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3 June 1954

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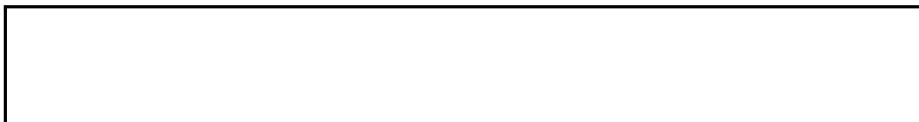
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Office of Current Intelligence

CENTRAL INTELLIGENCE AGENCY



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State Department review
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GENERAL

1. Soviet UN delegate seeks delay in Security Council discussion on Thailand appeal:

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Ambassador Lodge reports that Tsarapkin, the acting Soviet representative to the United Nations, "literally implored" him on 1 June not to call a Security Council session for 3 June to discuss Thailand's appeal for UN

observers to keep watch on Indochina developments which threaten Thai security. According to Lodge, Tsarapkin seemed to have been caught off balance by the decision to open discussions on Thursday.

When in answer to Tsarapkin's argument that Security Council rules called for a three-day interval, Lodge asked if Friday would be agreeable, Tsarapkin "couldn't agree to that either."

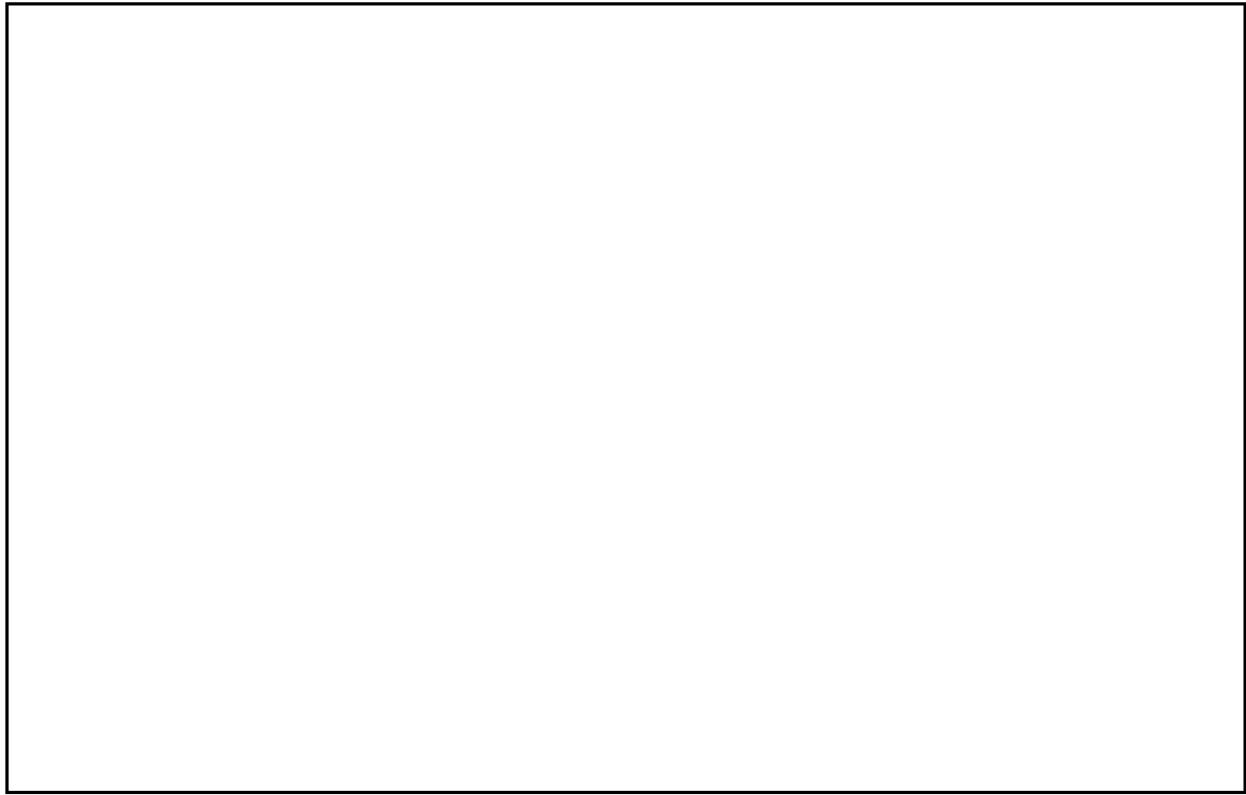
Comment: Tsarapkin's reaction suggests that he is under instructions to delay UN action on the Thai request. It is possible that he will attempt to delay or block Security Council action by demanding that representatives from the Communist "governments" in Indochina be invited to participate in the debate.

Soviet and Chinese Communist propaganda indicates that Moscow regards the Thai appeal as the first step in an American scheme to prepare the ground for UN intervention in Indochina.

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FAR EAST

3. Major problem with South Korea seen unless Geneva talks are completely terminated:
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Anything short of complete and unconditional termination of the Geneva talks will create a major problem in United States-South Korean relations, Ambassador Briggs reported on 1 June.

