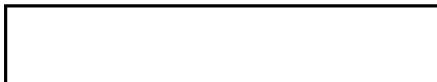


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25 April 1954

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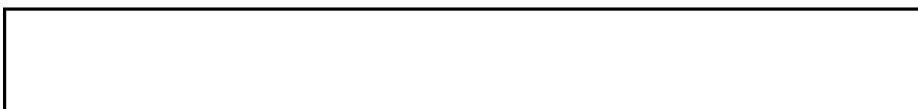
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DOS REVIEW
COMPLETED

CURRENT INTELLIGENCE BULLETIN

DOCUMENT NO. 39
NO CHANGE IN CLASS.
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NEXT REVIEW DATE: 2009
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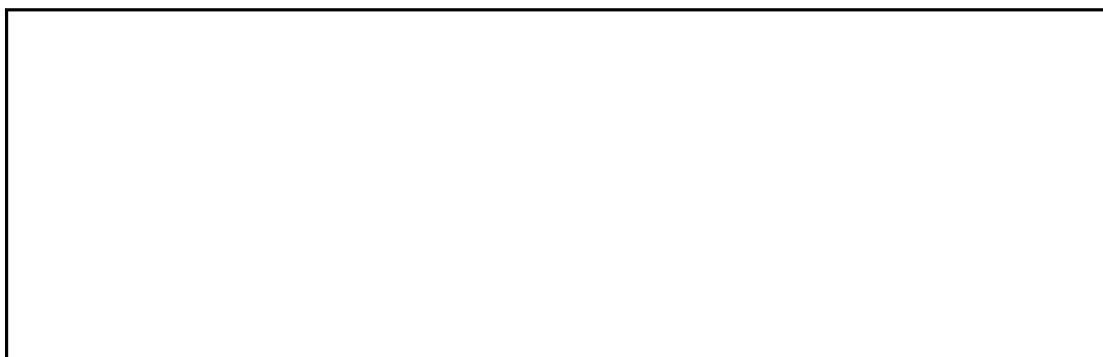


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CENTRAL INTELLIGENCE AGENCY



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GENERAL

1. Comment on Nehru's "peace plan" for Indochina:

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Prime Minister Nehru has probably offered his five-point plan to end the Indochina war primarily to forestall a Western-sponsored security pact for Southeast Asia. The putting forward of the plan also represents an effort to compensate for India's absence from Geneva.

"climate of peace"--is directed against the American call for "united action" in Indochina. The other four points--immediate cease-fire; immediate end of French sovereignty; direct negotiations among France, the Associated States, and the Viet Minh; and a non-intervention agreement among the United States, Britain, Communist China and the USSR--are probably designed not only to end the war but also to exclude the major powers from India's "peace area" and thus pave the way for an expansion of New Delhi's sphere of influence.

While this plan is not expected to elicit support from the Western powers at Geneva, the Soviet Union may well attempt to exploit certain of its elements.

Nehru can be expected, however, to raise this plan at the Colombo conference opening 28 April. Prime Minister Kotelawala told the American ambassador on 23 April that Nehru was applying great pressure to get Ceylon to join India in a policy calling on both the Communists and the West to "keep hands off Asia."

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2. East Germany sending delegation to Geneva:

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The East German government press office announced on 23 April that a delegation headed by Deputy Foreign Minister Handke would go to the Geneva conference. A declaration issued by the East German government at the same time demanded the return of all Germans fighting in Indochina.

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Comment: It has been reliably reported that the delegation will present to the foreign ministers of the big powers a memorandum calling for a new conference on Europe in which West and East Germany would participate. Such a proposal would have a certain appeal among anti-EDC elements in Western Europe if presented by another Satellite state, for example, Poland, but it is doubtful that an East German memorandum will be very effective except as a contribution to the evidence supporting East Germany's claim to sovereignty.

The declaration demanding the return of Germans in Indochina indicates that East Germany may use the presence of Germans in the French Foreign Legion as a pretext for gaining admission to the Indochina discussions at the conference. [redacted] 25X1A

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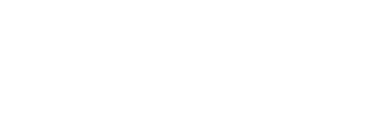
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FAR EAST

4. Conservative members of Japanese Diet to attend Communist meeting at Stockholm:

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A large number of Japanese Diet members, including 15 to 20 conservatives, plan to accept invitations to the Communist-sponsored "World Council of Peace" tentatively scheduled for Stockholm in June, according to Ambassador Allison. While the conservatives are aware that their presence will be exploited by the Communists, they believe the trip will give them first-hand information on conditions in Communist China and the Soviet Union with which to counter the leftists in Japan.

