SECRET

Asia area. In answer to a question as to whether the troops to be used in the plateau could be Thai, the President answered no. Laos is afraid of the Thais; they are afraid of a Pan-Thai movement to swallow Laos. Laos hates Cambodia, distrusts the Thais but likes the Vietnamese. They would like an outlet to the sea at Tourane. They have promised to send officers to be trained by the Vietnamese. President Ngo then commented on his planned second counter move which is to fill up the vacuum of the high plateau area, the forest border area and the Plaine des Jones. This plan will be begun by placing trained demobilized men from the Civil Guard in these areas with their families, 3,000 so far. He is now appealing to the people of the central Viet-Nam area to settle on the high plateau and is asking people of South Viet-Nam, the southern areas, to move into the Plaine des Jones.

SEATO has always recognized the need of the fight against subversion. Planting men in these areas will construct a human wall effective against Communist infiltration and subversion. The above goes hand in hand with construction of roads in the above areas. Stationing men and building roads serve both a strategic and economic purpose. The road building projects is really a stage of the French plan that goes back to 1919 and continues to 1942.

Secretary Quarles asked the status of the road construction now. The President answered it had not yet begun but Capital Engineering Firm was starting construction studies and he thought construction could begin next year. These roads in the interior are important because the roads along. the coast is easily disrupted. It has many bridges and that is why French, thinking of the possibility of Japanese aggression along the coast, thought roads in this area desirable. This was part of the French Empire Plan to tie together Viet-Nam Cambodia and Laos. It is still a good plan for the defense of Southeast Asia. It includes a road across the interior to Pakse on the Mekong which is near the Thai Railroad terminus at Ubon. Route 9 from Tourane to Savannakhet is too close to the 17th parallel, but Laos is interested in an outlet to the sea for economic reasons. SEATO principals are (1) to pary aggression (2) struggle against subversion and (3) economic and social aspects required to support the above. The French and British are interested mostly in number 3. The military strategic aspect of offensive-defensive plan are favored by the air force and navy. In case of aggression tactical atomic weapons could be used. Vietnamese feel they must emphasize ground weapons because the Viet-Nam war showed that it was difficult to use air effectively in this country. Communist