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29. *Policies Toward South Vietnam.* Lacking full Bloc support for its reunification demands and recognizing that the July 1956 deadline for elections would not be met, the DRV is now adjusting its policies for the longer pull. The regime's public position that the Geneva provisions must be fulfilled and that nationwide elections must be held remains unchanged. However, the DRV is now playing down the demand for early reconvening of the Geneva conference and increasing its demands for direct north-south consultations. The DRV has accepted the position taken by the Soviet Union at the London talks that the ICC and Joint Armistice Commission should continue their functions despite the dissolution of the French High Command. The DRV has also enlarged the scope of its diplomatic activity to enhance its international prestige and position and to secure the broadest possible foreign support for eventual implementation of the Geneva Agreements.

30. At the same time, the DRV has maintained its network of political and paramilitary cadres in the south. It has continued its efforts to penetrate the government of South Vietnam and probably is maintaining contact with non-Communist but anti-Diem Vietnamese, chiefly those now in exile, who favor conciliation with the north. Through use of nationalist themes and front organizations, it is attempting to retain popular following in the south. Ninety-five thousand men were evacuated from the south in the first few months following the Armistice. The DRV probably views this group as a possible instrument for subversive activity in South Vietnam and some may have been retrained, reindoctrinated, and perhaps even reinfilitrated.]

31. *Policies Toward Laos and Cambodia.* The Communist rebel movement in Laos, the Pathet Lao, is completely dependent on DRV support and assistance to maintain its position in the northern provinces. Although the DRV continues to support the Pathet Lao, it has begun to soften its line toward the Royal Lao government. In place of its earlier criticism of the Lao government, the DRV now praises the Lao government's professed

adherence to the "five principles of coexistence," encourages Laos to adopt a neutral foreign policy and to enter into direct consultations with the Pathet Lao to resolve their differences.

32. DRV policy toward Cambodia encourages neutralism and the establishment of wider contacts between the Cambodian government and the Communist world. The Hanoi radio has virtually eliminated its previously bitter condemnation of the Cambodian government and is now extravagant in its praise of Cambodian foreign policy and its "resistance" to alleged US "plots" to undermine Cambodian independence. Future DRV policies with respect to Laos and Cambodia will probably reflect the guidance of Moscow and Peiping.

33. *Policies Toward Other Countries.* In its relations with other states in Asia, the DRV has attempted to increase support for its position on unification, to further the general Bloc peace campaign, and to obtain diplomatic contacts and recognition. At present, North Vietnam is recognized by all Bloc countries, but no non-Bloc country has extended full diplomatic recognition. India and Indonesia have exchanged consular representatives with both North and South Vietnam and Burma has permitted the DRV to maintain an Information Office in Rangoon. The DRV has taken special pains to woo the Indian delegates to the ICC.

34. The DRV has severely curtailed remaining French cultural activities in North Vietnam and the much publicized commercial arrangements have been too restrictive to hold or attract any significant economic activity by the French. However, the DRV has won French agreement to the establishment of a commercial and cultural mission in Paris. Its presence will complicate French relations with Diem and facilitate the maintenance of DRV influence among Vietnamese resident in France.

### III. SOUTH VIETNAM — CURRENT SITUATION AND TRENDS

#### Political

35. During the past year President Ngo Dinh Diem's government has greatly strengthened

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