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GENERAL**1. Communists may propose elections in all three Associated States:**

[Redacted]

International News Service correspondent Kingsbury Smith informed the American delegation at Geneva on 4 May that Popov, editor of the Soviet English-language paper News, had told him that the Communists would not propose partition or a coalition government for Vietnam but instead would ask for supervised nationwide elections in the three Associated States. He said the Communists realized that they would probably lose elections in Laos and Cambodia but thought they would win 60 percent of the vote in Vietnam.

In reply to Smith's inquiry whether UN supervision was contemplated, Popov said the Communists preferred to have "neutral supervision."

Comment: Two Communist journalists have stated on previous occasions that the Communists would propose elections in Indochina.

[Redacted]

Communist formulae for elections in the cases of Germany and Korea have called for formation of a provisional government combining the rival regimes, which would later hold "free elections" without "foreign interference."

[Redacted]

2. Visas requested for additional Viet Minh delegates to Geneva:

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Comment: Five Viet Minh representatives arrived in Geneva on 4 May and in their first press release referred to "the national rights" of the people of Laos and Cambodia as well as Vietnam. The requests for a total of 34 visas suggest that the Communists may have at hand delegations to represent the Viet Minh-sponsored regimes of Laos and Cambodia.

SOVIET UNION

3. Ambassador Bohlen comments on Soviet internal developments:

Ambassador Bohlen believes it possible that the recent formation of the Committee of State Security (KGB) was intended to ensure collective control over security aspects of the MVD apparatus. He points out that for the first time this function is placed, at least theoretically, under the Council of Ministers as a whole. While the committee will presumably deal only with "secret" police affairs, there is doubt whether it will actually administer the full security apparatus with its millions of informers or whether it will merely supervise these operations within the MVD.

Commenting on the increased public prestige of Party Secretary Khrushchev, Bohlen notes that the principle of collective rule always contains the inherent, continuing possibility of rivalry and dissension at the top. He stresses, however, that division is more likely to arise over deep policy differences than purely personal rivalries.

Comment: Other recent information has disclosed that the KGB will be a separate organization controlling both overt and covert functions of the security apparatus. The creation of such a committee directly under the Council of Ministers also suggests that it may have been given the responsibility for all foreign intelligence efforts.

Khrushchev's rise increases the likelihood of a struggle for power within the collective leadership.

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SOUTHEAST ASIA

4. Vietnamese government crippled by internal differences:

[Redacted]

General Hinh, Vietnamese chief of staff, told the American chargé in Saigon on 3 May that his differences with Defense Minister Quat had brought everything to

a standstill and that demoralization in the army was increasing daily. He held Quat responsible for the fact that the mobilization decree issued four weeks ago had not been carried out. Hinh felt that only Bao Dai's return could correct the situation.

The following day Quat told the chargé that it was Hinh who was holding up action on mobilization.

Comment: Relations between Hinh and Quat, the two senior government officials now in Vietnam, have long been strained. Their present quarreling and the absence of both Bao Dai and the premier leave Vietnam without an effective national government. Bao Dai's announcement that it is his duty "to remain for some time in Europe to defend Vietnam on the international scale" apparently precludes any early remedy for the situation.

EASTERN EUROPE

5. French ambassador believes Yugoslavia moving closer to West:

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Comment: [redacted]

[redacted] Yugoslavs are considering closer relations with the West. With Western economic aid scheduled to end in another year, the Yugoslavs probably realize that their ability to obtain future aid and favorable trade relations will be lessened if they continue to emphasize their "independent" position under present world conditions.

In addition to economic preoccupations, the Yugoslavs may desire to play a more important role in future European planning.

WESTERN EUROPE

6. French minister favors partition of Indochina:

[redacted] French finance minister Faure told Ambassador Dillon on 4 May that the best solution to the Indochina problem would be a prompt armistice leading to partition, without regard to Bao Dai. Faure opposes American intervention, but still believes that the threat of it can make the Communists "reasonable" at Geneva.

Faure said that the "real danger" is the possibility of a French government based on Communist support, and that he favors diverting defense expenditures to improve the French standard of living, thereby reducing the Communist vote. He doubts that the time is "ripe for EDC," and believes American atomic weapons can safeguard Europe at present.

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Dillon believes that Faure may be the next premier if the Laniel government falls soon.

Comment: This is the first time a French official has stated that Vietnamese views will be ignored if France has a chance to reach a settlement at Geneva.

A French Foreign Ministry spokesman at Geneva told Under Secretary Smith that his government is unable to agree on a plan. He indicated, however, that the French were thinking in terms of a settlement based on Viet Minh evacuation of Laos and Cambodia, to be followed by cease-fire arrangements in Vietnam, with a regrouping of French forces in key areas.