

10 April 1954

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Copy No. 76

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CURRENT INTELLIGENCE BULLETIN

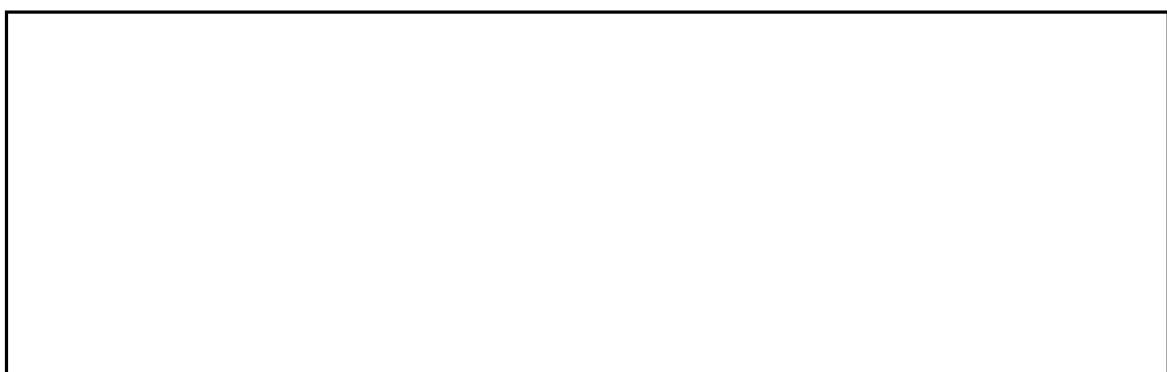
DOCUMENT NO. 26
NO CHANGE IN CLASS.
DECLASSIFIED
CLASS. CHANGED TO: TS S C
NEXT REVIEW DATE: 2009
AUTH: HR 70-2
DATE: 28/12/79 REVIEWER:

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Office of Current Intelligence

CENTRAL INTELLIGENCE AGENCY



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DOS review(s) completed.

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SOUTHEAST ASIA

1. French official pessimistic over long-term prospects at Dien Bien Phu:

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French forces will be able to repulse an anticipated third major attack on Dien Bien Phu, but the future of the garrison appears bleak,

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No evacuation is possible so long as enemy fire denies the French the use of the airfields.

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The danger of epidemics is worrying the French high command, in view of the thousands of unburied corpses.

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the Viet Minh will prolong its siège, contrary to the hopes of the French high command that the enemy will withdraw fully after a bloody setback. If the enemy does maintain the siege, the only means of rescuing the garrison would be by sending in a major French relief column from northern Laos.

Comment: There is every indication that the Viet Minh will continue its frontal assaults on Dien Bien Phu; if these fail, the enemy high command will probably attempt to reduce the garrison by attritional warfare.

General Navarre has expressed the belief that the battle will continue until mid-June.

2. Laniel reported threatening to withdraw support of Vietnamese independence:

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According to a member of Bao Dai's entourage, French premier Laniel has written Vietnamese premier Buu Loc warning that if the Vietnamese do not

speed up army recruitment and settle their internal political differences, France may see no justification for continuing its efforts to guarantee the independence of Vietnam.

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Comment: As on previous occasions, France may be using the threat of withdrawal to force the Vietnamese to modify their demand for independence in the current negotiations in Paris.

The French government may also be preparing the way for efforts to end the war by means unpalatable to the Vietnamese, such as negotiations with the Viet Minh or a cease-fire.

NEAR EAST - AFRICA

3. Comment on possibility of more British troops going to Jordan:

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King Hussain's recent statement to American reporters that negotiations are under way with Britain to bring "substantially more British troops to Jordan" confirms rumors

that the Jordanian government, unable to obtain sufficient Arab League funds for its National Guard, wants additional British military support. London has made no statement on this matter, but an antiaircraft regiment arrived in Amman from the Suez base on 31 March, bringing total British strength in Jordan to approximately 1,300.

Officials in Amman believe the presence of British troops would have a restraining influence on Israel and also benefit Jordan's economy. A substantial increase in the number of British troops there would, however, be strenuously objected to by Israel and by extreme elements generally in the Arab states.

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4. Comment on resignation of Libyan cabinet:

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The resignation of the Libyan cabinet on 8 April focuses attention on the internal conflict in Libya, and on King Idriss' attempts at autocratic rule. Growing opposition to palace interference in provincial affairs in Tripolitania, Libya's wealthiest and most populous province,

directly threatens to break up the country.

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The cabinet resignation followed a series of maneuvers involving Idriss and the Tripolitanian provincial assembly which culminated in Idriss' refusal to accept a 5 April Supreme Court decision.

The premier designate, Mustafa Ben Halim, a 34-year-old Cyrenaican, is closely identified with the palace clique and, accordingly, is likely to be subservient to the king's wishes. Minister Villard believes the cabinet crisis will further delay negotiations for an American air base agreement, which began more than two years ago.

WESTERN EUROPE

5. Defense agreement with Iceland seen jeopardized:

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The American minister in Reykjavik reports that unless Iceland is assured that the American general contractor there will be withdrawn as soon as feasible, the present negotiations will be endangered and even the 1951 defense agreement itself might be jeopardized.

Comment: Following Iceland's request last December, negotiations for changes in the implementation of the 1951 agreement were initiated in February. The Icelanders want to obtain a greater share in defense construction and to reduce contacts between the local population and the more than 4,000 military and civilian Americans on the island.

The Icelandic foreign minister plans to make a statement on the agreement before parliament adjourns on 14 April. A generalized statement failing to announce significant progress in the negotiations would hardly satisfy the extreme nationalists and could lead to stronger demands for the government to take a firmer stand or even abrogate the agreement. The government could conceivably fall on this issue. [redacted] 25X1A