He said that Rhee desires a clean break at Geneva, with "no leftovers gathering mould in the UN icebox." Anything Rhee interprets as temporizing or appeasement increases the possibility that he will publicly denounce the talks and withdraw his delegation from Geneva.

Briggs also said that all of Rhee's views, including his belief that he is being excluded from the forthcoming Washington military talks, stem from his conviction that time is running out.

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Comment: Briggs reported on 28 May that Rhee is likely to be extremely difficult to deal with the moment the United States concedes the failure of the Geneva conference to unify Korea. South Korean spokesmen have repeatedly stated that there will be no further talks on Korea following Geneva, and any move to refer the issue back to the UN or to continue the discussions among a smaller group of nations, presently under consideration at Geneva, will be strongly opposed by Rhee.

4. South Korean National Assembly not expected to reconfirm prime minister:

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[redacted] Paek Tu-chin will not be reconfirmed as prime minister by the new South Korean National Assembly, according to information received by Ambassador Briggs [redacted]

[redacted] His successor was reported likely to be Foreign Minister Pyun, who might in that event retain the Foreign Ministry portfolio. The matter is not yet final, however, because of Rhee's irritation over Pyun's failure to include withdrawal or surrender of North Korean forces in his 14-point proposal at Geneva.

Comment: While Pyun has appeared moderate and co-operative at Geneva, he is one of Rhee's more extremist advisers and has sometimes withheld information from the president and provoked him into assuming highly uncompromising positions in negotiations with the United States. Pyun's appointment would indicate further Rhee's increasing tendency to by-pass his more moderate counselors.

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6. Suppressed version of Ely's report verified.

[Redacted]

Although the French government suppressed as "false" an article in the 29 May issue of the Paris Express which purported to be General Ely's oral report and recommendations on Indochina, Commissioner General Dejean in Saigon says it is "on the whole an accurate description."

Comment: The most important findings of the Ely mission to Indochina contained in the Express version were: (a) the military situation was worse than had been expected; (b) troop morale was low and the loss of Dien Bien Phu had gained the Viet Minh more adherents than it had won during the previous seven years' fighting; (c) not even rain or heavy losses will deter the Viet Minh from pressing an offensive; and (d) the hope of rapidly creating a Vietnamese army has ended in "total deception."

Ely is also said to have recommended that a top military commander, possibly Marshal Juin, be named to assume both military and civilian authority in Indochina and that conscripts be sent there.

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25X1A 7. Tonkinese officials preparing cease-fire line:

[Redacted]

The American consul at Hanoi has learned of a meeting of Tonkin delta province chiefs called for 3 June by Governor Tri to prepare recommendations for a cease-fire line in Tonkin. Tri was instructed by the Vietnamese government to have the recommendations ready for submission to Bao Dai by Friday night, 4 June.

The basis for the discussions will be a line drawn starting at Moncay on the China border and taking in a coastal strip to Hongay, thence westward through Dong Trieu and Bao Ninh to Phucyen, thence southwest to Sontay, thence sharply east to the Day River, thence along the Day through Phuly and Ninh Binh, thence southward along Route 1 to the Annam border, thence along the border to the sea (see map, p. 8).