In order to minimize Communist exploitation, the conservative Diet members intend to work as a group, avoid publicity, and, if necessary, issue a statement that they do not support the meeting's objectives.

Comment: Since the recent successful repatriation program, the Japanese have become increasingly receptive to friendly Soviet overtures for closer economic and cultural ties pending the re-establishment of diplomatic relations.

SOUTHEAST ASIA

5. Navarre sees need for full American intervention in Indochina:

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General Navarre told the American chargé in Saigon on 23 April that either the war in Indochina must end by a negotiated peace, or else it must be internationalized and American infantry brought in. He pointed out that when the battle at Dien Bien Phu was over the enemy would be in a greatly weakened condition, but neither France nor Vietnam had the strength to strike the rapid blow essential to take advantage of that fact.

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Navarre said the situation at Dien Bien Phu was desperate. There were 600 gravely wounded, another 2,000 also were wounded but able to fight, and still others were suffering from battle fatigue. Of 9,000 effectives under De Castries, only 3,000 were at present combat worthy. Navarre thought, however, that it was militarily more advantageous for the garrison to fight to the end, rather than to risk an attempt to send a relief column.

In conclusion, Navarre emphasized the necessity that the Geneva conference be brief. He said, "If the conference lasts three months, I cannot foretell what might happen here."

6. Tonkin governor gloomy on delta situation:

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Governor Tri of Tonkin told the American consulate in Hanoi on 23 April that the losses being suffered by paramilitary forces in the delta because of a lack of arms might soon force him to disband these groups. He emphasized that this would amount to handing the delta over to the Viet Minh.

French Union forces still in the delta were exhausted by continuous action, he said. He saw as an immediate necessity the effective arming of the paramilitary forces and the transfer to the delta of French Union forces engaged in operation Atlante in southern Annam.

A French official concurred in this estimate, stating that the delta situation was at its most critical point. He said that French Union forces now had only a tenuous hold on Hanoi-Haiphong communications and beyond that held only those two cities and Nam Dinh.

Comment: The paramilitary forces, numbering approximately 27,000, are an important adjunct to French Union forces in the delta. They have, however, been poorly armed and for that reason a frequent target of Viet Minh irregulars.

There are 134,000 French and Vietnamese regulars in the delta but the greater part of this number is tied down in static defense, leaving the relatively few mobile units to counter the increase in enemy activity.

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7. French express deep concern over Cambodian situation:

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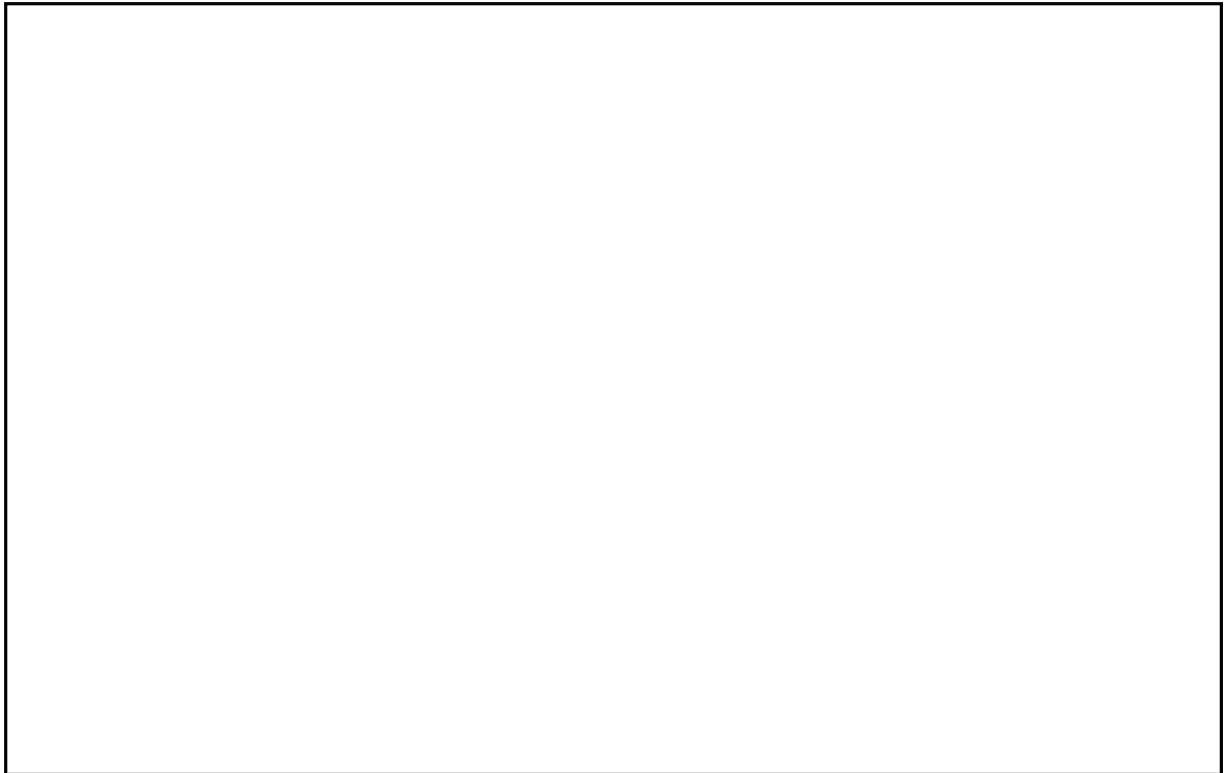
Commissioner General Dejean sent an aide to the American embassy in Saigon on 23 April to express deep French concern at the rapid deterioration in Cambodia. The French feel a coup d'etat that would put the Viet Minh and the non-Communist insurgent leader, Son Ngoc Thanh, in control of the kingdom may be expected at any time.

