regime, [REDACTED]

[REDACTED] He appears to be acting independently of the top officers long close to Arbenz who are now reliably reported threatening to oust the president if he refuses to reverse his pro-Communist policies. The unknown degree of support for Castillo Armas among active army officers would appear to be a crucial factor.

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Meanwhile, Arbenz is reported refusing to make any concessions to the army. He may be relying on repeated promises by the Communists to mobilize their followers in defense of his regime.

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