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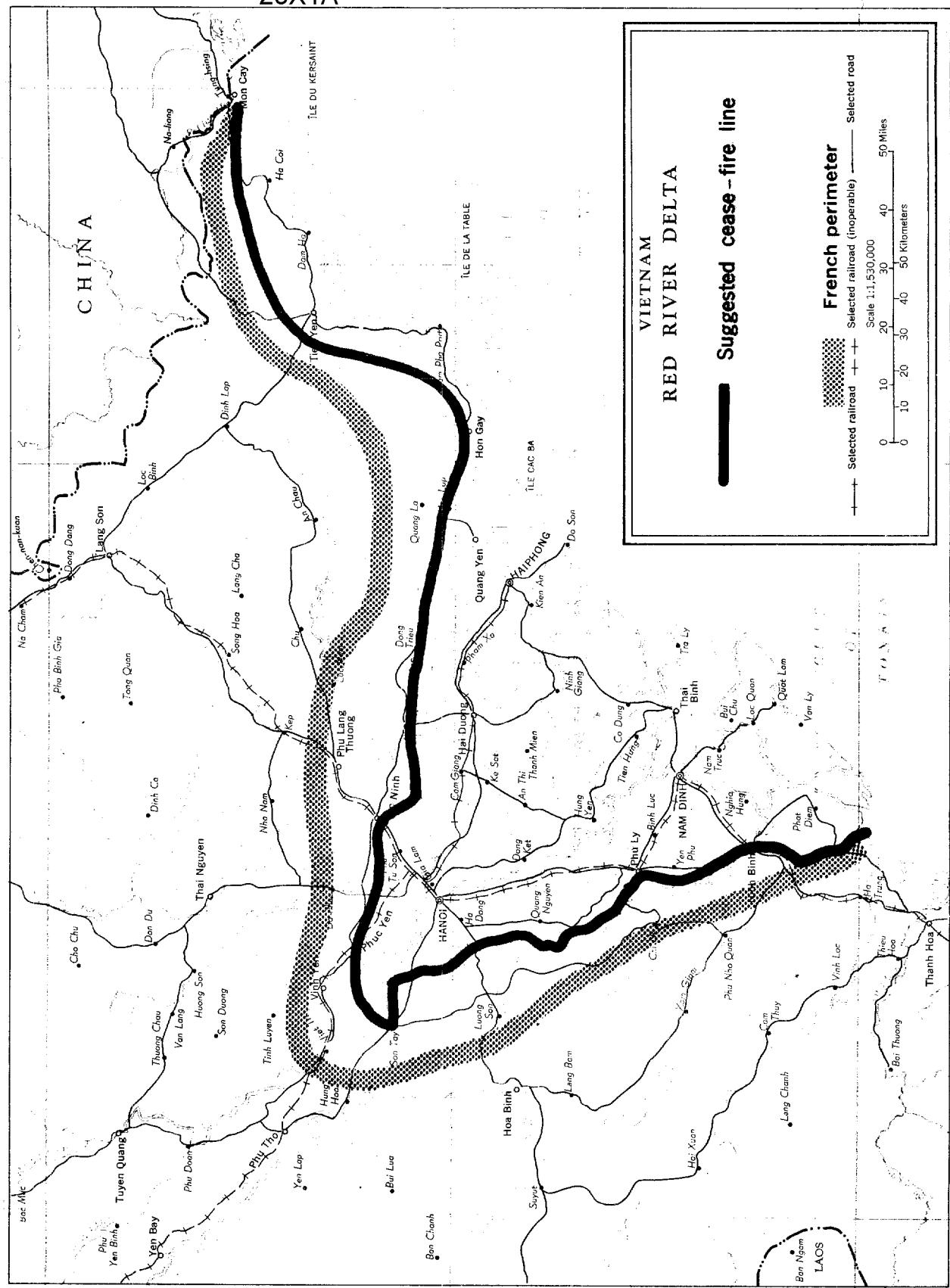
[Redacted] any cease-fire agreement would result in the Viet Minh taking over the delta in six months. Viet Minh irregulars would use the period following a cease-fire to prepare the way for a final assault by the regulars.

Comment: While the Vietnamese are apparently willing to go through the motions of cease-fire arrangements, they favor continuation of the war, preferably with direct American participation.

25X1A 8. Philippines regards invitation to five-power military talks of prime importance:

[Redacted] President Magsaysay's foreign affairs aide asked the American embassy in Manila on 1 June that it support, as a matter of "prime importance," a Philippine request for an invitation to the five-power military talks opening in Washington on 3 June. He emphasized that exclusion of the Philippines might be interpreted by its Asian neighbors as a "snub," and would be regarded locally as an instance of racial discrimination and an indication that the Philippines was looked on as an inferior ally.

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Later the same day Magsaysay told the American chargé that a break with the ultranationalist wing of his party was expected hourly and that he badly needed immediate support from the United States.

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WESTERN EUROPE

9. Comment on electoral gains by Italian Communists and Christian Democrats:

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By-elections held on 23 May in 48 communes and 6 provincial districts in Italy indicate a slight rise in the electoral strength of both the Communists and the Christian Democrats. The Communists and their Nenni Socialist allies now control 15 of these communes, one more than before the elections.

The Christian Democrats claim, however, that their strength in all communes where local elections have been held in the past year has increased since the June 1953 national elections from 41.6 to 44.9 percent of the total vote. These advances were at least partly at the expense of the smaller center parties.

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The anti-Communist campaign of the Scelba coalition government does not yet seem to have affected the organization and effectiveness of the extreme leftist parties on the local level. Their popular vote continues to rise.

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Communist Party section and cell congresses in Rome have been more successful this year than in 1950, when the last national Communist Party congress was held.

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10. Laniel government faces new challenge:

[Redacted]

In the opinion of American officials in Paris, the French government would be particularly vulnerable now to a Communist offer of a full cease-fire in Indochina or other concessions made in the hope of finally defeating EDC. The opponents of EDC are expected to join with other antigovernment forces in an attempt to overthrow the Laniel cabinet in the expectation that its successor could be prevented from pressing for assembly debate on the treaty. Premier Laniel's bargaining position is somewhat stronger than it has been, however, because the Socialists and Popular Republicans have indicated they will not support an anti-EDC government.

Laniel, nevertheless, is entering a crucial period. Not only does he face "sensitive interpellations" on Indochina, the government's action against L'Express, the North African problem, and the Saar negotiations, but he must also contend with a "backbiting cabinet," many of whose members are preparing for participation in the next government.

Comment: Laniel admitted early in 1954 that France could not resist a Communist offer of peace in Indochina in exchange for French rejection of EDC. He has a temporary respite from attempts to oust him, since the assembly is in recess until 8 June.

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