Comment: French authorities in Saigon appear to be more alarmist on Cambodia than those in Phnom Penh. The acting high commissioner there said on 22 April that the situation was less serious than the Cambodians described it when they appealed for arms.

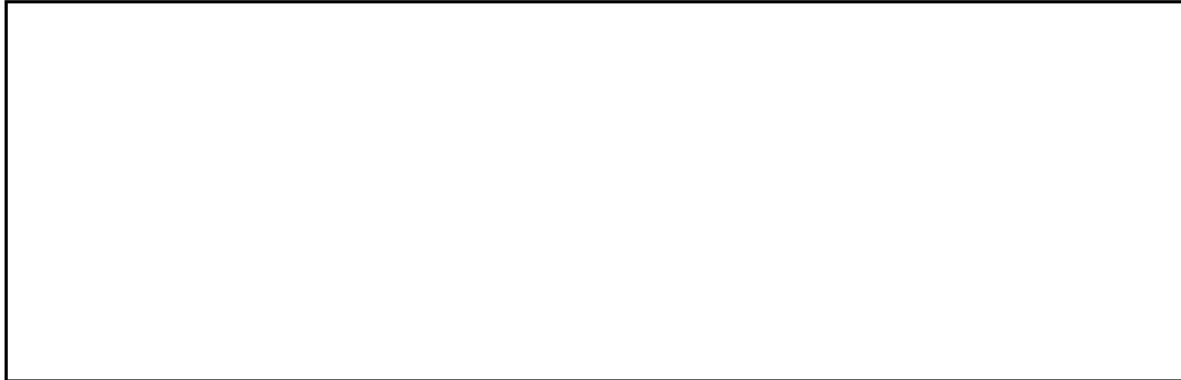
Son Ngoc Thanh, the only important non-Communist insurgent leader in Cambodia, is believed to have an armed following of fewer than a thousand.

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WESTERN EUROPE

9. French official offers new proposals to break Saar deadlock:

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[Redacted]

French deputy foreign minister Maurice Schumann informed Ambassador Dillon in Paris on 21 April that he had made new proposals on the Saar to West German foreign undersecretary Hallstein on 11 April in an effort to break the deadlock between the technical experts. It was understood that the experts were not to be told of these proposals.

Schumann expects Hallstein to inform him privately this week end of Chancellor Adenauer's reactions and to offer German concessions which will enable French foreign minister Bidault to meet Adenauer for a "final solution." Schumann said that the new French concessions are acceptable to Bidault and, he believes, will also be to a majority of the French cabinet. They would be bitterly attacked, however, by anti-EDC elements in the National Assembly.

Comment: In view of the substantial German concessions made in March, before the present experts' deadlock, the new French position appears sufficiently liberal to clear the way for speedy agreement on the Saar when Bidault and Adenauer meet again next month. Adenauer, however, still insists that any agreement should become binding only after French ratification of the EDC.